

# Annual Report

City of St. Albans, Vermont

July 1, 2015 to June 30, 2016



SAINT ALBANS  
*Vermont*

City Hall, 100 North Main Street, St. Albans, VT



## CITY OF ST. ALBANS DIRECTORY

<b>EMERGENCY NUMBERS:</b>	
Fire--emergency	911
Fire--non-emergency	524-2132
Police--emergency	911
Police--non-emergency & Animal Control	524-2167
AmCare Ambulance Svc.-emergency	911
Northwestern Medical Center Hospital	524-5911
<b>CITY CONTACT INFORMATION:</b>	
<b>Hours:</b>	
City Hall: 7:30 a.m. to 4:30 p.m.	
Municipal Complex (fire & police) 24 hours through dispatch	
Public Works Garage: 7:00 a.m. to 3:30 p.m.	
<b>Address:</b>	
PO Box 867, 100 North Main St., St. Albans, VT 05478	
City's Website: <a href="http://www.stalbansvt.com">www.stalbansvt.com</a>	
<b>Departments:</b>	
City Clerk & Treasurer	524-1500, ext. 261 & 264
City Manager	524-1500, ext. 254
Director of Operations & Business Development	524-1500, ext. 260
Director of Planning & Development	524-1500, ext. 259
FAX	524-1505
Finance	524-1500, ext. 256, 257 or 258
Franklin Grand Isle Restorative Justice Center	524-7006
General Assistance	524-1500, ext. 253
Listers	524-1500, ext. 263
Planning & Zoning	524-1500, ext. 262
Public Works Director	524-1500, ext. 267
Recreation Department	524-1500, ext. 266 & 268
Utility Billing	524-1500, ext. 253
Wastewater Treatment Plant	524-1509
Water Treatment Plant	524-2495
<b>SCHOOLS:</b>	
Franklin Central Supervisory Union	524-2600
St. Albans Elementary School	527-0565
Bellows Free Academy	527-6400
Collins-Perley Sports Complex	527-1202

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Mayor: Elizabeth Gamache  
Ward 1: Timothy Hawkins  
Ward 2: James Pelkey  
Ward 3: Tammi DiFranco  
Ward 4: Scott Corrigan



Ward 5: Kate Laddison  
Ward 6: Chad Spooner  
Clerk/Treasurer: Susan Krupp  
City Manager: Dominic Cloud

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## Mayor's Report 2016

The year 2016 witnessed the accomplishment of many long term objectives. On the economic development front, the 84 room Hampton Inn completed the final piece of the downtown core redevelopment. Initiated in 2012 with the creation of the Tax Increment Finance District, the downtown core project involved construction of a city owned parking garage, a new 47,000 square foot office building, and streetscaping and brownfield cleanup. All told, \$16 million in public investment has leveraged over \$50 million in private investment – a 40 percent increase in the grand list within the TIF.

The success of the downtown core redevelopment has allowed the City to pivot to additional redevelopment opportunities such as the four properties on the corner of Congress and Main. The City acquired these properties as they were on the way to foreclosure and is in the process of exploring several redevelopment concepts, from mixed use retail and residential to large single occupancy buildings that would help catalyze the rest of the downtown.

In the neighborhoods, the City acquired the property located at 36 Diamond and demolished the abandoned structure. Partnering with Northwest Technical Center, the City worked with a local architect to design and build a new “old” house that would fit with the neighborhood. Over two years, students learned from the local trades as they constructed the new house and removed one of the largest eyesores from the neighborhood. Following a successful sale, the City hopes to identify a new property for the students in 2017.

Rounding out our economic development initiatives is the neighborhood curb and sidewalk project. Sidewalks are, quite literally, the infrastructure that keeps a community connected. In 2016 voters authorized \$4.95 million for neighborhood sidewalks. Having witnessed the rehabilitative power of streetscaping downtown, residents enthusiastically supported the neighborhood sidewalk bond which will replace all neighborhood sidewalks that received a ranking of poor in an engineering assessment. Construction for this project began in 2016 and will occur over three or four years.

Public Safety remains a high priority for the City. Since regionalizing the police department several years ago, we have made steady progress on reducing drug-related property crimes. Still, opiates remain a serious problem that impacts individuals, families, and the community at large. We continue to coordinate with partners and stakeholders to best use resources toward prevention, treatment and enforcement. Also on the horizon is the need to construct a new public safety building that is right sized for today’s staff size and programming.

Finally, 2016 witnessed the completion of long standing infrastructure priorities. After 20 years of planning, City Hall was renovated to improve handicap accessibility, public records storage, and restore the 300 person auditorium to a multi-functional performance space. In addition, Fairfield Street and the underlying utilities was fully reconstructed and the curbs and sidewalks on Lake and Main were reconstructed in advance of State paving in 2017.

On behalf of the City Council, we remain grateful and humbled by the voters support and the shared vision of a St. Albans on the move.

Elizabeth Gamache, Mayor

Mayor: Elizabeth Gamache  
Ward 1: Timothy Hawkins  
Ward 2: James Pelkey  
Ward 3: Tammi DiFranco  
Ward 4: Scott Corrigan



Ward 5: Kate Laddison  
Ward 6: Chad Spooner  
Clerk/Treasurer: Susan Krupp  
City Manager: Dominic Cloud

**WARNING  
ANNUAL CITY MEETING  
CITY OF ST. ALBANS**

**Tuesday, March 7, 2017**

The legal voters of the City of St. Albans are hereby warned and notified to meet at the City Hall auditorium, located at 100 North Main Street, on Tuesday March 7, 2017, for the purpose of voting upon the articles as herein set forth. The polls will open at 7:00 a.m. and will remain open until 7:00 p.m. Articles will be voted upon by use of the voter checklist and official printed ballots.

**Article 1: Elected Positions**

To elect from the legal voters of said City, the following officers:

- City Council Member to represent Ward Three for a term of three years;
- City Council Member to represent Ward Four for a term of three years;
- Two Trustees for the St. Albans Free Library for a term of three years each;
- Any other officer or officers required by law to be elected at said meeting.

**Article 2: City Budget**

Shall the voters adopt the City Council's proposed budget for FY 2018 totaling \$8,124,275 with an estimated municipal tax rate of \$.8775 on the Grand List?

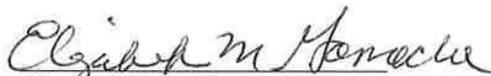
**Article 3: Wastewater Treatment Improvements**

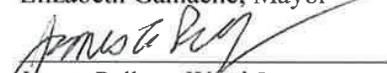
Shall bonds or notes of the City of St. Albans in an amount not to exceed \$18,000,000 be issued for the purpose of reconstructing the wastewater treatment facility and associated infrastructure?

**Article 4: Re-direct Existing TIF Debt**

Shall the voters authorize the City to re-direct up to \$500,000 of TIF funds previously approved for the parking garage, for the purpose of streetscape and roadway improvements on Federal, Market, Catherine, Stebbins, and Lake Streets, commonly known as The Federal Street Project?

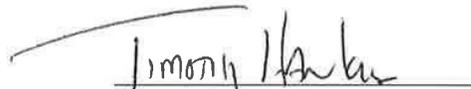
Adopted and approved at a Special Meeting of the City Council, duly called, noticed, and held on January 25, 2017.

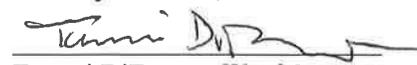
  
Elizabeth Gamache, Mayor

  
James Pelkey, Ward 2

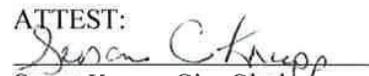
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Scott Corrigan, Ward 4

  
Chad Spooner, Ward 6

  
Timothy Hawkins, Ward 1

  
Tammi DiFranco, Ward 3

  
Kate Laddison, Ward 5

ATTEST:  
  
Susan Krupp, City Clerk

City of Saint Albans  
General Fund 2018 Budget Proposal

	A	B	C	D	E	F	G	H	I	J	K	L	M
	<b>General Fund 2018 Budget Proposal: Summary of all Revenues and Expenditures</b>												
	2013 Actual	2014 Actual	2015 Actual	2016 Budget	2016 Actual	2017 Budget	2017 Budget	2017 Budget @ 12/31/16	% Budget		2018 Draft	Change from Prior Year	Percent Change from Prior Year
1													
2													
3	3,474,586	3,880,339	3,888,456	3,996,966	4,136,694	4,187,315		2,093,658	50.0%		4,391,003	203,688	4.9%
4	279,121	247,652	163,934	147,473	222,794								NA
5													
6	19,924	26,394	27,465	33,000	22,374	33,000		(235)	-0.7%		25,000	(8,000)	-24.2%
7	35,782	39,007	38,096	40,000	40,217	40,000		22,149	55.4%		40,000		0.0%
8	8,385	8,921	8,920	8,500	11,259	8,500			0.0%		9,000	500	5.9%
9	2,867	4,163	1,676	4,000	10,453	4,000		3,996	99.9%		5,000	1,000	25.0%
12	30,750	32,290	36,900	37,500	37,500	38,625		19,313	50.0%		49,784	11,159	28.9%
13	44,075	46,260	53,100	52,500	52,500	54,075		27,038	50.0%		1,622	1,622	3.0%
14	87,031	77,782	75,520	38,750	81,465	38,750		88,175	227.5%		42,500	3,750	9.7%
15	19,259	42,248	44,477	35,000	32,025	45,000		3,745	8.3%		40,000	(5,000)	-11.1%
16	106,830	102,668	108,319	110,200	98,544	113,750		48,282	42.4%		105,500	(8,250)	-7.3%
17	381,028	34,414	28,886	32,500	106,449	31,500		17,493	55.5%		32,750	1,250	4.0%
18	23,846	23,291	22,212	23,050	22,283	22,900		605	2.6%		22,900		0.0%
19	75,611	66,193	112,563	569,430	530,946	84,000		33,101	39.4%		85,000	1,000	1.2%
20	1,369,510	1,477,574	1,571,162	1,534,538	1,582,939	1,708,986		923,536	54.0%		1,534,594	(174,392)	-10.2%
21	194,048	320,940	406,082	131,500	460,352	136,500		63,543	46.6%		143,500	7,000	5.1%
22		401,529	387,074	332,235	409,775	474,092		225,630	47.6%		437,792	(36,300)	-7.7%
23			65,066	108,800	141,535	163,350		87,623	53.6%		211,850	48,500	29.7%
24	412,791	479,904	525,229	509,774	703,143	723,065		314,537	43.5%		892,405	169,340	23.4%
25	7,097,190	7,311,578	7,565,075	7,745,736	8,703,247	7,907,408		3,972,188	50.2%		8,124,275	216,868	2.7%
26													
27													
28	272,541	322,809	301,010	427,898	262,686	427,973		157,874	36.9%		384,904	(43,069)	-10.1%
29	6,430	9,127	8,908	10,000	7,684	10,000		6,226	62.3%		10,000		0.0%
30													
31	71,395	31,462	80,824	54,600	57,872	56,000		33,651	60.1%		62,500	6,500	11.6%
32	150,687	151,475	230,265	237,184	238,458	245,584		124,204	50.6%		261,083	15,499	6.3%
33	65,671	61,566	67,460	72,460	61,862	71,503		44,572	62.3%		85,631	14,128	19.8%
34	257,809	282,474	368,117	268,567	298,435	301,653		178,050	59.0%		362,311	60,658	20.1%
35	48,388	34,107	18,366	40,000		45,000			0.0%		7,500	(37,500)	-83.3%
36	48,180	46,898	46,748	47,396	46,404	45,946		25,081	54.6%		54,189	8,243	17.9%
37	433,271	438,903	453,337	120,501	463,995	379,318		234,265	61.8%		579,017	199,699	52.6%
38	593,415	443,564	424,212	390,451	383,334	408,909		206,606	50.5%		407,851	(1,058)	-0.3%
39	74,375	93,673	70,341	565,063	490,957	25,000			0.0%		22,500	(2,500)	-10.0%
40	3,056,518	3,277,711	3,293,654	3,107,995	3,294,099	3,076,438		1,437,572	46.7%		3,065,980	(10,458)	-0.3%
41	69,595	64,112	80,888	106,792	50,915	85,000		76,676	90.2%		87,500	2,500	2.9%
42	500,296	611,246	657,516	657,969	845,707	641,393		646,670	100.8%		638,438	(2,955)	-0.5%
43	196,424	475,257	486,507	522,078	284,621	464,217		290,660	62.6%		288,887	(175,330)	-37.8%
44	443,830	471,683	471,260	485,687	453,365	487,538		275,947	56.6%		496,332	8,794	1.8%
45	147,582	48,808	30,521	85,000	44,072	85,000		39,275	46.2%		20,000	(65,000)	-76.5%
46			65,066	90,800	135,404	121,550		53,837	44.3%		181,453	59,903	49.3%
47	408,024	479,915	532,366	509,774	532,366	532,366		372,322	51.5%		892,405	169,340	23.4%
48	6,786,432	7,344,770	7,607,366	7,745,736	7,952,230	7,907,409		4,311,910	54.5%		8,124,275	216,866	2.7%
49													

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Dear St. Albans City Residents:

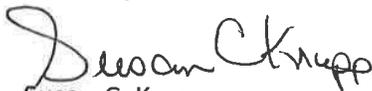
During 2016, The City Clerk's Office recorded 539 Births, 168 Deaths, 55 Marriages and 616 registered dogs.

The Franklin County Human Society will be hosting its annual Rabies Clinic on April 1, 2017 from 10:00 AM 3:00 PM at Guy's Farm & Garden. Rabies vaccines for both dogs and cats will be provided at a discounted price. All City dog owners are encouraged to register their pets at the City Clerk's Office by April 1, 2017. Registering your pet is fairly inexpensive when compared to the stress involved when you pet has run off. My office provides the Franklin County Human Society and the City Police Department with a list of registered dogs in the City to help connect owners with their lost pets. The costs to register a dog in St. Albans City are – Male - \$11.00 (\$9.00 if neutered) Female \$13.00 (\$9.00 if spayed).

As an incentive, each dog registered before the April 1, 2017 deadline, its owner will be entered into a drawing. First prize - \$50.00, Second Prize - \$25.00 and Third Prize - \$10.00.

Also, Vermont residents 62 years of age or older, or a veteran of the uniformed services can obtain a Green Mountain Passport Card. This Passport Card can be used for admission to Vermont State Parks (overnight camping and other park fees are excluded), Vermont State Historic Sites and events which are fully State sponsored as well as local sporting events. To receive a Green Mountain Passport card, St. Albans City residents can fill out an application at the City Clerk's Office, pay the \$2.00 fee, and receive a passport card. It's that easy!

Sincerely,

  
Susan C. Krupp  
City Clerk/Treasurer

# DEFEAT RABIES - Fight with Facts

## Rabies Kills

animals and people!



Vermont

25-50 animals/year positive for rabies

Around the world

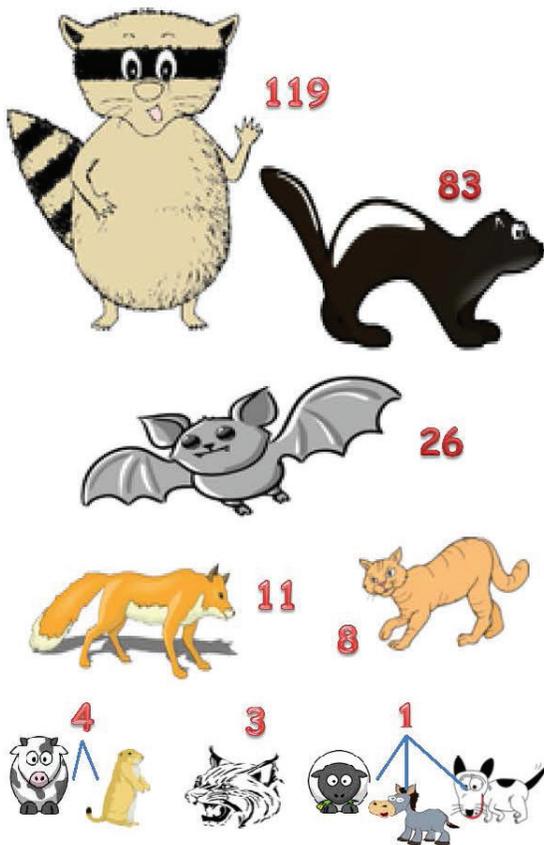


Rabies kills 1 person every 10 minutes

### RECOGNIZE RABIES

### PREVENT RABIES

VT rabies cases since 2011:



Vaccinate your animals!

Avoid any weird-acting animals - then tell an adult!

TALK to your doctor if you get bitten by an animal or wake up to find a bat in your house.

***City of St. Albans***  
***Department of Finance and Administration***

The Finance and Administration department believes fiscal discipline is the key to responsible government. We are committed to working with all City departments to ensure sound fiscal management practices and accountability in the use of taxpayer dollars. The functions of recording financial transactions, safeguarding physical and financial assets, allocation of resources, and procurement and delivery of basic City services, flow through this department. Operations are guided by policies and procedures developed in accordance with Generally Accepted Accounting Principles (GAAP), and Federal and State Policies governing fiscal and personnel oversight. We provide financial information to senior management, external agencies and the City Council to facilitate compliance and informed decision making.

- Administrative functions include budget management and forecasting, assisting members of the public with requests for information, risk management, oversight of procurement policies and practices, and maintenance of the City's Website and Facebook page.
- Human resource functions include oversight of hiring practices, policy development, employee management, union contract negotiation, compliance with union contracts, administration of benefit programs, and all payroll functions and reporting, both internal and external.
- Financial functions include production of financial reports for internal and external users, ongoing review and compliance with GAAP and federal and state grant sources, accounts payable and receivable processing, water and wastewater billing, and treasury management.

It is the department's policy to be available at all times to the general public. You can find us weekdays from 7:30 to 4:30 on the second floor of City Hall.



## **St. Albans Police Department:**

The St. Albans Police Department responded to 12,512 calls for police service, arrested 747 adult offenders, 35 juvenile offenders and took 113 public inebriates into protective custody. The total number of individuals taken into custody by the Police Department in 2015 was 860. The Police Department also conducted 3,752 Motor Vehicle stops which resulted in the issuance of 1,727 traffic tickets. Parking continues to be a major issue in the Downtown Business District so renewed efforts to provide regular and consistent parking enforcement were undertaken. As a result 1,732 Parking Tickets were issued in 2016. Friday's continue to be the busiest day of the week and the busiest time of the day is between 7:00 a.m. and 6:00 p.m. daily. St. Albans Police Officers conducted 517 (documented) foot patrols and conducted 21,126 Security Checks (I.E; Critical Infrastructure, Businesses and Requested Personal Property checks throughout the Town and City). Incidents and police activity in the Town of St. Albans represents between 33% and 36% of all SAPD activity.

Over the past year the St. Albans Police Department and Franklin County Sheriff's Department have forged a cooperative relationship in a number of areas of mutual interest and of major mutual benefit to the communities that both agencies serve respectively. The most visible partnership has been the blending of the City's Rapid Response Team and the Sheriff's Departments Tactical Response Team. Prior to the merging of these two teams each organization had approximately six or seven specially trained Officers to respond to an active shooter/tactical type of event. The new team now has more than a dozen fully integrated and tactically trained Officers that can rapidly deploy to such an incident. In addition, every Officer on both Departments is trained in "active shooter" response and the team members are equipped with state of the art equipment and advanced training that make us fully capable of dealing with the substantial challenges presented by such an event. In the unlikely event that one of these horrific incidents occurs in our area, we must ensure that we have the ability to respond to and stop an unfolding event from growing and endangering additional lives and public safety in our respective communities.

Gary L. Taylor, Police Chief



[Fire Chief Gary G. "Scooter" Palmer]

**St. Albans City Fire Department:**

This year's annual Fire Report is dedicated to retired Fire Chief Gary Palmer, who passed away on Monday January 16<sup>th</sup>, 2017. Gary Glendon "Chief" "Scooter" Palmer, was a lifelong resident of this area. Chief Palmer joined the St. Albans City Fire Department in 1971 and became Chief of the Department in 1984 until his retirement in 2007. Chief Palmer served this community faithfully for thirty-six years and will be greatly missed.

During the calendar year 2016 the St. Albans City Fire Department responded to 297 emergency incidents. The incidents ranged from: building fires, motor vehicle accidents, rescues and EMS, carbon monoxide alarms, fire alarms, chimney fires, mutual aid calls, etc. The number of actual fire calls was twenty. There were four explosion calls, fifty-nine hazardous materials incidents, seventy-eight fire/carbon monoxide alarms, twenty-two medical and rescue assist, twelve good-intent calls, one-hundred-twenty-six false alarms and false calls and fifty-one service or special incidents calls.

As the City continues to experience a resurgence in downtown development we have kept up with the pace and I am happy to report that the St. Albans City Fire Department is well prepared and equipped to handle any calls that present themselves.

Gary L. Taylor, Fire Chief

**St. Albans City**  
**PLANNING & DEVELOPMENT DEPARTMENT REPORT**  
Respectfully submitted by Chip Sawyer, Director of Planning & Development



**Dave Southwick, Planning and Permitting  
Administrator (left), and Chip Sawyer,  
Director of Planning & Development (right).**

Thank you for reviewing the St. Albans City Planning & Development Department's Annual Report for 2016. Once again, we had a busy and rewarding year. As always, our small department owes a big *Thank You* to the many community volunteers who devote their time and energy to service on our planning & development boards.

### **Planning & Permitting**

#### **Permitting and Development Review**

The City's permitting staff and the Design Advisory and Development Review Boards were busy in 2016. A total of 194 permits were issued, which, coincidentally, is the exact same number as the year before. Fifteen cases were considered before the Development Review Board, and eighteen came before the Design Advisory Board for their guidance. There weren't any singularly significant new developments reviewed in 2016, like the Hampton Inn or City parking garage of previous years, but there was a steady stream of public and private investment in properties throughout the City, from accessory apartments and new kitchens/bathrooms to updated facades and interior improvements.

#### **Drafting the Rules and Plotting Our City's Future**

The City Planning Commission was also very busy in 2016. The PC drafted amendments to the Land Development Regulations concerning driveways and the front entrances of houses, both of which were adopted by the City Council. The PC also began the process of drafting the 2017 City Plan, which covers a broad range of goals, policies, and actions associated with the quality of life in our community.

#### **Welcoming a New Member to the Team**

We were pleased to welcome new Planning & Permitting Administrator Dave Southwick to the department last year. Dave brings with him a wealth of experience from his corporate background and previous role as Executive Director of the Franklin County

Chamber of Commerce. Dave got right to work with a focus on customer service, process organization and procurement of permitting software to aid with applications and research. Dave has shown a passion for working to make the permitting process as pleasant and valuable as possible for our applicants.

### **Stebbins-Catherine Area Wide Planning Project**

In 2016 the Northwest Regional Planning Commission began funding a project to plan for new ideas for public and private investment in the area of Stebbins and Catherine Street. The project, which includes a steering cmte. of City planning & development board members, includes a market feasibility analysis, focus on key underutilized sites, and ample visuals to inspire what could happen next in this corner of Downtown St. Albans. This project continues into 2017.

## **Community Development**

### **Streetscape Projects**

The City continued to invest in Downtown streetscape improvements in 2016. Construction began on the upper block of Lake Street and was largely complete before the winter shut-down. Design and permitting efforts continued on the improvements to the Lake-Catherine-Federal Street intersection project and on the Kingman Street Project.



**The Lake Street Project.**

### **Grant Writing and Management**

Our department focuses significant effort on writing and managing grants in order to add state, federal and other resources to key projects for the City. In 2016, grant applications were submitted for a total of \$2.7 million. Total grant awards in 2016 equaled more than \$630,000, and the department's total managed grant load equaled more than \$1.8 million.

## **Downtown Program**

### **Supporting a Vibrant Downtown**

The City Downtown Board also acts as the Board of Directors for St. Albans for the Future (SAFF), the Downtown St. Albans nonprofit organization. In 2016 the Downtown Board and its committees had a hand in all aspects of Downtown commerce and culture. The board continued to provide essential design input on the City's streetscape projects and allocated funding to inventory storefront accessibility barriers. The committees and staff oversaw the ever-popular Summer Concert Series, Downtown Holiday Raffle, the second annual Chair Affair, and other events. SAFF also created a new committee to channel much of the area's artistic energies into St. Albans Community Arts.

## **The City's Environment**

### **Stormwater and the City's MS4 Permit**

The Planning & Development Dept. manages the City's municipal separate storm sewer system (MS4) permit, which was issued in 2012 to deal with stormwater pollution to Stevens and Rugg Brook. City staff have engaged in local stormwater outreach, planning to manage the City's stormwater and reduce pollution, and various forms of reporting and communication with the Vermont Dept. of Environmental Conservation. In 2016, the City also drafted new stormwater regulations, in compliance with our MS4 permit.

### **City Tree Program**

The City's first Urban Forest Strategic Action Plan was finalized in 2016. The document was drafted in consultation with the Vermont Urban & Community Forestry Program and builds upon the inventory of City trees that was performed in 2015. The action plan sets out the City's long term goals and guidelines for our tree program.

### **Brownfields**

In 2016, the City advanced mitigation efforts on two significant brownfield properties. First, an NRPC grant allowed for additional planning on possibilities for redeveloping the former Fonda/Solo manufacturing site. Second, the removal and disposal of urban fill from the City parking garage and Hampton Inn hotel sites were completed.



**Public comment session for the Stebbins-Catherine St. Project.**

## **Our City's Planning & Development Boards**

The Planning & Development Staff enjoy the privilege of working with four important City boards. With this year's annual report, we would like to extend a special thanks to the local community members who contributed significant amounts of time and energy into guiding our City through numerous challenges and opportunities in 2016:

### **Design Advisory Board**

Katy Collin, Chair  
Evan Champagne  
John Morrie  
KarenMarie Peltier  
Stephen Poston  
Jack Tremblay

### **Development Review Board**

Megan Manahan Bliss, Chair  
Jackie DesLauriers  
Judith Leonard  
Owen Manahan  
Gerry Muehl  
Rebecca Pfeiffer  
Michael Walsh

**Planning Commission**

David Barber, Chair  
Stan Bradeen  
Jackie DesLauriers  
Michael Gawne  
Tom Murphy  
Amy Paradis

**Downtown Board / St. Albans for the  
Future and its committees**

Mike McCarthy, Chair  
Mike Blouin  
Katy Collin  
Pauline Cray  
Sharon Holcomb  
Rachel Kinney  
Conan McKye  
Emily Richards  
Laz Scangas  
David Southwick  
Jes Stumpf  
Jeff Young  
Maureen Brown  
Henry Demar  
Jess Gaudette  
Donna Howard  
Kristine Kubicz  
Jeff Morrill  
Corey Parent  
Keri Poquette  
Jennifer Savage  
Tim Smith

## **BUSINESS DEVELOPMENT REPORT**

Martin Manahan, Director of Operations and Business Development

2016 was once again a busy year in St. Albans; as most of you know, we literally rebuilt Fairfield Street, replacing the 120-year-old water line, installing new sewer lines and storm water lines, including all new connections to each service and several valves throughout the system. We installed new sidewalks on both the north and south side of the street as well as granite curbs from Main Street east to the City limits, and 3 feet of new base throughout the entire street. We installed new sidewalks and curbs along North Main, South Main and Lake Street and will be planting a number of trees to replace the ones that were removed as part of all the construction. Lake Street received a complete streetscape makeover from Federal to Main Street along with the construction of a new Hampton Inn that was started on Lake Street in April, 2016 and is scheduled to be finished this April. The City supported a number of façade projects over the past year, most notably at 45 Lake Street. We also completed the renovations at City Hall which included adding two elevators, all new electrical, plumbing and HVAC systems.

The City purchased several dilapidated properties on North Main Street and Stebbins Street which had fallen into disrepair over the past few years and were being foreclosed on. We are currently working on a Purchase and Sales agreement on the Stebbins Street property which will allow it to be cleaned up and redeveloped. We plan to put out a Request For Proposals for the Main Street properties as well, with the focus on a multi-use re-development.

We are finishing up a neighborhood revitalization project, partnered with Northwest Technical Center on Diamond Street. This is an exciting project that allowed the Building Trade Students to gain the knowledge of building a single-family home from the foundation up. We have also implemented the Green Belt

Ordinance passed by the City Council in an ongoing effort to clean up the residential neighborhoods.

We continue to work on recruiting businesses to our community adding to the diverse downtown business district and community development. Our downtown businesses had a terrific holiday season after overcoming another summer season of street construction and are doing well overall. We will always have an ebb and flow as locally owned businesses face the challenges of running small, typically family owned businesses while facing the challenges of competition and regulations. It is always important that we support our local businesses as they are the back bone of our community and make our downtown the vibrant meeting place it has become.

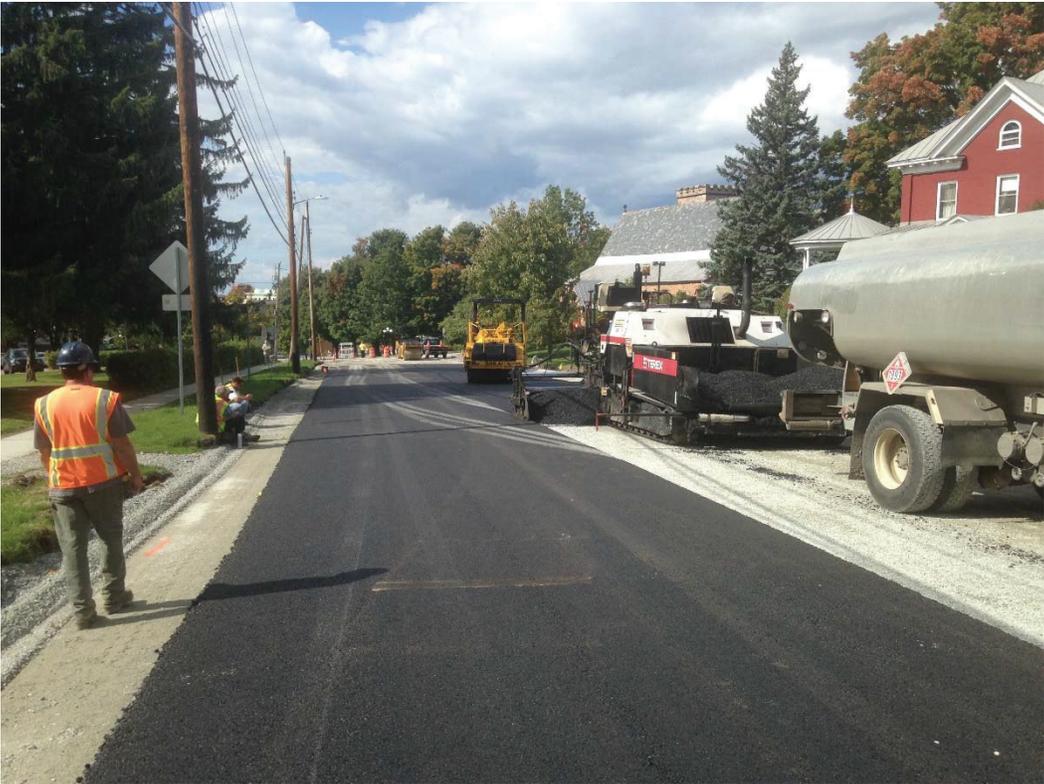
We are fortunate that at this time the only vacancies on Main Street are in the buildings that we have purchased and are working to re-develop.

We held several successful events in Taylor Park throughout the summer, from the Maple Festival, the Wednesday evening Summer Concert Series, the Chair Affair, Art events and the Festival of Trees events kicking off the Holiday season.

The parking garage continues to exceed our expectations and provides an invaluable tool for re-developing our downtown. The garage serves many downtown residents, employees as well as guests visiting our many shops and restaurants.

The success we have had throughout the community in growing our grand list through development opportunities could not have been accomplished without your unwavering support.

Fairfield Street



City Hall Renovation





Our Public Works Department completed the sidewalk project on the east side of Messenger Street which included taking back some of the greenspace in the City right-of-way and helping abutting property owners establish alternative parking areas. All of the initial heavy street sweeping was done in the spring and we continued all throughout the summer and fall every Monday and Friday to maintain all City streets. We were also able to complete all of the catch basin cleaning and removal of the debris to a certified landfill site. Public Works has also started a project to replace all of the MXU's (radio read) technology for all of the water meters in our system. We anticipate this to be a three year project as we will be doing all of the installs with our staff rather than hiring an outside contracting firm.

The Department of Public Works also replaced a 2" galvanized water line on Lake Road below Adams Street which had numerous leaks over the years, resulting in a fair amount of water loss. The replacement should pay for itself over time. We also participated in the water main replacement project on both Fairfield Street and on the Lake Street streetscape project.

This past year was a particularly busy year for the Water Plant operators as they were challenged while the Fairfax Water Plant was taken off line for a major upgrade of the filtering system as well as critical equipment essential to providing safe drinking water to the greater St. Albans community. The water filter was rebuilt from the foundation up and should service our customers for the next twenty plus years. We also replaced some dated add-a-phase transformers with new energy efficient VFD's which should be a substantial cost savings as we move forward.

The Water Treatment personnel completed all of the State and Federal testing required of the water system and we are happy to report that we had no violations as reported in the City's CCR (Consumer Confidence Report). As the Water Department strives to supply safe drinking water to its customers, the water system was tested for PFOA's. This testing is not a requirement and tests results came back well under the industry standard.

The Wastewater Treatment Plant employees were able to process 956 tons of sludge for removal to the landfill site in Plattsburg, NY during calendar year 2016. They also installed a new rail system in the area of the Centrifuge De-watering building to allow for easier maintenance of the equipment needed for the de-watering process. All of the wastewater Pump Stations have been cleaned and serviced with equipment replaced as needed. All of the mandated testing and reporting to the State of Vermont Wastewater Management Division has been completed in a timely manner. Flushing and cleaning of Sewer Mains and structure repairs have been completed.

# St. Albans Recreation Department

The St. Albans Recreation Department and Commission is dedicated to enhancing our community by providing quality, diverse and affordable recreational programming and special events. The Commission is made up of seven community members. Meetings are held on the first Wednesday of the month, 6:00pm at the St. Albans Recreation Department Office at 39 Barlow Street – 2<sup>nd</sup> Floor.

Many events and programming are made possible by the generous donations of our Premiere Sponsors:

**Mimmo's Restaurant ~ Heald Funeral Home ~ People's Trust Company ~ Clarence Brown  
Cold Hollow Photography ~ Classic Imprints ~ Dickinson Branon Dental ~ Kevin Smith Sports  
JAZ Entertainment ~ NMC Urgent Care ~ St. Albans Historical Museum ~ TABS**

The St. Albans Recreation Department continues to grow in numbers of residents participating in programming as well as the number and variety of programs, activities and events being offered. This past year saw a growth in adult programming including painting classes, culinary programming, chair caning, wreath making classes, American Sign Language classes, square dancing, fitness classes, Weekly 5K Trail Runs at Hard'ack essential oil, nutrition and cooking classes. We're rolling out an adult coed soccer league this summer.



With the renovation of the auditorium complete we've seen a huge resurgence in birthday parties! We regularly have four parties per weekend. A set of imagination playground blocks was purchased to add to our bag of birthday tricks and they've been a hit at every party.



We're finding family's needs are changing, and we've adjusted programming to reflect the desires of the community. We're offering afterschool care and enrichment programming like French, Art and ASL. Weekends are pretty busy for families so we're offering events on weeknights when appropriate. We've given Day Camp families registration options and the several payment choices – auto pay & deposits to hold registration for the whole summer.

The concession at St. Albans City Pool received a lot of attention this summer when we decided to offer only healthy options. No Soda, no chips, no candy. It was a bit of a shock for some of our patrons but they quickly adjusted and realized that they could really enjoy a fruit salad or smoothie on a hot summer day. It's the right decision and we'll tweak our offerings going forward. The move was supported by RiseVT who helped by purchasing smoothie making equipment.

We have found a great home for basketball at St. Albans City Elementary School. The full size gym and number of baskets is fantastic and our numbers are growing. We ran a Kindergarten Team, 2 1<sup>st</sup> & 2<sup>nd</sup> Grade teams, and 3 3<sup>rd</sup> & 4<sup>th</sup> Grade Teams this past season. In contrast with this winter we had a bit of snow last

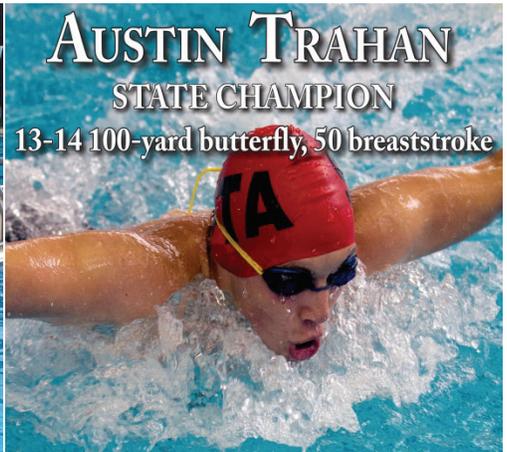


Winter and had a great turn out for the 8<sup>th</sup> Winter Carnival with Family Activities in Taylor Park on Saturday, Fireworks Saturday night, and a full day of fun at Hard'ack on Sunday featuring the Duct Tape Derby and 1<sup>st</sup> Annual Touch Football Snowbowl.

Day Camp continues to be our largest program with 70+ campers each day all summer long. Longtime Director Claudette Bostwick retired last summer. Chris Messier, assistant director and Day Camp Staff Alum will take over this summer. Camp provides kids with fun, active days. Our staff and busy fun filled days set us apart from other camps. The installation of a new Playground and exercise equipment at Houghton Park was a great kick off to summer. The playground & exercise equipment is in use constantly.



The Pool is a hub of activity all summer with St. Albans Sharks Swim Team, American Red Cross Swim Lessons, Lifeguard Training, Aqua Jogging, WSI Training, CVSL Swim Meets, Pirate Party, Kid's Triathlon, private events and Public Swim.



Kelly Viens – Director, Andrew Gratton – Program Manager, Megan Manahan – Chair Elizabeth Studley, Mike Zemianek, Peggy Manahan, Bryan Deslauriers, Morrell Bunbury & Justin Wright

The Recreation Commission welcomes suggestions and values input.



## Franklin Grand Isle Restorative Justice Center

### Mission:

**Guided by restorative principles, the Franklin Grand Isle Restorative Justice Center creates opportunities for meaningful engagement in order to prevent and address harm and build a safe and inclusive community.**

*Dedicated to Accountability, Fairness, Respect and Compassion.*

Fiscal year 2016 was an extremely busy and exciting year for the Franklin Grand Isle Restorative Justice Center (FGIRJC). We celebrated our 1 year anniversary as a merged restorative justice agency bringing together the former Franklin Grand Isle Court Diversion and St. Albans Community Justice Center. After almost two years of deliberate and thoughtful work by the two Boards, staff and community stake holders, these two previously independent entities merged on July 1, 2015 to form our current agency, The Franklin Grand Isle Restorative Justice Center. We are now an affiliated department of the City of St. Albans.

We are so proud of this past year and feel like we have worked hard to build a firm foundation for our new agency internally and within the community. Our focus this past year has been to unite and ground the two programs, staff and Boards around a newly created and defined agency mission statement. We worked with Restorative Justice Consultant, Jon Kidde, from Green Omega in Vergennes over the course of several months on team building and visioning exercises with the staff and Board to develop our new mission and values statements and start an on-going dialogue around hopes and dreams and the future of our newly combined agency. At every step of the process, we focused on how to best support victims of crime, reduce recidivism and build compassionate communities with restorative practices.

We are also fortunate to work with caring and dedicated community partners who are committed to making Franklin and Grand Isle counties vibrant and safe communities to work, play and live.

We want to thank you for your support.

**In FY2016 our agency is proud of guiding...**

- **285 clients through Diversion and Reparative Panels.**
- **120 clients through the One Stop Program.**
- **52 clients through the Restorative Circle Process**
- **7 clients through the Circles of Support and Accountability Program.**
- **13 clients through the Transitional Housing Program.**
- **103 clients through YSASP.**
- **39 clients through the DLS program.**
- **85 Volunteers giving a combined 2,355 hours.**

St. Albans Free Library  
Annual Report 2015-2016

The St. Albans Free Library is supported by funds from both the Town of St. Albans and the City of St. Albans. Additional funds received through donations, grants and trust revenues help fund the overall operation of the Library. The Library serves residents of the Town and City of St. Albans as well as residents of nearby towns that are willing to pay a user fee. Our current user fee for non-residents is \$15/year.

The St. Albans Free Library provides free access to materials, resources, lifelong learning opportunities, and entertainment & information assistance – improving the quality of life of people in St. Albans. In Fiscal Year 2015-2016 the Library circulated 53,638 items to 4302 registered borrowers. The Library enhanced its lending collection by offering 14 non-traditional items, including snowshoes provided by RiseVT. The St. Albans Free Library was also able to improve access to the Library, as well as into the Library, by reconstruction of the parking on Maiden Lane, along with improved sidewalks and a ramp into the Library. The Library also improved its handicap accessibility by providing automatic door openers. In February of 2016, the Library joined a statewide courier project that allows us to use a third party delivery service to help improve our interlibrary loan service.

You can access the online calendar on our website (<http://www.stalbansfreelibrary.org>) from home and we'd be happy to keep you up to date with our library news by email. Just email us at [stalbanfreelibrary@gmail.com](mailto:stalbanfreelibrary@gmail.com) to sign up.



MaryPat Larrabee  
Library Director



Meaghan Malboeuf  
Chair, Board of Trustees

<b>St. Albans Free Library</b>			
<b>Budget for 2017-2018</b>			
		<b>2016-2017</b>	<b>2017-2018</b>
<b>Operating Revenues</b>			
City of St. Albans		\$215,328.00	\$221,788.00
Town of St. Albans		\$131,765.00	\$135,718.00
William Clark Trust		\$9,000.00	\$9,000.00
Ethel Peabody Trust		\$2,000.00	\$2,000.00
Fine/Desk Income		\$4,500.00	\$4,500.00
Gift Funds		\$3,000.00	\$3,500.00
<b>TOTAL</b>		<b>\$365,593.00</b>	<b>\$376,506.00</b>
<b>Operating Expenditures</b>			
Adult Materials		\$7,500.00	\$8,000.00
Youth Materials		\$7,000.00	\$7,500.00
Programs		\$2,000.00	\$3,470.00
Periodicals		\$2,500.00	\$2,500.00
Online References		\$6,500.00	\$6,500.00
Gift Funds		\$3,000.00	\$3,500.00
Salaries		\$114,300.00	\$119,000.00
Wages		\$103,087.00	\$106,000.00
Wages-Cleaning		\$7,176.00	\$7,500.00
Soc Sec		\$17,480.00	\$17,786.00
Work Comp		\$1,500.00	\$1,500.00
Payroll Services		\$2,000.00	\$2,250.00
Employee Benefits (CSTA)*		\$40,500.00	\$38,000.00
Building Insurance (CSTA)*		\$7,000.00	\$7,000.00
Telephone (CSTA)*		\$1,000.00	\$1,000.00
Water & Sewer (CSTA)*		\$800.00	\$800.00
Building Repairs		\$4,500.00	\$5,000.00
Building Reserve		\$1,500.00	\$1,500.00
Fairpoint DSL		\$1,500.00	\$1,750.00
Green Mountain Power		\$10,800.00	\$10,750.00
VT GAS		\$5,000.00	\$5,000.00
Finance Officer Bond		\$200.00	\$200.00
Maintenance contracts		\$5,500.00	\$6,000.00
Postage		\$2,750.00	\$2,500.00
Supplies		\$5,500.00	\$6,500.00
Technology (support & upgrades)		\$5,000.00	\$5,000.00
<b>TOTAL</b>		<b>\$365,593.00</b>	<b>\$376,506.00</b>
*billing is done through the City of St. Albans			



# Northwest Regional Planning Commission 2016 City Report

Northwest Regional Planning Commission is a multi-purpose governmental organization created by the municipalities of Franklin and Grand Isle Counties. NRPC implements a variety of projects and programs tailored to local, regional and statewide needs. All municipalities in the region are entitled to equal voting representation by two locally appointed members to the Board of Commissioners.

## Northwest Regional Planning Commission Projects & Programs:

**Municipal plan and bylaw updates and related technical assistance:** Focus on predictable and effective local permitting through education and training, bylaw modernization and plan updates.

**Brownfields:** Complete environmental site assessments and fund clean-ups so properties can be sold, developed or re-developed to benefit the economy, create or protect jobs and increase housing opportunities.

**Transportation planning:** Coordinate local involvement in transportation decisions through the Transportation Advisory Committee (TAC) and provide services such as intersection studies, corridor plans and traffic counts.

**Emergency planning:** Better prepare our region and state for disasters by coordinating with local volunteers and VT Department of Emergency Management and Homeland Security on emergency planning, exercises and training.

**Energy conservation and development:** Implement projects to support municipal energy conservation to save energy and tax dollars, support job training programs and identify opportunities for renewable energy generation.

**Watershed planning and project development:** Implement water quality projects and programs to protect water resources, ensure safe water supplies, enhance recreational opportunities and address known sources of pollution.

**Regional plans:** Coordinate infrastructure, community development and growth at the regional level through the development, adoption and administration of a comprehensive regional plan.

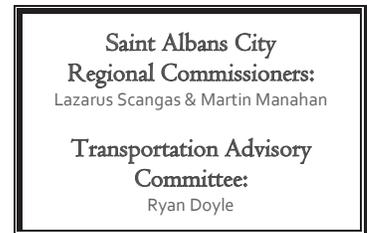
**Geographic Information System Services:** Provide municipalities, state agencies and regional groups with mapping and data analysis in support of their projects.

**Special projects:** Complete special projects such as downtown revitalization, recreation paths, farmland preservation, economic development and affordable housing projects.

**Grants:** Provide assistance identifying appropriate grant sources, defining a project scope and writing grant applications.

## 2016 Saint Albans City Projects:

- ☞ Coordinated the implementation of education and outreach for a Regional MS4 stormwater permit program.
- ☞ Provided \$127,000.00 in environmental assessment and cleanup sub-grant from NRPC's revolving loan fund for the 43 Lake Street property to be developed as a Hampton Inn.
- ☞ Funded Brownfields environmental assessment work at the current City Public Works Garage that will total just under \$40,000 when completed
- ☞ Updated the locally adopted Emergency Operations Plan.
- ☞ Assisted the City Emergency Management Committee in local/regional county EM activities.
- ☞ Supported the City's Emergency Operations Center during frozen water main break that affected residents and Northwest Medical Center.
- ☞ Continued development of a Hazard Mitigation Plan to meet state and FEMA requirements.
- ☞ Created Zoning Maps & Design Review Districts Maps and updated the E-911 poster map.
- ☞ Participated in the Brownfields Economic Revitalization Alliance (BERA) for the development of the Fonda site and provided over \$20,000 to assist with revitalization planning.
- ☞ Worked with City official to undertake an area-wide redevelopment plan for the Federal Street Corridor.



This year the Commission will assist communities with water quality compliance and project implementation, complete a regional energy plan, implement our new regional plan and provide other needed services to our member municipalities. The Commission has no regulatory or taxing authority; however, each year we do request a per capita assessment from our members in support of local and regional activities and to provide matching funds needed for state and federal programs.

Your continued support for local and regional planning is greatly appreciated. NRPC is your resource -- please call on us for assistance with planning, zoning, transportation, mapping or other needs.

Northwest Vermont Solid Waste Management District  
2016 Supervisor's Report

The Northwest Solid Waste District's (NWSWD) mission is to provide for the efficient, economical, and environmentally-sound reduction, reuse, recycling, and finally disposal of solid waste. 2016 was a great year for the NWSWD -- our efforts resulted in the District successfully diverting more waste from the landfill than any year before! Waste diverted was recycled or reused and helped conserve resources and keep toxic materials out of Vermont landfills.

The District was able to increase our programs and services like composting, hazardous waste, and reuse. We also offered more workshops and increased our ability to pass on useful information through channels like farmer's markets and fairs, and the internet. These efforts helped Franklin and Grand Isle counties reduce the waste they sent to the landfill. We measure our success by looking at the weight of waste that we sent to the landfill and what we were able to divert through reuse and recycling. All this work showed in the amount of waste we diverted from the landfill this year. Some of this year's highlights include:

- All District communities diverted 31% of all waste from the landfill.
- **District operations diverted 1,299 tons of waste from the landfill in 2016! This is a 13% increase from 2015!!**
- Recycled 145 tons of e-waste, a 27% increase
- Held eleven (11) "Backyard Composting" classes for residents
- Increased the number of schools that compost in the district by educating children, setting up systems and collecting food waste in Alburgh, Grand Isle, Isle La Motte, Franklin, Bakersfield, St. Albans City & Town, Fairfield, Enosburg, Grand Isle, Georgia, Sheldon, and Richford
- Collected 45 tons of hazardous material from 1183 Households through our Household Hazardous Waste program. That's over 200 more participants than last year!
- Through our Close the Loop Compost program we collected 310 tons of food scraps from 15 businesses and institutions and 5 residential drop-off points and delivered those scraps to Hudak Farmstand and Greenhouse to be turned into compost.

### **NWSWD by the Numbers**

In the NWSWD, five District run recycling drop-off sites in Georgia, Montgomery, Bakersfield, St. Albans and North Hero, 2 member town run sites (Alburgh and Grand Isle), and mandatory curbside recycling by registered waste haulers allows easy access to recycling for all residents. Overall in 2016, through recycling, reuse and composting, District residents were able to divert 31% of waste created from the landfill as compared to 26% in 2015! After all of this work the average NWSWD resident sent just 3.9 pounds of waste to the landfill per day. Way to go!

Through our District-operated sites and programs, this year we disposed of 759 tons of trash and recycled or diverted 1,299 tons of material, including 399 tons of blue-bin recyclables setting the diversion rate for District Services at 51%.

All District Staff are available through the District office at (802)524-5986 or [info@nswsd.org](mailto:info@nswsd.org). For more information about the District and our services, how to reduce and recycle your waste, or how to get involved call District staff at the above number or come visit at 158 Morse Drive in Georgia (we even give tours of our Recycling Center.) You can also visit us on the web at [www.nswsd.org](http://www.nswsd.org), find us on Facebook, and sign-up for our e-mail updates. More information can also be found in our Newsletter available at your Town Meeting.

On a final note the NWSWD would like to recognize the passing of William Cioffi who was St. Albans City's representative on our Board of Supervisors since we were founded in 1987. We are saddened by the loss and will miss his contributions to our organization.

State of Vermont  
Department of Health  
St. Albans District Office  
27 Federal St. Suite 201  
St. Albans, VT 05478  
HealthVermont.gov

[phone] 802-524-7970  
{fax} 802-527-5405  
[toll free] 888-253-8801

*Agency of Human Services*

## Vermont Department of Health Report for St. Albans

Your local health district office is in St. Albans at the address and phone number above. Come visit or give us a call! At the Vermont Department of Health, we are working every day for your health. With twelve district offices around the state, and state office and laboratory in Chittenden County, we deliver a wide range of public health services and support to your community. For example, in 2015 the Health Department:

**Supported healthy communities:** Franklin County Caring Communities was awarded the final year of the Combined Community Grant, at \$110,000.00, to support Alcohol and Drug Abuse Prevention, Tobacco Prevention programs. The Saint Albans District Office was awarded the Regional Prevention Partnership Grant in July, for \$130,000 a year for three years to support substance use prevention.

**Provided WIC nutrition services and healthy foods to families:** We served about half of all Vermont families with pregnant women and children to age five with WIC (Special Supplemental Nutrition Program for Women, Infants and Children). WIC provides individualized nutrition counseling and breastfeeding support. We partner with grocery stores across the state to enable participants to use a debit-like card to access nutritious foods. The average value of foods provided is \$50 per person per month.

**Worked to prevent and control the spread of disease:** In 2015 we responded to 111 cases of infectious disease in Franklin County. In 2015, \$13,916,297 of vaccine for vaccine-preventable diseases was distributed to healthcare providers statewide.

**Aided communities in emergency preparedness:** In July of 2016 the Saint Albans District Office, in collaboration with Saint Albans Town Educational Center and the Saint Albans Police Department, participated in a large-scale exercise to practice our procedures for distributing medicine to a large number of people in a short period of time. Plans such as these are utilized to keep people from getting sick during a public health emergency. For 2016/17, \$10,000 will be available to fund trainings and purchase supplies for volunteers in the Northwest Vermont Medical Reserve Corps. These volunteers are preparing to respond to a variety of health emergencies in Franklin and Grand Isle Counties.

Throughout the 2016 summer, Northwest Vermont Medical Reserve Corps members visited numerous state parks in both Franklin and Grand Isle Counties distributing summer go-bags that contained bug spray, sun block, and tools and information for tick removal. Six Medical Reserve Corps Units from all over Vermont worked together to educate Vermonters on precautions one should take to enjoy the bountiful activities that Vermont offers.



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For more information, news, alerts and resources: Visit us on the web at [www.healthvermont.gov](http://www.healthvermont.gov).

Join us on [DISTRICT FACEBOOK ADDRESS](#) and follow us on [www.twitter.com/healthvermont](https://www.twitter.com/healthvermont).



## Saint Albans Museum: 2016 Annual Report

The Saint Albans Museum (SAM) is proud to be your community museum, and a center for learning and discovery. This season, we welcomed over 1,000 students, area residents, and visitors to explore our regional heritage through exhibits, tours, research projects, educational programs, and special events.

SAM is a non-profit 501(c)(3) charitable organization, and celebrated our 50<sup>th</sup> anniversary in 2016. It is our mission to collect and preserve historical and cultural material relevant to our community, and to display and interpret selected material from the collections for the education and enjoyment of the public. The exhibits at SAM are open seasonally (May – early October), and the Research Room is available by appointment. The Bliss Room may be reserved throughout the year for special events, weddings, meetings, and other functions.

A significant component of our mission is education. SAM received funding from the Leadem Foundation and the Champlain Valley National Heritage Partnership to collaborate with educators and students from our area schools. Currently, students from Bellows Free Academy are putting the finishing touches on a new St. Albans Walking Tour app, which features images, video, and a history of our community and local architecture in both French & English. We also joined with St. Albans City School students to plan a Naturalization Ceremony for new U.S. citizens, and with St. Albans Town Educational Center students to create displays for their version of the “Seven Wonders of St. Albans.”

SAM offered a number of presentations, free and open to the public, on historical topics including: the Central Vermont Railway, maple syrup production, Vermont topography, a Civil War veteran & entrepreneur from St. Albans, and more. In addition, we staged a community production of a one-act play for Women’s History Month, hosted a Holocaust Remembrance Day lecture, and organized Franklin County’s only alternative wedding show and flea market, “Something Borrowed.” Over 300 youth and family members attended our first ever “Kid’s Night at the Museum,” and our Maple Festival Open House was also a success. A partnership to develop a new history display with Northwestern Medical Center was announced as well.

We debuted several displays this summer, featuring a War of 1812 cannon and three of the original “Ladies” from the Taylor Park Fountain. Our new women’s history exhibit received an award from the Vermont Historical Society. Another highlight was a loaned postcard collection with images of St. Albans Bay. Plans are underway for two new exhibits in 2017 highlighting St. Albans City and Town: one detailing local fraternal, social, and civic organizations, and a second focused on the importance of agriculture to our area.



# SAINT ALBANS MUSEUM

We rely on the generosity of our members, volunteers, and friends to operate our historic facility (constructed in 1861), and to offer a variety of family-friendly programs and activities. Please be in touch to learn how you can become more involved in your community museum - or if you would like to donate material relevant to the history of St. Albans to our collections and archives. You can connect with SAM online, by phone, or by mail:

PO Box 722  
9 Church Street  
St. Albans, VT 05478  
(802) 527-7933  
[www.stamuseum.org](http://www.stamuseum.org)  
[www.facebook.com/stamuseum](http://www.facebook.com/stamuseum)

From all of us at the Saint Albans Museum, we truly appreciate your support over this past half-century – we look forward to the next 50 years!

### *Board of Trustees*

Ron Anstey  
David Chambers  
Lisa Cioffi  
Barb Duval  
Louise Haynes, *Secretary*  
AJ McDonald  
Don McFeeters  
Charlie Moore, *Vice President*  
Jim Murphy  
John Newton, *President*  
Don Poirier, *Treasurer*  
Patty Rainville  
Laz Scangas  
Kim Smith

### *Staff*

Alex Lehning, Executive Director



FRANKLIN COUNTY  
INDUSTRIAL DEVELOPMENT  
CORPORATION

Franklin County Industrial Development Corporation  
Town Report  
Calendar Year 2016

The mission of FCIDC is to engage in a process of building a strong and diversified market economy that serves the interest of area enterprises, municipalities, residents and to strengthen our economy through the creation and retention of jobs and build a business environment suitable to host capital investment.

During the year 2016 the local economy continued to remain strong in most sectors; the overall County unemployment rate is currently 3.6%, wages continue to rise and the manufacturing sector continues to hire and make capital investments. In the largest dairy county in New England milk prices continue to remain low; in turn restricting an otherwise strong local economy. Gas prices and heating fuels continue to remain relatively low, this allows for an increase in disposal income or the ability to reduce debt or add to savings.

During the latter months of 2016 a number of permit applications were filed in hopes of breaking ground on a few major projects come Spring of 2017. If these projects come to fruition and when added to the Northwestern Medical Center and St. Albans hotel construction there could be in excess of 115 million dollars of construction going on in Franklin County throughout 2017.

Two of the most common questions that we get asked are, "did the Energizer facility sell yet" and "when will the hotel open"? The Energizer property did finally sell in December 2016 to a developer who will be trying to attract new businesses to the building. As for the new hotel being built in St. Albans, a project initiated by the City of St. Albans, it is expected to be open in June of 2017.

With all of that good news here is the information that everyone should pay the most attention to and that is, there is a large workforce gap right on our doorstep. As Baby Boomers are retiring and leaving the workforce, the number of individuals graduating from high school has dropped significantly due to a drop in birth rates. Outside of Maine, Vermont has the oldest population with no relief in sight. With a declining workforce any growth in our economy will be difficult in the years to come. The Workforce Investment Board led by Kathy Lavoie is working on a number of initiatives that are focused on workforce training and career education for local high school students.

All things considered I still think Franklin County is in a good place.....as we always tell people 'sure things could be better, but I can guarantee you that we are still a lot better off than most rural communities!"

All of the Franklin County communities are huge supporters of economic development and the creation of quality jobs. The more rural communities understand that even though manufacturing may not be appropriate for their specific town, job opportunities in other parts of the county can be a benefit to their residents. In addition, the manufacturers of value added milk products are valuable to our dairy base.

Thank you for the opportunity to share a very brief overview of FCIDC's activities for 2016. Please feel free to contact the office at (802) 524-2194 with any questions.

Respectfully,

Timothy J. Smith  
Executive Director

P.O. Box 1099

St. Albans, Vermont  
05478-1099

(802) 524-2194  
Fax: (802) 524-6793

E-mail: info@fcidc.com  
tim@fcidc.com  
Web Site: fcidc.com



# SAINT ALBANS

*Vermont*

**City of St. Albans, Vermont**

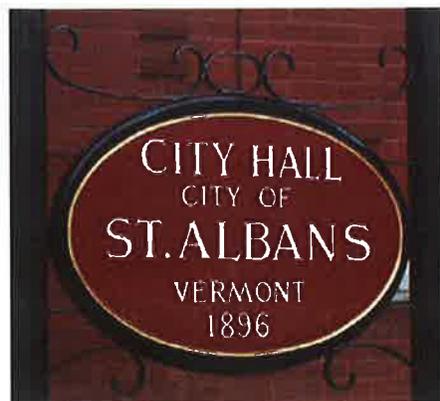
**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2016**

# **CITY OF ST. ALBANS, VERMONT**

## **Comprehensive Annual Financial Report For the Year Ended June 30, 2016**



**Prepared by:  
The Finance Department**



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CITY OF ST. ALBANS, VERMONT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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# INTRODUCTORY SECTION



# SAINT ALBANS

*Vermont*

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February 16, 2017

To the Honorable Mayor, Members of the City Council, and Citizens of the City of St. Albans:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the City of St. Albans, Vermont, for the fiscal year ended June 30, 2016.

This report consists of management's representations concerning the finances of the City of St. Albans, Vermont (the City). Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework that is designed both to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with generally accepted accounting principles (GAAP). The City's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement as the costs of a framework providing absolute assurance would outweigh the benefits. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City's financial statements have been audited by Melanson Heath, licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of St. Albans, Vermont, for the fiscal year ended June 30, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2016 are fairly presented in conformity with GAAP. The independent auditor's report is presented in the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

State statutes require an annual audit by independent certified public accountants. The City's audit firm is Melanson Heath. The independent auditors' report is located at the front of the financial section of this report. In addition, the City is required to undergo an annual audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform

Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to the Single Audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and auditors' reports on the internal control structure and compliance with applicable laws and regulations, is not included in this year's CAFR but is available in a separate report.

## **Profile of the City**

St. Albans, Vermont was chartered on August 17, 1763 and the City of St. Albans was incorporated in 1896. The City, an area of approximately two square miles, is surrounded on all sides by the Town of St. Albans. As of the 2016 census the City had a population of 6,816. The City is empowered by state statute to levy a property tax on all real property located within its borders as well as provide water and wastewater services to users of the City of St. Albans Water System as described in the City's Water Ordinance.

The City operates under the Council-Manager system of government. Policy making and legislative authority are vested in the City Council consisting of the mayor and six other members. The mayor is elected at large and each of the six members is elected from one of six wards. Council members serve three-year terms with two members elected every year. The Mayor is elected for a two year term. The Mayor and Council hire a City Manager who is charged with overseeing the day to day operations of the City.

The City provides a full range of services, including police and fire protection; snow removal; the construction and maintenance of streets and sidewalks; licenses and permits; vital statistics; recreational and cultural activities; and other general administrative services. Through its enterprise funds the City provides water and wastewater services to all City residents as well as residents in surrounding communities. Enterprise funds are designed to be self-supporting through the collection of user fees.

The City Manager, with input from the Director of Administration and department heads, presents an annual General Fund budget to the City Council for approval. Once the City Council approves the recommended budget, the budget is voted on by the registered voters of the City on the first Tuesday in March. The voters have the final level of approval of the budget and once approved it may not be amended without subsequent voter approval. Budgetary approval for the City's enterprise funds rests solely with the City Council.

## **Factors Affecting Financial Condition**

### ***Local Economy***

The City of St. Albans is the county seat of Franklin County in the northwest corner of Vermont. The City's population of 6,860, as reported in the most recent census estimates, reflects a steady decrease over the last ten years of about ten percent. Median household incomes in the City are lower than the state as a whole. Unemployment in the City is at 3.00% which is for the first time lower than the statewide 3.2% unemployment rate; this is a change in the historical trend wherein

the City typically had a higher unemployment rate than the state overall. A positive result for the City and our citizens.

The assessed value of taxable real property as of April 1, 2016 increased by 4.2% (\$21,717,100) compared to April 1, 2015. The percentage of taxes collected as of June 30, 2015, for the 2015 tax year was 98.40% a slight increase from 98.14% the previous year. Total delinquencies, for the year as of June 30, 2016 were \$195,778 (1.60% of billed) compared to \$214,741 (1.86% of billed) the previous year.

During the past ten years, charges for services in the governmental funds have increased in amount and as a percentage of total revenues. For the year ended June 30, 2016 charges for services made up 21.7% of total revenues (excluding other financing sources) in governmental funds, reflecting an increase of 504.9% over the last ten-years. This increase in charges for services has been necessary to stabilize the property tax rate and diversify the City's revenue sources. To illustrate, property tax revenue which remains City's largest source of revenue, has increased 43.7% over the last ten years, largely a result of growth in the grand list. The City's equalized grand list assessed value was \$384,655,000 in 2007 and has grown by 40% to \$540,302,440 in 2016. In addition to an increased reliance on charges for services, the City has increased reliance on intergovernmental revenues by 94.8% over the last ten years. For the year ended June 30, 2016 intergovernmental revenues were 24.0% of total revenues in the governmental funds, excluding other financing sources.

### ***Long-term Financial Planning***

The City Finance & Administration Department presents regular financial reports to elected officials and management. In addition to these reports the City maintains a long-term capital improvement program (CIP). The CIP is a proposed schedule of public projects and improvements to be constructed or purchased by the City. The CIP includes a detailed plan for financing each of the projects.

As part of the annual budget process, the City reviews all General Fund revenues to determine budgetary needs. Enterprise funds are reviewed for adequate support of operations. The enterprise funds are fully self-supporting and receive administrative overhead support from the General Fund. Rates are reviewed annually in conjunction with the budgeting process and adjusted appropriately.

### ***Relevant Financial Policies***

The City implemented a comprehensive set of financial policies in July 2011 and has updated those policies as of the end of August 2012. The policy manual includes policies covering financial reporting, cash management, credit cards, debt, investments, purchasing, and fund balance. The purpose of the financial policy manual is to establish and maintain high standards for the accounting practices of the City which guarantees that the City's financial statements have reliable, transparent data on which to base decisions. The Finance Department has also implemented a comprehensive procedures manual. Throughout the year finance staff works to improve and update the policies and procedures, as needed. The City is developing a multi-year budget

forecast that would incorporate the impact of the CIP and organization-wide strategic goals and strategies that influence future operating budgets.

### *Major Initiatives*

The City was approved for a Tax Increment Financing (TIF) district by the State of Vermont and local voters in 2012. The TIF district is a major piece of a larger downtown redevelopment plan. The purpose of the TIF district is to implement a series of eight projects to stimulate development and redevelopment in the City. These projects include the implementation of the Taylor Park Master Plan, the construction of a 365-space parking garage, clean-up and redevelopment of multiple Brownfield sites, pedestrian improvements, streetscape projects, and a storm water treatment project. TIF in St. Albans has proven a critical element in spurring redevelopment in the downtown. Since the inception of TIF in 2012 the municipal grand list within the TIF district has grown by 41% from an original taxable value of \$106,828,000 in 2012 to \$149,329,837 in 2016. This impressive early growth is a testament to the combination of private and public investment which has increased viability and accelerated revitalization of the City.

On October 30, 2014 the City opened the St. Albans Parking Garage with a ribbon cutting ceremony and a visit from the Governor. The 365-space parking garage fills a desperate need for parking in the downtown core, contributing to the vitality of downtown businesses. During its first full year of operations the garage generated roughly \$114,000 in operating revenues. On average, there are 120 parking passes purchased for the parking garage in addition to a contracted 170 passes for the State of Vermont, in addition to transient parkers who pay an hourly or daily rate.

In January 2015, the State of Vermont relocated its offices from Houghton Street to a brand new, privately owned 45,000 square foot office building on Federal Street. The construction of the new building was made possible by the sale of the Houghton Street location to Mylan Technologies in anticipation of an expansion by Mylan, and the agreement of the State of Vermont to relocate to downtown St. Albans. Additionally, the construction of the parking garage was critical to the move as parking was previously limited in the downtown. The transfer of the State-owned building to private ownership and the construction of the new office building, adds a combined \$18,369,000 to the grand list.

The City has partnered with PeakCM to construct an 84-room, nationally-franchised hotel on Lake Street in the heart of the St. Albans Downtown. The Lake Street Hotel is the final piece of the City's downtown core project. The hotel has passed the planning phase and construction began in FY16; completion is expected in the spring of 2017. In addition to the construction of the hotel, Lake Street will see streetscape improvements using unspent TIF funds that were reallocated for this purpose. Those improvements are timed to be completed with the hotel opening. Further improvements to the Lake and Federal Street intersection are planned for the near future.

Along with projects in the TIF district, the City has begun to shift its focus into the neighborhoods with improvements to infrastructure and a focus on redeveloping blighted properties and rehabilitating substandard sidewalks and curbs. A bond vote in March 2016 authorized the City to bond \$4.95 million towards the reconstruction of all sidewalks and curbs that were rated as

“fair” or “poor” by the City’s engineer. The City also purchased 10 South Main Street in FY16, and subsequently rehabilitated and leased the property, and is currently redeveloping 36 Diamond Street in partnership with the building trades program at our high school.

Construction on the City Hall renovation project began in the spring of 2015 with a complete overhaul of the building. Major improvements to the historic building, completed in FY16, include two new elevators, making the building handicapped accessible for the first time, along with a community room, larger vault space, increased storage, and modern mechanical systems.

In July 2015, the City of Saint Albans Community Justice Center merged with the Franklin-Grand Isle Court Diversion Program. This entailed the incorporation of a local nonprofit into City operations. The combined agency, the Franklin Grand-Isle Restorative Justice Center, serves clients throughout both Franklin and Grand Isle Counties. The merger allows for the City to provide services to individuals currently residing, or soon to be entering, our community, who have had interactions with the justice system. By using restorative justice principles and a victim centered approach the agency strives to assist these individuals to better contribute to the community.

As a result of the brutally cold 2014-2015 winter, the City experienced a higher than average number of water main breaks. We subsequently discovered that many of our older valves, which allow for us to isolate the impact of a break to a few blocks, could not be turned. In conjunction with repairing the water mains, the City installed a number of new valves in the system. For FY16 the City budgeted \$100,000 to replace additional underground valves; in FY17 a further \$75,000 was allocated for new valves. Also in FY16 work was begun on a new filter at the Fairfax Water Treatment facility; and the project will be completed in FY17.

Additionally, underground infrastructure has been replaced on Fairfield Street in conjunction with a state-sponsored paving project. The City financed this project with a voter approved bond issuance of \$2.5 million. The work included stormwater separation from the wastewater system, and important goal for the City as we work to improve water quality in our region.

Preliminary engineering and design work continues for the second phase of the Wastewater Treatment Facility upgrade, with a bond vote planned for FY17. The upgrade will address age related issues at the facility, and will allow for the City to meet more stringent environmental requirements related to the removal of phosphorous from the wastewater stream. Preliminary estimates of the project cost are roughly \$18.0 million.

### ***Awards and Acknowledgements***

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Albans for its comprehensive annual financial report for FY14 and FY15. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Programs' requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire staff of the Finance and Administration Department. We wish to thank all government departments for their assistance in providing the data necessary to prepare this report. The City invites you to visit our website at [www.stalbansvt.com](http://www.stalbansvt.com).

Respectfully submitted,

A handwritten signature in black ink, appearing to read "DCE", with a stylized flourish at the end.

Dominic Cloud  
City Manager



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of St. Albans  
Vermont**

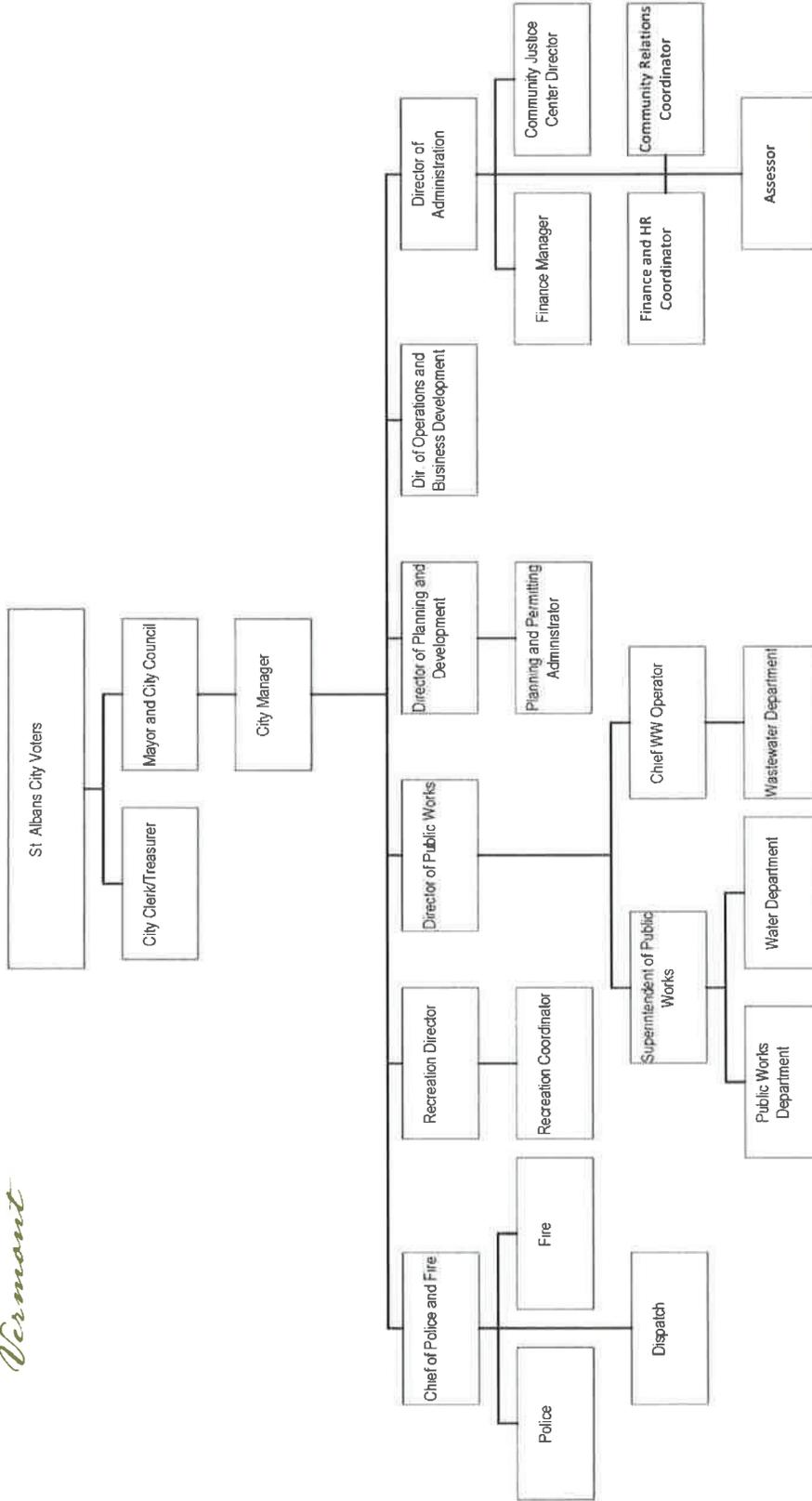
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2015**

Executive Director/CEO



# SAINT ALBANS *Vermont*



CITY OF ST. ALBANS, VERMONT  
PRINCIPAL ELECTED AND APPOINTED OFFICIALS  
JUNE 30, 2016

Elected Officials

Mayor	Elizabeth Gamache
Council Member - Ward I	Timothy Hawkins
Council Member - Ward II	Jim Pelkey
Council Member - Ward III	Tammi DiFranco
Council Member - Ward IV	Scott Corrigan
Council Member - Ward V	Kate Laddison
Council Member - Ward VI	Chad Spooner
City Clerk/Treasurer	Susan Krupp



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# FINANCIAL SECTION



**SAINT ALBANS**  
*Vermont*

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## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and City Council  
City of St. Albans

Additional Offices:  
Andover, MA  
Greenfield, MA  
Manchester, NH  
Ellsworth, ME

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Albans, Vermont, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

### **Management's Responsibility for the Financial Statements**

The City's 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.

### **Auditors' 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Albans, Vermont, as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Budgetary Comparison for the General Fund, the Schedule of Proportionate Share of Net Pension Liability, the Schedule of Pension Contributions, the Schedule of Changes in Net Pension Liability, and the Schedules of Net Pension Liability, Contributions, and Investment Returns 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 evidence sufficient to express an opinion or provide any assurance.

## **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information appearing on pages 84 through 90 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has 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 it.

#### Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 16, 2017 on our consideration of the City'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 the City's internal control over financial reporting and compliance.



February 16, 2017

**CITY OF ST. ALBANS, VERMONT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2016**

Management of the City of St. Albans (the City) offers readers of the basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2016. Please note that this section of the Basic Financial Statements is unaudited.

**FINANCIAL HIGHLIGHTS**

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$23,603,841 (net position). Of this amount, \$2,942,920 (unrestricted net position) may be used to meet the City's ongoing obligations. The balance of net position is made up of \$20,220,087 invested in capital assets net of related debt and \$440,834 restricted for specific purposes.
- The City's total net position increased by \$998,756 (4.42%). Of this amount, net position of the governmental activities increased by \$1,128,188 (15.25%), and net position attributable to business-type activities decreased by \$129,432 (-0.85%).
- Construction in progress increased by \$5,000,003, net of \$654,669, which was capitalized when the Hudson to Hoyt Streetscape project was completed at the end of July 2015, \$363,891 capitalized when the Taylor Park Fountain Restoration was completed at the end of October 2015.
- The City's total outstanding long-term debt (bonds, notes, and leases) increased by \$2,690,187 during the current fiscal year. Additions to long-term debt totaled \$3,927,804 offset by principal payments of \$1,237,617.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,980,479. This is a decrease of \$1,579,640 from the prior year's combined ending fund balance of \$3,560,119. During FY14 the City issued \$14,500,000 in tax increment financing (TIF) bonds, some of which were used for TIF projects with the remainder reflected in restricted fund balance in both FY16 and FY15. Restricted fund balance decreases as these funds are spent on TIF projects.
- During the fiscal year, there was a substantial change that impacts presentation of the financial statements, particularly when drawing comparisons to the prior year. The City's redevelopment fund, which was funded in a prior year with the sale of land for \$2.5 million, was reclassified to be a part of the City's general fund.
- At the end of the current fiscal year, unassigned fund balance for the general fund was in a deficit of \$188,336, as compared to \$0 for the previous year.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements which are presented in three sections: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic financial

**CITY OF ST. ALBANS, VERMONT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**JUNE 30, 2016**

statements, this report also contains other and required supplementary information such as a general fund budget to actual comparison and combining financial statements.

It is important for the reader to understand that, although governmental accounting resembles private sector accounting, the two differ significantly. The government-wide financial statements will be the most familiar for readers versed in private sector financial reporting. Readers should know that the financial activities of the government unit are recorded in funds. A fund, generally, is a separate set of books for each major activity. For example, the City operates a wastewater treatment facility and two water treatment plants. These operations are referred to as business-type activities, they are supported by user fees, and are recorded in enterprise funds separately from the general governmental activities which are accounted for primarily in the general fund and supported in large part by property tax revenues.

### **Government-Wide Financial Statements**

The government-wide financial statements provide a general overview of the City's operations presenting all data on a full accrual basis, similar to the way a private sector business would present its financial statements. There are two statements presented at the government-wide level: the Statement of Net Position and the Statement of Activities. Within each of these statements, governmental activities are presented separately from business-type activities. The governmental activities reflect the City's basic services; including general government, public safety, public works, community development, parks and recreation, and public improvements. Property taxes finance the majority of these services supplemented by program fees, grant revenues, and other revenues. The business-type activities reflect private-sector-type operations for which user fees recover all or a significant portion of costs. The business-type activities of the City include both water and wastewater operations.

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

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

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

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

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**Fund Financial Statements**

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

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. Unlike the government-wide financial statements however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund financial statements provide a detailed short-term view that helps the reader determine the level of financial resources that are available to finance the City's programs in the near future. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided that reconciles the governmental fund financial statements to the government-wide statements explaining the relationship between the two.

The City maintains four major governmental funds; the General Fund, the TIF Debt Service Fund, the City Hall Renovation Capital Project Fund, and the Federal Street Bypass Capital Project Fund. In addition to this, the City maintains four special revenue funds and three capital project funds, none of which qualify as major funds. These funds are consolidated into the column labeled Other Governmental Funds in the Fund Financial Statements. Combining financial statements containing more detailed information on these funds may be found in Schedules 6 through 11.

The basic governmental fund financial statements can be found in Exhibits C through E of this report. The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement is provided in Schedule 1 for the purpose of demonstrating compliance with the duly appropriated budget.

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water Fund and the Wastewater Fund separately.

The proprietary fund financial statements of the City may be found in Exhibits F through H.

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**Fiduciary funds**, also known as trust and agency funds, account for resources for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the programs of the City. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has a Pension Trust Fund, detailed in Exhibits I and J. The City has three Agency Funds with consolidated amounts detailed in Exhibit I and additional information on these funds may be found in Schedule 12.

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

In addition to the basic financial statements and accompanying notes, certain **Required Supplementary Information** is provided, including a budgetary comparison statement for the general fund, information on changes in the net pension liability, employer contributions to pensions, and investment returns. The supplementary information can be found immediately following the notes to the financial statements in this report.

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on the budget and pension.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Summary Statement of Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>	
	2016	2015	2016	2015	2016	2015
<b>Assets:</b>						
Cash and Cash Equivalents	\$ 6,117,272	\$ 4,744,867	\$ -	\$ 2,556,830	\$ 6,117,272	\$ 7,301,697
Other Assets	(2,462,135)	137,073	5,455,810	2,549,718	2,993,675	2,686,791
Capital Assets	26,100,699	21,076,347	21,163,458	20,371,673	47,264,157	41,448,020
Total Assets	<u>29,755,836</u>	<u>25,958,287</u>	<u>26,619,268</u>	<u>25,478,221</u>	<u>56,375,104</u>	<u>51,436,508</u>
Deferred Outflows of Resources	<u>829,969</u>	<u>348,763</u>	<u>272,070</u>	<u>134,340</u>	<u>1,102,039</u>	<u>483,103</u>
<b>Liabilities:</b>						
Other Liabilities	890,517	749,182	863,637	241,644	1,754,154	990,826
Noncurrent Liabilities	20,892,883	17,711,393	10,824,507	10,031,231	31,717,390	27,742,624
Total Liabilities	<u>21,783,400</u>	<u>18,460,575</u>	<u>11,688,144</u>	<u>10,272,875</u>	<u>33,471,544</u>	<u>28,733,450</u>
Deferred Inflows of Resources	<u>277,028</u>	<u>442,034</u>	<u>124,730</u>	<u>131,790</u>	<u>401,758</u>	<u>573,824</u>
<b>Net Position:</b>						
Net Investment in Capital Assets	8,578,242	10,198,477	11,641,845	11,433,940	20,220,087	21,632,417
Restricted	440,834	169,832	-	-	440,834	169,832
Unrestricted/(Deficit)	(493,699)	(2,963,868)	3,436,619	3,773,956	2,942,920	810,088
Total Net Position	<u>\$ 8,525,377</u>	<u>\$ 7,404,441</u>	<u>\$15,078,464</u>	<u>\$15,207,896</u>	<u>\$23,603,841</u>	<u>\$22,612,337</u>

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As noted earlier, net position serves as a useful indicator of a government's financial position over time. At the end of the most recent fiscal year, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$23,603,841. The City's total net position is split between governmental activities net position of \$8,525,377 and business-type activities net position of \$15,078,464.

The largest portion of the City's total net position \$20,220,087 (85.66%) reflects its investment in capital assets (construction in progress, equipment, land, buildings and infrastructure) net of any outstanding debt used to acquire or construct those assets. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in 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. On an ongoing basis, the City strives to work reserves into the annual budget to provide for financial contingencies and reserves for a long-term capital plan.

The City's total net position includes \$440,834 (1.87%) of restricted net position. Restricted net position represents assets whose use is subject to external restrictions. The remaining balance of \$2,942,920 (12.47%) is unrestricted net position, which may be used to meet the government's ongoing financial obligations. Included in unrestricted net position are amounts that management has assigned for particular purposes, such as capital reserve funds and reserves for expenditures in subsequent years.

**Summary of the Statement of Activities**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Government</b>	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,189,534	\$ 2,023,142	\$ 5,177,476	\$ 5,211,993	\$ 7,367,010	\$ 7,235,135
Operating Grants & Contributions	1,333,954	1,060,125	109,666	12,287	1,443,620	1,072,412
Capital Grants & Contributions	1,324,321	1,414,679	-	-	1,324,321	1,414,679
General Revenues:						
Property Taxes	4,941,051	4,534,809	-	-	4,941,051	4,534,809
Other	316,127	201,951	29,606	85,803	345,733	287,754
Total Revenues	<u>10,104,987</u>	<u>9,234,706</u>	<u>5,316,748</u>	<u>5,310,083</u>	<u>15,421,735</u>	<u>14,544,789</u>
Expenses:						
General Government	1,205,537	1,410,424	-	-	1,205,537	1,410,424
Public Safety	4,962,749	4,316,719	-	-	4,962,749	4,316,719
Public Works	1,125,780	1,044,000	-	-	1,125,780	1,044,000
Culture and Recreation	840,608	604,679	-	-	840,608	604,679
Community Development	755,341	554,978	-	-	755,341	554,978
Interest on Long-Term Debt	574,680	517,014	-	-	574,680	517,014
Water	-	-	2,023,263	2,128,265	2,023,263	2,128,265
Wastewater	-	-	2,935,021	2,830,952	2,935,021	2,830,952
Total Expenses	<u>9,464,695</u>	<u>8,447,814</u>	<u>4,958,284</u>	<u>4,959,217</u>	<u>14,422,979</u>	<u>13,407,031</u>
Increase (Decrease) in Net Position						
Before Transfers	640,292	786,892	358,464	350,866	998,756	1,137,758
Transfers	487,896	6,667	(487,896)	(6,667)	-	-
Increase (Decrease) in Net Position	<u>1,128,188</u>	<u>793,559</u>	<u>(129,432)</u>	<u>344,199</u>	<u>998,756</u>	<u>1,137,758</u>
Beginning Net Position, as restated	7,397,189	6,603,630	15,207,896	14,863,697	22,605,085	21,467,327
Ending Net Position	<u>\$ 8,525,377</u>	<u>\$ 7,397,189</u>	<u>\$15,078,464</u>	<u>\$15,207,896</u>	<u>\$23,603,841</u>	<u>\$22,605,085</u>

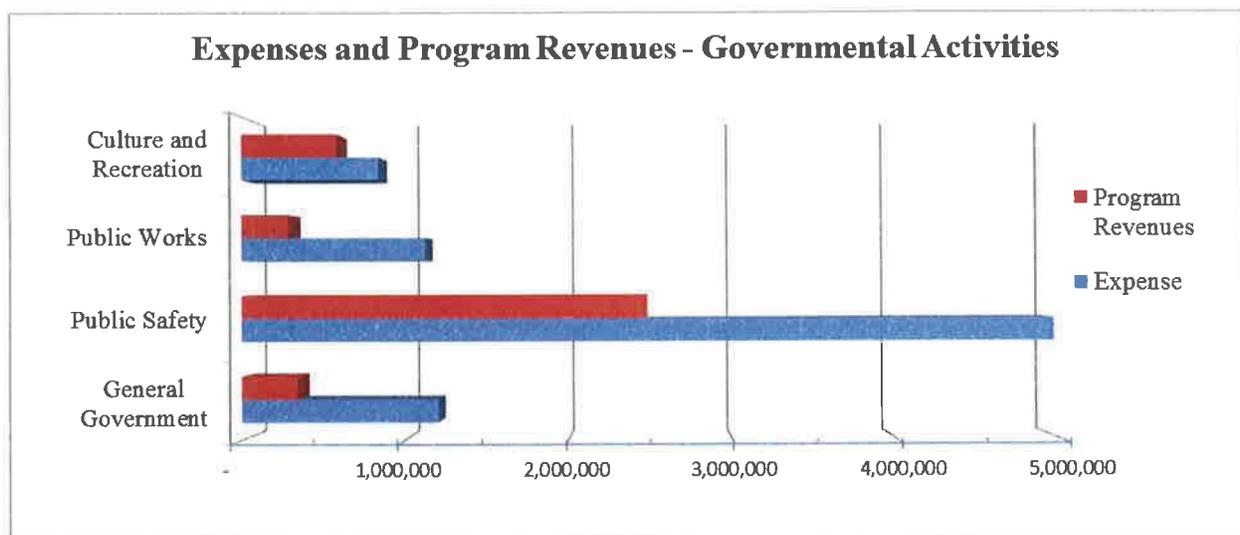
**CITY OF ST. ALBANS, VERMONT  
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**Governmental Activities**

Governmental activities increased the City's net position by \$1,128,188 for the year ended June 30, 2016. Key elements of the change are as follows.

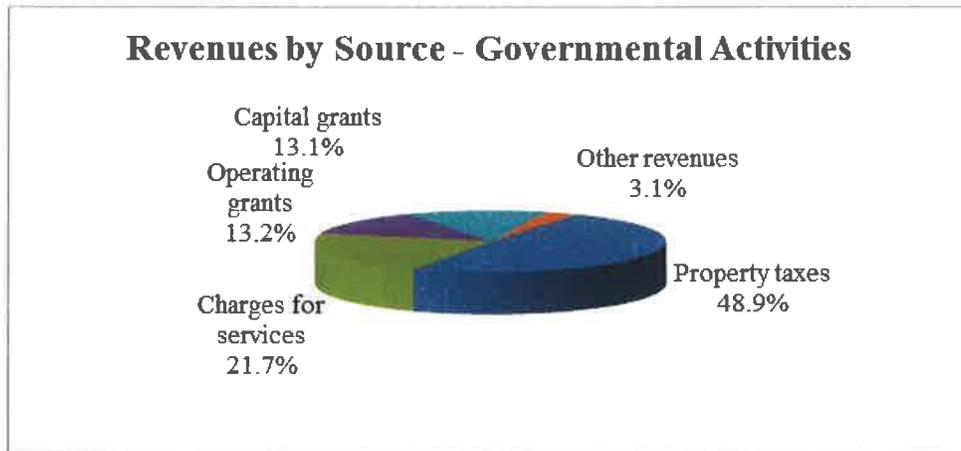
- Total governmental activities' revenues increased by 9% (\$870,281) from 2015 to 2016.
- Operating Grants and Contributions increased by \$273,829 (26%) driven by an increase in Community Justice Center operating grants of \$146,949.
- Capital Grants and Contributions decreased by \$90,358 (6%) which is primarily a result of a \$313,554 reduction in Streetscape project grants and a \$197,285 increase in Federal Street project grants.
- Property tax revenues increased 9% or \$406,242 from the previous year as a result of growth in the grand list within the TIF district.
- Total governmental activities' expenses increased by 12% (\$1,016,881) from 2015 to 2016. Public safety expenses end the year at 52% (\$4,962,749) of total governmental activities' expenses. Public safety remains the largest category of expenses from year to year.
- Public safety expenses increased 15% or \$646,030 from the previous year. This is primarily due to an increase in Community Justice Center expenditures and depreciation expense.

The following graph entitled Expense and Program Revenues – Governmental Activities, gives the reader an idea of how each major program is funded. The revenues included in this graph are program specific revenues including user fees, operating grants, and capital grants. General revenues such as property tax revenues and interest earnings are excluded. The supporting data may be found on Exhibit B, the Statement of Activities. As noted previously, Public Safety is the largest category of expenses in the current year and historically.



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The majority of revenue for governmental activities comes from property taxes; 48.9% of total revenue or \$4,941,051. The second largest category of revenue is charges for services coming in at 21.7% or \$2,189,534 of total revenue. The following graph shows the distribution of governmental activities revenues by source for the year ended June 30, 2016.



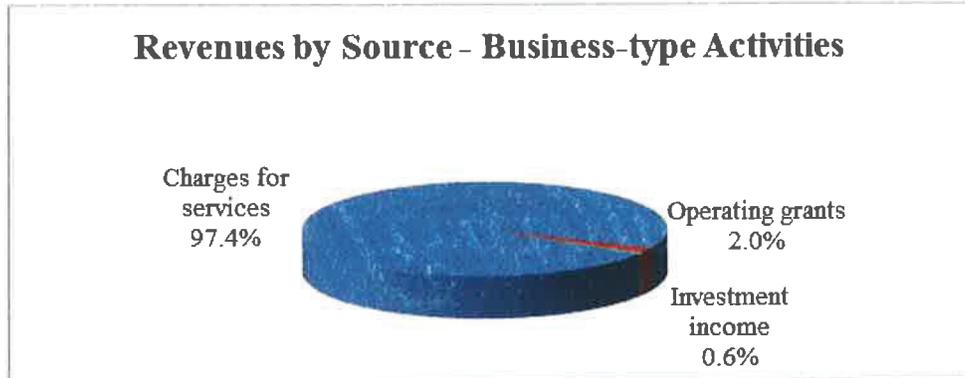
**Business-type Activities**

Business-type activities decreased the City's net position by \$129,432 (-0.9%) during the current fiscal year. Key elements of this decrease are as follows.

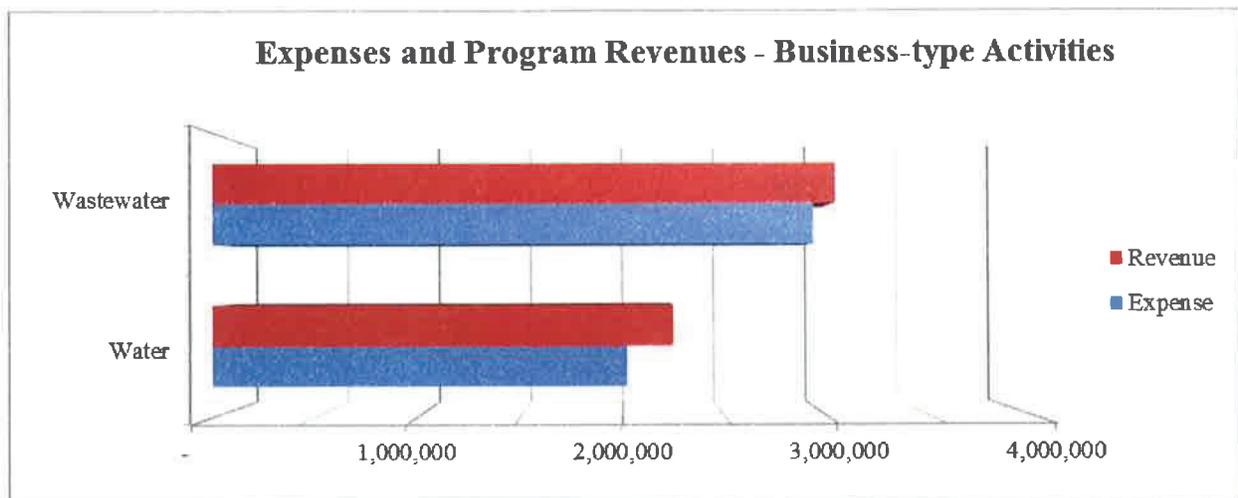
- Total revenues of \$5,316,748 were \$6,665 or 0.13% higher than the previous year.
- Operating revenues decreased by \$34,517 or 0.66% from \$5,196,993 to \$5,162,476. On the government-wide financial statements charges for services in the business-type activities are made up primarily of user fees and allocation fees. The decrease from the previous year reflects an increase in user fees of \$183,833 from the previous year offset by a decrease in allocation fees of \$214,840. Allocation fees are paid when a new water and/or wastewater connection is established and are therefore directly related to development activity in the water and wastewater district. This revenue source typically fluctuates from year to year, however, all revenue from allocation fees is designated as reserved for future capital needs and therefore the fluctuations do not have a negative impact on the City's ability to budget and set rates so that operating costs are covered.
- Total expenses of \$4,958,284 were essentially unchanged from the prior year.

The City's business-type activities are supported by user fees and allocation fees, also referred to as operating revenues (\$5,162,476) with assistance from operating grants (\$109,666) and investment income (\$29,606). The percentage breakdown of revenue sources is illustrated in the following graph titled Revenues by Source – Business-type Activities.

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As the name suggests, business-type activities are accounted for in the same manner that businesses would account for operations. Therefore, it is necessary that revenues meet or exceed expenses in order to continue operating. The graph titled Expenses and Program Revenues – Business-type Activities, demonstrates that during the current fiscal year, revenues exceeded expenses for both the water fund and the wastewater fund. Operating revenues exceeded operating expenses in the water fund by \$388,098 or 17% of total operating revenues. In the wastewater fund, operating revenues exceeded operating expenses by \$78,425 or 3% of total operating revenues. After factoring in nonoperating revenues, nonoperating expense, and transfers the water and wastewater funds reported changes in net position of \$15,406 and \$(144,838), respectively. Each year the amount that revenues exceed expenses in these funds increases unrestricted net position. Included in unrestricted net position are amounts that management has designated for particular purposes, such as future capital projects and debt service.



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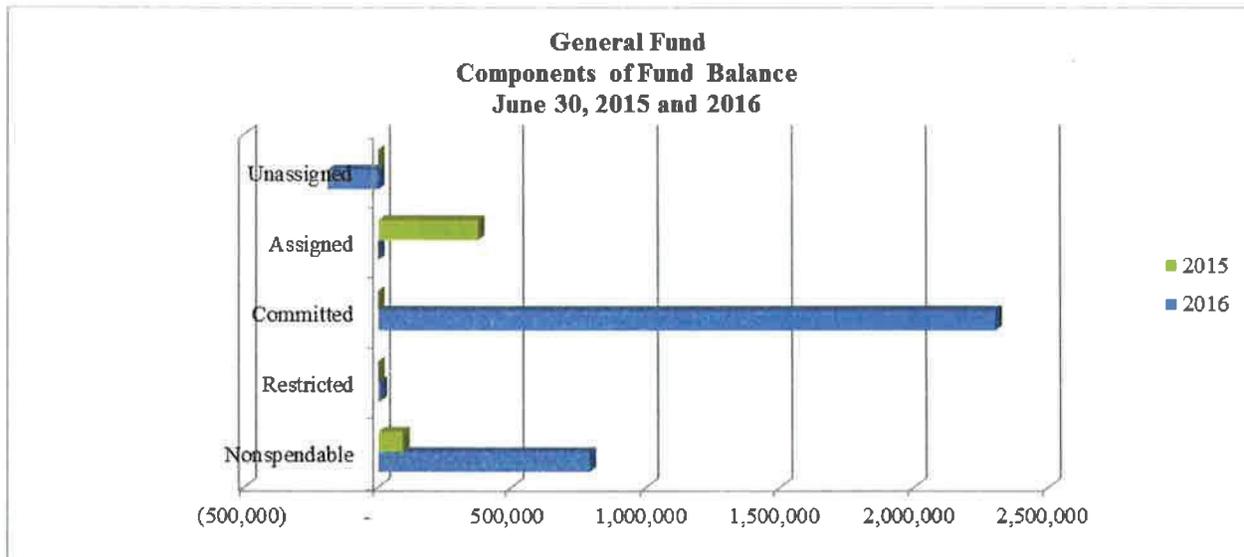
**FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS**

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

**Governmental Funds**

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

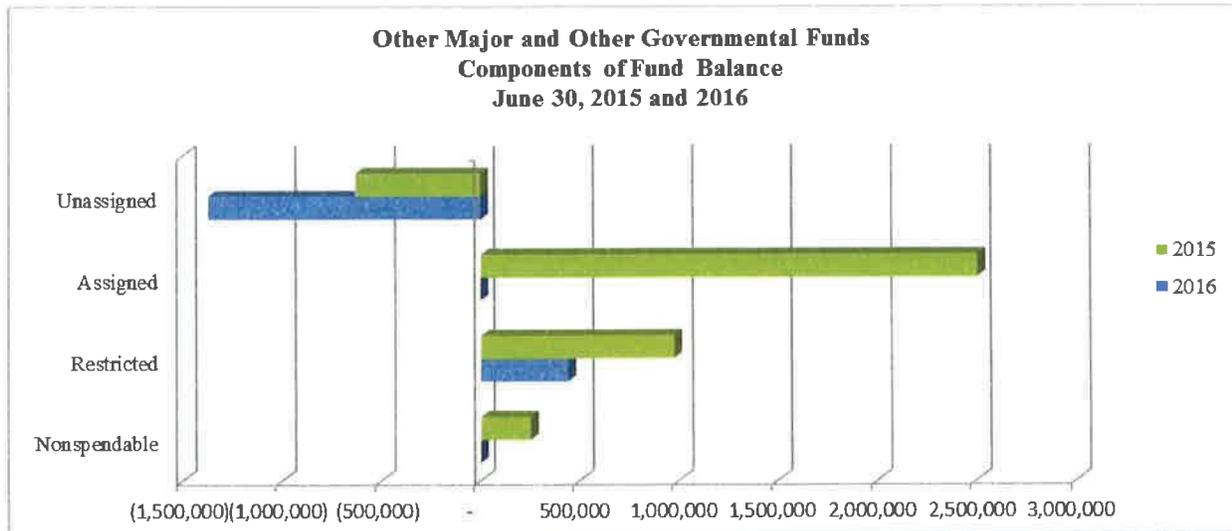
At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,980,479, a decrease of \$1,579,640 over the prior year. Of this total amount, \$791,045 is non-spendable (advances to other funds, prepaid items and inventories) and \$449,269 is restricted, which indicates it is not available for discretionary spending, as it is otherwise restricted by grant agreements, statutes, or debt covenants. Of the remaining amount, \$2,302,184 has been committed for various purposes (detailed in Note IV.J. Net Position/Fund Balances) and unassigned fund balance is a deficit of \$1,562,019. The deficit unassigned fund balance is primarily made up of a deficit in the TIF Capital Project fund, a deficit in the Federal Street fund, and a deficit in the City Hall Renovation fund which will all be funded by debt proceeds.



The general fund is the chief operating fund of the City. At the end of the year, total fund balance in the general fund was \$2,913,328, an increase of \$2,281,171 from the previous year. Of this amount, \$791,045 is non-spendable and \$8,435 is restricted. \$2,302,184 has been committed as detailed in the Notes to the Financial Statements. As a measure of the general fund's liquidity, it may be useful to compare total fund balance to total general fund expenditures. Total fund bal-

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ance represents approximately 37% of total general fund expenditures, however, this amount includes nonspendable balances which would not be available to finance general fund expenditures if necessary.



In the governmental funds other than the general fund the most noteworthy change to fund balance is a decrease in assigned fund balance of \$2,502,194 which reflects the utilization of TIF bond proceeds to fund TIF capital projects.

**General Fund Budgetary Highlights**

The City's budget for the year ended June 30, 2016 passed on the first vote in March of 2015 and there were no amendments made to the budget during the year. Actual revenues exceeded budgeted revenues by \$788,500 and actual expenditures exceeded budgeted expenditures by \$1,252,394.

Contributing to the overage in expenditures was a transfer out of \$639,322. This included transfers to the City's TIF district of \$90,961 which represents the municipal collections within the district, \$350,000 transferred for redevelopment activities, and \$198,360 to finance overages in the City Hall renovation project. Expenditures on redevelopment activities also exceeded budget as investments in 10 South Main Street and 36 Diamond Street were made as part of the City's economic development efforts. Debt service costs also exceeded the budget by \$113,646; this expenditure was driven by the use of \$141,629 in reserve funds to eliminate the debt on a City-owned property that had been redeveloped. In the public safety departments dispatch costs were \$112,554 over budget largely due to higher than anticipated personnel costs. Police department salary expenditures were \$52,080 over budget, and grant expenses were \$36,460 higher than anticipated. Public works expenditures included \$110,497 in expenditures for the reconstruction of Fairfield Street, along with \$250,493 in expenditures associated with reconstructing the Taylor Park Fountain. The Fairfield Street expenditures will be reimbursed with debt proceeds, and the Fountain expenditures will be reimbursed with donations from St. Albans Rotary (and are secured through a loan with a local bank).

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On the revenue side, the City had budgeted \$147,473 in payments on prior year taxes none of which was realized during the year. This was offset by property tax revenue for the year exceeding the budgeted amount by \$139,728 as a result in growth in the grand list and the tax rate. Additionally, the City received a PILOT payment from the state that was \$42,715 in excess of the budgeted revenue. In the Planning & Development department zoning revenues were \$73,949 in excess of budget due to a payment of \$54,125 from Mylan Technologies in permitting fees for a major project undertaken by the company. Revenues for the parking garage exceeded budgeted expectations by \$50,735, although \$27,551 of the increase was due to one-time proceeds from an insurance claim. Police grant revenues were \$27,443, and this partially offset the unanticipated grant expenses. Dispatch revenues were also \$48,975 higher than the voter approved budget due to grant revenues associated with a T1 line. Public works revenues were also higher than budgeted, primarily due to \$70,149 in debt proceeds and \$226,170 in fountain repair donations.

**Other Major Governmental Funds**

In addition to the general fund, the City reports three major funds – the TIF Debt Service Fund, City Hall Renovation Fund and the Federal Street Bypass Fund. The TIF Debt Service Fund is used to account for TIF property tax revenues, the principal and interest cost on the related debt as well as the general fund subsidy of the debt service. The Debt Service Fund made \$1,056,989 in debt principal and interest payments during the year. These were funded by incremental property tax revenues in the TIF district and a contribution from the general fund. The fund balance in this fund decreased from \$2,502,194 to \$2,194 due to the transfer of \$2,500,000 of fiscal year 2014 revenues to the general fund.

The City Hall Renovation fund is used to record and track the renovations to City Hall. Fund balance decreased by \$87,864 from the prior year, reflecting the use of restricted debt proceeds used to fund projects during the year. The majority of the construction to City Hall occurred during the fiscal year, and the renovations will be complete during fiscal year 2017. The City has established a non-spendable fund balance account in the general fund as a reserve against a portion of this deficit until a final funding source is identified.

The Federal Street Bypass fund is used to record all activities related to the public works project on Federal Street. Fund balance decreased by \$61,790, primarily due to the matching requirement in place with the federal funding of the project. The City has established a non-spendable fund balance account in the general fund as a reserve against a portion of this deficit until a final funding source is identified.

**Proprietary Funds**

The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Total net position in the water fund is \$3,830,765, an increase of 0.4% from the previous year. Half of the water fund's net position is invested in capital assets net of related debt; 63.8% or

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\$2,443,205. In the wastewater fund, total net position is \$11,247,699, a decrease of 1.3% from the previous year. The vast majority of net position in the wastewater fund is invested in capital assets net of related debt; 81.8% or \$9,198,640. Other major factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The City's capital assets for governmental and business-type activities as of June 30, 2016 were \$67,097,059 (before depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. The City's combined investment in capital assets increased by \$7,503,376 from June 30, 2015 to June 30, 2016, or 12.6%. Combined accumulated depreciation at the end of the year is \$19,832,902. Capital assets for governmental activities increased by \$5,024,352, net of accumulated depreciation. Capital assets for business-type activities increased by \$791,785, net of accumulated depreciation.

**Summary of Capital Assets**

	Governmental Activities		Business-type Activities		Total Government	
	2016	2015	2016	2015	2016	2015
Capital Assets:						
Land	\$ 776,095	\$ 776,095	\$ 197,000	\$ 197,000	\$ 973,095	\$ 973,095
Construction in Progress	6,353,821	2,643,357	1,753,427	463,888	8,107,248	3,107,245
Buildings and Improvements	1,557,076	1,557,076	31,986,644	31,803,464	33,543,720	33,360,540
Machinery and Equipment	4,520,662	3,516,441	3,272,398	2,952,922	7,793,060	6,469,363
Infrastructure	16,679,936	15,683,440	-	-	16,679,936	15,683,440
	29,887,590	24,176,409	37,209,469	35,417,274	67,097,059	59,593,683
Less: Accumulated Depreciation	(3,786,891)	(3,100,062)	(16,046,011)	(15,045,601)	(19,832,902)	(18,145,663)
Total Assets, Net	\$26,100,699	\$21,076,347	\$21,163,458	\$20,371,673	\$47,264,157	\$41,448,020

Major capital asset activity for the year ended June 30, 2016 included the following:

- The completion of the Taylor Park Fountain project moved a total of \$363,891 from construction in progress to machinery and equipment.
- The completion of the streetscape project (Hudson to Hoyt), which moved \$654,670 from construction in progress to infrastructure.
- Major additions to construction in progress in the governmental activities include \$2,354,137 for the City Hall Renovation project; \$477,674 for the Federal Street project; \$677,546 for the sidewalks on Lake and Main Streets; and \$514,140 for the Lake Street Streetscape project.
- In business-type activities, major additions to construction in progress include \$806,963 for Fairfield Street Improvements and \$456,806 for Fairfax Reservoir Treatment filter.

Additional information on the City's capital assets can be found in Note IV.D Capital Assets.

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**Long-term Debt**

The City began the year with \$27,742,624 in long-term debt outstanding. As of June 30, 2016 this amount had increased by \$3,974,766 or 14% to end the current year with \$31,717,390 in long-term debt outstanding.

**Summary of Long-term Debt**

	<u>June 30, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2016</u>
Governmental Activities	\$ 17,711,393	\$ 4,394,031	\$ 1,212,541	\$ 20,892,883
Business-type Activities	10,031,231	1,285,471	492,195	10,824,507
Total Government	<u>\$ 27,742,624</u>	<u>\$ 5,679,502</u>	<u>\$ 1,704,736</u>	<u>\$ 31,717,390</u>

Factors contributing to the change include the following:

- The City's governmental activities debt increased with the drawdown of a bond anticipation note (authorized in the previous year) for the City Hall Renovation Project of \$1,950,000.
- New debt for the business-type activities includes \$768,466 for bonds authorized to finance Fairfield Street, Lake and Main Street Sidewalks, and Fairfax Reservoir Filter.
- Debt retired during the year in governmental activities included a note for Brickyard and a note for a single axle truck purchase.
- Principal payments totaling \$867,714 were made on governmental activities, debt and principal payments totaling \$378,946 were made on business-type activities debt.

Additional information about long-term debt can be found in Note IV.I. Long-term Liabilities.

**BUDGETARY STEWARDSHIP AND HIGHLIGHTS**

In accordance with state law, the City of St. Albans adopts an annual voter approved budget for its General Fund. The Schedule of Revenue, Expenditures, and Changes in Fund Balance is on Schedule 1 presenting Budgeted Amounts compared to Actual Amounts and the Variance with Final Budget.

As noted on Schedule 1 General Fund Total Revenue exceeded budget by \$788,500 and expenditures exceeded budgeted appropriations by \$1,252,394 with an Excess/(Deficiency) of Revenue Over Expenditures of (\$463,894). TIF revenues were received but not budgeted for \$90,961 with a corresponding unbudgeted transfer out expenditure of (\$90,961). The City recognizes that the budget should include pass-through expenditures. The TIF revenues should be budgeted for, as well as the corresponding transfer-out expenditures.

Budgetary overages occurred in three primary areas: transfers out (\$639,322), Fairfield Street expenditures (\$110,497), and Fountain Donations (250,493). Most of these expenditures have

**CITY OF ST. ALBANS, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

offsetting revenues, and therefore will have a limited impact on the fund balance of the general fund once these projects are completed.

Due to the above noted factors, the actual revenues as well as expenditures were greater than anticipated in the final budget. There were no other significant variances in revenues, expenditures and other financing sources and uses other than the ones that have been detailed above.

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

### **Economic Factors: Outlook and Future Development**

The City is deeply engaged in economic development, transportation, and public infrastructure initiatives designed to increase the tax base and revitalize the City. The cornerstone of this effort is a Tax Increment Finance (TIF) District that was approved by the State of Vermont and local voters in 2012. In brief, tax increment financing allows a municipality to issue bonds for public improvements and service those bonds using the municipal and education property taxes derived from the incremental increase in property values in the district.

The City has partnered with Peak CM to construct an 84-room, nationally-franchised hotel on Lake Street in the heart of the St. Albans Downtown. The Lake Street Hotel is the final piece of the City's downtown core project, which also included the construction of the new State Office Building which opened on January 12, 2015 and a City owned parking garage which opened to the public on October 30, 2014. All three of these projects are paramount to the City's TIF plan. Construction on the hotel began during FY16, and the project is expected to be completed during FY17. The City has a \$1 million investment in the hotel project.

In a special election in September 2015, voters approved the issuance of bonds or notes in an amount not to exceed \$2.5 million for the purpose of reconstructing Fairfield Street, including sidewalks, curbs, and paving, as well as water, wastewater and storm water infrastructure. Preliminary work on the Fairfield Street project began fall 2015. Voters approved bonds or notes in an amount not to exceed \$1,225,000 for the purpose of reconstructing sidewalks and curbs on Lake and Main Streets and voters approved bonds or notes in an amount not to exceed \$700,000 for the purpose of reconstructing the treatment filter at the Fairfax Reservoir. Work on the sidewalks and curbs on Lake and Main Streets and the treatment filter at the Fairfax Reservoir was begun in FY16 and is expected to be completed in FY17.

In March of 2016 voters approved the issuance of \$4.95 million in bonds to substantially reconstruct all of the City's curbs and sidewalks that are in fair or poor condition. This is envisioned as a multi-year project; construction is expected to begin in FY17.

Although not reflected in the financial statements for FY16, shortly after the close of the fiscal year the City made an approximate \$600,000 investment in several blighted properties in its downtown. The City anticipates taking steps to redevelop these properties during FY17 and FY18.

**CITY OF ST. ALBANS, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2016**

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the City's finances to all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department at 100 North Main St., St. Albans, VT 05478. The report is available online at [www.stalbansvt.com](http://www.stalbansvt.com).

## Exhibit A

CITY OF ST. ALBANS, VERMONT  
STATEMENT OF NET POSITION  
JUNE 30, 2016

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 6,117,272	\$ -	\$ 6,117,272
Receivables (Net of Allowance for Uncollectibles)	1,195,029	1,228,200	2,423,229
Loans Receivable	107,404	-	107,404
Notes Receivable	-	60,621	60,621
Prepaid Expenses	6,413	-	6,413
Inventory	13,414	34,961	48,375
Internal Balances	(4,132,028)	4,132,028	-
Assets Held for Resale	347,633	-	347,633
Capital Assets			
Land	776,095	197,000	973,095
Construction in Progress	6,353,821	1,753,427	8,107,248
Other Capital Assets, (Net of Accumulated Depreciation)	<u>18,970,783</u>	<u>19,213,031</u>	<u>38,183,814</u>
Total Assets	<u>29,755,836</u>	<u>26,619,268</u>	<u>56,375,104</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources Related to the City's Pension Plan and Participation in VMERS	<u>829,969</u>	<u>272,070</u>	<u>1,102,039</u>
Total Deferred Outflows of Resources	<u>829,969</u>	<u>272,070</u>	<u>1,102,039</u>
<b>LIABILITIES</b>			
Accounts Payable	740,912	779,581	1,520,493
Accrued Payroll and Benefits Payable	43,262	4,294	47,556
Unearned Revenue	13,728	2,909	16,637
Accrued Interest Payable	92,615	76,853	169,468
Noncurrent Liabilities:			
Due within One Year	4,400,223	1,296,193	5,696,416
Due in More than One Year	<u>16,492,660</u>	<u>9,528,314</u>	<u>26,020,974</u>
Total Liabilities	<u>21,783,400</u>	<u>11,688,144</u>	<u>33,471,544</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Prepaid Property Taxes	23,005	-	23,005
Deferred Inflows of Resources Related to the City's Pension Plan and Participation in VMERS	<u>254,023</u>	<u>124,730</u>	<u>378,753</u>
Total Deferred Inflows of Resources	<u>277,028</u>	<u>124,730</u>	<u>401,758</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets Restricted	8,578,242	11,641,845	20,220,087
Debt Service	432,197	-	432,197
Taylor Park	8,637	-	8,637
Unrestricted/(Deficit)	<u>(493,699)</u>	<u>3,436,619</u>	<u>2,942,920</u>
Total Net Position	<u>\$ 8,525,377</u>	<u>\$ 15,078,464</u>	<u>\$ 23,603,841</u>

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

# Exhibit B

CITY OF ST. ALBANS, VERMONT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2016

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Changes for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Functions/Programs:</b>							
<b>Primary Government:</b>							
<b>Governmental Activities:</b>							
General Government	\$ 1,205,537	\$ 301,961	\$ 38,076	\$ -	\$ (865,500)	\$ -	\$ (865,500)
Public Safety	4,962,749	1,317,354	1,165,558	-	(2,479,837)	-	(2,479,837)
Public Works	1,125,780	174,649	110,239	860,751	19,859	-	19,859
Culture and Recreation	840,608	395,570	20,081	166,440	(258,517)	-	(258,517)
Community Development	755,341	-	-	297,130	(458,211)	-	(458,211)
Interest on Long-term Debt	574,680	-	-	-	(574,680)	-	(574,680)
<b>Total Governmental Activities</b>	<b>9,464,695</b>	<b>2,189,534</b>	<b>1,333,954</b>	<b>1,324,321</b>	<b>(4,616,886)</b>	<b>-</b>	<b>(4,616,886)</b>
<b>Business-Type Activities:</b>							
Water	2,023,263	2,246,862	1,237	-	-	224,836	224,836
Wastewater	2,935,021	2,930,614	108,429	-	-	104,022	104,022
<b>Total Business-Type Activities</b>	<b>4,958,284</b>	<b>5,177,476</b>	<b>109,666</b>	<b>-</b>	<b>-</b>	<b>328,858</b>	<b>328,858</b>
<b>Total Primary Government</b>	<b>\$ 14,422,979</b>	<b>\$ 7,367,010</b>	<b>\$ 1,443,620</b>	<b>\$ 1,324,321</b>	<b>(4,616,886)</b>	<b>328,858</b>	<b>(4,288,028)</b>
<b>General Revenues:</b>							
Property Taxes					4,941,051	-	4,941,051
Interest and Penalties on Delinquent Taxes					63,231	-	63,231
Unrestricted Investment Earnings					17,493	29,606	47,099
General State Grants					95,199	-	95,199
Gain/(Loss) on Capital Assets					(20,089)	-	(20,089)
Other Revenues					160,293	-	160,293
Transfers					487,896	(487,896)	-
<b>Total General Revenues</b>					<b>5,745,074</b>	<b>(458,290)</b>	<b>5,286,784</b>
Change in Net Position					1,128,188	(129,432)	998,756
Net Position - July 1, 2015, as restated					7,397,189	15,207,896	22,605,085
Net Position - June 30, 2016					<b>\$ 8,525,377</b>	<b>\$ 15,078,464</b>	<b>\$ 23,603,841</b>

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

# Exhibit C

CITY OF ST. ALBANS, VERMONT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2016

	General Fund	TIF Debt Service Fund	City Hall Renovation Fund	Federal Street Bypass Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash	\$ 5,868,422	-	-	-	\$ 248,849	\$ 6,117,271
Receivables (Net of Allowance for Uncollectibles)	358,402	-	45,000	422,166	369,461	1,195,029
Due from Other Funds	1,181,606	2,194	78,260	-	-	1,262,060
Advances to Other Funds	423,585	-	-	-	-	423,585
Loans Receivable	107,404	-	-	-	-	107,404
Prepaid Items	6,413	-	-	-	-	6,413
Inventories	13,414	-	-	-	-	13,414
Assets Held for Resale	347,633	-	-	-	-	347,633
<b>Total Assets</b>	<b>\$ 8,306,879</b>	<b>\$ 2,194</b>	<b>\$ 123,260</b>	<b>\$ 422,166</b>	<b>\$ 618,310</b>	<b>\$ 9,472,809</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 332,689	-	\$ 167,744	\$ 50,323	\$ 190,157	\$ 740,913
Accrued Payroll and Benefits Payable	43,262	-	-	-	-	43,262
Due to Other Funds	4,661,302	-	-	240,448	492,338	5,394,088
Advances from Other Funds	-	-	44,485	379,100	-	423,585
Unearned Revenue	13,728	-	-	-	-	13,728
<b>Total Liabilities</b>	<b>5,050,981</b>	<b>-</b>	<b>212,229</b>	<b>669,871</b>	<b>682,495</b>	<b>6,615,576</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Prepaid Property Taxes	23,005	-	-	-	-	23,005
Unavailable Revenue - Property Taxes	141,900	-	-	-	-	141,900
Unavailable Revenue - Other	177,665	-	45,000	282,045	207,139	711,849
<b>Total Deferred Inflows of Resources</b>	<b>342,570</b>	<b>-</b>	<b>45,000</b>	<b>282,045</b>	<b>207,139</b>	<b>876,754</b>
<b>FUND BALANCES (DEFICIT)</b>						
Nonspendable	791,045	-	-	-	-	791,045
Restricted	8,435	2,194	-	-	438,640	449,269
Committed	2,302,184	-	-	-	-	2,302,184
Unassigned	(188,336)	-	(133,969)	(529,750)	(709,964)	(1,562,019)
<b>Total Fund Balances(Deficit)</b>	<b>2,913,328</b>	<b>2,194</b>	<b>(133,969)</b>	<b>(529,750)</b>	<b>(271,324)</b>	<b>1,980,479</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 8,306,879</b>	<b>\$ 2,194</b>	<b>\$ 123,260</b>	<b>\$ 422,166</b>	<b>\$ 618,310</b>	<b>\$ 9,472,809</b>
Governmental Funds balance as reported above						\$ 1,980,479
Amounts reported for Governmental Activities in the Statement of Net Position are different because						
Capital assets used in Governmental Activities are not financial resources and, therefore, are not reported in the funds						26,100,699
Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds						853,751
Deferred outflows of resources related to the City's participation in VMERS are applicable to future periods and, therefore, are not reported in the funds						829,969
Long-term and accrued liabilities are not due or payable in the current period and, therefore, are not reported in the funds						(20,985,498)
Deferred inflows of resources related to the City's Defined Benefit Pension Plan and its participation in VMERS are applicable to future periods and, therefore, are not reported in the funds						(254,023)
<b>Net Position of Governmental Activities</b>						<b>\$ 8,525,377</b>

The accompanying notes are an integral part of this financial statement

Exhibit D

CITY OF ST. ALBANS, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	General Fund	TIF Debt Service Fund	City Hall Renovation Fund	Federal Street Bypass Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Property Taxes	\$ 4,136,694	\$ 773,389	-	-	-	\$ 4,910,083
Penalties and Interest	63,231	-	-	-	-	63,231
Intergovernmental Revenues	594,728	-	45,000	541,281	1,194,102	2,375,111
Charges for Services	1,982,423	-	-	-	23,156	2,005,579
Investment Income	17,468	-	-	-	6	17,474
Licenses and Permits	183,956	-	-	-	-	183,956
Donations	166,440	-	-	-	-	166,440
Other Revenue	160,293	-	-	-	-	160,293
<b>Total Revenues</b>	<b>7,305,233</b>	<b>773,389</b>	<b>45,000</b>	<b>541,281</b>	<b>1,217,264</b>	<b>9,882,167</b>
<b>EXPENDITURES</b>						
Current:						
General Government	1,167,734	-	-	-	-	1,167,734
Public Safety	3,836,876	-	-	-	747,655	4,584,531
Public Works	682,714	-	-	-	-	682,714
Culture and Recreation	793,276	-	-	-	755,340	1,548,616
Capital Outlay:						
General Government	-	-	2,365,485	-	-	2,365,485
Public Safety	541,866	-	-	-	-	541,866
Public Works	537,396	-	-	501,471	1,535,658	2,574,525
Culture and Recreation	44,072	-	-	-	-	44,072
Debt Service:						
Principal	292,704	575,000	-	-	-	867,704
Interest	64,491	481,989	-	-	-	546,480
<b>Total Expenditures</b>	<b>7,961,129</b>	<b>1,056,989</b>	<b>2,365,485</b>	<b>501,471</b>	<b>3,038,653</b>	<b>14,923,727</b>
Excess/(Deficiency) of Revenues Over Expenditures	(655,896)	(283,600)	(2,320,485)	39,810	(1,821,389)	(5,041,560)
<b>OTHER FINANCING SOURCES (USES)</b>						
Issuance of Long-Term Debt	605,149	-	1,950,000	-	418,875	2,974,024
Transfers In	2,601,600	283,600	282,621	-	713,360	3,881,181
Transfers Out	(269,682)	(2,500,000)	-	(101,600)	(522,003)	(3,393,285)
<b>Total Other Financing Sources/(Uses)</b>	<b>2,937,067</b>	<b>(2,216,400)</b>	<b>2,232,621</b>	<b>(101,600)</b>	<b>610,232</b>	<b>3,461,920</b>
Net Change in Fund Balances	2,281,171	(2,500,000)	(87,864)	(61,790)	(1,211,157)	(1,579,640)
Fund Balances/(Deficit) - July 1, 2015, as restated	632,157	2,502,194	(46,105)	(467,960)	939,833	3,560,119
Fund Balances/(Deficit) - June 30, 2016	\$ 2,913,328	\$ 2,194	\$ (133,969)	\$ (529,750)	\$ (271,324)	\$ 1,980,479

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

CITY OF ST. ALBANS, 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, 2016

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

Net change in fund balances - total government funds (Exhibit D)	\$ (1,579,640)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$5,855,052) is allocated over their estimated useful lives and reported as depreciation expense (\$810,611). This is the amount by which capital outlays exceeded depreciation in the current period.	5,044,441
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and loss on disposals) is to decrease net position.	(20,089)
The issuance of long-term debt (\$2,974,021) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$867,713) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.	(2,106,308)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount reflects the increase of unearned and unavailable revenue over last year.	242,912
Governmental funds report employer pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.	(120,592)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(332,536)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 1,128,188</u>

The General Fund charges the Water and Wastewater Funds for administrative expenses. These charges totaling \$90,000 have been eliminated from the Governmental Activities on the Statement of Activities.

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

CITY OF ST. ALBANS, VERMONT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2016

	Water Fund	Wastewater Fund	Total
<b>ASSETS</b>			
Current Assets:			
Receivables (Net of Allowance for Uncollectibles)	\$ 477,499	\$ 750,701	\$ 1,228,200
Inventory	20,819	14,142	34,961
Due from Other Funds	<u>1,650,814</u>	<u>2,481,214</u>	<u>4,132,028</u>
Total Current Assets	2,149,132	3,246,057	5,395,189
Noncurrent Assets:			
Notes Receivable	30,079	30,542	60,621
Capital Assets			
Land	155,000	42,000	197,000
Construction in Progress	626,941	1,126,486	1,753,427
Buildings, Distribution and Collection System and Improvements	84,733	22,555,720	22,640,453
Vehicles, Machinery and Equipment	10,987,288	1,631,301	12,618,589
Less Accumulated Depreciation	<u>(4,504,802)</u>	<u>(11,541,209)</u>	<u>(16,046,011)</u>
Total Noncurrent Assets	<u>7,379,239</u>	<u>13,844,840</u>	<u>21,224,079</u>
Total Assets	9,528,371	17,090,897	26,619,268
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows of Resources Related to the City's Pension Plan and Participation in VMERS			
	<u>128,810</u>	<u>143,260</u>	<u>272,070</u>
Total Deferred Outflows of Resources	<u>128,810</u>	<u>143,260</u>	<u>272,070</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 9,657,181</u>	<u>\$ 17,234,157</u>	<u>\$ 26,891,338</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Accounts Payable	\$ 283,348	\$ 496,233	\$ 779,581
Accrued Payroll	2,002	2,292	4,294
Unearned Revenue	2,893	16	2,909
Accrued Interest Payable	19,039	57,814	76,853
Compensated Absences - Current Portion	48,591	81,409	130,000
Capital Lease - Current Portion	8,567	19,989	28,556
Bonds Payable - Current Portion	104,923	179,963	284,886
Notes Payable - Current Portion	<u>420,222</u>	<u>432,529</u>	<u>852,751</u>
Total Current Liabilities	889,585	1,270,245	2,159,830
Noncurrent Liabilities			
Compensated Absences - Noncurrent Portion	19,515	32,697	52,212
Capital Lease - Noncurrent Portion	47,028	109,733	156,761
Bonds Payable - Noncurrent Portion	3,108,113	3,174,420	6,282,533
Notes Payable - Noncurrent Portion	1,217,102	699,023	1,916,125
Net Pension Liability	<u>492,127</u>	<u>628,556</u>	<u>1,120,683</u>
Total Noncurrent Liabilities	<u>4,883,885</u>	<u>4,644,429</u>	<u>9,528,314</u>
Total Liabilities	5,773,470	5,914,674	11,688,144
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows of Resources Related to the City's Pension Plan and Participation in VMERS			
	<u>52,946</u>	<u>71,784</u>	<u>124,730</u>
Total Deferred Inflows of Resources	52,946	71,784	124,730
<b>NET POSITION</b>			
Net Investment in Capital Assets	2,443,205	9,198,640	11,641,845
Unrestricted	<u>1,387,560</u>	<u>2,049,059</u>	<u>3,436,619</u>
Total Net Position	<u>3,830,765</u>	<u>11,247,699</u>	<u>15,078,464</u>
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 9,657,181</u>	<u>\$ 17,234,157</u>	<u>\$ 26,891,338</u>

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

CITY OF ST. ALBANS, VERMONT  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	Water Fund	Wastewater Fund	Total
Operating Revenues:			
Charges for Services	\$ 2,200,697	\$ 2,891,192	\$ 5,091,889
Penalties and Interest	13,895	18,132	32,027
Allocation Fees	12,040	18,060	30,100
Other Income	<u>5,230</u>	<u>3,230</u>	<u>8,460</u>
Total Operating Revenues	2,231,862	2,930,614	5,162,476
Operating Expenses:			
Salaries and Benefits	776,137	933,242	1,709,379
Other Purchased Services	81,975	275,739	357,714
Chemicals	89,705	321,168	410,873
Repairs and Maintenance	147,330	159,504	306,834
Insurances	54,958	55,066	110,024
Utilities	195,583	199,859	395,442
Supplies	10,282	13,682	23,964
Real Estate and State Water Taxes	57,021	5,175	62,196
Other Operating Costs	100,788	129,383	230,171
Depreciation	<u>329,985</u>	<u>759,371</u>	<u>1,089,356</u>
Total Operating Expenses	<u>1,843,764</u>	<u>2,852,189</u>	<u>4,695,953</u>
Operating Income	388,098	78,425	466,523
Nonoperating Revenues (Expenses):			
Land Lease	15,000	-	15,000
Investment Income	12,371	17,235	29,606
Noncapital Grant Revenue	1,237	108,429	109,666
Noncapital Grant Expense	-	-	-
Interest Expense	<u>(179,499)</u>	<u>(82,832)</u>	<u>(262,331)</u>
Total Nonoperating Revenues (Expenses)	<u>(150,891)</u>	<u>42,832</u>	<u>(108,059)</u>
Net Income Before Capital Contributions and Transfers	237,207	121,257	358,464
Transfers Out	<u>(221,801)</u>	<u>(266,095)</u>	<u>(487,896)</u>
Change in Net Position	15,406	(144,838)	(129,432)
Net Position - July 1, 2015	<u>3,815,359</u>	<u>11,392,537</u>	<u>15,207,896</u>
Net Position - June 30, 2016	<u>\$ 3,830,765</u>	<u>\$ 11,247,699</u>	<u>\$ 15,078,464</u>

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

CITY OF ST. ALBANS, VERMONT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2016

	Water Fund	Wastewater Fund	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from Customers and Users	\$ 2,274,624	\$ 2,939,710	\$ 5,214,334
Other Receipts	5,230	3,230	8,460
Payments to Suppliers	(459,359)	(726,927)	(1,186,286)
Payment of Taxes	(57,021)	(5,175)	(62,196)
Payments for Wages and Benefits	<u>(758,452)</u>	<u>(906,044)</u>	<u>(1,664,496)</u>
Net Cash Provided by Operating Activities	1,005,022	1,304,794	2,309,816
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Transfers Out	(221,801)	(266,095)	(487,896)
Proceeds from Land Lease	15,000	-	15,000
Proceeds from Noncapital Grant	1,237	108,429	109,666
Decrease/(Increase) in Due from Other Funds	<u>(928,323)</u>	<u>(2,046,687)</u>	<u>(2,975,010)</u>
Net Cash Provided/(Used) by Noncapital Financing Activities	(1,133,887)	(2,204,353)	(3,338,240)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and Construction of Capital Assets	(1,036,751)	(844,391)	(1,881,142)
Proceeds of:			
Notes Payable	353,421	415,046	768,467
Capital Leases	55,595	129,722	185,317
Principal Paid on:			
General Obligation Bonds	(100,955)	(176,433)	(277,388)
Notes Payable	(67,959)	(24,553)	(92,512)
Interest Paid on:			
General Obligation Bonds	(128,377)	(72,496)	(200,873)
Notes Payable	<u>(49,543)</u>	<u>(10,336)</u>	<u>(59,879)</u>
Net Cash Provided/(Used) by Capital and Related Financing Activities	(974,569)	(583,441)	(1,558,010)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Receipt of Interest & Dividends	<u>12,369</u>	<u>17,235</u>	<u>29,604</u>
Net Cash Provided by Investing Activities	<u>12,369</u>	<u>17,235</u>	<u>29,604</u>
Net Decrease in Cash	(1,091,065)	(1,465,765)	(2,556,830)
Cash - July 1, 2015	<u>1,091,065</u>	<u>1,465,765</u>	<u>2,556,830</u>
Cash - June 30, 2016	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b>			
Operating Income	\$ 388,098	\$ 78,425	\$ 466,523
Depreciation	329,985	759,371	1,089,356
(Increase)/Decrease in Accounts Receivables	47,991	12,327	60,318
(Increase)/Decrease in Notes Receivables	(733)	8,255	7,522
(Increase)/Decrease in Inventory	2,011	(933)	1,078
Increase/(Decrease) in Accounts Payable	225,503	426,676	652,179
Increase/(Decrease) in Accrued Payroll	(9,271)	(10,453)	(19,724)
Increase/(Decrease) in Unearned Revenue	(5,518)	(6,523)	(12,041)
Increase/(Decrease) in Compensated Absences Payable	9,656	10,486	20,142
Increase/(Decrease) in Net Pension Liability and Related Deferrals	<u>17,300</u>	<u>27,163</u>	<u>44,463</u>
Net Cash Provided by Operating Activities	<u>\$ 1,005,022</u>	<u>\$ 1,304,794</u>	<u>\$ 2,309,816</u>

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

CITY OF ST. ALBANS, VERMONT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2016

	Pension Trust Fund	Agency Funds
	<u>                    </u>	<u>                    </u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ -	\$ 31,331
Investments		
Fixed Income	2,159,489	-
Stocks	1,601,743	-
Receivables	<u>15,867</u>	<u>4</u>
Total Assets	3,777,099	31,335
<b>LIABILITIES</b>		
Accounts Payable	-	601
Due to Others	<u>-</u>	<u>30,734</u>
Total Liabilities	<u>-</u>	<u>\$ 31,335</u>
<b>NET POSITION</b>		
Held in Trust For:		
Employees' Pension Benefits	<u>3,777,099</u>	
Total Net Position	<u>\$ 3,777,099</u>	

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

CITY OF ST. ALBANS, VERMONT  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

	Pension Trust Fund
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 200,000
Plan Members	<u>37,743</u>
Total Contributions	237,743
Net Investment Earnings	<u>23,873</u>
Total Additions	261,616
<b>DEDUCTIONS</b>	
Benefits - Pension	384,878
Administrative Expenses	35,508
Management Fee	<u>14,793</u>
Total Deductions	<u>435,179</u>
Net Decrease in Net Position	(173,563)
Net Position - July 1, 2015	<u>3,950,662</u>
Net Position- June 30, 2016	<u><u>\$ 3,777,099</u></u>

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

**CITY OF ST. ALBANS, VERMONT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

The City of St. Albans, Vermont (herein the “City”) is a municipal corporation operating under a council-manager form of government. It is governed by seven elected officials – a mayor and six council members. The City is made up of six individual wards, each being represented by one of the six elected council members. The City Council appoints a City Manager to oversee the general operations of the City.

The City provides the following services as authorized by its charter: public safety (police, dispatch, fire and animal control), highways and streets, sanitation, culture and recreation, community and economic development, planning and zoning, water, wastewater and general administrative services.

**I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**A. The Financial Reporting Entity**

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

**B. Basis of Presentation**

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

**CITY OF ST. ALBANS, VERMONT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

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

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

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

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

The City reports on the following major governmental funds:

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

TIF Debt Service Fund – This debt service fund is used to account for all property tax revenue generated by the TIF and all debt service related to the TIF district. The TIF district encompasses much of the City's downtown area.

City Hall Renovation Fund – This capital project fund accounts for all expenditures, revenues, and grants related to the City Hall Renovation. The renovation includes adding handicap accessibility, environmental remediation in the attic, and window replacement, among other small projects.

**CITY OF ST. ALBANS, VERMONT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

Federal Street Bypass Fund – This capital project fund accounts for all expenditures, revenues, and grants related to the construction of the Federal Street bypass. This project involves reconstructing the Federal Street corridor to improve its use by automobiles, trucks, pedestrians, bicyclists, and public transit.

The City reports on the following major enterprise funds:

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

Wastewater Fund – This fund accounts for the operations of the Wastewater Department of the City.

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

Additionally, the City reports the following fund types:

Pension Trust Fund – This fund accounts for monies contributed by the City and its employees and the income on investments expended for the pensions of retired City employees.

Agency Funds – These funds account for monies maintained for local nonprofit groups, Saint Albans for the Future (SAFF) and the Explorer Program, as well as for monies held in escrow as a result of tax sales.

**C. Measurement Focus**

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

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

**CITY OF ST. ALBANS, VERMONT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

tion. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

**D. Basis of Accounting**

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

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

Governmental funds are reported using the current financial resource measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues reported in governmental funds to be available if the revenues are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, the net pension liability, 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.

Property taxes, licenses, ordinance violation fees, inspection fees, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

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.

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the

**CITY OF ST. ALBANS, VERMONT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

City's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

**E. Use of Estimates**

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

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

**1. Cash**

Cash balances of most City funds are deposited with and invested by the City Treasurer. The City considers all short-term investments of one year or less to be cash equivalents.

**2. Investments**

The City invests in investments as allowed by State Statute. Investments with readily determinable fair values are reported at their fair values on the balance sheet, except for annuity contracts which are reported at cash surrender value. Unrealized gains and losses are included in revenue.

**3. Receivables**

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

**4. Internal Balances**

Activity between funds that is representative of lending or borrowing arrangements that are outstanding at the end of the fiscal year are referred to as Advances 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". Cash balances deposited and invested by the Treasurer in a combined cash account are reported as "Due to/from Other Funds".

Advances between funds, as reported in the fund financial statements, are offset by a reserve account (nonspendable fund balance) in the applicable funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**CITY OF ST. ALBANS, VERMONT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

**5. Inventories and Prepaid Expenses**

Inventory quantities are determined by physical count and are valued at the lower of cost or market. Inventories in the governmental funds consist of pool chemicals, salt and sand. Inventories in the proprietary funds consist primarily of chemicals.

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

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

**6. Pensions**

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

**7. Deferred Outflows and Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement 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/expenditure) until then. The City has one type of item 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 related to the City's defined benefit pension plan and the City's participation in VMERS. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City 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 governmental activities, the business-type activities and the proprietary funds report deferred inflows of resources from two sources: prepaid property taxes and deferred inflows of resources related to the City's defined benefit pension plan and the City's participation in VMERS. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows of

**CITY OF ST. ALBANS, VERMONT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

resources are related. The governmental funds report deferred inflows of resources from three sources: prepaid property taxes, unavailable property taxes, penalties and interest and unavailable other revenue. These amounts are deferred and recognized as an inflow of resources in the future periods that the amounts become available or to which the inflows are related.

**8. Capital Assets**

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their acquisition value. Major outlays for capital assets and improvements are capitalized as constructed. Interest incurred during the construction phase for proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of any interest earned on the invested proceeds during the same period. Interest is not capitalized during the construction phase of capital assets used in governmental activities. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Infrastructure assets are reported starting with fiscal year June 30, 2004. The City has elected to not report major general infrastructure assets retroactively.

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

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

	<u>Capitalization Threshold</u>	<u>Estimated Service Life</u>
Land	\$ 5,000	Not Depreciated
Buildings and Building Improvements	\$ 5,000	40 Years
Vehicles	\$ 5,000	4-15 Years
Machinery, Equipment and Furniture	\$ 5,000	8-20 Years
Roads, Bridges, and Sidewalks	\$ 5,000	30-50 Years
Water and Wastewater Distribution and and Collection Systems	\$ 5,000	60 - 100 Years

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

**CITY OF ST. ALBANS, VERMONT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

**9. Compensated Absences**

It is the policy of the City to permit employees to accumulate earned but unused vacation time up to 240 hours. Public safety employees may accumulate earned but unused comp time up to 240 hours and all other employees may accumulate earned but unused comp time up to 160 hours. The value of this leave time will be paid at the employee's current rate of pay upon retirement, termination, or death. In addition to this, employees hired before July 1, 2008 can accrue up to 640 hours of sick leave, and will be paid the value of this leave time at their current rate of pay upon retirement, termination, or death. Employees hired after July 1, 2008 can accrue up to 240 hours with 160 hours vested for payment upon retirement, termination, or death. Compensated absences are reported in governmental funds only if they have matured.

**10. Long-term Liabilities**

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

**11. Fund Equity**

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

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

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

**CITY OF ST. ALBANS, VERMONT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

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

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

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

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

### **III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

#### **A. Budgetary Information**

Budgets are approved at the annual City Meeting in March. Any budget changes require voter approval. There were no budget changes during the year.

#### **B. Excess of Expenditures Over Appropriations**

Chapter 9 of the City's Revised Ordinances establishes budgetary control as follows:

241. Authorization of contract or debt by city council.

No contract shall be made whereby the city shall be beholden or bound for the payment of any sum of money, nor shall any debt be created against the city by any person or persons acting or pretending to act for the city, in any capacity whatever, unless the same shall have been previously authorized by the city council.

242. Power of city officer to bind city for payment of money.

No city officer shall have any authority or power to bind the city for the payment of any sum of money for any purpose, or to make any contract whereby the city may become

**CITY OF ST. ALBANS, VERMONT**  
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**June 30, 2016**

bound for the payment of any sum of money, unless such officer shall have been previously authorized to such action by city council.

243. Expenditures for ordinary administration

Nothing in this chapter shall be construed to prevent the expenditure by such officer of moneys in the ordinary administration of his department, which have been previously appropriated to such use by the city council and authorized by the city manager.

For the year ended June 30, 2016, expenditures in the General Fund exceeded appropriations by \$1,252,394. The City also has expenditures in excess of appropriations in the City Hall Renovation and Federal Street Bypass major funds.

**IV. DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

The City's cash as of June 30, 2016 consisted of deposits in financial institutions. The City's investments as of June 30, 2016 consisted of the following:

Investments - Pension Trust Fund:	
International Stocks	\$ 346,473
US Stocks	1,221,364
US Corporate Bond Fund	3,517
Real Estate Mutual Fund	30,389
Annuity Contracts	<u>2,159,489</u>
Total Investments	<u><u>\$ 3,761,232</u></u>

**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 to a transaction (e.g., broker-dealer), a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The City does not have any policy to limit the exposure to custodial credit risk. The annuity contract is a group annuity product issued by Prudential Retirement Insurance and Annuity Company (PRIAC). The following table shows the custodial credit risk of the City's deposits.

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	Bank Balance
FDIC Insured	\$ 742,799
NCUSIF Insured	250,000
Collateralized by Federal Agency Securities	2,606,840
Uninsured, Uncollateralized	2,864,336
Total Cash Deposits	6,463,975
SIPC Coverage	500,000
Uncollateralized	3,261,232
Total Investments	3,761,232
Total Cash and Investments	\$ 10,225,207

**Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The City does not have any policy to limit the exposure to interest rate risk. The City has no assets with exposure to interest rate risk except for its investment in PGIM US Corporate Bond Fund of \$3,517 with effective duration of 7.08 years.

**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 such as Standard and Poor's or Moody's rating services. These organizations look at a number of factors in order to evaluate the risk of an obligation and rate the risk. The rating allows the investor to make informed buying and selling decisions. The City's cash equivalents with the broker are exempt from credit risk analysis. The City does not have any policy to limit the exposure to credit risk. The City's stocks and annuity contracts are not subject to credit risk disclosure. The City's investment in PGIM US Corporate Bond Fund is rated Baa1.

**Concentration of Credit Risk**

Concentration of credit risk is the risk that a large percentage of the City's investments are held within one security. The City does not have any limitations on the amount that can be invested in any one issuer. The City has 57% of their retirement investments invested in a guaranteed deposit account with PRIAC. The other 43% of the City's retirement investments are in stocks and mutual funds.

**CITY OF ST. ALBANS, VERMONT**  
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**Fair Value**

The City categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72 Fair Value Measurement and Application (GASB 72). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Annuity contracts are valued at cash surrender value, and therefore, are not included in this disclosure.

The City has the following fair value measurements as of June 30, 2016:

Description	Fair Value Measurements Using:		
	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Debt securities			
Corporate bond mutual fund	\$ 3,517	\$ -	\$ 3,517
Equity securities			
International Stocks	346,473	346,473	-
US Stocks	1,221,364	1,221,364	-
Real estate mutual fund	30,389	30,389	-
Total	\$ <u>1,601,743</u>	\$ <u>1,598,226</u>	\$ <u>3,517</u>

**B. Receivables**

Receivables at June 30, 2016, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows.

	Governmental Activities	Business-Type Activities	Total
Delinquent Taxes	\$ 246,756	\$ -	\$ 246,756
Penalties and Interest	33,077	-	33,077
Billed Services	-	806,396	806,396
Unbilled Services	-	357,949	357,949
Grants	924,864	-	924,864
Other	26,332	78,355	104,687
Allowance for Doubtful Accounts	(36,000)	(14,500)	(50,500)
	\$ <u>1,195,029</u>	\$ <u>1,228,200</u>	\$ <u>2,423,229</u>

**CITY OF ST. ALBANS, VERMONT**  
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**C. Loans and Notes Receivable**

Loans Receivable at June 30, 2016 consists of seven loans for community development as follows.

Governmental Funds

Loan Receivable; Local Business; Interest at 2%; Monthly Interest and Principal Payments of \$88; Due April 10, 2017	\$ 2,812
Loan Receivable; Local Business; Interest at 1%; Balloon Payment Plus Interest Due October 27, 2016; Secured by a Mortgage on Real Estate	65,000
Loan Receivable; Local Business; Interest at 1%; Balloon Payment Plus Interest Due February 3, 2017; Secured By a Mortgage on Real Estate	35,000
Loan Receivable, Local Nonprofit; Interest at 0%, Balloon Payment Due October 30, 2044, Secured by a Mortgage Deed on Real Property	350,000
Loan Receivable; Local Nonprofit; Interest at 0%; Balloon Payment Due December 31, 2032; Secured by a Mortgage Deed on Real Property	360,000
Loan Receivable; Local Nonprofit; Interest at 0%; Balloon Payment Due January 14, 2035; Secured by a Mortgage Deed on Real Property	480,001
Loan Receivable; Local Nonprofit; Interest at 0%; Balloon Payment Due March 15, 2037; Secured by a Mortgage Deed on Real Property	<u>579,600</u>
Total	1,872,413
Plus: Accrued Interest on Note	4,592
Less: Allowance for Doubtful Loans Receivable	<u>(1,769,601)</u>
Governmental Funds Reported Balance at June 30, 2016	<u>\$ 107,404</u>

**CITY OF ST. ALBANS, VERMONT**  
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An analysis of the change in loans receivable is as follows:

<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Payments</u>	<u>Amounts</u> <u>Written Off</u>	<u>Balance</u> <u>June 30, 2016</u>
\$ 1,873,397	\$ 0	\$ 984	\$ 0	\$ 1,872,413

Notes Receivable at June 30, 2016 consists of one note for acquisition of a pump station in the wastewater fund and one note for allocation fees in both the water and wastewater funds as follows.

Proprietary Funds

Note Receivable; Local Business for Water and Wastewater Allocation Fees; Interest at 2.50%; Balloon Payment Due June 30, 2019	\$ 57,690
Total	57,690
Plus: Accrued Interest on Note	<u>2,931</u>
Proprietary Funds Reported Value at June 30, 2016	<u>\$ 60,621</u>

An analysis of the change in notes receivable is as follows:

<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Payments</u>	<u>Amounts</u> <u>Written Off</u>	<u>Balance</u> <u>June 30, 2016</u>
\$ 66,690	\$ 0	\$ 9,000	\$ 0	\$ 60,621

**CITY OF ST. ALBANS, VERMONT**  
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**D. Capital Assets**

Capital asset activity for the year ended June 30, 2016 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 776,095	\$ -	\$ -	\$ 776,095
Construction in Progress	2,643,357	4,729,024	1,018,560	6,353,821
Total Capital Assets, Not Being Depreciated	<u>3,419,452</u>	<u>4,729,024</u>	<u>1,018,560</u>	<u>7,129,916</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	1,557,076	-	-	1,557,076
Vehicles, Machinery and Equipment	3,516,441	1,148,092	143,871	4,520,662
Infrastructure	15,683,440	996,496	-	16,679,936
	<u>20,756,957</u>	<u>2,144,588</u>	<u>143,871</u>	<u>22,757,674</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	825,437	35,243	-	860,680
Vehicles, Machinery and Equipment	1,702,467	327,020	123,782	1,905,705
Infrastructure	572,158	448,348	-	1,020,506
Totals	<u>3,100,062</u>	<u>810,611</u>	<u>123,782</u>	<u>3,786,891</u>
Total Capital Assets, Being Depreciated	<u>17,656,895</u>	<u>1,333,977</u>	<u>20,089</u>	<u>18,970,783</u>
Governmental Activities Capital Assets, Net	<u>\$ 21,076,347</u>	<u>\$ 6,063,001</u>	<u>\$ 1,038,649</u>	<u>\$ 26,100,699</u>
	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b>Business-Type Activities</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 197,000	\$ -	\$ -	\$ 197,000
Construction in Progress	463,888	1,299,784	10,245	1,753,427
Total Capital Assets, Not Being Depreciated	<u>660,888</u>	<u>1,299,784</u>	<u>10,245</u>	<u>1,950,427</u>
Capital Assets, Being Depreciated:				
Buildings, Distribution and Collection Systems & Improvements	31,803,464	183,180	-	31,986,644
Machinery and Equipment	2,952,922	541,502	222,026	3,272,398
Totals	<u>34,756,386</u>	<u>724,682</u>	<u>222,026</u>	<u>35,259,042</u>
Less Accumulated Depreciation for:				
Buildings, Distribution and Collection Systems & Improvements	13,137,967	794,093	-	13,932,060
Machinery and Equipment	1,907,634	295,263	88,946	2,113,951
Totals	<u>15,045,601</u>	<u>1,089,356</u>	<u>88,946</u>	<u>16,046,011</u>
Total Capital Assets, Being Depreciated	<u>19,710,785</u>	<u>(364,674)</u>	<u>133,080</u>	<u>19,213,031</u>
Business-Type Activities Capital Assets, Net	<u>\$ 20,371,673</u>	<u>\$ 935,110</u>	<u>\$ 143,325</u>	<u>\$ 21,163,458</u>

**CITY OF ST. ALBANS, VERMONT**  
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Depreciation was charged as follows:

Governmental Activities:		Business - Type Activities:	
General Government	\$ 6,806	Water	\$ 329,985
Public Safety	236,415	Sewer	<u>759,371</u>
Public Works	519,819		
Culture and Recreation	<u>47,571</u>		
Total Depreciation Expense - Governmental Activities	<u>\$ 810,611</u>	Total Depreciation Expense - Business-Type Activities	<u>\$ 1,089,356</u>

**E. Interfund Balances and Activity**

The composition of Due From/(To) Other Funds at June 30, 2016 is as follows:

<u>Fund Name</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 1,181,606	\$ 4,661,302
TIF Debt Service Fund	2,194	-
City Hall Renovation Fund	78,260	-
Federal Street Bypass Fund	-	240,448
Other Governmental Funds	-	492,338
Water Fund	1,650,814	-
Wastewater Fund	<u>2,481,214</u>	<u>-</u>
Total	<u>\$ 5,394,088</u>	<u>\$ 5,394,088</u>

The composition of Advances To/(From) Other Funds at June 30, 2016 is as follows:

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
General Fund	\$ 423,585	\$ -
City Hall Renovation Fund	-	44,485
Federal Street Bypass Fund	<u>-</u>	<u>379,100</u>
Total	<u>\$ 423,585</u>	<u>\$ 423,585</u>

The advances will be repaid as grant receivables are collected.

**CITY OF ST. ALBANS, VERMONT**  
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Interfund transfers during the year ended June 30, 2016 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	TIF Debt Service	\$ 90,961	Fund local match on grants
Federal Street Bypass Fund	General Fund	101,600	Fund local match on grants
TIF Debt Service	General Fund	2,500,000	To account and report prior sale proceeds in general fund
TIF Capital Projects	Streetscape Fund	232,189	Fund capital projects
TIF Capital Projects	TIF Debt Service	192,639	Fund debt service payments
General Fund	City Hall Renovation Fund	178,721	Contribute to City Hall Renovation
TIF Capital Projects	Streetscape Fund	97,175	Contribute to Streetscape Project
Water Fund	City Hall Renovation Fund	51,950	Contribute to City Hall Renovation
Water Fund	Streetscape Fund	159,941	Fund capital projects
Water Fund	TIF Capital Projects	9,910	Fund capital projects
Wastewater Fund	City Hall Renovation Fund	51,950	Contribute to City Hall Renovation
Wastewater Fund	Streetscape Fund	189,353	Fund capital projects
Wastewater Fund	TIF Capital Projects	24,792	Fund capital projects
	Total	\$ <u>3,881,181</u>	

**F. Deferred Outflows of Resources**

Deferred outflows of resources in the Governmental Activities consist of \$289,528 as a result of differences between projected and actual earnings on investments, \$5,242 arising from changes in proportional share of contributions, \$27,849 as a result of differences between expected and actual experience and \$323,011 arising from changes in assumptions. It also includes \$184,339 related to the City's participation in VMERS resulting from required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Governmental Activities are \$829,969.

Deferred outflows of resources in the Business-Type Activities consist of \$101,322 as a result of differences between projected and actual earnings on investments, \$1,311 arising from changes in proportional share of contributions, \$6,961 as a result of differences between expected and actual experience and \$116,541 arising from changes in assumptions. It also includes \$45,935 related to the City's participation in VMERS resulting from required employer pension contributions subsequent to the measurement date. Total deferred outflows of resources in the Business-Type Activities are \$272,070.

**CITY OF ST. ALBANS, VERMONT**  
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**G. Unearned Revenue**

Unearned revenue in the General Fund consists of \$13,728 in parking garage passes purchased in advance. The revenue will be recognized as parking services are provided. Unearned revenue in the enterprise funds consists of \$2,909 in water and wastewater credits payable for user charges.

**H. Deferred Inflows of Resources**

Deferred inflows of resources in the General Fund consists of \$141,900 of delinquent property taxes, penalties and interest on those taxes, \$107,404 of net loans receivable as well as \$70,261 in other receivables that were not collected within 60 days after year-end as these would not be available to liquidate current liabilities. It also includes \$23,005 of prepaid property taxes. The revenue will be recognized as the loans are repaid and as receivables are collected. Total deferred inflows of resources in the General Fund are \$342,570.

Deferred inflows of resources in the City Hall Renovation Fund consist of \$45,000 of grant receivables not collected within 60 days after year-end as these would not be available to liquidate current liabilities.

Deferred inflows of resources in the Federal Street Bypass Fund consist of \$282,045 of grant receivables not collected within 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 \$207,139 of grant receivables not collected within 60 days after year-end as these would not be available to liquidate current liabilities. The revenue will be recognized as receivables are collected.

Deferred inflows of resources in the Governmental Activities consist \$23,005 of prepaid property taxes. It also includes \$252,431 in experience gains related to the City's single-employer defined benefit pension plan as well as \$1,592 resulting from the difference between the projected and actual investment earnings related to the City's participation in VMERS. Total deferred inflows of resources in the Governmental Activities are \$277,028.

Deferred inflows of resources in the Business-Type Activities consist of \$124,332 in experience gains related to the City's single-employer defined benefit pension plan. It also includes \$398 resulting from a change in the proportional share of the City's contributions to VMERS. Total deferred inflows of resources in the Business-Type Activities are \$124,730.

**CITY OF ST. ALBANS, VERMONT**  
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**June 30, 2016**

**I. Long-term Liabilities**

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

General obligation bonds are direct obligations and pledge the full faith and credit of the City. New bonds generally are issued as 10 to 20 year bonds.

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

Other Notes Payable - The City has other notes payable to finance various capital projects and purchases through local banks.

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

Compensated Absences - It is the policy of the City to permit employees to accumulate vacation, comp-time and sick leave time, the value of which will be paid at their current rate of pay upon retirement, termination or death. The accrual for compensated absences, based on current rates, is recorded in the government-wide and proprietary fund financial statements.

Net Pension Liability – The net pension liability is the difference between the total pension liability (the present value of projected benefit payments to employees based on their past service) and the assets (mostly investments reported at fair value) set aside to pay current employees, retiree, and beneficiaries. The accrual for the City's net pension liability related to the City's single-employer defined benefit pension plan as well as the City's share of the net pension liability associated with VMERS is recorded in the government-wide and proprietary fund financial statements.

Long-term liabilities outstanding as of June 30, 2016 were as follows.

**CITY OF ST. ALBANS, VERMONT**  
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**Bonds, Notes and Capital Leases Payable:**

<u>Governmental Activities:</u>	Series Maturities Through	Interest Rate(s) %	Amount Outstanding as of <u>6/30/16</u>
<b>Bonds Payable:</b>			
Fire Truck Purchase, annual principal payments of \$20,000	\$ 12/01/30	0.777-2.731%	\$ 100,000
TIF District Bond, annual principal payments ranging from \$570,000 to \$1,010,000	11/15/33	0.643-4.723%	<u>13,355,000</u>
Total Bonds Payable			<u>13,455,000</u>
<b>Notes Payable:</b>			
Blouin Parking Lot, monthly principal and interest payments of \$1,252	10/31/20	3.50%	60,324
Court House Parking Lot, monthly principal and interest payments of \$1,501	07/14/20	3.75%	68,097
Nason St Property, monthly principal and interest payments of \$997	12/25/16	3.75%	4,608
Fonda/Solo Building Purchase, interest only payments and renewing the note each year until the property is sold	07/31/16	1.50%	323,216
Bucket Truck, monthly principal and interest payments of \$763	10/01/19	2.55%	29,246
Tennis Court (Houghton Park), monthly principal and interest payments of \$732	01/12/17	2.75%	5,081
Tennis Court (Barlow), monthly principal and interest payments of \$983	12/17/22	3.25%	69,040
Recreation Program Vehicle, monthly principal and interest payments of \$413	10/01/19	2.55%	15,805
Sidewalk Plow, monthly principal and interest payments of \$1,473	03/21/17	2.75%	13,109
Mini Excavator (33.34%), monthly principal and interest payments of \$167	05/23/23	3.20%	12,409
Sidewalk Plow II, quarterly principal and interest payments of \$5,150	03/15/21	2.85%	91,215
Line Striper, monthly principal and interest payments of \$355	11/25/19	2.55%	13,942
Skid Steer (20%), monthly principal and interest payments of \$108	11/25/21	2.89%	6,522
City Hall Renovation, monthly interest payments vary, balloon principal payment due 9/1/16 at which time the City intends to renew the note	09/01/16	3.40%	2,300,000
Pumper Tanker, balloon principal payment due 9/1/16 at which time the City intends to renew the note	09/01/16	1.25%	475,000
Various Infrastructure Improvements, balloon principal payment due 9/1/16 at which time the City intends to renew the note	09/01/16	1.40%	489,024
Fountain, balloon principal payment due 8/17/16 at which time the City intends to renew the note	08/17/16	1.35%	<u>60,000</u>
Total Notes Payable			<u>4,036,638</u>
<b>Capital Leases Payable:</b>			
Recreation Van, annual principal and interest payments of \$4,987	10/15/18	4.45%	13,723
Fire Pickup Truck, quarterly principal and interest payments of \$1,085	08/15/20	3.97%	<u>16,895</u>
Total Capital Leases Payable			<u>30,618</u>
Total Governmental Activities:			<u>\$ 17,522,256</u>

**CITY OF ST. ALBANS, VERMONT**  
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<u>Business-Type Activities:</u>	Series Maturities Through	Interest Rate(s) %	Amount Outstanding as of <u>6/30/16</u>
Water Fund			
Bonds Payable:			
USDA Refunding Bond, annual payments of \$231,195	11/15/36	3.93%	\$ 3,213,036
Notes Payable:			
Fairfax Dam, monthly principal and interest payments of \$7,083	08/17/32	3.70%	1,033,168
Streetscape Utilities (50%), monthly principal and interest payments of \$1,502	08/28/33	3.90%	225,285
Mini Excavator (33.33%), monthly principal and interest payments of \$167	05/23/23	3.20%	12,409
Skid Steer (40%), monthly principal and interest payments of \$216	11/25/21	2.89%	13,041
Various Infrastructure Improvements, balloon principal payment due 9/1/16 at which time the City intends to renew the note	09/01/16	1.40%	<u>353,421</u>
Total Notes Payable			<u>1,637,324</u>
Capital Lease Payable:			
Vactor (30%), annual principal and interest payments of \$34,357	06/01/21	3.13%	<u>55,595</u>
Total Water Fund			4,905,955
Wastewater Fund			
Bonds Payable:			
Wastewater Treatment Facility Improvements, annual principal and administrative fee payments of \$88,677	09/01/31	0.00%	\$ 1,178,476
Wastewater Treatment Facility Improvements, annual principal and administrative fee payments of \$142,607	09/01/31	0.00%	2,042,150
Wastewater Treatment Facility Improvements, annual principal and administrative fee payments of \$9,851	09/01/31	0.00%	<u>133,757</u>
Total Bonds Payable			<u>3,354,383</u>
Notes Payable:			
Streetscape Utilities (50%), monthly principal and interest payments of \$1,502	08/28/33	3.90%	225,285
Mini Excavator (33.33%), monthly principal and interest payments of \$167	05/23/23	3.20%	12,409
Skid Steer (40%), monthly principal and interest payments of \$216	11/25/21	2.89%	13,041
Wastewater Planning Loan, Annual payments of \$2,336	03/01/19	0.00%	7,005
Wastewater Planning Loan, Annual payments of \$40,480	08/01/17	0.00%	458,765
Various Infrastructure Improvements, balloon principal payment due 9/1/16 at which time the City intends to renew the note	09/01/16	1.40%	<u>415,047</u>
Total Notes Payable			<u>1,131,552</u>
Capital Lease Payable:			
Vactor (70%), annual principal and interest payments of \$34,357	06/01/21	3.13%	<u>129,722</u>
Total Wastewater Fund			<u>4,615,657</u>
Total Business-Type Activities:			<u>\$ 9,521,612</u>

**CITY OF ST. ALBANS, VERMONT**  
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Changes in all 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>
<b>Governmental Activities</b>					
Bonds Payable	\$ 14,050,000	\$ -	\$ 595,000	\$ 13,455,000	\$ 600,000
Notes Payable	1,327,560	2,974,021	264,943	4,036,638	3,440,895
Capital Leases Payable	38,388	-	7,770	30,618	9,328
Compensated Absences	357,145	399,991	344,828	412,308	350,000
Environmental Liability	-	249,164	-	249,164	-
Net Pension Liability	<u>1,938,300</u>	<u>770,855</u>	<u>-</u>	<u>2,709,155</u>	<u>-</u>
 Total Governmental Activities Long-Term Liabilities	 <u>\$ 17,711,393</u>	 <u>\$ 4,394,031</u>	 <u>\$ 1,212,541</u>	 <u>\$ 20,892,883</u>	 <u>\$ 4,400,223</u>
 <b>Business-type Activities</b>					
Bonds Payable	\$ 6,844,811	\$ -	\$ 277,392	\$ 6,567,419	\$ 284,886
Notes Payable	2,092,922	768,466	92,512	2,768,876	852,751
Capital Leases Payable	-	185,317	-	185,317	28,556
Compensated Absences	162,070	142,433	122,291	182,212	130,000
Net Pension Liability	<u>931,428</u>	<u>189,255</u>	<u>-</u>	<u>1,120,683</u>	<u>-</u>
 Total Business-type Activities Long-Term Liabilities	 <u>\$ 10,031,231</u>	 <u>\$ 1,285,471</u>	 <u>\$ 492,195</u>	 <u>\$ 10,824,507</u>	 <u>\$ 1,296,193</u>

Compensated Absences are paid by the applicable fund where the employee is charged. The City applies a first-in, first-out flow assumption to estimate the amount of compensated absences payable that will become due within one year. The implication of this assumption is that the current ending balance in compensated absences payable will be used before any amounts are drawn from future accumulations of leave time. An estimate has been applied to determine the amount of compensated absences due within one year and is based on actual results from the previous year. For compensated absences in the Governmental Activities, the General Fund liquidates 100 percent and for compensated absences in the Business-Type Activities, the Water Fund normally liquidates 50 percent and the Wastewater Fund normally liquidates 50 percent.

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Maturities of notes, bonds and capital leases payable based on the City's intentions are as follows:

Year Ending June 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Capital Leases	Principal	Interest	Capital Leases
2017	\$ 4,040,895	\$ 501,296	\$ 9,328	\$ 1,137,637	\$ 224,764	\$ 34,357
2018	989,727	479,427	9,327	377,133	219,165	34,357
2019	696,526	466,972	9,328	385,334	209,675	34,357
2020	697,107	451,710	4,339	422,036	199,862	34,357
2021	670,878	434,073	1,086	430,745	189,703	34,357
2022-2026	3,411,505	1,845,489	-	2,255,551	785,360	34,354
2027-2031	4,085,000	1,121,288	-	2,499,853	471,247	-
2032-2036	2,900,000	206,258	-	1,716,779	157,746	-
2037	-	-	-	111,227	2,186	-
Total	17,491,638	5,506,513	33,408	9,336,295	2,459,708	206,139
Less: Interest	-	-	(2,790)	-	-	(20,822)
Total	\$ 17,491,638	\$ 5,506,513	\$ 30,618	\$ 9,336,295	\$ 2,459,708	\$ 185,317

The City has an available line of credit of \$1,000,000 with Peoples Trust Company. Interest is at 1.5% and matures February 10, 2017. For the year ended June 30, 2016, there was \$475,000 of short-term debt drawn and paid, and there was no outstanding balance as of the end of the year.

The City also has an available line of credit of \$4,000,000 with Peoples Trust Company. Interest is at 1.4% and matures September 1, 2016, at which time the City intends to renew the note. As of June 30, 2016, the note has outstanding balance of \$1,257,490.

**J. Net Position and Fund Balances**

Fund balances are segregated to account for resources that are either not available for expenditure in the future or are legally set aside for a specific future use.

The City has implemented GASB Statement No. 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions*, which enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying existing governmental fund type definitions.

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The following types of fund balances are reported at June 30, 2016:

Nonspendable - Represents amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. This fund balance classification includes general fund reserves for prepaid expenditures, inventories, assets held for resale, and advances to other funds.

Restricted - Represents amounts that are restricted to specific purposes by constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation. This fund balance classification includes amounts restricted for debt service, various special revenue funds, and permanent trust funds.

Committed - Represents amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the City's highest level of decision-making authority. This fund balance classification includes general fund encumbrances for non-lapsing special article appropriations approved at City Council.

Unassigned - Represents amounts that are available to be spent in future periods and deficit funds.

Following is a breakdown of the City's fund balances at June 30, 2016:

	General Fund	TIF Debt Service Fund	City Hall Renovation Fund	Federal Street Bypass Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>Nonspendable</u>						
Prepaid expenditures	\$ 6,413	\$ -	\$ -	\$ -	\$ -	\$ 6,413
Inventories	13,414	-	-	-	-	13,414
Assets held for resale	347,633	-	-	-	-	347,633
Federal Street Deficit	379,100	-	-	-	-	379,100
City Hall Renovation Deficit	44,485	-	-	-	-	44,485
Total Nonspendable	791,045	-	-	-	-	791,045
<u>Restricted</u>						
Asset forfeiture	8,435	-	-	-	-	8,435
Debt service	-	2,194	-	-	430,003	432,197
Expendable permanent funds	-	-	-	-	8,637	8,637
Total Restricted	8,435	2,194	-	-	438,640	449,269
<u>Committed</u>						
Hotel Loan	1,000,000	-	-	-	-	1,000,000
FY17 Property Acquisition	600,000	-	-	-	-	600,000
Property Acquisition Renovation	600,000	-	-	-	-	600,000
Redevelopment	102,184	-	-	-	-	102,184
Total Committed	2,302,184	-	-	-	-	2,302,184
<u>Unassigned</u>						
	(188,336)	-	(133,969)	(529,750)	(709,964)	(1,562,019)
Total Fund Balance	\$ 2,913,328	\$ 2,194	\$ (133,969)	\$ (529,750)	\$ (271,324)	\$ 1,980,479

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**K. Retirement Plans**

**1. Vermont Municipal Employees' Retirement System – 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, 2016, 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 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 credible services.

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

As of June 30, 2015, the measurement date selected by the State of Vermont, VMERS was funded at 87.42% and had a plan fiduciary net position of \$535,903,742 and a total pension liability of \$612,999,552 resulting in a net pension liability of \$77,095,810. As of June 30, 2016, the City's proportionate share of this was 1.42843% resulting in a liability of \$1,101,261. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. As of June 30, 2015, the City's proportion of 1.42843% was an increase of 0.02198% from its proportion measured as of June 30, 2014.

For the year ended June 30, 2016, the City recognized pension expense of \$302,658.

**CITY OF ST. ALBANS, VERMONT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

**K. Retirement Plans**

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For the year ended June 30, 2016, the City recognized pension expense of \$302,658.

**CITY OF ST. ALBANS, VERMONT**  
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As of June 30, 2016, the City 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	\$ 6,553	\$ 1,990
Difference between projected and actual earnings on pension plan investments	212,756	-
Difference between expected and actual experience	34,811	-
Changes in assumptions	219,316	-
City's required employer contributions made subsequent to the measurement date	230,274	-
Total	\$ 703,710	\$ 1,990

The deferred outflows of resources resulting from the City's required employer contributions made subsequent to the measurement date in the amount of \$230,274 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 Ended June 30	
2017	\$ 92,571
2018	92,571
2019	92,571
2020	193,733
Total	\$ 471,446

**Summary of System Provisions**

**Membership:** Full time employees of participating municipalities. The City elected coverage under Group B and Group C provisions.

**Creditable Service:** Service as a member plus purchased service.

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

**Service Retirement Allowance:**

**Eligibility:** Group B – The earlier of age 62 with 5 years of service or age 55 with 30 years or service. Group C – Age 55 with 5 years of service.

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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 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 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 years of service and disability as determined by Retirement Board.

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

Death Benefit:

Eligibility: Death after five 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.

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Post-Retirement Adjustments: Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in the 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**

These assumptions were selected on the basis of the experience study that was performed for the five-year period ending June 30, 2010.

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

Year Ending	Interest Rate	Year Ending	Interest Rate
6/30/2016	6.75%	6/30/2024	8.50%
6/30/2017	7.00%	6/30/2025	8.50%
6/30/2018	7.50%	6/30/2026	8.50%
6/30/2019	7.75%	6/30/2027	8.50%
6/30/2020	8.25%	6/30/2028	8.50%
6/30/2021	8.25%	6/30/2029	8.50%
6/30/2022	8.25%	6/30/2030	8.75%
6/30/2023	8.50%	6/30/2031 and later	9.00%

Salary Increases: 5% per year.

**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.

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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.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Equity	31.50%	8.61%
Fixed Income	33.00%	1.91%
Alternatives	15.50%	6.93%
Multi-strategy	20.00%	4.88%

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%.

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Discount Rate: The discount rate used to measure the total pension liability was 7.95%. 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 City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the City's proportionate share of the net pension liability calculated using the discount rate of 7.95%, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.95%) or one percent higher (8.95%).

<u>Impact of a 1% Change in the Discount Rate</u>		
	<u>Discount Rate</u>	<u>Net Pension Liability</u>
Current Rate	7.95%	\$ 1,101,261
1% Decrease	6.95%	\$ 2,199,696
1% Increase	8.95%	\$ 180,458

**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.

**2. City of St. Albans Pension Plan - Defined Benefit Plan**

**Plan Description**

The City of St. Albans Pension Plan is a single employer defined benefit pension plan administered by the City of St. Albans. The City of St. Albans Pension Plan provides retirement, disability and death benefits to plan members and beneficiaries. The City of St. Albans established and may amend benefit provisions of the plan. The plan does not issue stand-alone financial statements. The plan covers all employees of the City who work at least 1,000 hours on a 12-month consecutive period and who agree to make minimum contributions. Effective January 1, 2010, the City stopped allowing new participants to enter the plan.

**Funding Policy**

The Plan requires members to contribute either 2.5% or 7.5% of Annual Base Earnings, excluding overtime and any other additional compensation, depending on the benefit level elected. The total

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actuarially determined contribution to the system for 2016 was \$322,117 which was computed through an actuarial valuation performed as of January 1, 2016.

There are 20 active members and 52 retirees and beneficiaries. Additionally, there are 9 former employees with vested rights.

The market value of plan assets maintained at Prudential Investments is \$3,761,232 as of June 30, 2016.

**Benefits**

Normal Retirement Benefits: The yearly amount of pension a City employee will receive is equal to the sum of (a) and (b), but not greater than (c):

- (a) the sum of  $\frac{3}{4}\%$  of 1990 Annual Base Earnings multiplied by years of Participation Service completed prior to January 1, 1991;
- (b) for each Plan Year after January 1, 1991 and before July 1, 1995, the yearly amount of future service pension is equal to  $\frac{3}{4}\%$  of the rate of Annual Base Earnings. For each Plan Year after July 1, 1995 and before July 1, 1997, the yearly amount of future service pension is equal to  $1\frac{1}{4}\%$  of the rate of Annual Base Earnings. After July 1, 1997, the yearly amount of future service pension is equal to  $1\frac{1}{2}\%$  of the rate of Annual Base Earnings.
  - i. Effective July 1, 2001, the yearly amount of future service pension is equal to  $1\frac{1}{2}\%$  of the rate of Annual Base Earnings for those participants electing on July 1, 2001 to make required employee contributions of 2.5% of Annual Base Earnings.
  - ii. Effective July 1, 2001, the yearly amount of future service pension is equal to 3% of the rate of Annual Base Earnings for those participants electing July 1, 2001 to make required employee contributions of 7.5% of Annual Base Earnings.
- (c) Effective July 1, 2001, the maximum amount was removed for all participants.

Form of Payment: The normal form of pension is a life annuity with monthly payments commencing on the member's retirement date and guaranteed for a 10-year period and thereafter during the member's lifetime.

Late Retirement: A member may elect a late retirement date on the first day of any calendar month before age 70. The pension will be the greater of the accrued benefit earned on the Late Retirement Date of the benefit earned at the Normal Retirement Date actuarially increased to the Late Retirement Date.

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Termination Benefit: Before having 10 years of Continuous Service and before age 55, a member receives a return of contributions (required and voluntary) with interest. After 10 years, a member is 100% vested in the accrued benefit.

Death Benefit: Before the member is vested, the beneficiary receives the contributions (required and voluntary) with interest. After the member is vested, the beneficiary is entitled to a monthly benefit or 50% of the amount the member would have received if retirement is assumed on the day before death with an election of the option to provide a 50% continuation to the beneficiary commencing at early retirement age or date of death, whichever is later. If the member's death occurs after actual retirement, the beneficiary receives whatever payable under the normal form or the option is elected.

Disability Benefit: If a member who has completed at least 10 years of Continuous Service becomes totally and permanently disable for a period of 26 weeks, they shall receive a monthly disability benefit equal to the accrued benefit.

Optional Forms of Payment: A member may elect, in writing, to have the normal form of pension converted to an actuarially equivalent optional form. These are (a) the contingent annuitant form in which the member receives a smaller amount monthly in return for the insurance company's continuing payments to the named beneficiary in the same amount, two thirds of the amount, or one half of the amount as designated as long as the beneficiary may live after the death of the member; (b) the life annuity form in which the member receives a larger amount monthly in return for forfeiting the guarantee of continuing payments for a full 10 years if he should die before then.

Investment Policy: The investment policy was approved by the City Council. The target allocation is as follows:

	<u>Target Allocation</u>
Domestic Equity	38.00%
Fixed Income	<u>62.00%</u>
Total	<u><u>100.00%</u></u>

**Net Pension Liability**

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as for June 30, 2016 using an annual actuarial valuation as of June 30, 2016. Because the measurement date is the same as the reporting date, no adjustments have been necessary to roll forward the data.

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**Significant Actuarial Assumptions and Methods**

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement.

Actuarial Cost Method	Entry Age Normal
Amortization Method	15 Year Level Dollar of the existing Net Pension Liability as of the valuation date
Remaining Amortization Term	15 Years; fresh start method with amortization of remaining unfunded amortized each year
Asset Valuation	Market Value
Interest Rate of Return	6.07%
Salary Increases	5.00% annually
Inflation	2.50%
COLA Adjustment	None
Mortality	RP-2000 Mortality Table

Discount Rate: The discount rate was determined as follows:

	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	4.50%
International Equity	5.50%
Fixed Income	3.00%
Real Estate	4.00%
Cash	<u>1.00%</u>
Real Rate of Return	3.57%
Inflation Assumption	<u>2.50%</u>
Total Nominal Return (Discount Rate)	<u><u>6.07%</u></u>

The discount rate used to measure the total pension liability was 6.07%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will continue to be made at the current rate and that contributions will be made at rates at least equal to the actuarially determined contribution rates. Based on those assumptions, the net pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability, calculated using the discount rate of 6.07%, as well as what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.07%) or one percentage point higher (7.07%) than the current rate.

Impact of a 1% Change in the Discount Rate		
	Discount Rate	Net Pension Liability
Current Rate	6.07%	\$ 2,728,576
1% Decrease	5.07%	\$ 3,386,811
1% Increase	7.07%	\$ 2,178,965

**Pension Expense and Deferred Outflows and Deferred Inflows of Resources**

For the year ended June 30, 2016 the City recognized pension expense of \$282,740. At June 30, 2016 the City reported deferred outflows of resources and deferred inflows or resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ 376,762
Changes in assumptions	220,236	-
Net difference between projected and actual earnings on plan investments	178,094	-
Total	\$ 398,330	\$ 376,762

The amounts reported as deferred outflows of resources and deferred inflows of resources related to the pension plan will be recognized as pension expense as follows:

Year Ended June 30	
2017	\$ 27,343
2018	27,343
2019	27,341
2020	23,972
2021	(42,448)
Thereafter	(41,983)
Total	\$ 21,568

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**3. Deferred Compensation Plan**

The City also offers its employees a deferred compensation plan through the International City/County Management Association's Retirement Corporation (ICMA-RC) in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City has no liability for losses under this plan but does have the duty of due care that would be required of an ordinary prudent investor. All of the investments are self-directed by each employee. For each employee not currently participating in the City's defined benefit plan or VMERS, the City will match the employee's contribution to the plan up to 5%. The City also provides the City Manager a 2.1% contribution of base pay without a required employee contribution amount. Employees remaining in the City's defined benefit plan or VMERS may open a 457 account without a City match. Total employer contributions to the 457 Plan for the year were \$5,903.

**L. Risk Management**

The City of St. Albans 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 City of St. Albans maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City of St. Albans. Settled claims have not exceeded this coverage in any of the past three fiscal years. The City must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving 60 days' notice. Fund underwriting and rate setting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

The City of St. Albans is also a member of the Vermont League of Cities and Towns Unemployment Insurance Trust. The Unemployment Trust is a nonprofit corporation formed to provide unemployment coverage for Vermont municipalities and is owned by the participating members. The agreement does not permit the Unemployment Trust to make additional assessments to its members.

**M. Property Taxes**

The City is responsible for assessing and collecting its own property taxes, as well as education taxes for the State of Vermont. Property taxes are assessed based on property valuations as of April 1, the approved budgets and the State education property tax liability. Taxes are due and payable on August 29, November 26, February 27 and May 29, and become delinquent on June 1. The City assesses an 8% penalty on delinquent taxes and interest is assessed at 1% per month after each installment date for the first twelve months and 1.5% per month thereafter. Unpaid

**CITY OF ST. ALBANS, VERMONT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

taxes become an enforceable lien on the property, and such properties are subject to tax sale. The tax rates for 2016 are as follows:

	<u>Residential</u>	<u>Non-Residential</u>
Education	1.4828	1.5697
General City	0.8117	0.8117
Library	0.0420	0.0420
Veteran's Exemption	0.0026	0.0026
Total Tax Rate per \$100 of Assessed Value	2.3391	2.4260

**N. Pollution Remediation**

On August 11, 2016, a Feasibility Study was prepared for the Fonda/Solo Site to assess the feasibility for redevelopment of 19 Lower Newton Street to house municipal fire, police and public works functions for the community. The project parcel is the site of a former manufacturing facility, with known environmental contamination. This includes, but is not limited to, portions of the concrete slab remaining after the building was demolished, a known contaminant plume beneath the slab in the center of the site, and the possibility of “urban soils”. The estimate for mitigation of these items is currently assessed at \$249,164. Actual costs may differ depending on what is uncovered during mitigation, as well as due to inflation, changes in technology, or changes in regulations.

**O. Contingent Liabilities**

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

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

**CITY OF ST. ALBANS, VERMONT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

**P. Subsequent Events**

Subsequent to year end, the City incurred debt through Vermont Municipal Bond Bank for Facilities, Infrastructure and Equipment Projects – City Hall, Streetscape Improvements, Fairfield Street Infrastructure, Lake and Main Streets Infrastructure, Fairfax Water Filter, Fire Truck and Fairfield Dam in the amount of \$10,183,582. The amount will be paid back in annual installments through November 2, 2041.

**Q. Tax Increment Financing District**

The City Council approved the establishment of a Tax Increment Financing (TIF) District on April 30, 2012 which was later approved by the Vermont Economic Progress Council (VEPC) in August 2012. The TIF District will allow the City to undertake and pay for infrastructure improvements that will allow for increased economic and community development. The City cannot incur any new TIF District debt until the voters authorize an overall debt level. This level of \$43 million was approved on November 6, 2012. With a TIF District, the value of properties within the District is frozen at the time the District is created. All property taxes generated by the original base continue to go to the municipal General Fund and the State Education Fund. For 20 years, the municipal and education property taxes generated on the incremental assessed value above the frozen baseline are shared, with 75% going to finance TIF District infrastructure debt and 25% going to the municipal General Fund and State Education Fund.

In March 2013, voters authorized a \$3 million in general obligation bonds or notes to finance brownfield remediation, professional services, streetscape improvements, and parking garage design and site improvements. In September 2013, voters authorized an additional \$13 million in general obligation bonds for the purpose of financing the costs associated with constructing the parking garage, acquisition of land and interests for development, and public street, water and wastewater system improvements. To date, the City has issued bonds totaling \$14.5 million of the \$16 million authorized.

In March 2015, voters authorized the City to re-direct up to \$1.5 million of TIF funds previously approved for the parking garage for the purpose of making streetscape improvements on Lake and Main Streets and brownfield cleanup at the hotel development site on Lake Street.

**R. Commitments**

During the year ended June 30, 2014, the City sold land that included deeded parking rights to 170 parking spaces in the St. Albans Parking Garage in perpetuity.

**CITY OF ST. ALBANS, VERMONT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**June 30, 2016**

**S. Restatement/Reclassification**

The City's major governmental funds for fiscal year 2016, as defined by GASB Statement 34, have changed from the previous fiscal year. Accordingly, the following reconciliation is provided:

	Fund Equity 6/30/15 (as previously reported)	Reclassification	Restatement for merger with Restorative Justice Center	Fund Equity 6/30/15 (as restated)
General Fund	\$ 467,166	\$ 172,243	\$ (7,252)	\$ 632,157
TIF Capital Projects Fund	964,346	(964,346)	-	-
Streetscape Fund	(6,877)	6,877	-	-
City Hall Renovation Fund	-	(46,105)	-	(46,105)
Federal Street Bypass Fund	-	(467,960)	-	(467,960)
Nonmajor Governmental Funds	<u>(359,458)</u>	<u>1,299,291</u>	<u>-</u>	<u>939,833</u>
Total	<u>\$ 1,065,177</u>	<u>\$ -</u>	(7,252)	<u>\$ 1,057,925</u>
Governmental activities net position at 6/30/15, as previously reported			<u>7,404,441</u>	
Governmental activities net position at 6/30/15, as restated			<u>\$ 7,397,189</u>	

## Schedule 1

CITY OF ST. ALBANS, VERMONT  
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL  
 GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2016

	Original/Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
<b>REVENUES</b>			
Property Taxes	\$ 3,996,966	\$ 4,136,694	\$ 139,728
Payments on Prior Year Taxes	147,473	-	(147,473)
Penalty on Taxes	33,000	22,348	(10,652)
Interest on Taxes	40,000	40,740	740
State Payments/RR Taxes	8,500	11,259	2,759
Interest on Savings	4,000	10,453	6,453
Public Works Garage Lease	37,500	37,500	-
City Hall Lease	52,500	52,500	-
PILOT	38,750	81,465	42,715
Insurance Reimbursements and Miscellaneous	35,000	153,265	118,265
Finance and Administration	18,000	12,842	(5,158)
City Clerk	110,200	98,544	(11,656)
Planning and Development	32,500	106,449	73,949
Assessing	23,050	22,283	(767)
Fire Department	569,430	530,449	(38,981)
Police, Dispatch and Animal Control	1,534,558	1,659,473	124,915
Library	-	36,537	36,537
Parking Garage	90,800	141,535	50,735
Public Works and Parks	131,500	460,351	328,851
Recreation Programs	332,235	409,775	77,540
	<u>7,235,962</u>	<u>8,024,462</u>	<u>788,500</u>
<b>EXPENDITURES</b>			
Administration and Finance	427,898	986,371	(558,473)
City Clerk	72,460	61,862	10,598
Planning and Development	268,567	300,098	(31,531)
Planning and Development Capital	40,000	-	40,000
County and District Functions	237,184	234,670	2,514
Audit and Audit Consultants	10,000	7,684	2,316
Assessing	47,396	46,405	991
Debt Service - Principal and Interest	120,501	234,147	(113,646)
Professional Services - Legal	54,600	57,871	(3,271)
Fire Department	390,451	420,024	(29,573)
Fire Department Capital	565,063	490,951	74,112
Police, Dispatch and Animal Control	3,107,995	3,453,541	(345,546)
Police Department Capital	106,792	50,915	55,877
Library	-	34,713	(34,713)
Parking Garage	90,800	135,404	(44,604)
Public Works, Highway, Parks	657,969	1,043,826	(385,857)
Public Works Capital	522,078	395,118	126,960
Recreation Programs	485,687	504,235	(18,548)
Recreation Capital	30,521	30,521	-
	<u>7,235,962</u>	<u>8,488,356</u>	<u>(1,252,394)</u>
Excess/(Deficiency) of Revenue Over Expenditures	<u>\$ -</u>	(463,894)	<u>\$ (463,894)</u>
Fund Balance - July 1, 2015, as restated		632,157	
Transfer in from prior year sale proceeds		2,500,000	
Transfer in from prior year Wal-Mart funds		350,000	
Other non budgeted activity		<u>(104,935)</u>	
Fund Balance - June 30, 2016		<u>\$ 2,913,328</u>	

See Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS  
 CITY OF ST. ALBANS PENSION PLAN  
 JUNE 30, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>Total Pension Liability:</b>			
Service Cost	\$ 56,040	\$ 226,520	\$ 54,376
Interest	421,289	423,309	372,888
Changes in Assumptions	-	335,956	-
Differences Between Actual and Expected Experience	(294,671)	(188,267)	-
Benefit Payments, Including Refunds of Member Contributions	<u>(384,878)</u>	<u>(449,104)</u>	<u>(432,133)</u>
Net Change in Total Pension Liability	(202,220)	348,414	(4,869)
Total Pension Liability, beginning	<u>6,692,028</u>	<u>6,343,614</u>	<u>6,348,483</u>
Total Pension Liability, ending	6,489,808	6,692,028	6,343,614
<b>Plan Fiduciary Net Position:</b>			
Contributions - Employer	200,000	200,000	200,000
Contributions - Members	37,743	36,594	40,043
Net Investment Income	9,080	233,965	249,941
Benefit Payments, Including Refunds of Member Contributions	(384,878)	(449,104)	(432,133)
Administrative Expenses	<u>(35,508)</u>	<u>(31,191)</u>	<u>(28,753)</u>
Net Change in Fiduciary Net Position	(173,563)	(9,736)	29,098
Plan Fiduciary Net Position, beginning	<u>3,950,662</u>	<u>3,960,398</u>	<u>3,931,300</u>
Plan Fiduciary Net Position, ending	<u>3,777,099</u>	<u>3,950,662</u>	<u>3,960,398</u>
Net Pension Liability, ending	<u>\$ 2,728,576</u>	<u>\$ 2,741,366</u>	<u>\$ 2,383,216</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.20%	59.04%	62.43%
Covered Employee Payroll	\$ 531,385	\$ 508,580	\$ 538,265
Net Pension Liability as a Percentage of Covered Employee Payroll	513.48%	539.02%	442.76%

**Notes to the Schedule:**

Benefit Changes: none

## Changes in Assumptions:

For Fiscal Years 2016 and 2015, the investment rate of return is 6.07% per year.

The assumed pre and post retirement mortality rates were based on the RP-2000 Mortality Table.

GASB No. 67 required supplementary information is not available for fiscal years prior to 2014.

Data for future years will be added prospectively.

See Accompanying Independent Auditor's Report.

Schedule 3

CITY OF ST. ALBANS, VERMONT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF EMPLOYER CONTRIBUTIONS AND INVESTMENT RETURNS  
 CITY OF ST. ALBANS PENSION PLAN  
 JUNE 30, 2016

	2016	2015	2014	2013	2012	2011	2010	2009	2008
Actuarially Determined Contribution	\$ 322,117	\$ 494,618	\$ 312,844	\$ 224,258	\$ 187,482	\$ 118,825	\$ 201,866	\$ 213,524	\$ 159,632
Contributions in Relation to the Actuarially Determined Contribution	200,000	200,000	200,000	200,000	200,000	161,606	209,825	153,737	201,136
Contribution Deficiency/(Excess)	\$ 122,117	\$ 294,618	\$ 112,844	\$ 24,258	\$ (12,518)	\$ (42,781)	\$ (7,959)	\$ 59,787	\$ (41,504)
Covered-Employee Payroll	\$ 531,385	\$ 508,580	538,265	647,286	714,519	471,413	471,413	628,509	1,290,469
Contributions as a Percentage of Covered-Employee Payroll	37.64%	39.33%	37.16%	30.90%	27.99%	34.28%	44.51%	24.46%	15.59%
Annual Money-Weighted Rate of Return, Net of Investment Expense	2.016	2015	2014						
	0.38%	4.64%	4.98%						

Notes to the Schedule:

Valuation Date: June 30, 2016

Actuarially determined contribution rates are calculated as of January 1 of the fiscal year in which contributions are reported

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	15 Year Level Dollar
Remaining Amortization Period	15 Years
Asset Valuation Method	Market Value
Inflation	2.50%
Salary Increases	5.00%
Investment Rate of Return	6.07%
Retirement Age	55
Mortality	RP-2000 Mortality Table

GASB No. 67 required supplementary information is not available for fiscal years prior to 2008. Data for future years will be added prospectively.

See Accompanying Independent Auditor's Report

CITY OF ST. ALBANS, VERMONT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM (VMERS) DEFINED BENEFIT PLAN

JUNE 30, 2016

	<u>2015</u>	<u>2014</u>
Total Plan Net Pension Liability	\$ 77,095,810	\$ 9,126,613
City's Proportion of the Net Pension Liability	1.42843%	1.40650%
City's Proportionate Share of the Net Pension Liability	\$ 1,101,261	\$ 128,361
City's Covered Employee Payroll	\$ 3,271,734	\$ 3,029,983
Proportionate Share of the Net Pension Liability as a Percentage of Covered Employee Payroll	33.66%	4.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	87.42%	98.32%

**Notes to the Schedule:**

Benefit Changes: none

Changes in Assumptions: The discount rate used to measure the net pension liability was lowered from 8.15% to 7.95%, due to the adoption by the Board of Trustees of a 7.95% expected future rate of return on assets for funding purposes.

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

See Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS  
 VMERS DEFINED BENEFIT PLAN  
 FOR THE YEAR ENDED JUNE 30, 2016

	<u>2015</u>	<u>2014</u>
Contractually Required Contributions (Actuarially Determined)	\$ 199,673	\$ 181,424
Contributions in Relation to the Actuarially Determined Contributions	<u>199,673</u>	<u>181,424</u>
Contribution Excess/(Deficiency)	<u>\$ -</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 3,271,734	\$ 3,029,983
Contributions as a Percentage of Covered Employee Payroll	6.10%	5.99%

**Notes to the Schedule:**

Valuation Date: June 30, 2015 and June 30, 2014

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

See Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2016

	Special Revenue Funds	Capital Project Funds	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>ASSETS</b>			
Cash	\$ 8,887	\$ 239,962	\$ 248,849
Receivables	<u>157,301</u>	<u>212,160</u>	<u>369,461</u>
Total Assets	<u>\$ 166,188</u>	<u>\$ 452,122</u>	<u>\$ 618,310</u>
 <b>LIABILITIES</b>			
Accounts Payable	\$ 19,091	\$ 171,066	\$ 190,157
Due to Other Funds	<u>54,461</u>	<u>437,877</u>	<u>492,338</u>
Total Liabilities	73,552	608,943	682,495
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue	<u>92,109</u>	<u>115,030</u>	<u>207,139</u>
Total Deferred Inflows of Resources	92,109	115,030	207,139
 <b>FUND BALANCES (DEFICIT)</b>			
Restricted	8,637	430,003	438,640
Unassigned	<u>(8,110)</u>	<u>(701,854)</u>	<u>(709,964)</u>
Total Fund Balances/(Deficit)	<u>527</u>	<u>(271,851)</u>	<u>(271,324)</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 166,188</u>	<u>\$ 452,122</u>	<u>\$ 618,310</u>

See Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2016

	Special Revenue Funds	Capital Project Funds	Total
	<u>          </u>	<u>          </u>	<u>          </u>
<b>REVENUES</b>			
Intergovernmental Revenues	\$ 742,656	\$ 451,446	\$ 1,194,102
Charges for Services	23,156	-	23,156
Investment Income	<u>6</u>	<u>-</u>	<u>6</u>
 Total Revenues	 765,818	 451,446	 1,217,264
 <b>EXPENDITURES</b>			
Current:			
Public Safety	747,655	-	747,655
Community Development	-	755,340	755,340
Capital Outlay			
Public Works	<u>-</u>	<u>1,535,658</u>	<u>1,535,658</u>
 Total Expenditures	 <u>747,655</u>	 <u>2,290,998</u>	 <u>3,038,653</u>
 Excess/(Deficiency) of Revenue Over Expenditures	 18,163	 (1,839,552)	 (1,821,389)
 <b>OTHER FINANCING SOURCES (USES)</b>			
Issuance of Long-Term Debt	-	418,875	418,875
Transfers In	-	713,360	713,360
Transfers Out	<u>-</u>	<u>(522,003)</u>	<u>(522,003)</u>
 Total Other Financing Sources	 <u>-</u>	 <u>610,232</u>	 <u>610,232</u>
 Net Change in Fund Balances	 18,163	 (1,229,320)	 (1,211,157)
 Fund Balance/(Deficit) - July 1, 2015, as restated	 <u>(17,636)</u>	 <u>957,469</u>	 <u>939,833</u>
 Fund Balance/(Deficit) - June 30, 2016	 <u>\$ 527</u>	 <u>\$ (271,851)</u>	 <u>\$ (271,324)</u>

See Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT  
 COMBINING BALANCE SHEET  
 NONMAJOR SPECIAL REVENUE FUNDS  
 JUNE 30, 2016

	Restorative Justice Center Fund	VCDP Grants Fund	OJP Fund	Taylor Park Trust Fund	Subtotal Special Revenue Funds
<b>ASSETS</b>					
Cash	\$ 250	\$ -	\$ -	\$ 8,637	\$ 8,887
Receivables	126,810	7,866	22,625	-	157,301
Total Assets	\$ 127,060	\$ 7,866	\$ 22,625	\$ 8,637	\$ 166,188
<b>LIABILITIES</b>					
Accounts Payable	\$ 5,581	\$ 495	\$ 13,015	\$ -	\$ 19,091
Due to Other Funds	37,357	7,494	9,610	-	54,461
Total Liabilities	42,938	7,989	22,625	-	73,552
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue	91,397	712	-	-	92,109
Total Deferred Inflows of Resources	91,397	712	-	-	92,109
<b>FUND BALANCES (DEFICIT)</b>					
Restricted	-	-	-	8,637	8,637
Unassigned	(7,275)	(835)	-	-	(8,110)
Total Fund Balances/(Deficit)	(7,275)	(835)	-	8,637	527
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 127,060	\$ 7,866	\$ 22,625	\$ 8,637	\$ 166,188

See Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

	Restorative Justice Center Fund	VCDP Grants Fund	OJP Fund	Taylor Park Trust Fund	Subtotal Special Revenue Funds
<b>REVENUES</b>					
Intergovernmental	\$ 727,455	\$ 15,201	-	-	\$ 742,656
Charges for Services	17,280	2,376	-	3,500	23,156
Investment Income	-	-	-	6	6
	744,735	17,577	-	3,506	765,818
<b>EXPENDITURES</b>					
Current:					
Public Safety	729,583	18,072	-	-	747,655
	729,583	18,072	-	-	747,655
Net Change in Fund Balances	15,152	(495)	-	3,506	18,163
Fund Balances/(Deficit) - July 1, 2015, as restated	(22,427)	(340)	-	5,131	(17,636)
Fund Balances/(Deficit) - June 30, 2016	\$ (7,275)	\$ (835)	\$ -	\$ 8,637	\$ 527

See Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT  
 COMBINING BALANCE SHEET  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 JUNE 30, 2016

	TIF Capital Projects Fund	Streetscape Fund	Sidwalk Fund	Subtotal Capital Projects Funds
<b>ASSETS</b>				
Cash	\$ 239,962	\$ -	\$ -	\$ 239,962
Receivables	97,130	115,030	-	212,160
Total Assets	\$ 337,092	\$ 115,030	\$ -	\$ 452,122
<b>LIABILITIES</b>				
Accounts Payable	\$ 98,525	\$ -	\$ 72,541	\$ 171,066
Due to Other Funds	219,732	28,321	189,824	437,877
Total Liabilities	318,257	28,321	262,365	608,943
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue	-	115,030	-	115,030
Total Deferred Inflows of Resources	-	115,030	-	115,030
<b>FUND BALANCES (DEFICIT)</b>				
Restricted	430,003	-	-	430,003
Unassigned	(411,168)	(28,321)	(262,365)	(701,854)
Total Fund Balances/(Deficit)	18,835	(28,321)	(262,365)	(271,851)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 337,092	\$ 115,030	\$ -	\$ 452,122

See Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 NONMAJOR CAPITAL PROJECTS FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

	TIF Capital Projects Fund	Streetscape Fund	Sidewalk Fund	Subtotal Capital Projects Funds
<b>REVENUES</b>				
Intergovernmental Revenues	\$ 297,130	\$ 154,316	\$ -	\$ 451,446
Total Revenues	297,130	154,316	-	451,446
<b>EXPENDITURES</b>				
Current:				
Community Development	755,340	-	-	755,340
Capital Outlay:				
Public Works	<u>-</u>	<u>854,418</u>	<u>681,240</u>	<u>1,535,658</u>
Total Expenditures	<u>755,340</u>	<u>854,418</u>	<u>681,240</u>	<u>2,290,998</u>
Excess/(Deficiency) of Revenue Over Expenditures	(458,210)	(700,102)	(681,240)	(1,839,552)
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of Long-Term Debt	-	-	418,875	418,875
Transfers In	34,702	678,658	-	713,360
Transfers Out	<u>(522,003)</u>	<u>-</u>	<u>-</u>	<u>(522,003)</u>
Total Other Financing Sources	<u>(487,301)</u>	<u>678,658</u>	<u>418,875</u>	<u>610,232</u>
Net Change in Fund Balances	(945,511)	(21,444)	(262,365)	(1,229,320)
Fund Balance/(Deficit) - July 1, 2015	<u>964,346</u>	<u>(6,877)</u>	<u>-</u>	<u>957,469</u>
Fund Balance/(Deficit) - June 30, 2016	<u>\$ 18,835</u>	<u>\$ (28,321)</u>	<u>\$ (262,365)</u>	<u>\$ (271,851)</u>

See Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2016

	Balance June 30, 2015	Additions	Deductions	Balance June 30, 2016
<b>TAX SALE ESCROW FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 16,752	\$ -	\$ 16,752	\$ -
Total Assets	<u>16,752</u>	<u>-</u>	<u>16,752</u>	<u>-</u>
<b>LIABILITIES</b>				
Due to Others	\$ 16,752	\$ -	\$ 16,752	\$ -
Total Liabilities	<u>\$ 16,752</u>	<u>\$ -</u>	<u>\$ 16,752</u>	<u>\$ -</u>
<b>SAFF FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 11,581	\$ 45,873	\$ 26,724	\$ 30,730
Due from others	<u>-</u>	<u>4</u>	<u>-</u>	<u>4</u>
Total Assets	<u>\$ 11,581</u>	<u>\$ 45,877</u>	<u>\$ 26,724</u>	<u>\$ 30,734</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 1,997	\$ -	\$ 1,997	\$ -
Due to Others	<u>9,584</u>	<u>22,724</u>	<u>1,574</u>	<u>30,734</u>
Total Liabilities	<u>\$ 11,581</u>	<u>\$ 22,724</u>	<u>\$ 3,571</u>	<u>\$ 30,734</u>
<b>EXPLORER FUND</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 544	\$ 2,127	\$ 2,070	\$ 601
Total Assets	<u>\$ 544</u>	<u>\$ 2,127</u>	<u>\$ 2,070</u>	<u>\$ 601</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 438	\$ -	\$ 438	\$ -
Due to Others	<u>106</u>	<u>2,184</u>	<u>1,689</u>	<u>601</u>
Total Liabilities	<u>\$ 544</u>	<u>\$ 2,184</u>	<u>\$ 2,127</u>	<u>\$ 601</u>
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 28,877	\$ 48,000	\$ 45,546	\$ 31,331
Due from others	<u>-</u>	<u>4</u>	<u>-</u>	<u>4</u>
Total Assets	<u>\$ 28,877</u>	<u>\$ 48,004</u>	<u>\$ 45,546</u>	<u>\$ 31,335</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 2,435	\$ -	\$ 2,435	\$ -
Due to Others	<u>26,442</u>	<u>24,908</u>	<u>20,015</u>	<u>31,335</u>
Total Liabilities	<u>\$ 28,877</u>	<u>\$ 24,908</u>	<u>\$ 22,450</u>	<u>\$ 31,335</u>

See Accompanying Independent Auditor's Report.

# STATISTICAL SECTION

This part of the City’s comprehensive annual financial report presents detailed information as a context for understanding what information in the financial statements, note disclosures, and required supplementary information says about the government’s overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	92-96
<i>These schedules contain trend information to help the reader understand how the government’s financial performance and well-being have changed over time.</i>	
Revenue Capacity	97-100
<i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	
Debt Capacity	101-105
<i>These schedules contain information to help the reader assess the affordability of the government’s current level of outstanding debt and the government’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information	106-107
<i>These schedules contain information to help the reader understand the environment within which the government’s financial activities take place.</i>	
Operating Information	108-110
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	



Table 1

CITY OF ST. ALBANS, VERMONT  
NET POSITION BY COMPONENT  
LAST TEN YEARS  
(accrual basis of accounting)

	2016	2015	2014 (1)	2013	2012	2011	2010 (restated)	2010	2009	2008	2007
<b>Governmental Activities</b>											
Net Investment in Capital Assets	\$ 8,578,242	\$ 10,198,477	\$ 8,540,627	\$ 7,119,924	\$ 5,687,628	\$ 4,094,397	\$ 1,828,246	\$ 1,994,677	\$ 1,726,179	\$ 2,484,655	\$ 2,174,146
Restricted	440,834	169,832	207,167	215,538	214,623	264,656	555,570	345,682	210,527	94,116	94,116
Unrestricted	(493,699)	(2,963,868)	(2,144,164)	(1,742,334)	(334,422)	(226,679)	696,496	666,509	242,004	(307,414)	(182,941)
Total Governmental Activities Net Position	8,525,377	7,404,441	6,603,630	5,593,128	5,567,829	4,132,374	3,080,312	3,006,868	2,178,710	2,271,357	2,085,321
<b>Business-type Activities</b>											
Net Investment in Capital Assets	11,641,845	11,433,940	12,100,228	12,009,592	11,583,644	12,053,482	10,891,827	10,947,222	11,045,813	11,545,938	11,519,323
Unrestricted	3,436,619	3,773,956	2,763,469	2,450,449	2,252,046	1,198,191	1,138,845	1,191,575	730,207	(181,539)	(148,221)
Total Business-type Activities Net Position	15,078,464	15,207,896	14,863,697	14,460,041	13,835,690	13,251,673	12,030,672	12,138,797	11,776,020	11,364,399	11,371,102
<b>Primary Government</b>											
Net Investment in Capital Assets	20,220,087	21,632,417	20,640,855	19,129,516	17,271,272	16,147,879	12,720,073	12,941,899	12,771,995	14,030,593	13,693,469
Restricted	440,834	169,832	207,167	215,538	214,623	264,656	555,570	345,682	210,527	94,116	94,116
Unrestricted	2,942,920	810,088	619,305	708,115	1,917,624	971,512	1,835,341	1,858,084	972,211	(488,953)	(331,162)
Total Primary Government Net Position	\$23,603,841	\$22,612,337	\$21,467,327	\$20,053,169	\$19,403,519	\$17,384,047	\$15,110,984	\$15,145,665	\$13,954,733	\$13,635,756	\$13,456,423

(1) Unrestricted net position has been restated as a result of implementing GASB Statement No. 68

CITY OF ST. ALBANS, VERMONT  
CHANGES IN NET POSITION  
LAST TEN YEARS  
(accrual basis of accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Expenses</b>										
Governmental Activities:										
General Government	\$ 1,205,537	\$ 1,410,424	\$ 752,052	\$ 760,536	\$ 1,387,110	\$ 947,435	\$ 1,144,117	\$ 951,130	\$ 617,719	\$ 756,379
Public Safety	4,962,749	4,309,467	4,535,681	4,504,074	4,682,229	4,190,064	3,558,949	3,192,272	2,828,788	2,749,792
Public Works	1,125,780	1,044,000	815,624	610,692	581,886	571,072	520,534	470,066	467,661	434,770
Culture and Recreation	840,608	604,679	600,304	540,147	472,500	485,389	419,147	507,323	403,011	417,362
Community Development	755,341	554,978	762,129	2,005,440	498,887	2,356	284,619	748,394	1,023,587	999,195
Depreciation, Unallocated	-	-	-	-	-	-	206,832	165,288	135,906	132,526
Interest on Long-term Debt	574,680	517,014	337,282	74,998	50,438	62,959	76,276	25,592	48,237	47,594
Total Governmental Activities	9,464,695	8,440,562	7,803,072	8,495,887	7,673,050	6,259,275	6,210,474	6,060,065	5,524,909	5,537,618
Business-type Activities:										
Water	2,023,263	2,128,265	1,895,517	1,885,455	1,807,120	1,714,023	1,652,883	1,511,804	1,504,356	1,640,767
Sewer	2,935,021	2,830,952	2,623,091	2,842,362	2,505,130	2,365,686	2,268,216	2,125,398	2,201,700	2,100,465
Total Business-Type Activities	4,958,284	4,959,217	4,518,608	4,727,817	4,312,250	4,079,709	3,921,099	3,637,202	3,706,056	3,741,232
Total Expenses	\$14,422,979	\$13,399,779	\$12,321,680	\$13,223,704	\$11,985,300	\$10,338,984	\$10,131,573	\$ 9,697,267	\$ 9,230,965	\$ 9,278,850
<b>Program Revenues</b>										
Governmental Activities:										
Charges for Services	\$ 301,961	\$ 139,525	\$ 140,099	\$ 492,848	\$ 237,930	\$ 136,402	\$ 245,471	\$ 129,977	\$ 133,800	\$ 150,052
General Government	1,317,354	1,376,666	1,402,824	1,197,101	1,172,465	684,202	712,195	506,101	266,931	273,181
Public Safety	174,649	107,293	54,405	86,756	42,756	28,111	240,765	358,985	330,638	307,699
Public Works	395,570	399,619	450,924	436,241	325,041	414,298	272,733	216,324	191,550	166,297
Culture and Recreation	-	39	7,892	1,000	579	85,608	-	-	-	-
Community Development	1,333,954	1,060,125	861,861	1,106,294	2,377,447	1,050,574	1,285,243	1,458,740	1,421,720	1,551,299
Operating Grants and Contributions	1,324,321	1,414,679	885,807	1,264,603	933,940	920,671	-	-	-	-
Capital Grants and Contributions	4,847,809	4,497,946	3,803,812	4,584,843	5,090,158	3,319,866	2,756,407	2,670,127	2,344,639	2,448,528
Total Governmental Activities	2,246,862	2,298,907	2,404,911	2,102,458	2,085,442	1,988,380	1,900,576	1,892,135	1,775,887	1,529,324
Business-type Activities:										
Charges for Services	2,930,614	2,913,086	3,113,773	2,745,270	2,680,843	2,267,927	2,350,434	2,303,097	1,910,123	1,688,736
Water	109,666	12,287	-	-	-	-	-	-	-	50,982
Sewer	5,287,142	5,224,280	5,770,221	5,300,424	4,845,872	5,256,307	4,251,010	4,195,232	3,686,010	3,269,042
Operating Grants and Contributions	\$10,134,951	\$ 9,722,226	\$ 9,574,033	\$ 9,885,267	\$ 9,936,030	\$ 8,576,173	\$ 7,007,417	\$ 6,865,359	\$ 6,030,649	\$ 5,717,570
Capital Grants and Contributions	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities	\$ (4,616,886)	\$ (3,942,616)	\$ (3,999,260)	\$ (3,911,044)	\$ (2,582,892)	\$ (2,939,409)	\$ (3,454,067)	\$ (3,389,938)	\$ (3,180,270)	\$ (3,089,090)
Total Program Revenues	328,858	265,063	1,251,613	572,607	533,622	1,176,598	329,911	558,030	(20,046)	(472,190)
<b>Net (Expense)/Revenue</b>	\$ (4,288,028)	\$ (3,677,553)	\$ (2,747,647)	\$ (3,338,437)	\$ (2,049,270)	\$ (1,762,811)	\$ (3,124,156)	\$ (2,831,908)	\$ (3,200,316)	\$ (3,561,280)

Table 2 (continued)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
CITY OF ST. ALBANS, VERMONT										
CHANGES IN NET POSITION (continued)										
LAST TEN YEARS										
(accrual basis of accounting)										
<b>General Revenues</b>										
Governmental Activities										
Property Taxes	\$ 4,941,051	\$ 4,534,809	\$ 3,953,716	\$ 3,763,707	\$ 3,780,436	\$ 3,765,017	\$ 3,810,002	\$ 3,597,523	\$ 3,377,979	\$ 3,188,435
Interest and Penalties on Delinquent Taxes	63,231	65,645	65,714	55,706	96,792	95,793	-	-	-	-
Unrestricted Investment Earnings	17,493	3,907	4,540	2,994	4,884	7,934	5,931	11,766	13,329	22,951
General State Grants	95,199	84,441	86,703	95,416	89,834	85,435	-	-	-	-
Other Revenues	160,293	44,617	19,983	17,670	23,140	34,005	-	-	-	-
Gain/(Loss) on Capital Assets	(20,089)	3,341	2,251,711	850	23,261	-	498,680	(312,000)	-	-
Transfers	487,896	6,667	306,946	-	-	3,287	-	-	(25,001)	(30,000)
Prior Period Adjustment	-	-	-	-	-	-	(32,388)	-	-	-
Total Governmental Activities	5,745,074	4,743,427	6,689,313	3,936,343	4,018,347	3,991,471	4,282,225	3,297,289	3,366,307	3,181,386
Business-type Activities:										
Unrestricted Investment Earnings	29,606	85,803	312,244	51,744	50,395	42,313	32,861	13,040	13,324	-
Other Revenues	-	-	-	-	-	5,377	-	-	-	-
Transfers	(487,896)	(6,667)	(306,946)	-	-	(3,287)	-	-	-	-
Prior Period Adjustment	-	-	-	-	-	-	-	(159,446)	-	-
Total Business-type Activities	(458,290)	79,136	5,298	51,744	50,395	44,403	32,861	(146,406)	13,324	-
Total Primary Government	\$ 5,286,784	\$ 4,822,563	\$ 6,694,611	\$ 3,988,087	\$ 4,068,742	\$ 4,035,874	\$ 4,315,086	\$ 3,150,883	\$ 3,379,631	\$ 3,181,386
<b>Change in Net Position</b>										
Governmental Activities	\$ 1,128,188	\$ 800,811	\$ 25,299	\$ 107,303	\$ 1,408,579	\$ 1,342,816	\$ (156,778)	\$ (23,631)	\$ 1,116	\$ 64,136
Business-type Activities	(129,432)	344,199	624,351	623,002	578,025	1,209,459	183,505	571,354	(20,046)	(472,190)
Total Change in Net Position	\$ 998,756	\$ 1,145,010	\$ 649,650	\$ 730,305	\$ 1,986,604	\$ 2,552,275	\$ 26,727	\$ 547,723	\$ (18,930)	\$ (408,054)

Table 3

CITY OF ST. ALBANS, VERMONT  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN YEARS  
(modified accrual basis of accounting)

	2016	2015 (1)	2014 (1)	2013 (1)	2012 (1)	2011 (1)	2010	2009	2008	2007
<b>General Fund</b>										
Nonspendable	\$ 791,045	\$ 92,858	\$ 268,930	\$ 201,638	\$ 193,645	\$ 200,523	\$ -	\$ -	\$ -	\$ -
Restricted	8,435	-	26,324	20,000	20,000	15,919	-	-	-	-
Committed	2,302,184	-	-	-	-	-	-	-	-	-
Assigned	-	374,308	414,326	709,897	318,203	517,393	-	-	-	-
Unassigned	(188,336)	-	-	-	-	6,687	-	-	-	-
Reserved	-	-	-	-	-	-	345,683	210,527	94,116	94,116
Unreserved	-	-	-	-	-	-	584,645	302,423	(461,856)	(487,132)
Total General Fund	<u>\$ 2,913,328</u>	<u>\$ 467,166</u>	<u>\$ 709,580</u>	<u>\$ 931,535</u>	<u>\$ 531,848</u>	<u>\$ 740,522</u>	<u>\$ 930,328</u>	<u>\$ 512,950</u>	<u>\$ (367,740)</u>	<u>\$ (393,016)</u>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ -	\$ 252,082	\$ 50,476	\$ 114,290	\$ 50,476	\$ 50,476	\$ -	\$ -	\$ -	\$ -
Restricted	440,834	976,318	4,578,771	993,607	63,568	115,293	-	-	-	-
Assigned	-	2,502,194	2,500,000	-	-	-	-	-	-	-
Unassigned	(1,373,683)	(630,389)	(513,305)	(750,224)	(269,158)	(275,378)	-	-	-	-
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	88,704	35,367	82,749	177,775
Total All Other Governmental Funds	<u>\$ (932,849)</u>	<u>\$ 3,100,205</u>	<u>\$ 6,615,942</u>	<u>\$ 357,673</u>	<u>\$ (155,114)</u>	<u>\$ (109,609)</u>	<u>\$ 88,704</u>	<u>\$ 35,367</u>	<u>\$ 82,749</u>	<u>\$ 177,775</u>

(1) Components of fund balance were reclassified with the June 30, 2011 implementation of Governmental Accounting Standards Board Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions.

CITY OF ST. ALBANS, VERMONT  
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 LAST TEN YEARS  
 (modified accrual basis of accounting)

	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>Revenues</b>										
Property Taxes	\$ 4,910,083	\$ 4,532,609	\$ 4,035,416	\$ 3,753,707	\$ 3,850,436	\$ 3,707,017	\$ 4,059,977	\$ 3,958,175	\$ 3,710,830	\$ 3,416,794
Penalties and Interest	63,231	65,645	65,713	55,706	96,791	95,793	31,351	17,917	12,241	36,930
Intergovernmental Revenues	2,375,111	2,427,415	2,176,164	2,074,187	2,931,608	1,947,208	515,519	442,030	155,242	1,066,891
Charges for Services	2,005,579	1,912,381	1,798,004	1,610,276	1,583,855	1,311,588	545,033	440,798	318,783	330,593
Investment Income	17,474	3,907	4,540	2,994	4,884	7,934	6,683	11,729	15,117	25,073
Loan Repayments	-	966	-	-	98,887	3,662	17,691	112,845	34,421	33,786
Licenses and Permits	183,956	113,935	154,227	468,198	202,758	113,486	79,778	80,058	87,658	50,187
Recreation Department	-	-	-	-	-	-	306,433	248,862	218,550	193,297
Grant Revenue	-	-	-	-	-	-	751,317	585,531	1,072,848	177,533
Donations	166,440	173,545	-	-	-	-	-	-	61,476	-
Other Revenue	160,293	160,716	142,114	97,463	95,333	63,112	270,030	440,652	61,476	185,729
<b>Total Revenues</b>	<b>9,882,167</b>	<b>9,391,119</b>	<b>8,376,178</b>	<b>8,062,531</b>	<b>8,864,552</b>	<b>7,249,800</b>	<b>6,585,812</b>	<b>6,338,597</b>	<b>5,687,166</b>	<b>5,516,813</b>
<b>Expenditures</b>										
Current:										
General Government	1,167,734	1,457,172	761,903	813,050	1,514,761	1,238,677	943,532	713,239	472,400	566,927
Public Safety	4,584,531	3,973,959	4,252,826	4,140,795	4,481,489	4,055,873	3,690,738	3,330,406	2,991,708	2,863,852
Public Works	682,714	715,622	637,760	546,484	513,179	535,024	550,784	565,061	542,425	548,732
Culture and Recreation	1,548,616	552,838	566,235	435,924	453,683	465,542	375,124	308,766	281,430	255,474
Community Development	-	422,141	762,129	2,005,440	598,887	2,356	119,102	369,927	525,593	1,064,346
Grant Expenditures	-	-	-	-	-	-	479,654	615,498	1,071,568	177,533
Miscellaneous	-	-	-	-	-	-	212,624	263,492	170,653	224,502
Capital Outlay	5,525,948	5,082,998	9,228,485	1,978,708	1,357,999	1,599,721	87,500	225,000	-	-
Debt Service:										
Principal	867,704	879,981	318,553	308,671	291,468	483,187	155,961	103,223	44,199	48,943
Interest	546,480	518,080	280,245	69,451	54,006	65,292	55,861	61,708	48,965	16,673
<b>Total Expenditures</b>	<b>14,923,727</b>	<b>13,602,791</b>	<b>16,808,136</b>	<b>10,298,523</b>	<b>9,265,472</b>	<b>8,445,672</b>	<b>6,670,880</b>	<b>6,556,320</b>	<b>6,148,941</b>	<b>5,766,982</b>
Excess (Deficiency) of Revenues over Expenditures	(5,041,560)	(4,211,672)	(8,431,958)	(2,235,992)	(400,920)	(1,195,872)	(85,068)	(217,723)	(461,775)	(250,169)
<b>Other Financing Sources (Uses)</b>										
Proceeds of Long-Term Debt	2,974,024	444,479	11,656,626	3,148,466	123,480	529,118	87,500	1,051,028	393,026	-
Proceeds from Sale of Capital Assets	-	2,375	2,504,700	-	23,261	4,350	500,671	-	24,000	48,000
Transfers In	3,881,181	798,077	838,398	3,500	132,672	94,045	-	50,114	104,896	15,000
Transfers Out	(3,393,285)	(791,410)	(531,452)	(3,500)	(132,672)	(90,758)	-	(50,114)	(129,897)	(45,000)
Total Other Financing Sources (Uses)	3,461,920	453,521	14,468,272	3,148,466	146,741	536,755	588,171	1,051,028	392,025	18,000
Net Change in Fund Balances	\$(1,579,640)	\$(3,758,151)	\$ 6,036,314	\$ 912,474	\$ (254,179)	\$ (659,117)	\$ 503,103	\$ 833,305	\$ (69,750)	\$ (232,169)
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	15.05%	16.41%	7.90%	4.54%	4.37%	8.01%	3.22%	2.61%	1.52%	1.14%

CITY OF ST. ALBANS, VERMONT  
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS  
 (amounts expressed in hundreds)

Fiscal Year	Assessed Value	Estimated Actual Value	Total Direct Tax Rate	Education Grand List	
				Residential	Nonresidential
2016	\$ 5,403,024	\$ 5,525,129	\$ 0.8563	\$ 2,110,729	\$ 2,834,996
2015	\$ 5,185,853	\$ 5,303,050	\$ 0.8557	\$ 2,145,192	\$ 2,607,223
2014	\$ 4,876,797	\$ 4,987,010	\$ 0.8344	\$ 2,220,851	\$ 2,384,785
2013	\$ 4,721,660	\$ 4,752,073	\$ 0.8400	\$ 2,318,092	\$ 2,188,360
2012	\$ 4,730,704	\$ 4,808,603	\$ 0.8410	\$ 2,261,360	\$ 2,242,897
2011	\$ 3,833,296	\$ 5,146,055	\$ 1.0341	\$ 1,755,837	\$ 1,855,401
2010	\$ 3,835,249	\$ 5,339,342	\$ 1.0139	\$ 1,742,725	\$ 1,870,482
2009	\$ 3,845,371	\$ 5,397,012	\$ 0.9806	\$ 1,761,073	\$ 1,852,464
2008	\$ 3,837,823	\$ 5,163,222	\$ 0.9083	\$ 1,757,688	\$ 1,848,427
2007	\$ 3,846,550	\$ 4,795,001	\$ 0.8476	\$ 1,705,435	\$ 1,891,063

**Notes:**

Tax rates are per \$100 of assessed value.

Total Direct Tax Rate is for municipal taxes only and does not include education taxes collected on behalf of the Franklin County Supervisory Union.

A City-wide reappraisal was completed and effective for the year ended June 30, 2012. Actual values for 2016 are estimated.

Table 6

CITY OF ST. ALBANS, VERMONT  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS

Fiscal Year	City of St. Albans	After Act 68			
		State-wide Education Taxes		Total Taxes	
		Residential	Nonresidential	Residential	Nonresidential
2016	0.8563	1.4828	1.5697	2.3391	2.4260
2015	0.8557	1.4413	1.5442	2.2970	2.3999
2014	0.8344	1.3234	1.4493	2.1578	2.2837
2013	0.8400	1.3173	1.4027	2.1573	2.2427
2012	0.8410	1.3330	1.4688	2.1740	2.3098
2011	1.0341	1.6464	1.8794	2.6805	2.9135
2010	1.0139	1.6525	1.8947	2.6664	2.9086
2009	0.9806	1.5475	1.8297	2.5281	2.8103
2008	0.9083	1.4565	1.6953	2.3648	2.6036
2007	0.8476	1.4447	1.6446	2.2923	2.4922

**Notes:**

Tax rates are per \$100 of assessed value.

A City-wide reappraisal was completed and effective for the year ended June 30, 2012.

Table 7

CITY OF ST. ALBANS, VERMONT  
 PRINCIPAL PROPERTY TAXPAYERS  
 CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2016				2007			
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed value	Taxable Assessed Value	Rank
Mylan Technologies Inc.	\$ 299,798	1	5.55%	\$ 142,343	1	3.70%		
Mylan Technologies Inc.	\$ 232,494	2	4.30%	\$ 76,679	3	1.99%		
Elman Vermont Investors	\$ 144,139	3	2.67%					
27 Federal Street, LLC	\$ 106,466	4	1.97%	\$ 1,675		0.04%		
St. Albans Coop Creamery	\$ 91,126	5	1.69%	\$ 36,668	4	0.95%		
Suntrust Funding LLC	\$ 77,224	6	1.43%					
St. Albans Coop Creamery	\$ 69,423	7	1.28%					
Green Mountain Power	\$ 65,933	8	1.22%	\$ 34,289	5	0.89%		
St. Albans Shopping Center	\$ 39,563	9	0.73%	\$ 24,060	6	0.63%		
Vermont Gas Systems Inc	\$ 33,482	10	0.62%					
Mylan Technologies Inc.				\$ 95,139	2	2.47%		
Holy Angels Common Association				\$ 17,796	7	0.46%		
Fonda Group, Inc				\$ 16,882	8	0.44%		
Emile J. Legere				\$ 16,767	9	0.44%		
Switchyard Association				\$ 15,286	10	0.40%		
	\$ 1,159,648		21.46%	\$ 477,584		12.42%		

CITY OF ST. ALBANS, VERMONT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in		Total Collections to Date	
		Amount Collected	Percentage of Levy	Subsequent Years	Amount Collected	Percentage of Levy	
2016	\$ 12,207,881	\$ 12,012,102	98.40%	\$ -	\$ 12,012,102	98.40%	
2015	\$ 11,557,477	\$ 11,342,736	98.14%	\$ 195,778	\$ 11,538,514	99.84%	
2014	\$ 10,461,499	\$ 10,288,042	98.34%	\$ 138,755	\$ 10,288,042	98.34%	
2013	\$ 10,078,467	\$ 9,841,255	97.65%	\$ 217,257	\$ 10,046,686	99.68%	
2012	\$ 10,288,103	\$ 9,983,848	97.04%	\$ 295,062	\$ 10,263,463	99.76%	
2011	\$ 10,338,270	\$ 10,000,762	96.74%	\$ 327,539	\$ 10,333,170	99.95%	
2010	\$ 10,308,950	\$ 10,036,219	97.30%	\$ 273,596	\$ 10,307,138	99.98%	
2009	\$ 9,880,566	\$ 9,602,732	97.12%	\$ 278,151	\$ 9,878,140	99.98%	
2008	\$ 9,185,814	\$ 8,920,116	97.10%	\$ 209,900	\$ 9,184,409	99.98%	
2007	\$ 8,836,454	\$ 8,596,949	97.28%	\$ 237,240	\$ 8,835,959	99.99%	

Table 9

CITY OF ST. ALBANS, VERMONT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities			Business-type Activities			Total Debt Outstanding	Estimated Population (1)	Debt per Capita	Percentage of Personal Income (2)
	Bonds	Notes	Capital Leases	Bonds	Notes	Capital Leases				
2016	\$13,455,000	\$4,036,638	\$30,618	\$6,567,419	\$2,768,876	\$185,317	\$27,043,868	6,816	\$3,968	n/a
2015	\$14,050,000	\$1,327,560	\$38,388	\$6,844,811	\$2,092,922	\$-	\$24,353,681	6,860	\$3,550	n/a
2014	\$14,775,000	\$1,030,609	\$45,841	\$7,114,923	\$1,737,489	\$-	\$24,703,862	6,875	\$3,593	7.49%
2013	\$430,000	\$4,057,612	\$25,765	\$7,377,971	\$1,372,097	\$-	\$13,263,445	6,876	\$1,903	4.22%
2012	\$585,000	\$1,085,322	\$3,260	\$7,634,159	\$494,388	\$13,042	\$9,815,171	6,894	\$1,424	3.21%
2011	\$750,000	\$1,085,144	\$6,426	\$7,481,794	\$809,051	\$25,704	\$10,158,119	6,971	\$1,469	3.30%
2010	\$670,000	\$1,086,898	\$38,741	\$7,486,635	\$1,092,762	\$-	\$10,375,036	6,918	\$1,500	3.56%
2009	\$704,482	\$1,119,759	\$75,873	\$4,007,069	\$1,430,453	\$-	\$7,337,636	7,243	\$1,013	2.39%
2008	\$265,000	\$662,847	\$78,020	\$3,818,344	\$1,225,391	\$12,834	\$6,062,436	7,250	\$836	2.10%
2007	\$305,000	\$366,400	\$25,640	\$3,871,391	\$1,582,783	\$25,640	\$6,176,854	7,305	\$846	2.26%

**Sources:**

(1) United States Census Bureau

(2) Personal Income is disclosed in Table 14

**Notes:**

A city-wide reappraisal was completed and effective for the year ended June 20, 2012

During 2014 the City issued \$14.5 million in bonds related to a Tax Increment Financing (TIF) district.

CITY OF ST. ALBANS, VERMONT  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30	Total Debt	Less: Debt Payable from			Net General Obligation Debt	Estimated Population (1)	Debt per Capita	Assessed Value	Ratio of Debt to Assessed Value
		Enterprise Fund Revenues	Less: Notes and capital leases						
2016	\$ 27,043,868	\$ 9,521,612	\$ 4,067,256	\$ 13,455,000	6,816	\$ 1,974	\$ 540,302,440	2.49%	
2015	\$ 24,353,681	\$ 8,937,733	\$ 1,365,948	\$ 14,050,000	6,860	\$ 2,048	\$ 518,585,300	2.71%	
2014	\$ 24,703,862	\$ 8,852,414	\$ 1,076,448	\$ 14,775,000	6,875	\$ 2,306	\$ 487,679,700	3.25%	
2013	\$ 13,263,445	\$ 8,750,068	\$ 4,083,377	\$ 430,000	6,876	\$ 647	\$ 472,166,000	0.96%	
2012	\$ 9,815,171	\$ 8,141,589	\$ 1,088,582	\$ 585,000	6,894	\$ 243	\$ 473,070,400	0.35%	
2011	\$ 10,158,119	\$ 8,316,549	\$ 1,091,570	\$ 750,000	6,971	\$ 266	\$ 383,329,600	0.48%	
2010	\$ 10,375,036	\$ 8,579,397	\$ 1,125,639	\$ 670,000	6,918	\$ 260	\$ 383,524,900	0.47%	
2009	\$ 7,337,636	\$ 5,437,522	\$ 1,195,632	\$ 704,482	7,243	\$ 262	\$ 384,537,100	0.49%	
2008	\$ 6,062,436	\$ 5,056,569	\$ 740,867	\$ 265,000	7,250	\$ 139	\$ 383,782,300	0.26%	
2007	\$ 6,176,854	\$ 5,479,814	\$ 392,040	\$ 305,000	7,305	\$ 95	\$ 384,655,000	0.18%	

**Sources:**

(1) United States Census Bureau

**Notes:**

During 2014 the City issued \$14.5 million in bonds related to a Tax Increment Financing (TIF) district.

CITY OF ST. ALBANS, VERMONT  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 JUNE 30, 2016

<u>Jurisdiction</u>	<u>Net General Obligation Debt Outstanding</u>	<u>Percentage Applicable to the City</u>	<u>Amount Applicable to the City of St. Albans</u>
Direct:			
City of St. Albans	\$ 17,522,256	100.0%	\$ 17,522,256
Overlapping:			
Bellows Free Academy Union High School (1)	3,325,000	48.1%	1,598,660
St. Albans City School (1)	4,432,530	100.0%	4,432,530
Subtotal Overlapping:	<u>7,757,530</u>		<u>6,031,190</u>
 Total	 <u>\$ 25,279,786</u>		 <u>\$ 23,553,446</u>

**Sources:**

(1) Franklin County Supervisory Union

CITY OF ST. ALBANS  
LEGAL DEBT MARGIN INFORMATION  
JUNE 30, 2016

Grand List Valuation	\$ 5,403,024
Legal Debt Margin	
Debt Limitation - Ten Times Last Grant List	54,030,240
Debt Applicable to Limitation	<u>17,522,256</u>
Legal Debt Margin	<u>\$ 36,507,984</u>
Debt as Percentage of Debt Limit	32.43%

LEGAL DEBT MARGIN  
PRECEDING NINE YEARS

Fiscal Year	Debt Limit	Applicable Debt	Legal Debt Margin	Debt as Percentage of Debt Limit
2015	\$ 51,858,530	\$ 15,415,948	\$ 36,442,582	29.73%
2014	\$ 48,767,970	\$ 15,851,450	\$ 32,916,520	32.50%
2013	\$ 47,216,600	\$ 4,513,377	\$ 42,703,223	9.56%
2012	\$ 47,307,040	\$ 1,673,582	\$ 45,633,458	3.54%
2011	\$ 38,332,960	\$ 1,841,570	\$ 36,491,390	4.80%
2010	\$ 38,352,490	\$ 1,795,639	\$ 36,556,851	4.68%
2009	\$ 38,453,710	\$ 1,900,114	\$ 36,553,596	4.94%
2008	\$ 38,378,230	\$ 1,005,867	\$ 37,372,363	2.62%
2007	\$ 38,465,500	\$ 697,040	\$ 37,768,460	1.81%

**Notes:**

The City's outstanding general obligation debt may not exceed 10 times the value of the City's grand list as per the Vermont Statutes. The grand list is established at 1% of total assessed valuation.

A city-wide reappraisal was completed and effective with the year ended June 30, 2012.

During 2014 the City issued \$14.5 million in bonds related to a Tax Increment Financing district.

Table 13

CITY OF ST. ALBANS, VERMONT  
ENTERPRISE BOND COVERAGE  
LAST TEN FISCAL YEARS

WATER FUND

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2016	\$ 2,231,862	\$ 1,843,764	\$ 388,098	\$ 168,959	\$ 179,499	\$ 348,458	111.38%
2015	\$ 2,283,907	\$ 1,945,616	\$ 338,291	\$ 161,956	\$ 182,649	\$ 344,605	98.17%
2014	\$ 2,389,911	\$ 1,750,845	\$ 639,066	\$ 154,061	\$ 144,672	\$ 404,060	158.16%
2013	\$ 2,102,458	\$ 1,743,027	\$ 359,431	\$ 230,739	\$ 142,428	\$ 373,167	96.32%
2012	\$ 2,085,442	\$ 1,644,221	\$ 441,221	\$ 104,181	\$ 162,899	\$ 267,080	165.20%
2011	\$ 1,988,380	\$ 1,542,120	\$ 446,260	\$ 211,595	\$ 171,903	\$ 383,498	116.37%
2010	\$ 1,900,576	\$ 1,457,632	\$ 442,944	\$ 461,271	\$ 195,251	\$ 656,522	67.47%
2009	\$ 1,892,135	\$ 1,312,940	\$ 579,195	\$ 256,233	\$ 198,864	\$ 455,097	127.27%
2008	\$ 1,775,887	\$ 1,286,292	\$ 489,595	\$ 245,506	\$ 218,064	\$ 463,570	105.61%
2007	\$ 1,529,324	\$ 1,426,995	\$ 102,329	\$ 256,698	\$ 213,772	\$ 470,470	21.75%

WASTEWATER FUND

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2016	\$ 2,930,614	\$ 2,852,189	\$ 78,425	\$ 201,032	\$ 82,832	\$ 283,864	27.63%
2015	\$ 2,913,086	\$ 2,739,917	\$ 173,169	\$ 195,942	\$ 78,748	\$ 274,690	63.04%
2014	\$ 3,113,773	\$ 2,537,896	\$ 575,877	\$ 292,105	\$ 85,195	\$ 590,614	97.50%
2013	\$ 2,730,270	\$ 2,690,840	\$ 39,430	\$ 395,008	\$ 151,522	\$ 546,530	7.21%
2012	\$ 2,680,843	\$ 2,490,705	\$ 190,138	\$ 302,732	\$ 14,425	\$ 317,157	59.95%
2011	\$ 2,267,927	\$ 2,344,320	\$ (76,393)	\$ 250,739	\$ 21,366	\$ 272,105	-28.07%
2010	\$ 2,350,434	\$ 2,223,855	\$ 126,579	\$ 615,551	\$ 44,361	\$ 659,912	19.18%
2009	\$ 2,303,097	\$ 2,078,639	\$ 224,458	\$ 217,905	\$ 46,759	\$ 264,664	84.81%
2008	\$ 1,910,123	\$ 2,142,976	\$ (232,853)	\$ 191,502	\$ 58,724	\$ 250,226	-93.06%
2007	\$ 1,688,736	\$ 2,057,882	\$ (369,146)	\$ 202,299	\$ 42,583	\$ 244,882	-150.74%

CITY OF ST. ALBANS, VERMONT  
 DEMOGRAPHIC AND ECONOMIC INDICATORS  
 LAST TEN YEARS

Year	Per Capita		Personal Income		State-wide		State-wide		Unemployment Rate		Enrollment Grades 9-12 (2)	High School Graduation Rate (2)
	Population (1, 2)	Income (1, 2)	Income (1, 2)	Income (3)	Per Capita	Income (3)	Median Family Income (1)	St. Albans City (3)	State-wide (3)			
2016	6,816	N/A	N/A	N/A	N/A	N/A	N/A	3.00%	3.20%	N/A	N/A	
2015	6,860	\$ 44,013	\$ 301,929,180	\$ 48,587	\$ 56,990	\$ 48,587	\$ 56,990	4.20%	3.60%	1,030	93%	
2014	6,875	\$ 48,004	\$ 330,039,685	\$ 46,428	\$ 54,166	\$ 46,428	\$ 54,166	5.90%	4.10%	1,047	93%	
2013	6,876	\$ 45,712	\$ 314,315,712	\$ 44,839	\$ 54,267	\$ 44,839	\$ 54,267	6.40%	4.40%	1,069	88%	
2012	6,894	\$ 44,376	\$ 305,928,144	\$ 44,287	\$ 55,582	\$ 44,287	\$ 55,582	7.30%	5.00%	1,069	90%	
2011	6,971	\$ 44,108	\$ 307,476,868	\$ 42,735	\$ 51,862	\$ 42,735	\$ 51,862	8.90%	5.50%	1,083	87%	
2010	6,918	\$ 42,174	\$ 291,759,732	\$ 40,066	\$ 55,928	\$ 40,066	\$ 55,928	9.30%	6.10%	1,119	86%	
2009	7,243	\$ 42,446	\$ 307,436,378	\$ 39,268	\$ 52,318	\$ 39,268	\$ 52,318	10.70%	6.90%	1,129	86%	
2008	7,250	\$ 39,864	\$ 289,014,000	\$ 40,111	\$ 50,706	\$ 40,111	\$ 50,706	6.90%	4.50%	1,175	92%	
2007	7,305	\$ 37,355	\$ 272,878,275	\$ 38,460	\$ 47,390	\$ 38,460	\$ 47,390	5.50%	4.00%	1,199	91%	

Sources:

- (1) United States Census Bureau
- (2) Vermont Economic-Demographic Profile, report years 2007-2016
- (3) Vermont Department of Labor, Economic & Labor Market Information; data reported as of June each year

CITY OF ST. ALBANS, VERMONT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	2015			2006		
	Employees (1, 2)	Rank	Percentage of Total City Employment (3)	Employees (2)	Rank	Percentage of Total City Employment (3)
Department of Homeland Security, USCIS	850	1	11.88%	1,232 *	1	16.51%
Mylan Technologies	650	2	9.09%	400	3	5.36%
Northwestern Medical Center	447	3	6.25%	600	2	8.04%
Franklin Central Supervisory Union	426	4 ^	5.95%	335 *	4	4.49%
Peoples Trust Company	110	5	1.54%	110	6	1.47%
A. N. Deringer, Inc.	90	6	1.26%	130	5	1.74%
SB Collins	80	7	1.12%	52	10	0.70%
St. Albans Coop Creamery	85	8	1.19%	67	9	0.90%
City of St. Albans	75	9	1.05%	74	8	0.99%
Sticks & Stuff	65	10	0.91%	90	7	1.21%
RailAmerican, Inc.						
	2,878		40.23%	3,090		41.42%

**Sources:**

- (1) Franklin County Industrial Development Corp.
- (2) Vermont Business Magazine, Vermont Business Directory
- (3) Vermont Department of Labor

**Notes:**

- \* Employment data is not available for 2016. This table reflects the 2015 figure.
- ^ Employment data reflects FTEs at Bellow Free Academy, St. Albans City School, and FSCU Administration

CITY OF ST. ALBANS, VERMONT  
 FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN YEARS

Function/Program	Full-time Equivalent Employees as of June 30									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
General Government:										
Administration & Finance	4.50	4.50	5.00	5.00	5.00	5.00	5.00	5.00	4.00	5.00
Clerk	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.50	2.00	1.50
Planning and Zoning	3.00	3.00	2.50	3.50	2.50	3.50	3.00	2.50	3.00	3.50
Assessing	0.50	0.50	0.50	0.50	0.50	1.00	1.00	1.00	1.00	1.00
Restorative Justice Center	9.50	5.50	5.00	4.50	4.50	4.50	2.00	0.00	0.00	1.00
Public Safety:										
Police (incl. Parks Patrol)	25.00	25.00	25.50	23.00	23.00	25.00	24.00	23.00	20.00	20.00
Fire	2.00	2.00	2.00	3.00	4.00	5.00	6.00	11.00	12.00	10.00
Dispatch	8.50	9.50	9.00	10.00	9.50	10.00	11.50	9.00	8.00	7.00
Public Works:										
Highways	9.50	9.50	10.50	11.00	9.00	10.00	8.50	7.50	9.00	8.00
Public Works Administration	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Culture and Recreation, Admin.	2.00	2.00	1.50	1.50	1.00	1.00	2.50	3.00	3.00	3.50
Water	3.00	3.00	3.00	2.50	2.50	2.00	2.00	3.00	2.00	4.00
Wastewater	4.00	4.00	4.00	4.50	4.50	5.00	5.00	5.00	5.00	5.00
<b>Total Employees</b>	<b>75.00</b>	<b>72.00</b>	<b>72.00</b>	<b>72.50</b>	<b>69.50</b>	<b>75.50</b>	<b>74.00</b>	<b>73.00</b>	<b>70.50</b>	<b>71.00</b>

Table 17

CITY OF ST. ALBANS, VERMONT  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN YEARS

Function/Program	Fiscal Year										
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<b>General Government:</b>											
Full-time equivalent positions filled	75.00	72.00	72.00	72.50	69.50	75.50	74.00	73.00	70.50	71.00	74.00
Tax bills mailed	2,481	2,488	2,484	2,474	2,475	2,363	2,360	2,427	2,543	2,543	2,514
Active Recreation Programs	565	485	545	551	564	500	n/a	n/a	n/a	n/a	n/a
Recreation Participants	3,969	3,969	3,641	3,498	3,578	2,983	n/a	n/a	n/a	n/a	n/a
Birth Certificates Recorded*	449	469	539	479	507	507	553	465	510	544	535
Marriage Licenses Recorded*	55	53	61	63	69	47	58	72	53	74	92
Death Certificates Recorded*	168	158	149	160	156	160	161	114	170	158	165
<b>Public Safety (1):</b>											
Total Cases	12,735	12,595	12,372	9,992	6,858	6,558	5,433	5,556	6,192	5,703	4,880
Number of Traffic Tickets	1,571	1,327	1,018	645	721	1,104	1,791	873	1,047	1,209	964
Number of Traffic Warnings	2,520	2,125	2,087	1,774	1,225	1,944	2,689	1,177	643	624	399
<b>Water System:</b>											
Average Daily Consumption (gallons)*	1,860,000	2,092,537	2,195,218	2,169,423	2,022,000	2,057,940	1,961,707	1,906,400	1,851,277	1,959,466	2,087,858
<b>Wastewater System:</b>											
Average Daily Treatment (gallons)*	2,390,000	2,458,500	2,520,000	2,739,000	2,273,973	3,013,699	2,739,726	2,350,685	2,484,932	2,646,575	2,739,726
Sludge Disposed (tons)*	956	1,586	1,489	1,150	2,346	1,518	1,854	342	274	363	632

**Notes:**

Fields marked "n/a" indicate that data is not available.

Categories marked "\*" are reported on a calendar year basis

(1) Starting with fiscal year 2012 the City began contracting with the Town of St. Albans to provide police services for both municipalities

Table 18

CITY OF ST. ALBANS, VERMONT  
 CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
 LAST TEN YEARS

Function/Program	Fiscal Year									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>General Government:</b>										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
<b>Public Safety:</b>										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of police vehicles	13	14	14	13	12	12	12	12	11	10
Number of fire stations	1	1	1	1	1	1	1	1	1	1
Number of fire vehicles	4	4	4	4	4	6	6	6	6	6
<b>Public Works:</b>										
Number of public works buildings	3	3	3	3	3	3	3	3	3	3
Miles of streets	24.4	24.4	24.4	24.4	24.4	24.4	24.4	24.4	24.4	24.4
Miles of sidewalks	45	45	45	45	45	45	45	45	45	45
<b>Culture and Recreation:</b>										
Number of culture and recreation facilities	4	4	4	4	4	4	4	4	4	4
Acres of parks	12	12	12	12	12	12	12	12	12	12
<b>Water:</b>										
Number of water treatment facilities	2	2	2	2	2	2	2	2	2	2
Miles of water mains	50	50	50	50	50	50	50	50	50	50
<b>Wastewater:</b>										
Number of wastewater facilities	0	1	1	1	1	1	1	1	1	1
Miles of sanitary sewers	0	50	50	50	50	50	50	50	50	50

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*

Honorable City Council  
City of St. Albans  
P.O. Box 867  
100 North Main Street St. Albans, VT 05478

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Albans, Vermont, as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the City of St. Albans, Vermont's basic financial statements, and have issued our report thereon dated February 16, 2017.

***Internal Control Over Financial Reporting***

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

A deficiency in internal controls exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent,

or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City of St. Albans, 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 the attention of 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. 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 City of St. Albans, 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*.

### **Purpose of this Report**

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

*Melanson Heath*

February 16, 2017

# **MAPLE RUN UNIFIEDSCHOOL DISTRICT #57**

**St. Albans City, St. Albans Town, & Fairfield, Vermont**



**2017**

**ANNUAL REPORT (School Year Ending June 30, 2017)**

**WARNING**  
**FOR THE MAPLE RUN UNIFIED SCHOOL DISTRICT #57**  
**ANNUAL MEETING: March 7, 2017**

The legal voters of the Maple Run Unified School District #57, consisting of the City and Town of St. Albans and the Town of Fairfield, Vermont, are hereby notified and warned to meet in the respective polling places and times hereinafter named for each of the above referenced towns on **Tuesday, March 7, 2017**, to vote on the articles herein set forth. Articles I to VI to be voted by the Australian Ballot system. The polls open at seven o'clock in the morning (7:00 a.m.) and close at seven o'clock in the evening (7:00 p.m.).

**ARTICLE I**

To elect a clerk.

**ARTICLE II**

To elect a treasurer.

**ARTICLE III**

Shall the legal voters of the Maple Run Unified School District #57 authorize the Board of Directors to borrow money not in excess of anticipated revenue for the school year, pursuant to Title 16 V.S.A. § 562(9)?

**ARTICLE IV**

Shall the voters of Maple Run Unified School District #57 authorize the Board of Directors to create a Capital Reserve Fund and transfer the audited fund balances of the current fiscal year from all merging districts to Capital Reserve Fund, to be used for capital improvements and operations of the Maple Run Unified School District #57? This will not affect the tax rate.

**ARTICLE V**

Shall the legal voters of the Maple Run Unified School District #57 authorize annual compensation in the amount of \$1,500 to be paid to the Board of Directors and \$2,000 to be paid to the Chair of the Board?

**ARTICLE VI**

Shall the legal voters of the Maple Run Unified School District #57 approve the Board of Directors to expend \$52,897,510, which is the amount that the Board has determined to be necessary for the ensuing fiscal year beginning July 1, 2017, resulting in estimated education spending of \$15,017 per equalized pupil?

**Informational Hearing**

The legal voters of the Maple Run Unified School District #57 consisting of the City and the Town of St. Albans and Fairfield, Vermont, are hereby notified and warned to meet in the Library at Bellows Free Academy, 71 South Main Street, St. Albans, Vermont, on **March 1, 2017, at 6:00 p.m.**, to conduct an informational meeting on the budget.

The budget will be voted on by Australian Ballot on **Tuesday, March 7, 2017.**

**Polling Places and Times**

St. Albans City Residents - St. Albans City Hall, 100 North Main Street; polls open at 7:00 a.m. and close at 7:00 p.m.

St. Albans Town Residents – Collins Perley Sports Complex, 890 Fairfax Road; polls open at 7:00 a.m. and close at 7:00 p.m.

Fairfield Residents - Fairfield Center School Gym 57 Park St. Fairfield polls open at 7:00 a.m. and close at 7:00 p.m.

Dated at St. Albans, Vermont, this 18<sup>th</sup> day of January 2017.

**MAPLE RUN UNIFIED SCHOOL DISTRICT #57 SCHOOL BOARD**

/s/ MICHAEL L'ESPERANCE

/s/ NILDA GONNELLA-FRENCH

/s/ STEVEN LAROSA

/s/ NINA HUNSICKER

/s/ JAMES C. FARR

/s/ JACK MCCARTHY

/s/ AL COREY

Received for record and recorded prior to the posting this 19th day of January, 2017.

/s/ AMANDA FORBES, CLERK

Dear Maple Run Unified School District Community:

It gives me great pleasure to be able to use the name Maple Run Unified School District (MRUSD) in an annual report. It has been a long time coming. On behalf of Maple Run, I would like to thank you for your continued support throughout the past school year. We are so glad to be able to reciprocate that support by providing you a unified school district that is doing everything possible to benefit the overall school community – community members, parents, and of course, our students.

I am pleased to have the opportunity to prepare this report for you. I believe it will clearly depict a district that continues to be on the way up; one that has become an educational leader in our state. Maple Run is the center of the community and focuses on meeting the individual needs of our students, while being very conscientious of accountability, maintaining high standards, and providing an excellent education.

Now in my third year as your superintendent, I have become involved in the life of our communities and in every aspect of our schools. From this perspective, I continue to see a school district that has much to offer our students and our community. We offer a lot in terms of quality of education, variety of co-curricular programs, and wonderful people (students and teachers).

For those who might be new to our area, I would like to review what has occurred over the past two years. The State Legislature passed Act 46 which required supervisory unions to merge into one school district. At a time when our state is facing lower student enrollment and higher school costs, this law was created to reduce bureaucracy and increase efficiencies, while cutting costs and giving much needed tax breaks to our community. In addition, and most important, the goal was to ensure better outcomes and opportunities for students at a cost that taxpayers can afford today and into the future.

Our three communities (Fairfield, St. Albans City and St. Albans Town) voted overwhelmingly to merge into one school district comprised of Fairfield Center School, St. Albans City School, St. Albans Town Educational Center, Bellows Free Academy, and the Northwest Technical Center. They also voted for 10 school board members to represent them on the new Maple Run Unified School Board.

The Maple Run Board has been operating since last June as a transition board while the local school boards have continued to oversee their respective buildings. As of July 1, 2017, the local boards will no longer be in place, and the MRUSD Board will fully govern our school district.

As you might imagine, merging a union of schools is both complicated and time consuming. It is also very rewarding. Your Maple Run Board has been actively meeting twice a month to ensure a smooth transition for July 1. They have been working on many issues, such as budget, curriculum, policies, their mission, etc. They have also approved a five-year plan to ensure changes that are made are well planned and accomplished in a timely, but not rushed, manner. Below are some highlights of what has been accomplished during this transition year:

- A mission statement was created. It states, “The Maple Run Unified School District is where inquiring minds, compassionate hearts, creative expression, healthy lives and service to the community develop so all can learn, achieve and succeed.” I believe that if we are able, along with our parent partners, to help a child develop into a young adult with the above attributes, we will have been successful.
- Your board has created a very strong and effective budget that continues the quality educational programs we expect while keeping costs down. It also begins the process of ensuring equity for all of our students in our new school district. This is the first year of a combined budget, which includes Fairfield, BFA, NWTC, SATEC, SACS, and the Maple Run Central Office. The

expense budget to budget increase is just over one percent. Best of all, with the Act 46 incentives applied, the projected tax rates in all three municipalities are significantly down! Much of this has to do with the savings we were able to achieve with a consolidated school district in areas such as tuition, school board expenses, and fiscal services.

- Procedures have been put into place to allow a limited number of students in our district to transfer to another school within the district. In previous years, if a family moved from one town to another and wanted to keep their child in their original school, they had to pay tuition of more than \$9,000. Since we are now one school district, they will no longer have to jump through these hoops.
- The Maple Run Board has almost completed the process of reviewing and approving all policies and making necessary changes to reflect the new school district.
- We are in the process of studying our bus transportation system to see if there are efficiencies that can be made now that we have consolidated. At first glance, we believe we can eliminate several buses while giving more students the opportunity to be transported, which could save taxpayers over \$100,000.
- Finally, the board and the respective teacher and support staff associations are working very hard to negotiate single contracts that are both competitive for our staff and economically feasible for our taxpayers. Combining all of our present contracts into two is a major challenge. However, the process has been serious, civil, and productive. Our goal is to have the contracts in place by July 1.

This is an exciting time for our area and our schools. Our communities share strong educational values, and we are very proud of the high-quality education that our students receive. Bringing Fairfield, St. Albans City and St. Albans Town together around these shared values will expand upon this tradition of quality while also reducing costs through efficiencies in a shared system. Unification is allowing our educational governance structure to reflect our shared values and direct our collective efforts to what matters – our students; we will optimize opportunities for our students while better serving our taxpayers.

In closing, I would like to thank the members of all our school boards for their incredible interest and investment in our schools. It is a great pleasure to work with these thoughtful and caring community leaders in their elected responsibility. Thank you for your support, time, and belief in our schools.

Most importantly, I would like to thank my highly committed and dedicated staff. Our caring individuals put our students first every single day. We have a professional team of people who truly go above and beyond, meeting the needs of our students and their families.

Warmest personal regards,

Kevin Dirth  
Superintendent

## Maple Run Unified School District 2017 Annual Chairperson's Report

I consider it an incredible honor to submit this first ever annual Chairperson's report for the Maple Run Unified School District (MRUSD). It has required, and continues to require a great deal of work to get the school district prepared for its first day of operation on July 1, 2017. MRUSD was born on town meeting day 2016 when the communities of St. Albans City, St. Albans Town, and Fairfield voted overwhelmingly to approve the consolidation of our schools. The new district includes St. Albans City School, St. Albans Town Educational Center, Fairfield Center School, Bellows Free Academy – St. Albans, Northwest Technical Center and the Franklin Central Supervisory Union. Consolidation was achieved as a result of Act 46, which rewards communities that consolidate with tax breaks. The communities also elected a Board of Directors to oversee the new school district. Although the board consists of members from each community proportional to population, each member is elected at-large by all three communities. This means that each board member represents all communities regardless of where they reside. My colleagues on the board are Al Corey, Nilda Gonnella-French, Denise Smith, Nina Hunsicker, Steven LaRosa, Jack McCarthy, Martha Casavant-Ries, Michael Malone, and Michael L'Esperance. In over 10 years of experience on school boards, I can say with confidence that this is an incredibly talented, intelligent, and dedicated board that will serve the new district and its communities with distinction.

The new Maple Run Board, along with the school administrators, and the administration and staff of Franklin Central Supervisory Union have been working feverishly to be prepared for the July 1<sup>st</sup> start date. Much has been accomplished, but there is still much to do. This group has been meeting twice a month working on the transition to the new district. The work includes adopting policies that will govern the new district, touring each facility and discovering the strengths and challenges that exist at each, understanding the budget requirements, consolidating staff contracts, looking for areas of efficiency that can be accomplished in a consolidated district, and understanding how equity can be better realized. Some large tasks that still need to be addressed are transportation, facility requirements, information technology needs, and many more.

The Board has established committees that have been meeting regularly with the teacher's and support staff unions. Combining the salaries and benefits of employees from five different employers is a monumental task. Doing so in a way that is fair to the employees without creating an additional tax burden for the communities is even more difficult; and then pile on the fact that health insurance plans are completely changing with coverages, risks, and costs that are unfamiliar to all involved. The good news is that all parties have shown a true desire to reach a successful conclusion and I expect that fair, competitive, and sustainable contracts will be in place on or before July 1.

A budget of just under \$53 million was adopted by the Maple Run Board in January and will be on the ballot on town meeting day. While this amount is greater than those that voters are used to seeing, please remember that it represents the **combined** budget for all the schools. The budget is only slightly more than a 1% increase over the total of all the budgets from last year. It demonstrates the Board's dedication to putting forth a budget that is both responsible and sustainable. With the Act 46 tax breaks for consolidating, the educational portion of taxes will be reduced for each of the Maple Run communities. Much hard work and hand-wringing went into creating this budget and I respectfully request that you support it when you vote on town meeting day.

I would like to conclude this first annual report by thanking those who have helped us get to this point.

Any school is only as good as those who deliver the instruction. Our new district will inherit some of the most talented and dedicated staff that I have seen anywhere. Consolidation is probably the most unnerving to the employees as it most affects their livelihoods, careers, and futures. Even with these distractions, our staff continues to demonstrate their professionalism as they keep the education of our children the primary focus, and for that they deserve our continued gratitude. I knew that the building principals, and supervisory union administrators and staff were as good as any around, but the way they have pulled together to become one team during this transition is beyond impressive and for that I thank them. I would also like to give my colleagues on the Maple Run Board my gratitude for their sacrifice, dedication, thoughtfulness, and support. I am extremely proud to be associated with this group. Finally, there is one individual who deserves my deepest gratitude for his vision, hard work, and council. That is our Superintendent, Dr. Kevin Dirth. He certainly deserves the lion's share of credit for the success we have experienced during our transition, and I am certain that with him on our team, we will quickly and efficiently get our new district off to the successful beginning that our communities expect and our students deserve.

Respectfully submitted,

James C. Farr  
Maple Run Unified School District  
Board of Directors  
Chairperson

# Maple Run Unified School District

## Summary of Estimated Revenues for FY18 Proposed Budget

Revenue Category	For comparison purposes			MRUSD
	FY 2016 Budget	FY 2016 Actual	FY 2017 Budget	FY 2018 Proposed
<b>Regular Education</b>				
Impact Fees	\$75,000	\$75,000	\$75,000	\$75,000
Collins Perley Trust Fund Income	\$75,000	\$86,000	\$100,000	\$85,000
Investment Income	\$147,500	\$87,316	\$144,500	\$90,000
St of VT High School Completion Program	\$0	\$304,876	\$0	\$0
Driver Education Reimbursement	\$15,000	\$15,335	\$15,000	\$15,000
Adult Ed Income	\$99,500	\$284,254	\$99,500	\$99,500
Tuition Income	\$3,476,273	\$3,504,833	\$3,409,631	\$2,255,996
Education Spending	\$36,087,709	\$36,087,662	\$36,811,176	\$37,952,236
State Transportation Aid	\$379,596	\$379,644	\$390,850	\$428,000
Preschool Development Grant	\$386,314	\$344,722	\$482,746	\$418,922
IEP Medicaid	\$123,081	\$203,473	\$279,055	\$294,630
EPSDT Medicaid	\$49,836	\$48,525	\$40,654	\$42,000
Tobacco Grant	\$12,791	\$12,791	\$0	\$0
21st Century Grant	\$71,250	\$71,250	\$71,250	\$71,250
Consolidated Federal Grants	\$780,217	\$848,321	\$825,869	\$875,936
Student Assistance Program Grant	\$40,000	\$40,000	\$40,000	\$40,000
Misc.	\$250,855	\$451,615	\$237,009	\$250,000
<b>Subtotal Regular Education</b>	<b>\$42,069,922</b>	<b>\$42,845,617</b>	<b>\$43,022,240</b>	<b>\$42,993,470</b>
<b>Special Education</b>				
Excess Cost Income	\$402,361	\$574,879	\$588,113	\$500,641
Mainstream Block Grant	\$881,736	\$890,979	\$889,187	\$929,936
Expenditure Reimbursement	\$3,755,008	\$3,614,775	\$3,928,696	\$4,258,447
Extraordinary Reimbursement	\$300,050	\$305,481	\$248,207	\$410,195
Care and Custody	\$0	\$32,505	\$0	\$0
Essential Early Education Grant	\$189,389	\$172,638	\$192,037	\$199,590
Pre-IDEAB	\$16,616	\$16,616	\$15,616	\$18,534
IDEAB Grant	\$674,155	\$691,183	\$696,044	\$745,240
<b>Subtotal Special Education</b>	<b>\$6,219,315</b>	<b>\$6,299,056</b>	<b>\$6,557,900</b>	<b>\$7,062,583</b>
<b>Northwest Technical Center</b>				
State Basic Education Grant	\$1,175,889	\$1,175,842	\$1,210,899	\$1,277,593
State Tuition Assistance Grant	\$473,059	\$473,109	\$487,143	\$513,974
Tuition Income	\$701,353	\$701,590	\$719,937	\$745,889
Program Income	\$29,000	\$43,432	\$25,000	\$25,000
Grants	\$221,000	\$296,331	\$226,000	\$279,000
<b>Subtotal Northwest Technical Center</b>	<b>\$2,600,301</b>	<b>\$2,690,304</b>	<b>\$2,668,980</b>	<b>\$2,841,457</b>
<b>Total Revenues</b>	<b>\$50,889,538</b>	<b>\$51,834,977</b>	<b>\$52,249,119</b>	<b>\$52,897,510</b>

# Maple Run Unified School District

## Summary of Expenditures for FY18 Proposed Budget

Department	For comparison purposes			MRUSD
	FY16 Budget	FY16 Actual	FY17 Budget	FY18 Proposed
<b><u>Regular Education (PreK-12)</u></b>				
Pre-Kindergarten	1,032,013	953,194	1,178,581	<b>1,152,716</b>
Direct Instruction				
K-12 Direct Instruction, Assessment & Testing, Curriculum Initiatives, Outdoor Classroom, etc.	17,401,990	17,270,043	17,099,516	<b>17,401,044</b>
High School Tuition (Fairfield Grandfathered)	1,547,921	1,488,524	1,610,478	<b>348,737</b>
Vocational Tuition	961,138	961,161	1,108,608	<b>1,340,686</b>
Academic Intervention				
Math & Literacy Interventions, English as a Second Language, Compensatory Education, etc.	1,389,998	1,408,408	1,521,885	<b>1,603,968</b>
Extra-Curricular & Co-Curricular				
Athletics, Extra-Curricular, Co-Curricular, Afterschool Programs, Regular Education Summer School, etc.	1,158,659	1,160,334	1,170,175	<b>1,237,580</b>
Guidance & Student Support Services				
Guidance Services, Student Support Services, Attendance, In School Supports, Career Coach, Home/School Coordination, Action Planning, SAP Counselor, etc.	2,076,161	1,932,068	2,076,253	<b>2,238,720</b>
Health Services	463,863	449,960	473,422	<b>491,653</b>
Library Services	458,163	456,229	454,557	<b>473,434</b>
Instruction Related Technology	952,980	922,342	1,037,062	<b>1,147,283</b>
Office of the Curriculum Director	122,455	118,331	126,489	<b>116,874</b>
Instructional Staff Training	40,000	78,749	40,000	<b>40,000</b>
School Board of Education	462,998	589,749	448,397	<b>294,790</b>
School Treasurer	2,553	2,236	2,553	<b>4,730</b>
Office of the Superintendent	238,793	275,764	293,471	<b>297,039</b>
Office's of the Principal	2,114,196	2,126,865	2,176,883	<b>2,264,352</b>
Fiscal Services				
Includes Short Term Debt, Medicaid Clerk, etc.	601,729	629,277	699,925	<b>599,804</b>
Human Resources Services	189,467	190,407	196,164	<b>211,335</b>
Administrative Technology Services	67,050	61,909	66,535	<b>81,735</b>
Operations and Maintenance	3,799,920	4,002,167	4,009,507	<b>4,099,203</b>
Care and Upkeep of Grounds	101,292	85,093	38,632	<b>52,700</b>
Security Services				
School Resource Officers, Crossing Guards, etc.	155,280	148,095	155,387	<b>163,817</b>
Student Transport-Resident Students	920,517	896,710	1,052,866	<b>1,037,050</b>
Student Transport-Field Trips/Extra/Co-Curr	216,172	176,827	208,405	<b>221,340</b>
Cafeteria	139,261	63,249	110,180	<b>93,480</b>
Long Term Debt	1,123,887	1,127,419	1,097,339	<b>908,202</b>
Adult Education	139,076	381,696	148,300	<b>154,079</b>
<b>Subtotal Regular Education (PreK-12)</b>	<b>37,877,532</b>	<b>37,956,806</b>	<b>38,601,570</b>	<b>38,076,351</b>

# Maple Run Unified School District

## Summary of Expenditures for FY18 Proposed Budget

Department	For comparison purposes			MRUSD
	FY16 Budget	FY16 Actual	FY17 Budget	FY18 Proposed
<b>Special Education (PreK-12)</b>				
Pre-Kindergarten/Early Essential Education	834,739	803,458	992,176	<b>1,157,805</b>
Direct Instruction				
K-12, Includes Professional and Support Staff	8,160,803	8,023,231	8,462,755	<b>8,937,228</b>
Health Services	50,000	50,917	67,125	<b>110,000</b>
Psychological Services	151,656	162,695	164,940	<b>173,739</b>
Speech Pathology and Audiology Services	734,351	666,455	863,014	<b>944,854</b>
Occupational/Physical Therapy Services	57,500	54,720	53,305	<b>99,503</b>
Office of the Director of Special Education	296,211	310,808	325,358	<b>348,396</b>
Student Transport-Resident Students	130,665	159,754	109,000	<b>168,400</b>
Student Transport-Field Trips	56,000	42,502	40,300	<b>40,000</b>
<b>Subtotal Special Education (PreK-12)</b>	<b>10,471,925</b>	<b>10,274,540</b>	<b>11,077,973</b>	<b>11,979,925</b>
<b>Northwest Technical Center</b>				
Direct Instruction	1,718,071	1,818,200	1,738,133	<b>1,901,329</b>
Guidance Services	107,678	104,433	113,214	<b>113,708</b>
Office of the Director	281,212	257,528	302,468	<b>313,985</b>
Indirect Services	440,280	463,382	472,769	<b>464,482</b>
Student Transport-Field Trips	53,060	49,432	42,395	<b>47,730</b>
<b>Subtotal Northwest Technical Center</b>	<b>2,600,301</b>	<b>2,692,975</b>	<b>2,668,979</b>	<b>2,841,234</b>
<b>Budget Totals</b>	<b>50,949,758</b>	<b>50,924,321</b>	<b>52,348,522</b>	<b>52,897,510</b> 1.05%

**Prior Year Voted Budget Reconciliation:** Some items include above for FY16 & FY17 were grant funded, therefore were removed before calculation of SU assessment to the schools. That is not the case for FY18, all costs are included in the budget as well as all grant income will be included on the Estimates of Revenues.

<b>Total amount of Expenses for FY16 &amp; FY17</b>	50,949,758	52,348,522
<b>Total amount of Grant Funding for FY16 &amp; FY17</b>	-1,667,381	-1,998,305
<b>Net Budget amounts voted</b>	<b>49,282,377</b>	<b>50,350,217</b>

**Budgets as Voted**

<b>Bellows Free Academy Union HS #48</b>	<b>20,955,427</b>	<b>21,144,321</b>
<b>St. Albans City School District</b>	<b>12,192,110</b>	<b>12,591,180</b>
<b>St. Albans Town School District</b>	<b>10,725,766</b>	<b>10,989,528</b>
<b>Fairfield School District</b>	<b>5,409,074</b>	<b>5,625,188</b>
	<b>49,282,377</b>	<b>50,350,217</b>

District: **Maple Run USD**  
 County: **Franklin**

**U057**  
**Maple Run**

Property dollar equivalent yield

Homestead tax rate per \$10,076 of spending per equalized pupil

**10,076**

**1.00**

**11,875**

Income dollar equivalent yield per 2.0% of household income

**Expenditures**

	FY2015	FY2016	FY2017	FY2018	
1. <b>Adopted or warned union district budget</b> (including special programs and full technical center expenditures)	-	-	-	\$52,897,510	1.
2. <i>plus</i> Sum of separately warned articles passed at union district meeting	-	-	-	-	2.
3. <b>Adopted or warned union district budget plus articles</b>	-	-	-	\$52,897,510	3.
4. <i>plus</i> Obligation to a Regional Technical Center School District if any	-	-	-	-	4.
5. <i>plus</i> Prior year deficit repayment of deficit	-	-	-	-	5.
6. <b>Total Union Budget</b>	-	-	-	\$52,897,510	6.
7. S.U. assessment (included in union budget) - informational data	-	-	-	-	7.
8. Prior year deficit reduction (if included in union expenditure budget) - informational data	-	-	-	-	8.

**Revenues**

9. Union revenues (categorical grants, donations, tuitions, surplus, federal, etc.)	-	-	-	\$14,945,274	9.
10. <b>Total offsetting union revenues</b>	-	-	-	\$14,945,274	10.

11. <b>Education Spending</b>	-	-	-	\$37,952,236	11.
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12. Maple Run USD equalized pupils	-	-	-	2,527.30	12.
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	FY2015	FY2016	FY2017	FY2018	
13. <b>Education Spending per Equalized Pupil</b>	-	-	-	\$15,016.91	13.
14. <i>minus</i> Less net eligible construction costs (or P&I) per equalized pupil	-	-	-	-	14.
15. <i>minus</i> Less share of SpEd costs in excess of \$50,000 for an individual (per eqpup)	-	-	-	\$13	15.
16. <i>minus</i> Less amount of deficit if deficit is SOLELY attributable to tuitions paid to public schools for grades the district does not operate for new students who moved to the district after the budget was passed (per eqpup)	-	-	-	-	16.
17. <i>minus</i> Less SpEd costs if excess is solely attributable to new SpEd spending if district has 20 or fewer equalized pupils (per eqpup)	-	-	-	-	17.
18. <i>minus</i> Estimated costs of new students after census period (per eqpup)	-	-	-	-	18.
19. <i>minus</i> Total tuitions if tuitioning ALL K-12 unless electorate has approved tuitions greater than average announced tuition (per eqpup)	-	-	-	-	19.
20. <i>minus</i> Less planning costs for merger of small schools (per eqpup)	-	-	-	-	20.
21. <i>minus</i> Teacher retirement assessment for new members of Vermont State Teachers' Retirement System on or after July 1, 2015 (per eqpup)	NA	-	-	-	21.

22. Excess spending threshold	threshold = \$16,166	threshold = \$17,103	Allowable growth	threshold = \$17,386	
23. <i>plus</i> Excess Spending per Equalized Pupil over threshold (if any)	\$16,166.00	\$17,103.00	-	\$17,386.00	22.
24. Per pupil figure used for calculating District Equalized Tax Rate	-	-	-	\$15,016.91	23.
25. Union spending adjustment (minimum of 100%)	based on \$9,285	based on \$9,285	based on yield \$9,701	149.036%	24.
				based on yield \$10,076	25.

26. Anticipated equalized union homestead tax rate to be prorated [\$15,016.91 ÷ (\$10,076.00 / \$1.000)]	based on \$0.94	based on \$0.98	based on \$1.00	\$1.4904	26.
				based on \$1.00	

**Prorated homestead union tax rates for members of Maple Run USD**

	FY2015	FY2016	FY2017	FY2018	
T072 Fairfield	-	-	-	1.4904	100.00%
T176 St. Albans City	-	-	-	1.4904	100.00%
T177 St. Albans Town	-	-	-	1.4904	100.00%

27. Anticipated income cap percent to be prorated from Maple Run USD [(\$15,016.91 ÷ \$11,875) x 2.00%]	based on 1.80%	based on 1.80%	based on 2.00%	2.53%	27.
				based on 2.00%	

**Prorated union income cap percentage for members of Maple Run USD**

	FY2015	FY2016	FY2017	FY2018	
T072 Fairfield	-	-	-	2.53%	100.00%
T176 St. Albans City	-	-	-	2.53%	100.00%
T177 St. Albans Town	-	-	-	2.53%	100.00%

- Following current statute, the Tax Commissioner recommended a property yield of \$10,076 for every \$1.00 of homestead tax per \$100 of equalized property value. The Tax Commissioner also recommended an income yield of \$11,875 for a base income percent of 2.0% and a non-residential tax rate of \$1.550. **New and updated data will likely change the proposed property and the income yields and perhaps the non-residential rate..**

- Final figures will be set by the Legislature during the legislative session and approved by the Governor.

- The base income percentage cap is 2.0%.

BELLOWS FREE ACADEMY  
UNION HIGH SCHOOL  
DISTRICT #48  
St. Albans, Vermont



2016  
ANNUAL REPORT  
(School Year Ending June 30, 2016)

## **BELLOWS FREE ACADEMY UHSD#48 BOARD REPORT**

Bellows Free Academy Union High School District #48 Board is happy to share its commentary with the St. Albans community through its annual report. The Board of Directors, the tremendous faculty and staff, and the administration of the school take our role of providing all students the opportunity to learn respect, dependability, and productivity very seriously. As our mission states, we provide the academic and social support for students to be effective problem solvers, active community members and lifelong learners.

The mission of the Northwest Technical Center is to educate today's learners using comprehensive career and technical education programs that enhance career awareness; promote lifelong learning; and develop the skills to be responsible, productive citizens for today and tomorrow.

Vermont legislature approved Act 46 in 2015. Act 46 calls for a unification of all the school districts in the supervisory union into a single supervisory district with the most significant difference that governance would be by a single board of directors, replacing the current five boards. Additionally, there would be a single budget that includes all the expenditures and revenues and results in the same school tax rate for each member town. The voters approved this unification in March of 2016. This proved to be very exciting news for schools and Boards as unification presents numerous opportunities to streamline processes, and realize operational and fiscal efficiencies. Much of the current year has been spent establishing and approving the policies and roles and responsibilities of the new Maple Run Unified School District (MRUSD). This planning process is driven by a newly established 5-year plan - a living document that is reviewed regularly by the Leadership Team and the Board and helps to drive and order the many priorities of the member schools.

The BFA Board along with the MRUSD Board believes it is our task to present the community with a responsible budget that supports a quality educational program for your children while taking into consideration the needs and the means of the community. The Board has a fiduciary responsibility to the community, and it indeed takes this responsibility seriously. The BFA Board members and those that serve St. Albans City and Town on the MRUSD board have used intensive interaction with staff, department heads, administrators, and the individual Boards to examine all proposed expenditures and revenues, and worked with the Central Office to propose a responsible single budget.

I am happy to report that the total proposed budget is \$52,897,510 with a per equalized student cost \$15,017. With the 10-cent reduction as an Act 46 incentive adjustment, this results in an estimated tax rate of \$1.39.

On behalf of the BFA Board of School Directors, I want to thank the community, the faculty, and the staff for supporting our students through supporting our school. I especially want to thank our students for continuing to choose BFA and NWTC. You continue to make us proud!!

The BFA Board of School Directors has so enjoyed serving the school and community during the 2016 – 2017 school year and will transition to the Maple Run Unified School District Board in a few months. Familiar faces will join with new faces to provide the best for all the schools in the District.

Please attend the Budget Informational Meeting to be held in the BFA Library (located in BFA North building) at Bellows Free Academy, 71 South Main Street, Saint Albans, Vermont, on Wednesday, March 1, 2017, at 6:00 p.m.

I also wish to encourage and remind the community to please vote on Tuesday, March 7, 2017 from 7:00 a.m. to 7:00 p.m. at your local polling places. Your vote counts.

It has been a pleasure to serve as chair of the BFA Board for the last several years.

Sincerely,

Nilda Gonnella-French, Chair  
BFA Board of School Directors

Christopher Mosca  
Principal  
527-6402  
[cmosca@fcsuvt.org](mailto:cmosca@fcsuvt.org)

Geoffrey Lyons  
Assistant Principal  
527-6553  
[glyons@fcsuvt.org](mailto:glyons@fcsuvt.org)

Heather Fitzgibbons  
Assistant Principal  
527-6417  
[hfitzgibbons@fcsuvt.org](mailto:hfitzgibbons@fcsuvt.org)

**Bellows Free Academy**  
**Union High School District #48**  
**71 South Main Street**  
**St. Albans, VT 05478-2297**  
**Tel: 802-527-6555**

**Web Address: [bfa.fcsuvt.org](http://bfa.fcsuvt.org)**



Shannon Warden  
Assistant Principal  
527-6558  
[swarden@fcsuvt.org](mailto:swarden@fcsuvt.org)

Julie Regimbal  
Special Education Dir.  
524-2600 ext. 18  
[jregimbal@fcsuvt.org](mailto:jregimbal@fcsuvt.org)

Preston Randall  
Director Guidance  
527-6572  
[prandall@fcsuvt.org](mailto:prandall@fcsuvt.org)

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## BELLOWS FREE ACADEMY ANNUAL REPORT

I am pleased to submit the 2017 Annual Report from Bellows Free Academy. We are focused on creating a culture and climate conducive to excellent teaching and learning. Our programs and personnel are exceptional and we continue to attract students throughout the region. Your support for and commitment to BFA is the foundation of our success and that of each student within the greater St. Albans Community as well as the newly created Maple Run Unified School District.

Our primary goal during the last year has been the ongoing implementation of the state mandated Flexible Pathways Act 77 graduation requirements and the use of Canvas, our new Student Learning Management system. Canvas is designed to integrate personal learning plans, course information and student progress on proficiencies to support our transition to schoolwide proficiency based grading in accordance with Act 77. Teachers have participated on leadership teams and joined a collaborative effort to ensure all students will be graded on Proficiency Based Assessments by 2020. Our faculty is also working with school administrators and teacher leaders to implement personal learning plans with the classes of 2019 and 2020. Each student should have a relevant and meaningful learning plan upon graduation beginning with the class of 2019.

This work is comprehensive, far reaching and challenging. As a result of the knowledge and commitment of our teachers, we expect to be able to meet all Act 77 expectations to ensure that students have clearly defined pathways and experiences to demonstrate what they know and will be able to do upon graduation.

We were pleased to announce that the New England Association of Secondary Schools and Colleges Committee on Public Secondary Schools, at its January 2016 meeting voted to accept our 5-year progress report and continue our school's accreditation. The committee cited ten areas for commendation and provided no recommendations in its February 23, 2016 letter to our school district. Through this process we have also aligned our schoolwide academic expectations with the Vermont Transferable Skills so that students will now strive to become informed and integrative thinkers, creative and practical problem solvers, clear and effective communicators, self-directed learners and responsible and involved citizens.

In April 2016, juniors participated in the second year of the statewide Smarter Balanced Assessment Consortium Exams (SBAC). We are glad to report that in math, 43% of our students met or exceeded proficiency which is higher than the state average of 37.76% of students who met or exceeded proficiency. It is also important to note that based on the number of respondents from the 2016 Vermont Student Assistant Corporation survey (85 students) 85.8% believe that BFA provided a good education, while only 2.4% felt it did not. Additionally, 63.4% of our respondents felt BFA helped them learn the skills needed to be successful in work or college. We outperformed the state on this measure. Finally, during the 2015-16 school year, a total of 151 students took 275 Advanced Placement (AP) courses and 126 students took a total of 229 exams with a 60.7% passing rate of three or better. This percentage is higher than the passing rate of all students

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Superintendent's Office  
Fax # 524-1540

Principal's Office  
Fax #527-6465

Main Office  
Fax #527-6453

Guidance Office  
Fax #527-6467

An Equal Opportunity Employer

who took the AP exams. Our performance in the Advanced Placement program continues to reflect our strong academic offerings and commitment to student achievement.

Our on-going work in implementing the Student Success Model to create an environment where everyone can thrive was supported by the addition of a Dean of Students and In-school Support Planning room. During the 2015-16 school year, the number of out-of-school suspensions decreased by 53 incidents when compared to the number of suspensions in 2012-13. Our average daily attendance increased by .74% within the same time period. Additionally, the number of detentions for unexcused absences decreased by 45% since 2012-13 and in-school suspensions have decreased by 20% since 2013-14, the first year we implemented the Planning Room. Our partnership with Northwest Counseling Services and local first responders, enhanced contact with families, on-going collaboration between guidance staff and administration as well as the restructuring of our student management system, appears to be contributing to these positive trends.

In addition to our community support for all students, BFA continues to provide a wide range of special education services. The special education administration and staff has developed and enhanced specific programs and staffing based on student needs. We have increased enrollments from sending schools as a result of our commitment to ensure that each student, regardless of any learning challenges, achieves academic and social success.

Despite budget reductions as a result of Act 46, we were able to reallocate funds for a part-time community outreach specialist to attract tuition students to BFA. We were also pleased to welcome Heather Fitzgibbons as our new Assistant Principal and proudly honored Geoff Lyons as the Vermont Assistant Principal of the Year.

Our school continues to attract students throughout the region. This year, fifteen students chose to attend BFA from surrounding communities through the Act 129 School Choice program. Most significantly, no student chose to leave BFA through Act 129. This may be attributable to our strong academic programs, as well as our comprehensive co-curricular and extra-curricular activities. During the 2015-16 school year, 584 students participated in one or more co-curricular activities and 557 participated in one or more sports. For a school with an enrollment of approximately 900 students this participation rate is exceptional. Our student ambassadors regularly visit sending schools and many students participate in music and arts festivals, interscholastic competitions and school board meetings. Our World of Difference Students worked closely with program leaders from the Anti-Defamation League in Boston to design a schoolwide event aimed at creating a safer environment for conversations about race. Lastly, it is important to note that BFA students frequently receive community recognition for a variety of charitable works and demonstrations of good citizenship.

In the winter of 2016, our girls basketball team, girls hockey team, boys hockey team, girls snowboarding team and cheerleading team all competed for state titles. Our boys hockey team and girls snowboarding team earned state championships. The Powder Puff Football game, hosted in partnership with our friends from MVU, generated a record \$27,000.00 in contributions to support those experiencing catastrophic illness. Once again, we hosted the annual statewide Unified Sports and Special Olympics competition at the Collins Perley Sports Complex, and our marching band proudly led the Veteran's Day parade in which our entire school participated. Our fall musical, The Wizard of Oz was a great success and we were honored to host the extraordinary performance of Handel's Messiah in December.

BFA remains a strong and vibrant place for students to grow socially and academically as a result of your continued support. Everyone at the academy appreciates your interest and devotion to ensuring the very best for our young people.

Respectfully Submitted,

Chris Mosca, Principal

# BFA Union High School District #48

## Summary of Revenues

Revenues	FY16 Adopted	FY16 Actual	FY17 Adopted
Collins Perley Trust Fund Income	\$75,000	\$86,000	\$100,000
Investment Income	\$50,000	\$40,782	\$50,000
St of VT High School Completion Program	\$0	\$304,876	\$0
Driver Education Reimbursement	\$15,000	\$15,335	\$15,000
Adult Ed Income	\$99,500	\$284,254	\$99,500
Tuition Income	\$3,476,273	\$3,486,033	\$3,409,631
Education Spending	\$12,515,350	\$12,515,303	\$12,451,683
State Transportation Aid	\$15,300	\$15,347	\$15,200
IEP Grant Income	\$17,224	\$15,165	\$17,224
Misc.	\$50,000	\$78,875	\$30,425
<b>Subtotal General Operating</b>	<b>\$16,313,647</b>	<b>\$16,841,970</b>	<b>\$16,188,663</b>
Excess Cost Income	\$402,361	\$574,879	\$588,113
Mainstream Block Grant	\$256,729	\$256,729	\$250,360
Expenditure Reimbursement	\$1,295,552	\$1,248,863	\$1,380,526
Extraordinary Reimbursement	\$86,837	\$90,760	\$67,680
<b>Subtotal Special Education</b>	<b>\$2,041,479</b>	<b>\$2,171,231</b>	<b>\$2,286,679</b>
<b>Northwest Technical Center</b>			
State Basic Education Grant	\$1,175,889	\$1,175,842	\$1,210,899
State Tuition Assistance Grant	\$473,059	\$473,109	\$487,143
Tuition Income	\$701,353	\$701,590	\$719,937
Program Income	\$29,000	\$43,432	\$25,000
Grants	\$221,000	\$296,331	\$226,000
<b>Northwest Technical Center</b>	<b>\$2,600,301</b>	<b>\$2,690,304</b>	<b>\$2,668,980</b>
<b>Total Revenues</b>	<b>\$20,955,427</b>	<b>\$21,703,505</b>	<b>\$21,144,321</b>

# BFA Union High School District #48

## Summary of Expenditures

<b>Department</b>	<b>FY16 Adopted</b>	<b>FY16 Actual</b>	<b>FY17 Budget</b>
Regular Instruction Program	\$7,996,068	\$8,038,292	\$7,787,755
ISS & SSS	\$300,956	\$302,155	\$315,777
Co-Curricular Program	\$100,091	\$107,780	\$88,937
Athletics Program	\$628,052	\$624,273	\$630,524
Adult Education Program	\$139,076	\$381,696	\$148,300
Attendance Services	\$162,198	\$29,909	\$38,574
Guidance Services	\$609,945	\$589,206	\$658,578
Health Services	\$108,084	\$93,291	\$108,367
Library Services	\$157,657	\$162,057	\$161,958
Information Technology	\$574,878	\$551,425	\$634,138
School Board of Directors	\$138,473	\$116,296	\$127,251
Supervisory Union Services	\$437,297	\$435,007	\$488,664
Principals Office	\$557,349	\$546,497	\$490,989
Assistant Principal's Office	\$375,251	\$429,579	\$458,410
Plant Operation (Main & North Plant)	\$1,351,012	\$1,250,089	\$1,330,655
Plant Operation (CPSC)	\$441,507	\$428,098	\$446,288
School Resource Officer	\$72,757	\$71,008	\$74,560
Student Transportation	\$220,422	\$192,637	\$324,305
Cafeteria	\$12,119	\$12,691	\$16,485
Debt Service (Short Term)	\$34,206	\$29,785	\$30,100
Debt Service (LongTerm)	\$583,711	\$583,709	\$568,923
<b>Subtotal General Operating</b>	<b>\$15,001,109</b>	<b>\$14,975,480</b>	<b>\$14,929,538</b>
Administration	\$28,035	\$26,093	\$28,365
Sp Ed Services provided by SU	\$2,372,649	\$2,400,173	\$2,593,888
Support Services	\$953,333	\$884,982	\$923,551
<b>Subtotal Special Education</b>	<b>\$3,354,017</b>	<b>\$3,311,248</b>	<b>\$3,545,804</b>
<b>Northwest Technical Center</b>			
Instructional Program	\$1,718,071	\$1,818,200	\$1,738,133
NWTC Administration	\$281,212	\$257,528	\$302,468
NWTC Guidance	\$107,678	\$104,433	\$113,214
Indirect Expenses	\$440,280	\$463,382	\$472,769
Transportation	\$53,060	\$49,432	\$42,395
<b>Northwest Technical Center</b>	<b>\$2,600,301</b>	<b>\$2,692,975</b>	<b>\$2,668,979</b>
<b>Total Expenses</b>	<b>\$20,955,427</b>	<b>\$20,979,703</b>	<b>\$21,144,321</b>

**Comparative Data for Cost-Effectiveness, FY2017 Report**  
**16 V.S.A. § 165(a)(2)(K)**

**School:** Bellows Free Academy UHS  
**S.U.:** Franklin Central S.U.

A list of schools and school districts in each cohort may be found on the DOE website under "School Data and Reports":  
<http://www.state.vt.us/educ/>

**FY2016 School Level Data**

**Cohort Description:** Senior high school  
 (27 schools in cohort)

**Cohort Rank by Enrollment** (1 is largest)  
 4 out of 27

School level data		Grades Offered	Enrollment	Total Teachers	Total Administrators	Stu / Tchr Ratio	Stu / Admin Ratio	Tchr / Admin Ratio
Smaller ->	Rutland High School	9 - 12	854	69.26	4.00	12.33	213.50	17.32
	So Burlington High School	9 - 12	901	72.24	3.00	12.47	300.33	24.08
	Mt Anthony Sr UHS #14	9 - 12	954	66.83	3.00	14.28	318.00	22.28
	<b>Bellows Free Academy UHS</b>	<b>9 - 12</b>	<b>991</b>	<b>72.54</b>	<b>4.00</b>	<b>13.66</b>	<b>247.75</b>	<b>18.14</b>
<- Larger	Burlington Senior High School	9 - 12	1,049	92.57	6.00	11.33	174.83	15.43
	Essex High School	9 - 12	1,251	102.50	5.00	12.20	250.20	20.50
	Champlain Valley UHS #15	9 - 12	1,281	89.99	5.00	14.23	256.20	18.00
<b>Averaged SCHOOL cohort data</b>			<b>628.15</b>	<b>53.36</b>	<b>2.83</b>	<b>11.77</b>	<b>222.08</b>	<b>18.87</b>

**School District:** Bellows Free Academy UHSD #4  
**LEA ID:** U048

Special education expenditures vary substantially from district to district and year to year. Therefore, they have been excluded from these figures.

The portion of current expenditures made by supervisory unions on behalf of districts varies greatly. These data include district assessments to SUs. Including assessments to SUs makes districts more comparable to each other.

**FY2015 School District Data**

**Cohort Description:** Senior high school district  
 (23 school districts in cohort)

Grades offered in School District    Student FTE enrolled in school district    Current expenditures per student FTE **EXCLUDING** special education costs

**Cohort Rank by FTE**  
 (1 is largest)  
 4 out of 23

**School district data (local, union, or joint district)**

Smaller ->	Missisquoi Valley UHSD #7	7-12	733.34	\$14,837
	U-32 High School (UHSD #32)	7-12	747.65	\$15,861
	Middlebury UHSD #3	7-12	810.05	\$17,933
	<b>Bellows Free Academy UHSD #48</b>	<b>9-12</b>	<b>856.10</b>	<b>\$15,611</b>
<- Larger	Brattleboro UHSD #6	7-12	940.84	\$15,813
	Essex Comm. Ed. Ctr. UHSD #46	9-12	1,145.03	\$15,867
	Champlain Valley UHSD #15	9-12	1,227.05	\$12,827
<b>Averaged SCHOOL DISTRICT cohort data</b>			<b>587.09</b>	<b>\$15,793</b>

Current expenditures are an effort to calculate an amount per FTE spent by a district on students enrolled in that district. This figure excludes tuitions and assessments paid to other providers, construction and equipment costs, debt service, adult education, and community service.

**FY2017 School District Data**

LEA ID	School District	Grades offered in School District	School district tax rate			Total municipal tax rate, K-12, consisting of prorated member district rates		
			SchDist	SchDist	SchDist	MUN	MUN	MUN
			Equalized Pupils	Education Spending per Equalized Pupil	Equalized Homestead Ed tax rate	Equalized Homestead Ed tax rate	Common Level of Appraisal	Actual Homestead Ed tax rate
Smaller ->	U005 Vergennes UHSD #5	7-12	543.45	18,112.19	1.9179	-	-	-
	U019 Harwood UHSD #19	7-12	707.06	16,972.82	1.7496	-	-	-
	U028 Mount Abraham UHSD #28	7-12	743.48	15,652.61	1.6135	-	-	-
	<b>U048 Bellows Free Academy UHSD #48</b>	<b>9-12</b>	<b>750.17</b>	<b>16,598.48</b>	<b>1.7110</b>	-	-	-
<- Larger	U032 U-32 High School (UHSD #32)	7-12	755.33	16,320.09	1.6823	-	-	-
	U041 Spaulding HSUD #41	9-12	788.96	12,891.73	1.3289	-	-	-
	U018 Lamolle UHSD #18	7-12	825.39	14,972.93	1.5434	-	-	-

Use these tax rates to compare towns rates.      These tax rates are not comparable due to CLA's.

The Legislature has required the Agency of Education to provide this information per the following statute:

16 V.S.A. § 165(a)(2) The school, at least annually, reports student performance results to community members in a format selected by the school board. . . . The school report shall include:

(K) data provided by the commissioner which enable a comparison with other schools, or school districts if school level data are not available, for cost-effectiveness. The commissioner shall establish which data are to be included pursuant to this subdivision and, notwithstanding that the other elements of the report are to be presented in a format selected by the school board, shall develop a common format to be used by each school in presenting the data to community members. The commissioner shall provide the most recent data available to each school no later than October 1 of each year. Data to be presented may include student-to-teacher ratio, administrator-to-student ratio, administrator-to-teacher ratio, and cost per pupil.

# NORTHWEST TECHNICAL CENTER

71 South Main St., St. Albans, VT ~ (802) 527-0614

[nwtc.fcsuvt.org](http://nwtc.fcsuvt.org)

The Northwest Technical Center (NWTC) provides quality career and technical education to area high school students and adults. At the NWTC, students from Bellows Free Academy and Missisquoi Valley Union High School have the opportunity to choose from ten different career and technical programs and twelve specialty modules. Many of our programs allow students to take advantage of dual enrollment opportunities to earn college credit while in their program. In addition, all programs offer the opportunity to earn industry recognized certification which prepares them for college and careers.

The NWTC has been offering career and technical education since 1977. Many things have changed in technical education in the past decade. We strive to offer 21<sup>st</sup> century programs that are current with the trends in the industry. NWTC works closely with the Franklin County Industrial Development Corporation and Franklin Grand Isle Workforce Investment Board by listening to the needs of the local employers. Students come from a wide variety of backgrounds with personal goals ranging from college to immediate employment or apprenticeship. In addition, our vibrant Career Development Center offers continuing education courses to serve the employment and training needs of our community and surrounding counties.

## **Highlights of our year include:**

### **Career Development Office**

NWTC's Career Development Office is proud to deliver the largest selection of continuing education courses offered by a Vermont regional technical center. High school students and adults have access to 50 courses taught locally, along with access to hundreds of online courses. As part of the student's personalized learning plans, the Career Development Office at NWTC is a strong option for many of our students (and their families).

The Career Development Office at the NWTC continues to operate the largest Licensed Nurse Assistant certification program in the state. Certifications can be earned in Medical Coding, Medical Assisting, and Phlebotomy. Our most recent accomplishment is partnering with University of Vermont Medical Center to have NWTC provide on-going training for their phlebotomy students. In the technology area, besides basic computer courses, residents can earn certifications to be technicians for computer hardware, networking, servers and security systems. Visit our course offerings at: <http://nwtc.fcsuvt.org/careerdevelopment/>

### **Expanded Opportunity**

We have made improvements including an expanded classroom in our Medical Professions program to accommodate the increased interest in the medical fields, increased community involvement, and accessibility of enrichment opportunities through our Career Development Office.

We continue to have specialized attention for our feeder schools including a growing middle school Career Exploration Day program for students to experience career and technical education earlier. In an attempt to expand our presence in local middle schools as well as expose younger students to different career options that align with the state initiative, Personal Learning Plans (PLP), the NWTC has partnered with St. Albans City School, St. Albans Town Educational Center, Sheldon Elementary, Georgia Elementary and Missisquoi Valley Middle School to provide a Career Day Experience at NWTC. Students are asked to reflect on their career options and desires, and will be given an opportunity to have a hands-on learning experience at our center, in the career field of their choice.

**Tech & Engineering Day**

Now in our 3<sup>rd</sup> year, we expect to attract over 100 students from Franklin County schools: St. Albans City School, St. Albans Town School, Fairfield and Missisquoi Valley Union. Students experience a panel of engineers and educators talk about possible career options and pathways. Students explore opportunities to compete in tech & engineering tasks, as well as a chance to work collaboratively with other students in our region. Over fifty first, second, and third place medals are awarded during this competition, giving our 7th and 8th graders a chance to be recognized and rewarded for their efforts. High School students from our programs are on hand to help with judging and mentoring the participants. The day is filled with learning and fun, and we hope to continue hosting this event in the future.

**Cooperative Education**

Cooperative Education, or Co-op, is a unique plan of education which integrates classroom study with planned and supervised work experience. This educational pattern allows students to acquire practical skills as well as to be exposed to the reality of the world of work beyond the school campus. These experiences enhance the self-awareness and potential direction of the students involved. One of the great strengths of Cooperative Education is its flexibility. The basic concept of integrating work experience in an educational curriculum can be applied in many different ways. The NWTC’s Cooperative Education Program has three main components:

<b>Job Shadows</b>	Usually a onetime observation of various occupations
<b>Career Work Experience (CWE)</b>	Program specific work experiences, usually during NWTC class time
<b>Cooperative Technical Education (CTE)</b>	Paid, supervised work, with training plan in program specific employment, available to students who have already completed program curriculum

Cooperative Education blends the philosophy of the hiring institution with the needs of the students. It is dependent upon the cooperation between educational institutions and employers to form a total educational program. The interrelated experience and study components are carefully planned and supervised to produce optimum educational results. Through a balanced educational method which combines classroom theory with career-related work experience, Cooperative Education offers numerous advantages to the student and to employers.

It is the goal of Cooperative Education to prepare every student for entry level employment and/or post-secondary training or education.

### **Academic Skill Development**

We continue to administer the Accuplacer, a college entry level skills assessment to all students enrolled in NWTC programs. If needed, individualized support is given to students to help them become proficient. The Accuplacer is the assessment tool used by many area colleges to assess a student's basic skills as they apply for admission. It is the intent of the NWTC that all program completers and/or graduating students pass the Accuplacer before they head off to their respective college, technical school, or work endeavors.

### **English Integration**

NWTC students may earn their required high school English credit during their program meeting time. The programs that integrate English for credit include Human Services, Public Safety & Fire Services, Medical Professions, Digital Arts, and Engineering Technologies. Instructors work together to find the inherent English component in the programs and align the curriculum to identify where English standards fit to make it rigorous and relevant. Our teachers familiarize themselves with the BFA Power Standards, select materials to be used in their programs, and discuss units to be presented.

### **Dual Enrollment**

We continue to offer FREE college credit in many of our programs through dual enrollment. With successful completion of the course work, students will earn transcribed-college credit that can transfer to any college. The programs that currently offer college credit are: Medical Professions, Engineering Technologies, Automotive Technology, Digital Arts, Culinary Arts and Digital Video Production.

I would like to thank the parents and community members who provide ongoing support to the Northwest Technical Center. These community partners include program advisory committees, co-op and program placement sites, industry partners, and youth leadership organizations. Career and technical education has changed over the years and we appreciate the continued support from our business partners.

I invite you to visit our school anytime, we always want to share our school with you.

Respectfully submitted,

Leeann Wright, Director  
Northwest Technical Center



# Collins Perley Sports & Fitness Center

## ANNUAL REPORT COLLINS PERLEY SPORTS & FITNESS CENTER FY 2016

The Collins Perley Sports & Fitness Center has had an outstanding year. We have seen a significant increase in use by both the community and the school. We feel this is as a result of increased emphasis on wellness and facility improvements.

Collins Perley is owned by BFA. It is BFA's primary facility for physical education and athletics. It hosts other, non-athletic BFA activity. The goal of its independent Board of Directors is to meet the needs of BFA while also serving as a community center for the greater St. Albans region. Toward that end, we offer our facilities for Fitness, Athletics, Expositions, Shows, Fairs, Conventions, Concerts, Business Meetings, Parties, Health Clinics, Voting, and more.

This combination of school ownership along with community use and commitment result in excellent facilities at a low cost. The Collins and Perley Trusts paid the debt for the original construction of the facility. They continue to pay part of the operating costs of the facility. Collins Perley operates as a non profit entity (501 c 3) and sets fees sufficient to cover costs of operation. Operating costs are kept at essential levels without frills.

Because our public Mission is *to provide maximum wellness opportunity for the largest number of people...* we strive to offer as many wellness options as possible at the lowest possible price. During the past year we have truly concentrated on reaching out to the community to determine how we can more fully fulfill our mission. We have partnered with a number of talented local fitness instructors to increase our number and variety of class offerings. .

We know variety is important to most people in order to continue on a path to better health. We expect to continue to look at options for providing healthy choices to our community. Our Wellness Challenge participation has tripled in numbers. We expect this group to continue to grow with more time and effort being given to it. We offer over 100 different wellness classes every month.

Outside, we began what we hope will be a five year process to renovate most of our sports fields. Natural turf sports fields should be renovated every 15 years. Some of ours have never been renovated. Some were not built with the expectation of the type of use they are now getting. This year, our attention has been on the softball field. We excavated the infield, upgraded drainage, installed a new playing surface and are replacing the backstop and adjacent fencing. Through the process, we also expect to make spectator areas more handicap accessible.

We were pleased to continue our work with the Town of St. Albans on a project that might bring a walking/biking path from south Main Street to Collins Perley. Evidence shows this path would be heavily used. It would be an excellent way to increase access to the very popular Rotary Health Path that surrounds our Campus.

We are also working with the Town to install a cross walk that would improve pedestrian safety between our facility and the other side of Fairfax Road. This project would include a lowering of the speed limit and the installation of sidewalks on the east side of Fairfax Road.

Fitness is critically important to people of all ages. While we are proud of our world champion weight lifters, we are just as proud of those who take a regular walk around the Rotary Fitness Path that surrounds the 52 acre site or those who walk inside during inclement weather. We encourage all of our neighbors to do some kind of aerobic exercise for at least one hour three times per week. In addition to walking, jogging and running on our outdoor path and track we offer tennis, racquetball, wallyball, skating, aerobics, martial arts and a complete fitness gym with highly skilled trainers. We offer 100 exercise classes every month. Exercise programs include Tai Chi, Yoga, Zumba, Aerobics, Belly Dancing, Boot Camp , Spinning ®, and more.

Athletics is for more than the athletes. We encourage everyone to either participate in or watch any number of sports events. We host a wide number of athletic camps in the summer. Fall, winter, and spring bring both youth and adult teams to the ice or to the tennis courts/field house where they can participate in youth or adult tennis, soccer or lacrosse. Newcomers to every sport are welcome.

As a Community Center, Collins Perley is flexible and active. Our location and our facility work well for business meetings, expositions, and conventions.

We invite you to check our web site for more information: [www.collinsperley.com](http://www.collinsperley.com)

On behalf of the staff and the Board of Directors of Collins Perley, it is our pleasure to invite everyone to stop in to see what we have to offer. Please let us know how we can serve you better.

Sincerely,

Harold "Butch" Hebert, President  
Collins Perley Sports Center, Inc.

David Kimel, Manager

# **CITY OF ST. ALBANS**

## **ANNUAL SCHOOL REPORT**



**For Fiscal Year**

**July 1, 2015 to June 30, 2016**

It is with mixed emotions that I prepare this final annual report for the Saint Albans City School District. On July 1<sup>st</sup> of this year the City School District will cease to exist and the City School will become part of the newly formed Maple Run Unified School District. The Maple Run District will also include St. Albans Town Educational Center, Bellows Free Academy – St. Albans, Northwest Technical Center, and Fairfield Center School. This school consolidation was approved overwhelmingly by voters of all three communities on Town Meeting Day 2016. It is the goal of this new District to provide equitable opportunities and education to all students in a more efficient manner. The new District has a 10-member board to oversee its operations. Although these board members are from all three communities, they are elected at-large which mean that each member represents all three communities, regardless of where they reside.

It has been another productive year at City School. This is the first year that the Smarter Balanced Assessment Consortium (SBAC) tests were used for student evaluation. Therefore there is no historical data to compare the school's progress. However when compared to other schools across the state who took the same tests, City School's performance was outstanding. Our students continue to make great strides, and relative to the rest of the state, our numbers continue to go up. Our eighth graders finished well above the state average. It would appear that some of the programs put into place over the past few years, coupled with the hard work performed by an incredibly talented and dedicated staff, has started to pay dividends.

The budget that will be presented to voters this year will be for the new consolidated district, rather than separate budgets for each school. Since all the school budgets will be combined in this budget, it will be significantly larger than those that voters have seen in the past. At the time of writing this report, the Maple Run Board has not yet adopted a budget to present to voters, but it appears that it will be approximately \$53,000,000. Since this is the first budget for Maple Run, there is no historical data to compare spending, however the currently proposed budget represents only about a 1% increase from the sum of the district budgets from last year. This budget illustrates the new Board's dedication to hold spending in check while delivering a quality education to our children. With the tax incentive that the state is providing as a reward for consolidating, the taxes in all three communities should be reduced.

As the City School transitions to operating under the new Maple Run District, it must do so without it's talented Assistant Principal, Georgie Andrews. After many years of dedicated service, Mrs. Andrews will be retiring at the end of this school year. She has been providing caring leadership to our staff and students for as long as most can remember. Georgie will be missed dearly, and we all wish her the best of luck in retirement.

I would like to say thank you to those who have been instrumental in our success this last year. First of all, City School has an incredibly dedicated staff who continues to effectively provide a quality education to our children. They are led by our principal and assistant principal, Joan Cavallo and Georgie Andrews, who consistently provide the leadership and vision that paves the path forward. Without the hard work of our Superintendent, Dr. Kevin Dirth, and the dedicated staff of the Franklin Central Supervisory Union, the transition to the Maple Run District would not be possible. Finally I would like to extend my sincere appreciation to my fellow City School Board members, Kristina Ellsworth-Spooner, Angela Bernard, Denise Smith, Ken Wade, Tayt Brooks, and Pat Daunais. This group's devotion to our children's well being has made service on this Board a truly rewarding experience and I will sincerely miss working with each of them.

As we close out St. Albans City School District and start up the Maple Run Unified School District, there is every reason to be optimistic that we will be firmly positioned to directly confront the future challenges of providing a 21<sup>st</sup> century education to all of our children.

Respectfully submitted,

James C. Farr  
Chairman  
St. Albans City School Board of Directors

## **Franklin County Early Childhood Programs**

**Who We Are:** We are a public school early education program serving children from birth to school age and their families.

**Who We Serve:** The program's target population is children from birth to school age, with an emphasis on three to five-year-old children who are developmentally at risk or developmentally delayed and their families. We offer an early learning opportunity for all three and four year olds for ten hours a week in the towns of Fairfield, St. Albans City, and St. Albans Town and have a program for 30 hours a week for at least 32 financially eligible four year olds at the St Albans City School. We are currently serving 273 children in the Supervisory Union, mostly three to five year olds. 81 of these children are in sites prequalified by the Agency of Education and we send \$3092 per child to the sites to offset the cost of a ten hour a week high quality preschool experience. This amount is adjusted each year by the New England Economic Project cumulative price index for state and local government purchases of goods and services.

**What We Do:** The program takes referrals from families with young children, relatives, neighbors, community members, and other service providers. Referrals often result in the scheduling of a developmental screening, which is done in homes, preschool classrooms, childcare programs, and the elementary schools. Screenings may result in a recommendation for a comprehensive evaluation, which is used to determine eligibility for enrollment in the early childhood special education programs. If a child and family are determined eligible for services, a program plan is developed with the child's family that results in home and/or center-based services. Center-based services may include placement in a playgroup, childcare program and/or a preschool. An important component of services by the program is consultation services to families with young children, community members, and other service providers.

The program operates an office at the American House (2 North Main Street) in St. Albans and has classrooms in the Fairfield, St. Albans City and Town Elementary Schools and the Barlow Street Community Center. We partner with Blooming Minds Child Care, Amanda Gauthier and Tami Dodge's Family Child Care and The Y's Time Childcare program as well as multiple programs in Chittenden County that are prequalified by the state to provide a ten- hour a week preschool experience for eligible children. The program also provides consultative services at other preschool and childcare programs in the district.

**How We Are Funded:** The program is operated with funds from a variety of federal, state, and local sources. The federal government provides funds to the State of Vermont, which provides the federal money to the local school district in the form of block and incentive grants. The State Legislature appropriates an additional amount of money for the public schools each year, and part of these funds is designated for early childhood education services. The Supervisory Union combines the block grant and local share for early childhood education from each participating school district. The total operating budget for the program's activities for the 2017/2018 school year is expected to be \$2,274,049, which is \$ 139,626 more than last year for an increase of 6%. The majority of this increase is due to increased salary and benefit costs.

**For More Information:** Contact Michelle Spence, Coordinator, 524-3613 or [mspence@fcsvt.org](mailto:mspence@fcsvt.org)

You may also find us on facebook by looking for the Franklin County Early Childhood Programs.

# St. Albans City School

## Summary of Revenues

<u>Revenues</u>	<u>FY16 Adopted</u>	<u>FY16 Actual</u>	<u>FY17 Adopted</u>
Interest	38,000	9,527	40,000
Basic Education Grant	9,839,465	9,839,465	10,194,452
Transportation Aid	114,589	114,589	132,600
Miscellaneous Revenue	25,000	13,499	5,000
<b>General Operating</b>	<b>10,017,054</b>	<b>9,977,080</b>	<b>10,372,052</b>
Mainstream Block Grant	251,297	260,540	262,711
Expenditure Reimbursement	1,323,373	1,245,305	1,356,483
Extraordinary Reimbursement	44,373	54,784	41,027
<b>Special Education</b>	<b>1,619,043</b>	<b>1,560,629</b>	<b>1,660,220</b>
<b>Grant Funding:</b>			
IEP Medicaid Grant	0	24,806	0
EPSDT Medicaid Grant	19,460	19,297	19,500
Tobacco Grant	4,359	4,359	0
Consolidated Federal Grant	532,194	557,720	539,408
<b>Grant Funding</b>	<b>556,013</b>	<b>606,182</b>	<b>558,908</b>
<b>Total Revenues</b>	<b>12,192,110</b>	<b>12,143,891</b>	<b>12,591,180</b>

## St. Albans City School Summary of Expenses

<b>Department</b>	<b>FY16 Adopted</b>	<b>FY16 Actual</b>	<b>FY17 Adopted</b>
Instruction General	296,425	217,738	291,945
Early Childhood Program	452,578	464,892	566,708
Instruction K-8	3,171,631	3,118,431	3,264,976
Ass'mt & Testing, Curriculum Initiatives	20,382	11,401	17,500
Art	243,361	223,034	226,573
Technology Integration/Education	204,059	220,546	219,666
World Languages	15,000	8,000	15,000
Practical Arts	62,964	61,501	65,720
Music	231,309	221,901	225,059
Physical Education	283,350	296,811	289,957
Co-Curricular Activities	39,165	35,174	39,185
Outdoor Wellness	45,924	39,471	51,106
Summer School	25,000	13,369	25,000
Open Doors	10,000	10,000	10,000
Guidance Services	135,019	133,637	147,849
HUB (SSC)	141,194	142,369	148,345
Health Services	161,542	163,919	165,978
Action Planning	3,577	1,289	3,115
Home School Coordinator	0	0	4,570
Media (Library)	95,887	93,978	97,368
Instruction Supported Technology	224,434	241,800	233,628
Academic Intervention	16,150	0	16,150
Retirement/Agreements	29,065	29,161	19,377
<b>Instruction-General</b>	<b>5,908,016</b>	<b>5,748,422</b>	<b>6,144,775</b>
Spec. Ed. EEE Local Assmnt	150,977	50,663	139,431
Spec. Ed. Services provided by SU	1,757,569	1,626,791	1,825,167
Spec. Ed. Support Staff	1,102,076	1,069,666	1,108,907
<b>Special Education</b>	<b>3,010,622</b>	<b>2,747,120</b>	<b>3,073,505</b>
Board of Education	71,078	217,099	69,762
Franklin Central Supervisory Union	345,777	343,167	385,729
Short Term Debt / Bank Charges	28,800	164	28,800
Long Term Debt	533,128	529,308	528,416
Operations & Maintenance	792,381	1,017,836	864,233
Transportation To and From	295,400	285,400	299,248
Transportation Extra/Co-Curr	20,750	15,850	21,000
Principal's Office	537,542	506,226	550,242
Food Service	92,603	31,759	66,562
<b>Other Expenses</b>	<b>2,717,459</b>	<b>2,946,809</b>	<b>2,813,992</b>
IEP Medicaid Grant	0	24,806	13,920
EPSDT Medicaid Grant	19,460	19,297	19,500
Tobacco Grant	4,359	4,359	0
School Wide Program	532,194	557,720	525,488
<b>Grant Expenses</b>	<b>556,013</b>	<b>606,182</b>	<b>558,908</b>
<b>Total Expenses</b>	<b>12,192,110</b>	<b>12,048,533</b>	<b>12,591,180</b>

**Comparative Data for Cost-Effectiveness, FY2017 Report**  
**16 V.S.A. § 165(a)(2)(K)**

**School:** St Albans City School  
**S.U.:** Franklin Central S.U.

A list of schools and school districts in each cohort may be found on the DOE website under "School Data and Reports":  
<http://www.state.vt.us/educ/>

**FY2016 School Level Data**

**Cohort Description:** K - 8, enrollment ≥ 200  
 (29 schools in cohort)

**Cohort Rank by Enrollment** (1 is largest)  
 6 out of 29

School level data		Grades Offered	Enrollment	Total Teachers	Total Administrators	Stu / Tchr Ratio	Stu / Admin Ratio	Tchr / Admin Ratio
Smaller ->	Hinesburg Community School	PK - 8	587	34.90	2.00	16.82	293.50	17.45
	Georgia Elementary/Middle School	PK - 8	615	49.80	2.00	12.35	307.50	24.90
	St Johnsbury Schools	PK - 8	687	64.30	3.00	10.68	229.00	21.43
	<b>St Albans City School</b>	<b>PK - 8</b>	<b>743</b>	<b>59.10</b>	<b>2.00</b>	<b>12.57</b>	<b>371.50</b>	<b>29.55</b>
<- Larger	St Albans Town Educ Center	PK - 8	752	56.00	2.00	13.43	376.00	28.00
	Barre Town Elementary School	PK - 8	857	74.00	4.00	11.58	214.25	18.50
	Shelburne Community School	PK - 8	862	53.50	2.00	16.11	431.00	26.75
<b>Averaged SCHOOL cohort data</b>			<b>457.86</b>	<b>38.73</b>	<b>1.99</b>	<b>11.82</b>	<b>230.52</b>	<b>19.50</b>

**School District:** St. Albans City  
**LEA ID:** T176

Special education expenditures vary substantially from district to district and year to year. Therefore, they have been excluded from these figures.

The portion of current expenditures made by supervisory unions on behalf of districts varies greatly. These data include district assessments to SUs. Including assessments to SUs makes districts more comparable to each other.

**FY2015 School District Data**

**Cohort Description:** K - 8 school district, FY2013 FTE ≥ 200  
 (33 school districts in cohort)

Grades offered in School District | Student FTE enrolled in school district | Current expenditures per student FTE **EXCLUDING** special education costs

**Cohort Rank by FTE**  
 (1 is largest)  
 9 out of 33

**School district data (local, union, or joint district)**

Smaller ->	Georgia	PK-8	577.82	\$11,489
	Duxbury/Waterbury Union #45	PK-8	652.68	\$13,025
	St. Johnsbury	PK-8	680.25	\$11,389
	<b>St. Albans City</b>	<b>PK-8</b>	<b>726.91</b>	<b>\$11,940</b>
<- Larger	St. Albans Town	PK-8	745.37	\$11,080
	Shelburne	PK-8	829.44	\$11,532
	Barre Town	PK-8	850.89	\$10,634

Current expenditures are an effort to calculate an amount per FTE spent by a district on students enrolled in that district. This figure excludes tuitions and assessments paid to other providers, construction and equipment costs, debt service, adult education, and community service.

**Averaged SCHOOL DISTRICT cohort data**

**529.55**      **\$12,143**

**FY2017 School District Data**

LEA ID	School District	Grades offered in School District	School district tax rate			Total municipal tax rate, K-12, consisting of prorated member district rates			
			SchIDist	SchIDist	SchIDist	MUN	MUN	MUN	
			Equalized Pupils	Education Spending per Equalized Pupil	Equalized Homestead Ed tax rate	Equalized Homestead Ed tax rate	Common Level of Appraisal	Actual Homestead Ed tax rate	
Smaller ->	T117	Lyndon	PK-8	703.75	14,175.17	1.4612	1.4612	101.28%	1.4427
	T177	St. Albans Town	PK-8	716.74	13,151.32	1.3557	1.4808	105.60%	1.4023
	U017	Mt. Mansfield USD #17	5-12	776.31	15,937.39	1.5829	-	-	-
	<b>T176</b>	<b>St. Albans City</b>	<b>PK-8</b>	<b>792.34</b>	<b>12,866.26</b>	<b>1.3263</b>	<b>1.4466</b>	<b>97.94%</b>	<b>1.4771</b>
<- Larger	T186	Shelburne	PK-8	794.65	14,270.73	1.4711	1.4787	96.11%	1.5385
	T012	Barre Town	PK-8	795.94	11,860.45	1.2226	1.2576	89.36%	1.4073
	T079	Georgia	PK-8	855.92	13,334.43	1.3745	1.3745	102.69%	1.3385

The Legislature has required the Agency of Education to provide this information per the following statute:

16 V.S.A. § 165(a)(2) The school, at least annually, reports student performance results to community members in a format selected by the school board. . . . The school report shall include:

(K) data provided by the commissioner which enable a comparison with other schools, or school districts if school level data are not available, for cost-effectiveness. The commissioner shall establish which data are to be included pursuant to this subdivision and, notwithstanding that the other elements of the report are to be presented in a format selected by the school board, shall develop a common format to be used by each school in presenting the data to community members. The commissioner shall provide the most recent data available to each school no later than October 1 of each year. Data to be presented may include student-to-teacher ratio, administrator-to-student ratio, administrator-to-teacher ratio, and cost per pupil.

Estimated Tax Rate FY18

**ESTIMATES**

<b>School Budgets</b>	<b>FY17 Budget</b>	<b>FY17 Tax Rate</b>	<b>FY18 Budget</b>	<b>FY18 Tax Rate</b>
City School Budget	12,591,180	0.911	0	0.000
BFA Union - City Share	5,986,740	0.535	0	0.000
Maple Run Unified SD (St. Albans City/Town & Fairfield)	0	0.000	52,897,510	1.490
		1.447		1.490
Act 46 tax rate incentive	0.000	0.000		-0.100
		1.447		1.390
CLA		97.94%		94.99%
Total Tax rate		1.477		1.464

The Tax Commissioner recommended a property yield of \$10,076 for every \$1.00 of homestead tax per \$100 of equalized property value. Using these tax rates and the current St. Albans City CLA of 94.99% the **estimated** 2017 Homestead School Tax Rate is \$1.464

Proposed FY18 Education Budgets

<b>Expenses:</b>	<b>FY17 Budget</b>	<b>FY18 Budget</b>
St. Albans City Elementary School	12,591,180	0
BFA UHS-City share of Ed Spend	5,986,740	0
Maple Run Unified SD (St. Albans City/Town & Fairfield)	0	52,897,510
<b>Expense Total</b>	<b>18,577,920</b>	<b>52,897,510</b>
<b>Revenue</b>		
Categorical Grants, Federal Grants, Interest, etc.	2,396,728	14,945,274
<b>Amt to be requested from Ed Spending Fund</b>	<b>16,181,192</b>	<b>37,952,236</b>
<b>Estimated Education Tax Rate</b>		
Act 46 tax rate incentive	1.447	1.490
St. Albans City Estimated Education Tax Rate (based on CLA of 94.99%)	0	-0.100
Estimated Homestead tax rate	<b>1.447</b>	<b>1.390</b>
		<b>-3.88%</b>
	<b>1.477</b>	<b>1.464</b>
		<b>-0.90%</b>

City of Saint Albans, Department of Public Schools

BASIC FINANCIAL STATEMENTS

June 30, 2016

City of Saint Albans, Department of Public Schools  
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**Kittell Branagan & Sargent**

*Certified Public Accountants*

Vermont License #167

## INDEPENDENT AUDITOR'S REPORT

Board of School Commissioners  
City of St. Albans, Department of Public Schools  
St. Albans, Vermont

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of City of St. Albans, Department of Public Schools as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the district's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 City of St. Albans, Department of Public Schools, as of June 30, 2016, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Budgetary Comparison Schedule – General Fund on pages 25-26, and Schedule of Proportionate Share of the Net Pension Liability – VSTRS on pages 27, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Albans, Department of Public Schools basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates 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 schedule of expenditures of federal awards is 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 December 13, 2016, on our consideration of the City of St. Albans, Department of Public Schools 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 City of St. Albans, Department of Public Schools internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "K. Stoll Bramason & Sargent". The signature is written in black ink and is positioned below the main text block.

St. Albans, Vermont  
December 13, 2016

City of St. Albans, Department of Public Schools  
MANAGEMENT DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2016

Our discussion and analysis of the St. Albans City School District's financial performance is intended to provide a narrative introduction and overview of the District's financial activities for the fiscal year ended June 30, 2016. Please use it in conjunction with the District's financial statements.

Brief Explanation of the Basic Financial Statements

This annual report consists of financial presentations on all the various activities of the District. The District-Wide Financial Statements include presentations on the Statement of Net Position and a Statement of Activities. These statements provide a perspective of the District as whole and present information on a longer-term basis. The District-Wide Financials are followed by Fund Financial Statements for governmental activities, these statements tell how services were financed in the short term as well as what remains for future spending. Fund financial statements report the District's operations in more detail than the District-Wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefits of activities within the District.

Reporting the District-Wide Financials

One of the most important questions asked about the District's finances is, "is the District 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 District as a whole and about its activities in a way that helps answer this question. The Statements are prepared similar to private sector companies including all the assets and liabilities using the accrual basis of accounting. Under this basis of accounting all the current year's revenues and expenses are reported when earned or incurred regardless of when cash is paid or received.

The Statement of Net Position is used to report all that the entity owns (assets) and owes (liabilities). The difference between assets and liabilities is reported as Net Position. This classification of Net Position is broken into three categories, the first being the portion invested in capital assets net of the related debt to indicate that this amount is not really accessible for other purposes. A second portion of Net Position reflects resources not accessible for general use because their use is subject to restrictions enforceable by third parties. Any remaining Net Position are classified as unrestricted. The Statement of Activities is used to report all changes in a District's Net Position from one year to another. The Statement is presented using a net cost format designed to highlight the portion of each functional activity that must be financed from the District's own resources. The Statement first reports all direct costs associated with each functional activity, then reports dedicated outside resources (program revenues) as a direct reduction to arrive at the programs net cost to the District.

Reporting the District's Most Significant Funds

The fund financial statements provide detailed information about the most significant funds – not the District as a whole. Some funds are required to be established, by State Law and by bond covenants. The District's Board of Directors may establish other funds to help them control and manage money for particular purposes, or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. This District uses only one type of fund – Governmental Funds.

Governmental Funds - Most of our operations are reported in the section on Governmental Funds, these funds place their focus on near-term financing needs. The Balance Sheet only reports financial assets associated with governmental activities. Financial Assets include cash as well as other assets that will convert to cash in the course of their ordinary lives. Governmental Funds do not report capital assets; because such assets will be used in operations rather than converted to cash and therefore are not spendable.

City of St. Albans, Department of Public Schools  
MANAGEMENT DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2016

District as Trustee

The District serves as trustee or fiduciary for various Student Activities Accounts. These activities are reported in separate Statements of Net Position – Fiduciary Funds and Statement of Changes in Net Position – Fiduciary Funds. These activities are excluded from the District’s other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Condensed Financial Information

District-Wide Statement of Net Position

The following analysis focuses on the Net Position, and the changes in Net Position of the District as a whole. The total assets of the District increased \$196,540 from \$4,845,607 to \$5,042,147.

Unrestricted Net Position, the portion of Net Position that can be used to finance day-to-day operation without constraints established by debt covenants, enabling legislation or other legal requirements, was zero at June 30, 2016. This is due to a vote to reserve any Net Position for future capital improvements to be used upon approval of the electorate.

The following is a schedule of our District-Wide Net Position:

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Current and Other Assets	\$ 2,882,034	\$ 3,093,208
Capital Assets, net of depreciation	<u>7,728,320</u>	<u>7,970,964</u>
<b>TOTAL ASSETS</b>	<u>\$ 10,610,354</u>	<u>\$ 11,064,172</u>
<b>LIABILITIES</b>		
Current Liabilities	\$ 1,620,522	\$ 1,786,034
Long-term Debt Outstanding	<u>3,947,685</u>	<u>4,432,531</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 5,568,207</u>	<u>\$ 6,218,565</u>
<b>NET POSITION</b>		
Invested in Capital Assets, Net of Related Debt	\$ 3,295,790	\$ 3,053,588
Restricted	46,220	29,408
Unrestricted	<u>1,700,137</u>	<u>1,762,611</u>
<b>TOTAL NET POSITION</b>	<u>\$ 5,042,147</u>	<u>\$ 4,845,607</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 10,610,354</u>	<u>\$ 11,064,172</u>

District-Wide Statement of Activities

Governmental Activities Expenses	\$ 12,648,518	\$ 11,702,728
Charges for Services	(41,001)	(98,322)
Operating Grants and Revenues	<u>(12,786,851)</u>	<u>(12,173,135)</u>
Net (Expense) Revenue and Changes in Net Position	<u>179,334</u>	<u>568,729</u>
<b>General Revenues</b>		
Unrestricted investment earnings	9,527	42,482
Miscellaneous	<u>7,679</u>	<u>8,331</u>
Total General Revenues	<u>17,206</u>	<u>50,813</u>

City of St. Albans, Department of Public Schools  
MANAGEMENT DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2016

<u>District-Wide Statement of Activities (cont'd)</u>	<u>2016</u>	<u>2015</u>
Change in Net Position	196,540	619,542
Net Position, Beginning	<u>4,845,607</u>	<u>4,226,065</u>
Net Position, Ending	<u>\$ 5,042,147</u>	<u>\$ 4,845,607</u>

Governmental Fund Balances and Transactions

Most decisions involving governmental (education grant supported) activities are made in the context of the annual appropriated operating budget, where the focus is on meeting the near-term financing needs of a government. Governmental funds, with their distinctive emphasis on inflows and outflows of expendable resources provide information useful for making decisions in a budgetary context. The original budgeted amount was not amended during the year; however, transfers were made between individual line items.

The audited Revenues and Expenditures for the year resulted in a deficit of \$62,474. In fiscal year 2015-2016, the district used Reserved Capital Project Funds totaling \$157,829 as approved by voters, for capital improvement at no additional expense to the taxpayers. This spending is the reason for the deficit at year end.

A comparison of individual Budget and Actual Revenues and Expenditures including any variances can be found under Required Supplementary Information on page 25 of these Financial Statements.

Committed General Fund balance is \$1,700,137 at June 30, 2016. Of this amount, \$810,760 is yet to be spent from the amounts that were authorized by voters on March 2013, March 2015, and March 2016, \$147,752 for Technology Access, \$36,050 for Efficiency upgrades, \$26,602 from Toutant Estate to be used for buildings and grounds upgrades and the remaining amount of \$678,973 for future capital projects. This is due to a vote to reserve any Net Position for future capital improvements to be used upon approval of the electorate.

FUND FINANCIAL STATEMENTS  
BALANCE SHEET – GOVERNMENTAL FUNDS

<u>ASSETS</u>	<u>General &amp; Special Revenue Fund</u>	
	<u>2016</u>	<u>2015</u>
TOTAL ASSETS	<u>\$ 3,035,868</u>	<u>\$ 3,219,924</u>
<u>LIABILITIES AND FUND BALANCES</u>		
TOTAL LIABILITIES	<u>\$ 1,289,511</u>	<u>\$ 1,427,905</u>
TOTAL FUND BALANCES - Restricted	46,220	29,408
- Committed	1,700,137	1,762,611
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,035,868</u>	<u>\$ 3,219,924</u>

City of St. Albans, Department of Public Schools  
MANAGEMENT DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2016

FUND FINANCIAL STATEMENTS  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE – GOVERNMENTAL FUNDS

	<u>General &amp; Special Revenue Fund</u>	
	<u>2016</u>	<u>2015</u>
REVENUES	\$ 12,897,385	\$ 12,374,613
EXPENDITURES	<u>12,943,047</u>	<u>12,032,386</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(45,662)	342,227
FUND BALANCE – Beginning of year	<u>1,792,019</u>	<u>1,449,792</u>
FUND BALANCE – End of year	<u>\$ 1,746,357</u>	<u>\$ 1,792,019</u>

Capital Assets

In compliance with the Governmental Financial Reporting Model (GASB 34) the District is reporting its Capital Assets as part of the Financial Statements. We have researched and documented the estimated historical costs of the various assets owned by the district, and applied appropriate charges against the cost to record depreciation. This information is presented below. As of June 30<sup>th</sup> the outstanding obligations against our Capital Assets are a Qualified School Construction Bond with a principal balance of \$3,988,531 and a Qualified Zone Academy Bond with a principal balance of \$444,000. You may view a schedule of payments and rates in Note 5 to the financial statements.

The following is a schedule of our Capital Assets:

<u>Description</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
29 Bellows Street Construction in Progress	\$ 72,413	\$ 0	\$ 72,413
Land & Land Improvements	729,331	203,471	525,860
Buildings	11,642,654	4,753,117	6,889,537
Furniture, Fixtures & Equipment	<u>1,274,062</u>	<u>1,033,552</u>	<u>240,510</u>
TOTAL	<u>\$ 13,718,460</u>	<u>\$ 5,990,140</u>	<u>\$ 7,728,320</u>

Retirement

In compliance with the Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions requires employers participating in a cost-sharing, multiple-employer defined benefit pension plan to recognize their proportional share of total pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. See Note 8, starting on page 16 for detailed information regarding City of St. Albans Department of Public Schools’ proportional share of the overall amounts of the Vermont State Teachers’ Retirement System (VSTRS). During the year ended June 30, 2016, the State of Vermont contributed \$539,285 on behalf of the St. Albans City School District.

Requests for Information

This financial report is designed to provide a general overview of the School District’s finances for all of its citizens, taxpayers, customers and creditors. Questions concerning any of the information provided in the report or requests for additional information should be sent to Franklin Central Supervisory Union, 28 Catherine St., St. Albans, VT 05478.

City of St. Albans, Department of Public Schools  
DISTRICT - WIDE FINANCIAL STATEMENTS  
STATEMENT OF NET POSITION  
June 30, 2016

ASSETS

	<u>Governmental Activities</u>
<b>CURRENT ASSETS</b>	
Cash	\$ 2,526,363
Accounts receivable	645
Due from State of Vermont	138,110
Due from FCSU	210,035
Prepaid expenses	<u>6,881</u>
<b>TOTAL CURRENT ASSETS</b>	2,882,034
<b>CAPITAL ASSETS, net of depreciation</b>	<u>7,728,320</u>
<b>TOTAL ASSETS</b>	<u>\$ 10,610,354</u>

LIABILITIES AND NET POSITION

<b>CURRENT LIABILITIES</b>	
Accounts payable	\$ 766,440
Due to other funds	1,942
Accrued salaries and taxes	329,769
Accrued interest	9,913
Unearned income	27,613
Current portion bonds and notes payable	<u>484,845</u>
<b>TOTAL CURRENT LIABILITIES</b>	1,620,522
<b>BONDS AND NOTES PAYABLE</b>	<u>3,947,685</u>
<b>TOTAL LIABILITIES</b>	<u>5,568,207</u>
<b>NET POSITION</b>	
Net investment in capital assets	3,295,790
Restricted	46,220
Committed	<u>1,700,137</u>
<b>TOTAL NET POSITION</b>	<u>5,042,147</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$ 10,610,354</u>

See Accompanying Notes to Basic Financial Statements.

City of Saint Albans, Department of Public Schools  
DISTRICT - WIDE FINANCIAL STATEMENTS  
STATEMENT OF CHANGES IN NET POSITION  
For the Year Ended June 30, 2016

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenue Operating Grants and Revenues</u>	<u>Net (Expense) Revenue and Changes in Net Assets Governmental Activities</u>
Governmental activities:				
Instruction	\$ 6,581,462	\$ -	\$ 10,559,361	\$ 3,977,899
Special Education	2,747,120	-	1,560,629	(1,186,491)
Student Support Services	531,256	-	44,104	(487,152)
Staff Support Services	65,170	-	-	(65,170)
Board of Education	217,099	-	-	(217,099)
Superintendent's Office	202,608	-	-	(202,608)
Debt Service	44,626	-	-	(44,626)
Operation and Maintenance	910,499	5,820	-	(904,679)
Transportation	301,249	-	114,589	(186,660)
Early Retirement	29,161	-	-	(29,161)
Food Service	538,996	35,181	488,867	(14,948)
Other Grants	14,064	-	19,301	5,237
Unallocated:				
Depreciation	465,208	-	-	(465,208)
 Total governmental activities	 <u>\$ 12,648,518</u>	 <u>\$ 41,001</u>	 <u>\$ 12,786,851</u>	 <u>179,334</u>
 General revenues:				
Unrestricted investment earnings				9,527
Miscellaneous Revenue				<u>7,679</u>
 Total general revenues				 <u>17,206</u>
 Change in net position				 196,540
 Net position, beginning				 <u>4,845,607</u>
 Net position, ending				 <u>\$ 5,042,147</u>

See Accompanying Notes to Basic Financial Statements.

City of Saint Albans, Department of Public Schools  
 FUND FINANCIAL STATEMENTS  
 BALANCE SHEET - GOVERNMENTAL FUNDS  
 June 30, 2016

	<u>ASSETS</u>		
	<u>Governmental Fund Types</u>		
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 2,526,363	\$ -	\$ 2,526,363
Accounts receivable	645	-	645
Due from State of Vermont	138,110	-	138,110
Due from FCSU	210,035	-	210,035
Due from Other Funds	-	153,834	153,834
Prepaid expenses	<u>6,881</u>	<u>-</u>	<u>6,881</u>
 TOTAL ASSETS	 <u>\$ 2,882,034</u>	 <u>\$ 153,834</u>	 <u>\$ 3,035,868</u>
 <u>LIABILITIES AND FUND BALANCE</u>			
LIABILITIES			
Accounts payable	\$ 658,826	\$ 107,614	\$ 766,440
Due to other funds	155,776	-	155,776
Accrued salaries and taxes	329,769	-	329,769
Accrued interest	9,913	-	9,913
Unearned income	<u>27,613</u>	<u>-</u>	<u>27,613</u>
 TOTAL LIABILITIES	 <u>1,181,897</u>	 <u>107,614</u>	 <u>1,289,511</u>
FUND BALANCES			
Restricted	-	46,220	46,220
Committed	<u>1,700,137</u>	<u>-</u>	<u>1,700,137</u>
 TOTAL FUND BALANCE	 <u>1,700,137</u>	 <u>46,220</u>	 <u>1,746,357</u>
 TOTAL LIABILITIES AND FUND BALANCE	 <u>\$ 2,882,034</u>	 <u>\$ 153,834</u>	 <u>\$ 3,035,868</u>

See Accompanying Notes to Basic Financial Statements.

City of Saint Albans, Department of Public Schools  
FUND FINANCIAL STATEMENTS  
BALANCE SHEET - GOVERNMENTAL FUNDS  
June 30, 2016

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION

<b>Total fund balances - governmental funds</b>	\$ 1,746,357
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	
Capital Assets	13,718,460
Accumulated Depreciation	(5,990,140)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds:	
Notes and bonds payable	<u>(4,432,530)</u>
<b>Total net position - governmental activities</b>	<u>\$ 5,042,147</u>

See Accompanying Notes to Basic Financial Statements.

City of St. Albans, Department of Public Schools  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2016

	Governmental Fund Types		
	General Fund	Special Revenue Fund	Total
<b>REVENUES</b>			
Education Spending Grant	\$ 9,954,054	\$ -	\$ 9,954,054
Special Education Grant	1,560,629	-	1,560,629
Interest	9,527	-	9,527
Medicaid IEP	24,806	-	24,806
Medicaid EPSDT	19,297	-	19,297
School Wide Program	557,720	-	557,720
Early Childhood Program	50,910	-	50,910
PDG Revenue	106,906	-	106,906
Tobacco Grant	4,359	-	4,359
Miscellaneous	13,499	-	13,499
Total Revenues Before Non-Budget Revenues	12,301,707	-	12,301,707
Non-Budgeted Grants	19,301	-	19,301
Food Service	-	576,377	576,377
<b>TOTAL REVENUES</b>	<b>12,321,008</b>	<b>576,377</b>	<b>12,897,385</b>
<b>EXPENDITURES</b>			
Instruction	5,784,573	-	5,784,573
Special Education	2,747,120	-	2,747,120
Board of Education	217,099	-	217,099
Superintendent's Office	319,193	-	319,193
Food Service Support	31,759	-	31,759
Debt Service	529,472	-	529,472
Operation and Maintenance	1,017,835	-	1,017,835
Transportation	301,249	-	301,249
Early Retirement	29,161	-	29,161
Medicaid IEP	24,806	-	24,806
Medicaid EPSDT	19,297	-	19,297
School Wide Program	557,720	-	557,720

See Accompanying Notes to Basic Financial Statements.

City of St. Albans, Department of Public Schools  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2016

	Governmental Fund Types		
	General Fund	Special Revenue Fund	Total
EXPENDITURES (continued)			
Tobacco Grant	4,359	-	4,359
PDG Grant	106,906	-	106,906
Early Childhood Program	515,803	-	515,803
Total Expenditures Before Non-Budget Expenses	12,206,352	-	12,206,352
Food Service	-	559,565	559,565
Nonbudget Capital Expenses	157,829	-	157,829
Grant Expenses	19,301	-	19,301
 TOTAL EXPENDITURES	 <u>12,383,482</u>	 <u>559,565</u>	 <u>12,943,047</u>
 CHANGE IN FUND BALANCE	 (62,474)	 16,812	 (45,662)
 FUND BALANCE, Beginning of Year	 <u>1,762,611</u>	 <u>29,408</u>	 <u>1,792,019</u>
 FUND BALANCE, End of Year	 <u>\$ 1,700,137</u>	 <u>\$ 46,220</u>	 <u>\$ 1,746,357</u>

See Accompanying Notes to Basic Financial Statements.

City of St. Albans, Department of Public Schools  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCE - GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2016

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT  
 OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 TO THE STATEMENT OF ACTIVITIES

**Total net change in fund balances - governmental funds** \$ (45,662)

Amounts reported for governmental activities in the statement of activities  
 are different because:

Capital outlays are reported in governmental funds as expenditures. However,  
 in the statement of activities, the cost of those assets is allocated over  
 their estimated useful lives as depreciation expense.

Depreciation Expense	(465,208)
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Capital Outlays	222,565
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Repayment of bond and note principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.	484,845
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<b>Change in net position of governmental activities</b>	<b>\$ 196,540</b>
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See Accompanying Notes to Basic Financial Statements.

City of Saint Albans, Department of Public Schools  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF NET POSITION - FIDUCIARY FUNDS  
 June 30, 2016

	Private- Purpose Trusts	Agency Funds
<u>ASSETS</u>		
ASSETS		
Cash	\$ 2,641	\$ 60,595
Due From Other Funds	1,942	-
TOTAL ASSETS	\$ 4,583	\$ 60,595
 <u>LIABILITIES AND NET POSITION</u>		
LIABILITIES		
Due to Students for Activities	\$ -	60,595
NET POSITION		
Restricted	4,583	-
TOTAL LIABILITIES AND NET POSITION	\$ 4,583	\$ 60,595

See Accompanying Notes to Basic Financial Statements.

City of Saint Albans, Department of Public Schools  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUNDS  
 For the Year Ended June 30, 2016

	<u>Private- Purpose Trusts</u>
ADDITIONS	
Interest income	\$ -
Donations	<u>-</u>
TOTAL ADDITIONS	<u>-</u>
DEDUCTIONS	
Scholarships	<u>62</u>
CHANGE IN NET POSITION	(62)
NET POSITION - Beginning of Year	<u>4,645</u>
NET POSITION - End of Year	<u>\$ 4,583</u>

See Accompanying Notes to Basic Financial Statements.

City of Saint Albans, Department of Public Schools  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

All operations of the School District are controlled by a seven member Board of Commissioners, elected in City-wide elections, and responsible for all of the School District's activities. The financial statements include all of the School District's operations controlled by the Board of Commissioners. Based on criteria for determining the reporting entity (separate legal entity and fiscal or financial dependency on other governments), the School District is considered to be an independent reporting entity and has no component units.

District-wide and Fund Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the School District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expense of a given program is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statement presentation

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

For this purpose, the School District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post-employment healthcare benefits, are recorded only when payment is due.

City of Saint Albans, Department of Public Schools  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property taxes (state education and local share) and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the School District receives cash.

The School District reports the following major governmental funds:

- \* The general fund is the School District's primary operating fund. It accounts for all financial resources of the School District, except those required to be accounted for in another fund.
- \* The special revenue fund accounts for special programs and grants that have been restricted.

The School District reports the following trust funds:

Private – Purpose Trust Funds

- \* Bessie Cushing Milk Fund – This trust fund is a savings account from which money is spent to supplement milk for hot lunch.
- \* Beth Geier Fund – This trust fund is used primarily for scholarships for lessons.
- \* Children's Centralized Health Fund – The function of the trust fund is to supplement the health needs of needy children.
- \* Diane Lunderville Memorial Fund – This trust fund is used for sports lessons and camps.

Agency Funds

- \* Agency Funds - Assets held for student activities for the benefit of students. Agency funds are custodial in nature and therefore their assets equal their liabilities.

Private-sector standards of accounting, and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes (state education and local share).

When both restricted and unrestricted resources are available for use, it is the School District's policy to use restricted resources first, then unrestricted resources as they are needed.

City of Saint Albans, Department of Public Schools  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Budgetary Data

Budgets are presented on the modified accrual basis of accounting for all governmental funds. Budgets are not adopted on a School District level for the fiduciary fund. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- \* Annual operating budgets are adopted each fiscal year through the passage of an annual budget ordinance and amended as required.

Encumbrance accounting is employed in the governmental funds. Encumbrances (e.g., purchase orders and contracts) outstanding at year end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be re-appropriated and honored during the subsequent year.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the undesignated fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent fiscal year. As a result, overall fund revenues variances will be negative and overall fund expenditures variances will be positive.

Estimates

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

Deposits and Investments

The School District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value. Changes in the fair value of investments are recorded as investment income. The reported value is basically the same as the fair value of the Fund's shares.

Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of inter-fund loans) or "advances from/to other funds" (i.e., the non-current portion of inter-fund loans).

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Capital Assets

Capital assets are property owned by the School District and include computers, computer equipment, software, and peripherals: equipment such as vehicles, machinery, copiers, and office equipment; buildings and land: and infrastructure such as roads, bridges, tunnels, rights of way, and culverts.

City of St. Albans, Department of Public Schools  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

General capital assets should be capitalized and recorded when all of the following criteria are met:

- (1) The asset is tangible and complete.
- (2) The asset is used in the operation of the School District's activities.
- (3) The asset has a value of \$5,000 and useful life of one or more years.

All general capital assets must be recorded at either historical cost or estimated historical cost. Assets acquired through donation will be recorded at their estimated fair market value on the date of donation. In addition to purchase price or construction cost, costs of capitalization may include incidental costs, such as bond interest and issuance cost, insurance during transit, freight, duties, title search, title registration, installation, and breaking-in costs.

Depreciation is calculated using the straight line depreciation method over the useful life of the assets as recommended by the Association of School Business Officials (ASBO).

Long-term Obligations

In the district-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets.

Property Taxes

Property taxes are levied as of July 1 on property values assessed as of the same date. Taxes are due quarterly in August, November, February and May, and are delinquent if not paid on those dates.

Government Wide and Proprietary Fund Net Position

Government-wide and proprietary Fund Net Position are divided into the following components:

Invested in capital assets, net of related debt – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

Restricted net position – consist of net assets that are restricted by the District's creditors, by enabling legislation, by grantors (both federal and state), and / or by contributors.

Unrestricted – all other net assets reported in this category

Governmental Fund Balance

In the governmental fund financial statements, fund balances are classified as follows:

Restricted – Amounts that can be spent only for specific purposes because of laws, regulations, or externally imposed conditions by grantors or creditors.

Committed – Amounts that can be used only for specific purposes determined by a formal action by the School Board.

Assigned – Amounts that are designated by management for a particular purpose.

City of St. Albans, Department of Public Schools  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 4 ACCRUED SALARIES

Accrued salaries are teachers' gross summer salaries and related employer payroll taxes for those teachers who elect to draw their salaries throughout the summer.

NOTE 5 LONG-TERM DEBT

Long-term debt consists of the following:

	Beginning Balance	Additions	Principal Reduction	Ending Balance	Current Portion
Qualified School Construction Bond, payable in varying amounts each May 15 and November 15 through 2025, with interest of \$8,260.	\$ 4,408,376	\$ -	\$ (419,845)	\$ 3,988,531	\$ 419,845
Qualified Zone Academy Bond, payable \$65,000 installments each May 15 and November 15 through 2023, interest rate 1.25%	<u>509,000</u>	<u>-</u>	<u>(65,000)</u>	<u>444,000</u>	<u>65,000</u>
	<u>\$ 4,917,376</u>	<u>\$ -</u>	<u>\$ (484,845)</u>	<u>\$ 4,432,531</u>	<u>\$ 484,845</u>

The annual debt service requirements to maturity, including principle and interest, for long-term debt as of June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	\$ 484,845	\$ 22,070	\$ 506,915
2018	484,845	21,258	506,103
2019	484,845	20,445	505,290
2020	484,845	19,633	504,478
2021	484,845	18,820	503,665
2022-2026	<u>2,008,306</u>	<u>76,503</u>	<u>2,084,809</u>
	<u>\$ 4,432,531</u>	<u>\$ 178,729</u>	<u>\$ 4,611,260</u>

City of St. Albans, Department of Public Schools  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 6 RESTRICTED/COMMITTED FUND BALANCES – GOVERNMENTAL FUNDS

Restricted Fund Balances at June 30, 2016 are as follows:

Special Revenue Fund:

Restricted for – Hot Lunch Program	<u>\$ 46,220</u>
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Committed Fund Balances at June 30, 2016 are as follows:

General Fund:

Committed for – Future Capital Use	\$ 1,489,733
Committed for – Toutant	26,602
Committed for – Efficiency	36,050
Committed for – Tech Access	<u>147,752</u>

\$ 1,700,137

When restricted and committed amounts of fund balance are available for use for expenditures incurred, the City of St. Albans, Department of Public Schools board of directors determines the amounts to be expended on an annual basis based on the City of St. Albans, Department of Public Schools required capital needs for the fiscal year.

NOTE 7 RESTRICTED NET ASSETS – FIDUCIARY FUNDS

At June 30, 2016, the School District had \$4,583 appropriated for use in accordance with various trust agreements.

NOTE 8 TEACHERS RETIREMENT - VSTRS

**Information Required Under GASB Statement No. 68**

Governmental Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions requires employers participating in a cost-sharing, multiple-employer defined benefit pension plan to recognize their proportional share of total pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense. The schedules below have been prepared to provide City of St. Albans, Department of Public Schools proportional share of the overall amounts of the Vermont State Teachers' Retirement System (VSTRS) plan. City of St. Albans, Department of Public Schools' portion has been allocated based on its proportional share of employer contributions to the total contributions to VSTRS during the fiscal year.

**Reporting Date, Measurement Date, and Valuation Date**

Net pension liabilities, deferred pension outflows of resources, deferred pension inflows of resources, and pension expense are all presented as of the City of St. Albans, Department of Public Schools reporting date (June 30th) and for the City of St. Albans, Department of Public Schools' reporting period June 30, 2016. These amounts are measured as of the measurement date and for the measurement period (the period between the prior and current measurement dates). GASB Statement No. 68 requires that the current measurement date be no earlier than the end of the employer's prior fiscal year. For the reporting date of June 30, 2016, the State has chosen to use the end of the prior fiscal year (June 30, 2015) as the measurement date, and the year ended June 30, 2015 as the measurement period.

City of St. Albans, Department of Public Schools  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 8 TEACHERS RETIREMENT – VSTRS (continued)

The total pension liability is determined by an actuarial valuation performed as of the measurement date, or by the use of update procedures to roll forward to the measurement date amounts from an actuarial valuation as of a date no more than 30 months and 1 day earlier than the employer’s most recent fiscal year-end. The State has elected to apply update procedures to roll forward amounts from an actuarial valuation performed as of June 30, 2014, to the measurement date of June 30, 2015.

**Schedule A – Employers’ Allocation as of June 30, 2014**

Fiscal Year Ended June 30, 2014					
Reported Salaries	Employer Proportion	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Deferred Outflows
\$ 4,714,500	.83169%	\$ 22,154,616	\$ 14,183,375	\$ 7,971,241	\$ 219,545

Fiscal Year Ended June 30, 2014		
Total Deferred Inflows	Net Pension Liability 1% Decrease (7.15% Discount Rate)	Net Pension Liability 1% Increase (9.15% Discount Rate)
\$ (778,984)	\$ 10,468,720	\$ 5,874,769

**Schedule B – Employers’ Allocation as of June 30, 2015**

Fiscal Year Ended June 30, 2015					
Portion of State Contribution	Employer Proportion	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability	Total Deferred Outflows
\$ 610,757	.83770%	\$ 23,787,490	\$ 13,848,146	\$ 9,939,344	\$ 1,050,518

Fiscal Year Ended June 30, 2015		
Total Deferred Inflows	Net Pension Liability 1% Decrease (6.95% Discount Rate)	Net Pension Liability 1% Increase (8.95% Discount Rate)
\$ -	\$ 12,621,176	\$ 7,689,527

City of St. Albans, Department of Public Schools  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 8 TEACHERS RETIREMENT – VSTRS (continued)

**Schedule C – Employers’ Allocation of Pension Amounts as of June 30, 2015**

Deferred Outflows of Resources							
Employer Proportion	Net Pension Liability	Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Differences Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Outflows
.83770%	\$ 9,939,344	\$ 125,673	\$ 361,186	\$ -	\$ 369,890	\$ 193,769	\$ 1,050,518

Deferred Inflows of Resources						
Difference Between Expected and Actual Experience	Changes in Assumptions	Changes in Benefits	Difference Between Projected and Actual Investment Earnings	Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total Deferred Inflows	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Pension Expense Recognized		
Proportionate Share of Pension Plan Expense	Net Amortization of Deferred Amounts from Change in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	Total
\$ 879,919	\$ 88,983	\$ 968,902

City of St. Albans, Department of Public Schools  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 8 TEACHERS RETIREMENT – VSTRS (continued)

**Schedule D – Employers’ Allocation of Recognition of Deferred Outflows/Inflows as of June 30, 2015**

Fiscal Year					
2016	2017	2018	2019	2020	Thereafter
\$ 294,704	\$ 294,704	\$ 221,523	\$ 239,587	\$ -	\$ -

**Schedule E – Covered Payroll**

FY 2015	FY 2014
\$ 4,671,919	\$ 4,714,500

The schedule of employer allocations and schedule of pension amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of the VSTRS or its participating employers. VSTRS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Comprehensive Annual Financial Report (CAFR). The CAFR can be viewed on the State's Department of Finance & Management website at:

<http://finance.vermont.gov/reports and publications/cafr>

Plan Description

The Vermont State Teachers' Retirement System is a cost-sharing, multiple-employer defined benefit pension plan with a special funding situation. It covers nearly all public day school and nonsectarian private high school teachers and administrators as well as teachers in schools and teacher training institutions within and supported by the State that are controlled by the State Board of Education. Membership in the system for those covered classes is a condition of employment. During the year ended June 30, 2015, the retirement system consisted of 288 participating employers.

The plan was created in 1947, and is governed by Title 16, V.S.A. Chapter 555.

Management of the plan is vested in the VSTRS Board of Trustees, which consists of the Secretary of Education (ex-officio); the State Treasurer (ex-officio); the Commissioner of Financial Regulation (ex-officio); two trustees and one alternate who are members of the system (each elected by the system under rules adopted by the Board) and one trustee and one alternate who are retired members of the system receiving retirement benefits (who are elected by the Association of Retired Teachers of Vermont).

The Pension Plan is divided into the following membership groups:

- Group A - for public school teachers employed within the State of Vermont prior to July 1, 1981 and who elected to remain in Group A
- Group C - for public school teachers employed within the State of Vermont on or after July 1, 1990, or hired before July 1, 1990 and were a member of Group B at that time

City of St. Albans, Department of Public Schools  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 8 TEACHERS RETIREMENT – VSTRS (continued)

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, and are summarized below:

VSTRS	GROUP A	GROUP C - GROUP #1*	Group C - Group #2++
Normal service retirement eligibility (no reduction)	Age 60 or 30 years of service	Age 62 or with 30 years of service	Age 65 or when the sum of age and service equals 90
Average Final Compensation (AFC)	Highest 3 consecutive years, including unused annual leave, sick leave and bonus/incentives	Highest 3 consecutive years, excluding all payments for anything other than service actually performed	Highest 3 consecutive years, excluding all payments for anything other than service actually performed
Benefit formula - normal service retirement	1.67% x creditable service x AFC	1.25% x service prior to 6/30/90 x AFC + 1.67% x service after 7/1/90 x AFC	1.25% x service prior to 6/30/90 x AFC + 1.67% x service after 7/1/90 x AFC, 2.0% after attaining 20 years
Maximum Benefit Payable	100% of AFC	53.34% of AFC	60% of AFC
Post-Retirement COLA	Full CPI, up to a maximum of 5% after 12 months of retirement; minimum of 1%	50% CPI, up to a maximum of 5% after 12 months of retirement or with 30 years; minimum of 1%	50% CPI, up to a maximum of 5%, minimum of 1% after 12 months of normal retirement or age 65
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Early Retirement Reduction	Actuarial reduction	6% per year from age 62	Actuarial reduction
Medical Benefits	Health subsidy based on member's service credit	Health subsidy based on member's service credit	Health subsidy based on member's service credit
Dental	Member pays full premium	Member pays full premium	Member pays full premium
Employee Contributions	2.5% of gross salary	5.0% of gross salary with 5 or more years of service as of 7/1/14; 6.0% of gross salary if less than 5 years of service as of 7/1/14	5.0% of gross salary with 5 or more years of service as of 7/1/14; 6.0% of gross salary if less than 5 years of service as of 7/1/14
Employer Contributions	Varies based on actuarial recommendation	Varies based on actuarial recommendation	Varies based on actuarial recommendation

\*Group #1 are members who were within 5 years of normal retirement (age 62 or 30 years of service) on June 30, 2010

++ Group #2 are members who were less than 57 years of age or had less than 25 years of service on June 30, 2010

City of St. Albans, Department of Public Schools  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 8 TEACHERS RETIREMENT – VSTRS (continued)

**Significant Actuarial Assumptions and Methods**

The total pension liability as of June 30, 2015 was determined by rolling forward the total pension liability as of June 30, 2014 to June 30, 2015 using the actuarial assumptions outlined below. Except for the expected rate of return on assets, these assumptions were selected on the basis of the experience study that was performed for the five year period ending June 30, 2010. The recommended assumption changes based on this experience study were adopted by the Board at its May 24, 2011 Board meeting, and were effective for the June 30, 2011 actuarial valuation. The 7.95% expected rate of return on assets was adopted by the Board at a meeting on July 2, 2015.

**Interest Rate:** 7.95% per annum. Through June 30, 2015, a select and ultimate interest rate set was used, as specified below. The interest rate set was 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:** Representative values of the assumed annual rates of future salary increases are as follows:

Age	Annual Rate of Salary Increase
25	8.40%
30	7.05%
35	6.15%
40	5.45%
45	4.95%
50	4.60%
55	4.35%
60	4.25%
64	4.25%

**Deaths after Retirement:** The 1995 Buck Mortality Tables set back three years for males and one year for females, for retirees, terminated vested members and beneficiaries; the RP-2000 Disabled Life Table with projection to 2016 using Scale AA for disabled retirees. The tables used contain a margin to reflect anticipated mortality improvement after the valuation date.

City of St. Albans, Department of Public Schools  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2016

NOTE 8 TEACHERS RETIREMENT – VSTRS (continued)

**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.

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

**Cost-of-Living Adjustments:** Assumed to occur on January 1 following one year of retirement at the rate of 3% per annum for Group A members and 1.5% per annum for Group C members (beginning at age 62 for Group C members who elect reduced early retirement).

**Inactive Members:** A liability equal to 350% of accumulated contributions of inactive members is included in the valuation liabilities.

**Actuarial Cost Method:** The individual entry age normal actuarial cost method was used. For actuarial valuations prior to June 30, 2006, the entry age normal method with frozen initial liability was used.

**Asset Valuation Method:** The amount of the assets for valuation purposes equals the preliminary asset value plus 20% of the difference between the market and preliminary asset values. The preliminary asset value is equal to the previous year's asset value (for valuation purposes) adjusted for contributions less benefit payments and expenses and expected investment income. If necessary, a further adjustment is made to ensure that the valuation assets are within 20% of the market value.

**Member Data:** 344 members terminated on June 30, 2014 and retired on July 1, 2014 were included with a valuation status as members receiving benefits. 511 members who were active on June 30, 2014 and terminated on July 1, 2014, were included with a valuation status as inactive. For those terminated members with at least five years of service, the system will automatically vest them six years after their termination if they do not withdraw.

**Health and Medical Benefits for Retirees:** Not included in this valuation.

**Long-term expected rate of return**

The long term expected rate of return on System investments was determined using best estimate ranges of expected future nominal 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. For funding valuations performed through June 30, 2014, 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 3.6.4 of Actuarial Standard of Practice No. 27 as an alternative to a single assumed rate of return, was employed.

City of St. Albans, Department of Public Schools  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 8 TEACHERS RETIREMENT – VSTRS (continued)

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2015 are summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Equity	32.00%	8.61%
Fixed Income	35.00%	1.91%
Alternatives	17.00%	6.93%
Multi-strategy	16.00%	4.88%

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

During the year ended June 30, 2016, the State of Vermont contributed \$539,285 on behalf of the City of St. Albans, Department of Public Schools.

NOTE 9 NON-CASH TRANSACTIONS

The City of St. Albans, Department of Public Schools received Federal Commodities for use in food service in the amount of \$29,182. The value of the commodities received is not included in the food service budget and is not part of food service revenue or expenditures.

NOTE 10 RELATED PARTY TRANSACTIONS

Supervisory Union Assessment

The District pays an annual assessment to Franklin Central Supervisory Union for its proportionate share of expense relating to the Superintendent’s Office, the business office and curriculum development. The District paid \$358,448 of such expenses during the year ended June 30, 2016.

Transportation

The District pays Franklin Central Supervisory Union for its proportionate share of transportation expenses. The District paid \$285,400 of transportation expenses during the year ended June 30, 2016.

Special Education

The District pays Franklin Central Supervisory Union for its proportionate share of Special Education expenses. The District paid \$1,626,791 of Special Education expenses during the year ended June 30, 2016.

NOTE 11 EXCESS OF EXPENDITURES OVER BUDGET

Expenditures exceeded budgeted amount in the General Fund by \$183,449. \$157,829 of Non-budgeted prior year committed funds contributed to the excess expenditures. The excess was offset by current year revenues in excess of budgeted amounts in the amount of \$120,975.

City of St. Albans, Department of Public Schools  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2016

NOTE 12 INTERFUND RECEIVABLE AND PAYABLE BALANCES

Individual fund interfund receivable and payable balances are as follows at June 30, 2016:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ -	\$ 155,776
Special Revenue - Private Purpose Trusts	1,942	-
Special Revenue - Hot Lunch Fund	<u>153,834</u>	<u>-</u>
	<u>\$ 155,776</u>	<u>\$ 155,776</u>

City of St. Albans, Department of Public Schools generally maintains one cash account in the General Fund to pay expenditures and receive payments for efficiency. All interfund balances resulted from the time lag between the dates that (1) reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) repayments between funds are made.

NOTE 13 UNIFIED DISTRICT

On March 1, 2016, the voters of City of St. Albans, Department of Public Schools, Fairfield Town School District, Bellows Free Academy Union High School District # 48 and St. Albans Town School District authorized the creation of a Unified School District, encompassing each of the districts. The pre-existing school districts will halt governance operations and cease to exist upon the close of business on June 30, 2017. All assets, debts, and liabilities of each district will be transferred to the Unified School District at of the close of business on June 30, 2017.

NOTE 14 DISCLOSURE OF SUBSEQUENT EVENTS

In accordance professional accounting standards, the School District has evaluated subsequent events through December 13, 2016 which is the date this financial statement were available to be issued. All subsequent events requiring recognition as of June 30, 2016, have been incorporated into the financial statements herein.

REQUIRED SUPPLEMENTARY INFORMATION

City of St. Albans, Department of Public Schools  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For the Year Ended June 30, 2016

	Budgeted Amounts		Actual	Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Property Taxes				
Education Spending Grant	\$ 9,954,054	\$ 9,954,054	\$ 9,954,054	\$ -
Special Education Grant	1,619,043	1,619,043	1,560,629	(58,414)
Interest	38,000	38,000	9,527	(28,473)
Medicaid IEP	-	-	24,806	24,806
Medicaid EPSDT	19,460	19,460	19,297	(163)
School Wide Program	532,194	532,194	557,720	25,526
Early Childhood Program	-	-	50,910	50,910
PDG Revenue	-	-	106,906	106,906
Tobacco Grant	4,359	4,359	4,359	-
Miscellaneous	5,000	5,000	13,499	8,499
Total Revenues Before				
Non-Budget Revenues	12,172,110	12,172,110	12,301,707	129,597
Non-Budgeted Grants	-	27,923	19,301	(8,622)
<b>TOTAL REVENUES</b>	<b>12,172,110</b>	<b>12,200,033</b>	<b>12,321,008</b>	<b>120,975</b>
<b>EXPENDITURES</b>				
Instruction	5,988,675	5,988,675	5,784,573	204,102
Special Education	3,010,622	3,010,622	2,747,120	263,502
Board of Education	71,078	71,078	217,099	(146,021)
Superintendent's Office	321,017	321,017	319,193	1,824
Food Service Support	72,603	72,603	31,759	40,844
Debt Service	561,928	561,928	529,472	32,456
Operation and Maintenance	792,381	792,381	1,017,835	(225,454)
Transportation	316,150	316,150	301,249	14,901
Early Retirement	29,065	29,065	29,161	(96)
Medicaid IEP	-	-	24,806	(24,806)
Medicaid EPSDT	19,460	19,460	19,297	163

See Accompanying Notes to Basic Financial Statements.

City of St. Albans, Department of Public Schools  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
 For the Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	Final Budget
	<u>Original</u>	<u>Final</u>		Positive (Negative)
EXPENDITURES (continued)				
School Wide Program	532,194	532,194	557,720	(25,526)
Tobacco Grant	4,359	4,359	4,359	-
PDG Grant	-	-	106,906	(106,906)
Early Childhood Program	<u>452,578</u>	<u>452,578</u>	<u>515,803</u>	<u>(63,225)</u>
Total Expenditures Before Non-Budget Expenses	12,172,110	12,172,110	12,206,352	(34,242)
Non-Budget Capital Expenses	-	-	157,829	(157,829)
Non-Budget Grant Expenses	<u>-</u>	<u>27,923</u>	<u>19,301</u>	<u>8,622</u>
TOTAL EXPENDITURES	<u>12,172,110</u>	<u>12,200,033</u>	<u>12,383,482</u>	<u>(183,449)</u>
CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (62,474)</u>	<u>\$ (62,474)</u>

See Accompanying Notes to Basic Financial Statements.

City of St. Albans, Department of Public Schools  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
 For the Year Ended June 30,

	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability (asset)	.83770%	.83169%
District's proportionate share of the net pension liability (asset)	\$ -	\$ -
State's proportionate share of the net pension liability (asset) associated with the District	<u>9,939,344</u>	<u>7,971,241</u>
Total	<u>\$ 9,939,344</u>	<u>\$ 7,971,241</u>
District's covered-employee payroll	\$ 4,671,919	\$ 4,714,500
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	58.22%	64.02%

*Significant Actuarial Assumptions and methods are described in Note 8 to the financial statements. There were no changes in methods or assumptions during the year ended June 30, 2016.*

See Accompanying Notes to Basic Financial Statements.

City of St. Albans, Department of Public Schools

ADDITIONAL REPORTS REQUIRED BY  
THE SINGLE AUDIT ACT

June 30, 2016

City of Saint Albans, Department of Public Schools  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended June 30, 2016

Federal Grantor/ Pass-Through Grantor/ Program Title	Federal CFDA Number	Pass-through Grantor Number	Expenditures
<b>Child Nutrition Cluster</b>			
<u>U.S Department of Agriculture</u>			
Passed through Franklin Central Supervisory Union:			
School Breakfast Program	10.553	4452-SO23-16-00	\$ 129,553
National School Lunch Program	10.555	4450-SO23-16-00	262,282
National School Lunch Program	10.555	4448-SO23-16-00	430
Total School Lunch Program			<u>262,712</u>
Summer Food Service Program for Children	10.559	4455-SO23-16-00	<u>53,641</u>
<b>Other Programs</b>			
<u>U.S. Department of Education</u>			
Passed through Franklin Central Supervisory Union:			
Title I Grants to Local Educational Agencies	84.010	S010-A150-045	<u>557,719</u>
Improving Teacher Quality State Grants	84.367	S010-A150-045	<u>1</u>
<u>U.S. Department of Agriculture</u>			
Passed through Franklin Central Supervisory Union:			
Child Care & Adult Food Program	10.558	4454-SO23-16-00	<u>31,867</u>
Fresh Fruit and Vegetable Program	10.582	4449-SO23-16-00	<u>52,328</u>
Passed through Vermont Department of Education:			
Emergency Food Assistance Program (Food Commodities)	10.569	4453-SO23-16-00	<u>2,465</u>
TOTAL			<u>\$ 1,090,286</u>

City of Saint Albans, Department of Public Schools  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 2016

NOTE A BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal award activity of City of St. Albans, Department of Public Schools under programs of the federal government for the year ended June 30, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of City of St. Albans, Department of Public Schools, it is not intended to and does not present the financial position, changes in net assets of City of St. Albans, Department of Public Schools.

NOTE B SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

City of St. Albans, Department of Public Schools has not elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance because no indirect costs were allowed under the federal awards.



**Kittell Branagan & Sargent**

*Certified Public Accountants*

Vermont License #167

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*

To the Board of Directors  
City of St. Albans, Department of Public Schools  
St. Albans, 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, each major fund, and the aggregate remaining fund information of the City of St. Albans, Department of Public Schools, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the City of St. Albans, Department of Public Schools basic financial statements, and have issued our report thereon dated December 13, 2016.

**Internal Control over Financial Reporting**

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

A handwritten signature in black ink that reads "Kittell Brangan & Sargent". The signature is written in a cursive, flowing style.

St. Albans, Vermont  
December 13, 2016





**Kittell Branagan & Sargent**

*Certified Public Accountants*

Vermont License #167

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR  
EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors  
City of St. Albans, Department of Public Schools  
St. Albans, Vermont

**Report on Compliance for Each Major Federal Program**

We have audited City of St. Albans, Department of Public Schools compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have direct and material effect on each of City of St. Albans, Department of Public Schools major federal programs for the year ended June 30, 2016. City of St. Albans, Department of Public Schools major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of City of St. Albans, Department of Public Schools major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of St. Albans, Department of Public Schools compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of City of St. Albans, Department of Public Schools compliance.

### Opinion on Each Major Federal Program

In our opinion, the City of St. Albans, Department of Public Schools, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

### Report on Internal Control over Compliance

Management of City of St. Albans, Department of Public Schools, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered City of St. Albans, Department of Public Schools internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of St. Albans, Department of Public Schools internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



St. Albans, Vermont  
December 13, 2016

City of St. Albans, Department of Public Schools  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 June 30, 2016

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor’s report expresses an unmodified opinion on the financial statements of the City of St. Albans, Department of Public Schools
2. There were no significant deficiencies disclosed during the audit of the financial statements of City of St. Albans, Department of Public Schools
3. No instances of noncompliance material to the financial statements of the City of St. Albans, Department of Public Schools were disclosed during the audit.
4. There were no significant deficiencies disclosed during the audit of major federal award programs.
5. The auditor’s report on compliance for the major federal award programs for the City of St. Albans, Department of Public Schools expresses an unmodified opinion.
6. There were no audit findings relative to the major federal award programs for City of St. Albans, Department of Public Schools

7. The programs tested as major programs were:

	<u>CFDA #</u>
School Breakfast Program	10.553
National School Lunch Program	10.555
Summer Food Service Program for Children	10.559

8. The threshold for distinguishing Types A and B programs was \$750,000.
9. City of St. Albans, Department of Public Schools was not determined to be a low-risk auditee.

**B. FINDINGS – FINANCIAL STATEMENTS AUDIT**

There were no findings related to the financial statements audit.

**C. FINDINGS AND QUESTIONED COSTS – MAJOR FEDERAL AWARD PROGRAMS AUDIT**

There were no findings or questioned costs related to the major federal award programs.

City of St. Albans, Department of Public Schools  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
June 30, 2016

IDEA-B (84.027)

2015-1 Allowable Costs/Cost Principles (Material Weakness)

- Condition: During the audit, Payroll testing found that one employee had been incorrectly charged to IDEA-B.
- Recommendation: The City of Saint Albans, Department of Public Schools should implement review procedures identify errors in payroll when setting up new employees.
- Current Status: The City of Saint Albans, Department of Public Schools immediately amended the grant reports upon discovery of the error and the overpayment was deducted from fiscal year 2016 payments to correct the error. To help detect future misstatements that could occur, the Grant Coordinator will print out a detailed expense report on a monthly to be able to review the actual costs being charged from the payroll process and verify they have not accidentally assigned someone to a grant that should not have been.