

**City of St. Albans, Vermont**

**BASIC FINANCIAL STATEMENTS**

**June 30, 2008**

City of St. Albans, Vermont  
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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor, Board of Aldermen  
and City Manager  
City of Saint Albans, Vermont

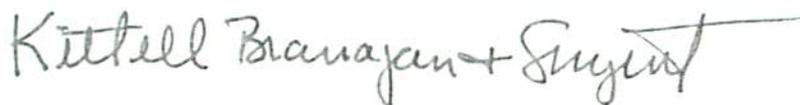
We have audited the accompanying basic financial statements of the City of St. Albans, Vermont as of and for the year ended June 30, 2008, as listed in the table of contents. These financial statements are the responsibility of the City of St. Albans, Vermont's management. Our responsibility is to express an opinion on these basic 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the City of St. Albans, Vermont as of June 30, 2008, and for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on page 22 are not a required part of the basic financial statements but are required supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the basic financial statements of the City of St. Albans, Vermont taken as a whole. The Statement of Expenditures – Budget and Actual – General Fund listed in the Table of Contents is presented for additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



St. Albans, Vermont  
November 4, 2008

City of St. Albans, Vermont  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2008

### Management's Discussion and Analysis

This narrative summary of the City of St. Albans' audited financial statements for the year ended 6/30/08 is presented by Management to assist the reader in understanding the overall financial condition of the City. Please note that this section of the report is unaudited.

The audited financial statements present the City's financial operations in three sections: government-wide financial statements, fund financial statements, and notes to the financial statements. It also presents supplemental financial information, including a budget to actual comparison for the year of the general fund, and a statement of net assets for funds held in a fiduciary capacity by the City for outside entities. These various presentations combine to form a single, integrated set of financial statements that together with appropriate note disclosure constitute the basic financial statements of the City.

### Financial Highlights

At 6/30/08 total assets of the City exceeded liabilities by \$13,635,756. This total is comprised of \$14,030,593 invested in capital assets, net of related debt, \$94,116 restricted for use by public works, and an unrestricted negative balance in the amount of \$488,953.

Net assets of individual fund types are reported as follows at 6/30/08.

- Net assets of the City's governmental activities is comprised of \$94,116 restricted for public works, and -\$307,414 unrestricted and unreserved and \$2,484,655 invested in capital assets net of related debt.
- Proprietary funds' net assets (Water and Wastewater) total \$11,364,399; including \$11,545,938 invested in capital assets, net of related debt, and an unrestricted balance of -\$181,539.

### Government-Wide Financial Statements

Government-wide financial statements ignore the partitions created by individual funds, bringing the financial activities of the City together using one type of information—accrual-based economic resources. Financial information is organized by whether it relates to *governmental activities*, or *business-type activities*. In general, governmental activities are those accounted for in the governmental funds, while business-type activities are accounted for in enterprise funds.

Generally accepted accounting principles (GAAP) for state and local governments prescribe two basic government-wide financial statements: the government-wide statement of net assets, and the government-wide statement of activities. Together they report assets, liabilities, net assets, revenue and expenditures for all governmental and business-type activities of the primary government, but *not* those that are fiduciary in character.

The statement of net assets, also known as the statement of position, presents the City's *permanent* accounts: assets, liabilities and net assets. GAAP allows presentation of these accounts in one of two ways:

assets – liabilities = net assets (the net asset approach), or  
assets = liabilities + net assets, (the balance sheet approach).

City of St. Albans, Vermont  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2008

The City uses the first approach, showing the difference between assets and liabilities as net assets. Over time, increases and decreases in net assets serve as a key indicator of whether the financial position of the City is improving or deteriorating.

GAAP require that the primary government's activities (those supported primarily by taxes and intergovernmental revenues) be reported separately from its business-type activities (those activities intended to recover all or a significant portion of costs through user fees). The primary governmental activities of the City include general government, public safety, public works, parks and recreation, conservation and development, health and welfare, and public improvements. The business-type activities include water and wastewater operations.

GAAP require that government-wide financial statements include not only the City itself (the primary government), but also legally separate entities for which the City is financially accountable (known as component units). During the period under audit, the City had no responsibility for entities that qualify as component units.

The City's government-wide financial statements (accrual basis) for the fiscal year ended 6/30/08 may be found on pages 1 and 2.

### **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 rather than City operations as a whole. The City of St. Albans, 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 the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the focus of governmental fund financial statements is on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. Such information is useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statement, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, the reader may better understand the long-term impact of the government's near-term financial decisions.

The City maintains two major governmental funds - the general fund and the community development fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance for each fund.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with its budget.

The basic governmental fund financial statements (modified accrual) may be found on pages 3 and 4.

**Proprietary funds** are used to account for a government's business-type activities. There are two types of proprietary funds—enterprise funds and internal service funds. Both fund types use the same generally accepted accounting principles (GAAP) as similar businesses in the private sector, and recover the full cost of providing services (including capital costs) through fees and charges to users of their services.

City of St. Albans, Vermont  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2008

The City of St. Albans maintains two *proprietary funds*. These funds are enterprise funds rather than internal service funds, and are presented as business-type activities in the government-wide financial statements. The City's enterprise funds account for its Water and Wastewater programs.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund and the Wastewater Fund, both of which are considered to be major funds of the City.

Internal service funds are used to account for the financing of goods or services provided by one department of a government to other departments on a cost-reimbursement basis. Services accounted for by internal service funds are tangible, and the extent to which they benefit other departments is easily measured. At this time, the City has no internal service funds.

The basic proprietary fund financial statements (accrual basis) of the City may be found on pages 5 through 7.

*Fiduciary funds*, also known as trust and agency funds, account for assets held by the City in a trustee or agent capacity for individuals, private organizations, other government units, and/or other funds. They 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 financial presentation for the City's five fiduciary funds (accrual basis) may be found on page 8.

### **Notes to the Financial Statements**

In conjunction with the financial statements themselves, the Notes to the Financial Statements provide a more complete picture of the City's financial position and the results of its operations. The notes serve to explain, clarify, and expand upon the financial data presented in the financial statements, and provide some additional information as well. The notes can be found immediately following the basic financial statements in this report.

In addition to the basic financial statements and accompanying notes, certain *Supplementary Information* is provided, including a budgetary comparison statement for the general fund. The supplementary information can be found immediately following the notes to the financial statements.

City of St. Albans, Vermont  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2008

**Government-wide Financial Analysis (Accrual Basis)**

**NET ASSETS**  
June 30, 2008

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current and other assets	\$ 1,115,095	\$ 1,012,804	\$ 2,127,899
Note receivable	193,817	-	193,817
Capital Assets	3,490,522	16,602,507	20,093,029
<b>TOTAL ASSETS</b>	<b>\$ 4,799,434</b>	<b>\$ 17,615,311</b>	<b>\$ 22,414,745</b>
<b>LIABILITIES</b>			
Long-term liabilities outstanding	\$ 925,105	\$ 4,600,820	\$ 5,525,925
Other liabilities	1,602,972	1,650,092	3,253,064
<b>TOTAL LIABILITIES</b>	<b>\$ 2,528,077</b>	<b>\$ 6,250,912</b>	<b>\$ 8,778,989</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 2,484,655	\$ 11,545,938	\$ 14,030,593
Restricted	94,116	-	94,116
Unrestricted	(307,414)	(181,539)	(488,953)
<b>TOTAL NET ASSETS</b>	<b>\$ 2,271,357</b>	<b>\$ 11,364,399</b>	<b>\$ 13,635,756</b>

**NET ASSETS**  
June 30, 2007

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Current and other assets	\$ 918,138	\$ 1,089,251	\$ 2,007,389
Note receivable	144,546	-	144,546
Capital Assets	2,871,186	16,999,139	19,870,325
<b>TOTAL ASSETS</b>	<b>\$ 3,933,870</b>	<b>\$ 18,088,390</b>	<b>\$ 22,022,260</b>
<b>LIABILITIES</b>			
Long-term liabilities outstanding	\$ 612,891	\$ 5,042,902	\$ 5,655,793
Other liabilities	1,235,658	1,674,386	2,910,044
<b>TOTAL LIABILITIES</b>	<b>\$ 1,848,549</b>	<b>\$ 6,717,288</b>	<b>\$ 8,565,837</b>
<b>NET ASSETS</b>			
Invested in capital assets, net of related debt	\$ 2,174,146	\$ 11,519,323	\$ 13,693,469
Restricted	94,116	-	94,116
Unrestricted	(182,941)	(148,221)	(331,162)
<b>TOTAL NET ASSETS</b>	<b>\$ 2,085,321</b>	<b>\$ 11,371,102</b>	<b>\$ 13,456,423</b>

City of St. Albans, Vermont  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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**Discussion and Analysis**

The change in net assets over time is a key indicator of the City's financial position. At 6/30/08 the City's assets exceeded liabilities by \$13,635,756; at 6/30/07 assets exceeded liabilities by \$13,456,423, showing a slight increase between 2007 and 2008 of about 1.3%. The fluctuation from 2006 to 2007 was a decrease of approximately 2.7%.

Due to a negative unrestricted net asset balance for the City's governmental and business-type activities at 2008 and 2007 year-ends, the City's investment in capital assets (equipment, land, buildings and infrastructure) represented 109% and 102% of total net assets respectively. It is important to note that these capital assets provide essential services to the residents and business owners of the City, and are not available for future spending. Therefore, resources to repay the debt supporting these assets must be provided from other resources. It is the intent of current management of the City to build into future budgets funds to be set aside for two types of reserves: those to repay capital debt and provide for financial contingencies, and reserves for a long-term capital plan.

City of St. Albans, Vermont  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2008

**CHANGE IN NET ASSETS (ACCRUAL BASIS)**

June 30, 2008

	Governmental Activities	Business-Type Activities	Total
<b>REVENUES</b>			
<b>PROGRAM REVENUES</b>			
Charges for services	\$ 922,919	\$ 3,686,010	\$ 4,608,929
Operating grants and revenues	1,421,720	-	1,421,720
Property taxes, levied for general purposes	9,083,284	-	9,083,284
Unrestricted investment earnings	13,329	13,324	26,653
<b>TOTAL REVENUES</b>	<b>11,441,252</b>	<b>3,699,334</b>	<b>15,140,586</b>
<b>EXPENSES</b>			
<b>GOVERNMENTAL ACTIVITIES</b>			
General government	617,719	-	617,719
Public safety	2,828,788	-	2,828,788
Public works	467,661	-	467,661
Recreation, health, education and welfare	403,011	-	403,011
Community development	1,023,587	-	1,023,587
Depreciation, unallocated	135,906	-	135,906
Interest on long-term debt	48,237	-	48,237
School taxes	5,705,305	-	5,705,305
<b>BUSINESS - TYPE ACTIVITIES</b>			
Water	-	1,504,356	1,504,356
Sewer	-	2,201,700	2,201,700
<b>TOTAL EXPENSES</b>	<b>11,230,214</b>	<b>3,706,056</b>	<b>14,936,270</b>
<b>OPERATING TRANSFER</b>	<b>(25,001)</b>	<b>-</b>	<b>(25,001)</b>
<b>CHANGES IN NET ASSETS</b>	<b>186,037</b>	<b>(6,722)</b>	<b>179,315</b>
<b>NET ASSETS, beginning of year</b>	<b>2,085,320</b>	<b>11,371,121</b>	<b>13,456,441</b>
<b>NET ASSETS, end of year</b>	<b>\$ 2,271,357</b>	<b>\$ 11,364,399</b>	<b>\$ 13,635,756</b>

City of St. Albans, Vermont  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2008

**CHANGE IN NET ASSETS (ACCRUAL BASIS)**  
June 30, 2007

	Governmental Activities	Business-Type Activities	Total
<b>REVENUES</b>			
<b>PROGRAM REVENUES</b>			
Charges for services	\$ 897,229	\$ 3,218,060	\$ 4,115,289
Operating grants and revenues	1,551,299	50,982	1,602,281
Property taxes, levied for general purposes	3,188,435	-	3,188,435
Unrestricted investment earnings	22,951	-	22,951
<b>TOTAL REVENUES</b>	<b>5,659,914</b>	<b>3,269,042</b>	<b>8,928,956</b>
<b>EXPENSES</b>			
<b>GOVERNMENTAL ACTIVITIES</b>			
General government	756,378	-	756,378
Public safety	2,749,792	-	2,749,792
Public works	434,770	-	434,770
Recreation, health, education and welfare	417,362	-	417,362
Community development	999,195	-	999,195
Depreciation, unallocated	132,526	-	132,526
Interest on long-term debt	47,594	-	47,594
<b>BUSINESS-TYPE ACTIVITIES</b>			
Water	-	1,604,767	1,604,767
Sewer	-	2,100,465	2,100,465
<b>TOTAL EXPENSES</b>	5,537,618	3,741,232	9,278,850
<b>OPERATING TRANSFER</b>	<b>(30,000)</b>	<b>-</b>	<b>(30,000)</b>
<b>CHANGES IN NET ASSETS</b>	92,296	(472,190)	(379,894)
<b>NET ASSETS, beginning of year</b>	<b>1,993,025</b>	<b>11,843,292</b>	<b>13,836,317</b>
<b>NET ASSETS, end of year</b>	<b>\$ 2,085,321</b>	<b>\$ 11,371,102</b>	<b>\$ 13,456,423</b>

City of St. Albans, Vermont  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
June 30, 2008

**SUMMARY OF CAPITAL ASSETS & LONG-TERM DEBT**  
June 30, 2008

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Land	\$ 758,337	\$ 155,000	\$ 913,337
Property Held for Sale	312,000	-	312,000
Construction in Progress	-	187,089	187,089
Buildings & Improvements	2,338,106	22,422,586	24,760,692
Machinery and Equipment	1,328,941	3,562,965	4,891,906
Infrastructure	<u>831,572</u>	<u>-</u>	<u>831,572</u>
	5,568,956	26,327,640	31,896,596
Less: Accumulated Depreciation	<u>(2,078,434)</u>	<u>(9,725,133)</u>	<u>(11,803,567)</u>
 TOTAL ASSETS, net	 <u>\$ 3,490,522</u>	 <u>\$ 16,602,507</u>	 <u>\$ 20,093,029</u>
 LONG-TERM DEBT	 <u>\$ 1,005,867</u>	 <u>\$ 5,056,569</u>	 <u>\$ 6,062,436</u>

**SUMMARY OF CAPITAL ASSETS & LONG-TERM DEBT**  
June 30, 2007

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Land	\$ 758,337	\$ 155,000	\$ 913,337
Buildings & Improvements	2,338,106	22,404,765	24,742,871
Machinery and Equipment	1,217,529	3,495,086	4,712,615
Infrastructure	499,742	-	499,742
Construction in Progress	<u>-</u>	<u>30,814</u>	<u>30,814</u>
	4,813,714	26,085,665	30,899,379
Less: Accumulated Depreciation	<u>(1,942,528)</u>	<u>(9,086,526)</u>	<u>(11,029,054)</u>
 TOTAL ASSETS, net	 <u>\$ 2,871,186</u>	 <u>\$ 16,999,142</u>	 <u>\$ 19,870,325</u>
 LONG-TERM DEBT	 <u>\$ 697,040</u>	 <u>\$ 5,479,814</u>	 <u>\$ 6,176,854</u>

As noted above, the City's investment in capital assets for its governmental activities totals \$2,484,655. GASB 34 allows an exemption for roads and bridges prior to July 1, 2003. Business-type activities' total capital investment is \$11,545,938.

City of St. Albans, Vermont  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
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Major capital investments during the fiscal year ended 6/30/08 included the following items.

Investments in streets, roads and bridges totaled \$331,830.  
Property Held for Sale totaled \$312,000.

### **Long-Term Debt**

At the end of the current year, the City of St. Albans had total long-term debt outstanding of \$6,062,436. Of this amount, \$3,800,919 is bonded debt backed by the full faith and credit of the City of St. Albans for the water utility.

The City of St. Albans' total long-term debt decreased by \$114,418 during the year.

Bonds are issued through the Vermont Municipal Bond Bank. The City issues no bonded debt on its own behalf and does not maintain its own credit rating.

### **Outlook and Future Developments**

City Management is committed to restoring the balance to the City's financial position. All three funds offer signs that with conservative financial management, the City can eliminate deficits. The City's governmental activities have begun to turn around by producing an increase in net assets of \$186,037 during the 2008 fiscal year. This is significant as both FY 06 and 07 produced deficits. The Water Fund completed FY 08 with a net increase of \$277,818. This is also significant, as the water budget was not projected to produce a surplus. Only the Wastewater Fund produced a deficit with a net loss of \$284,540.

St. Albans is a small City and our tax base is not growing much beyond the rate of inflation. Much of our infrastructure suffers from deferred maintenance. In order to attract investment to the City and increase the tax base, City Management will apply close scrutiny to all City services and determine where opportunities exist for increased efficiency and effectiveness. The City is no longer the only center of commerce in Franklin County and all City services must be reviewed, budgeted, and managed based on this changing paradigm. City Management is committed to ensuring that the City does not live beyond its means; developing realistic budgets; and implementing policies that attract investment to the City.

### **Requests for Information**

The financial report is designed to provide a general overview of the City of St. Albans, Vermont's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of City Manager, 100 North Main St., P.O. Box 867, St. Albans, VT 05478.

City of Saint Albans, Vermont  
 GOVERNMENT-WIDE FINANCIAL STATEMENTS  
 STATEMENT OF NET ASSETS  
 June 30, 2008

ASSETS

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>CURRENT ASSETS</b>			
Cash	\$ 279,853	\$ 680	\$ 280,533
Cash - restricted	172,131	-	172,131
Taxes receivable	244,962	-	244,962
Accounts receivable	301,154	682,200	983,354
Other receivables	-	287,412	287,412
Due from other funds	108,668	42,512	151,180
Prepaid expenses	8,327	-	8,327
Current portion notes receivable	129,110	-	129,110
<b>TOTAL CURRENT ASSETS</b>	<u>1,244,205</u>	<u>1,012,804</u>	<u>2,257,009</u>
 NOTES RECEIVABLE, net of current portion	 64,707	 -	 64,707
 CAPITAL ASSETS, net	 <u>3,490,522</u>	 <u>16,602,507</u>	 <u>20,093,029</u>
 <b>TOTAL ASSETS</b>	 <u>\$ 4,799,434</u>	 <u>\$ 17,615,311</u>	 <u>\$ 22,414,745</u>

LIABILITIES AND NET ASSETS

<b>CURRENT LIABILITIES</b>			
Current portion notes and bonds payable	\$ 80,762	\$ 455,749	\$ 536,511
Line of credit	-	604,000	604,000
Tax anticipation note	485,000	-	485,000
Accounts payable	390,270	328,287	718,557
Accrued liabilities	403,493	234,942	638,435
Deferred revenue	132,948	-	132,948
Due to other funds	110,499	27,114	137,613
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,602,972</u>	<u>1,650,092</u>	<u>3,253,064</u>
 NOTES AND BONDS PAYABLE	 <u>925,105</u>	 <u>4,600,820</u>	 <u>5,525,925</u>
 <b>TOTAL LIABILITIES</b>	 <u>2,528,077</u>	 <u>6,250,912</u>	 <u>8,778,989</u>
 <b>NET ASSETS</b>			
Invested in capital assets, net of related debt	2,484,655	11,545,938	14,030,593
Restricted	94,116	-	94,116
Unrestricted	(307,414)	(181,539)	(488,953)
<b>NET ASSETS</b>	<u>2,271,357</u>	<u>11,364,399</u>	<u>13,635,756</u>
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	 <u>\$ 4,799,434</u>	 <u>\$ 17,615,311</u>	 <u>\$ 22,414,745</u>

See Accompanying Notes to Basic Financial Statements.

City of Saint Albans, Vermont  
 GOVERNMENT-WIDE FINANCIAL STATEMENTS  
 STATEMENT OF ACTIVITIES  
 For the Year Ended June 30, 2008

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Revenues	Capital Grants and Revenues	Governmental Activities	Business-Type Activities	Total
<b>Governmental activities:</b>							
General government	\$ 617,719	\$ 133,800	\$ 100,365	\$ -	\$ (383,554)	\$ -	\$ (383,554)
Public safety	2,828,788	266,931	30,450	-	(2,531,407)	-	(2,531,407)
Public works	467,661	330,638	116,239	-	(20,784)	-	(20,784)
Recreation, health, education and welfare	403,011	191,550	30,000	-	(181,461)	-	(181,461)
Community development	1,023,587	-	1,144,666	-	121,079	-	121,079
Depreciation, unallocated	135,906	-	-	-	(135,906)	-	(135,906)
Interest on long-term debt	48,237	-	-	-	(48,237)	-	(48,237)
<b>Total governmental activities</b>	<b>5,524,909</b>	<b>922,919</b>	<b>1,421,720</b>	<b>-</b>	<b>(3,180,270)</b>	<b>-</b>	<b>(3,180,270)</b>
<b>Business-type activities:</b>							
Water	1,504,356	1,775,887	-	-	-	271,531	271,531
Sewer	2,201,700	1,910,123	-	-	-	(291,577)	(291,577)
<b>Total business-type activities</b>	<b>3,706,056</b>	<b>3,686,010</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(20,046)</b>	<b>(20,046)</b>
<b>General Revenues:</b>							
Property taxes, levied for general purposes					9,083,284	-	9,083,284
Unrestricted investment earnings					13,329	13,324	26,653
Operating transfer					(25,001)	-	(25,001)
School Taxes					(5,705,305)	-	(5,705,305)
<b>Total general revenues and transfers</b>					<b>3,366,307</b>	<b>13,324</b>	<b>3,379,631</b>
<b>Change in Net Assets</b>					<b>186,037</b>	<b>(6,722)</b>	<b>179,315</b>
<b>Net assets, beginning</b>					<b>2,085,320</b>	<b>11,371,121</b>	<b>13,456,441</b>
<b>Net assets, ending</b>					<b>\$ 2,271,357</b>	<b>\$ 11,364,399</b>	<b>\$ 13,635,756</b>

See Accompanying Notes to Basic Financial Statements.

City of Saint Albans, Vermont  
 FUND FINANCIAL STATEMENTS  
 BALANCE SHEET - GOVERNMENTAL FUNDS  
 June 30, 2008

	Governmental Fund Types		
	General	Community Development	Totals (Memorandum Only)
<b>ASSETS</b>			
Cash	\$ 170,336	\$ 109,517	\$ 279,853
Cash - restricted	172,131	-	172,131
Receivables (net of allowances for uncollectibles)			
Taxes, including interest and penalties	244,962	-	244,962
Accounts	145,244	155,910	301,154
Due from other funds	47,872	60,796	108,668
Prepaid expenses	8,327	-	8,327
 TOTAL ASSETS	 \$ 788,872	 \$ 326,223	 \$ 1,115,095
 <b>LIABILITIES</b>			
Accounts payable	\$ 161,182	\$ 229,088	\$ 390,270
Deferred Revenue	118,562	14,386	132,948
Other Accrued Expenses	281,369	-	281,369
Tax Anticipation Note	485,000	-	485,000
Due to other Funds	110,499	-	110,499
 TOTAL LIABILITIES	 1,156,612	 243,474	 1,400,086
 <b>FUND BALANCE</b>			
Restricted	94,116	-	94,116
Unreserved	(461,856)	82,749	(379,107)
 TOTAL FUND BALANCE	 (367,740)	 82,749	 (284,991)
 TOTAL LIABILITIES AND FUND BALANCE	 \$ 788,872	 \$ 326,223	 \$ 1,115,095

See Accompanying Notes to Financial Statements.

**Total fund balances - governmental funds** \$ (284,991)

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.

3,490,522

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Community Development Notes Receivable

193,817

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:

Accrued post retirement benefits

(4,769)

Accrued sick time

(72,554)

Accrued vacation

(37,822)

Accrued comp-time

(6,979)

Notes and bonds payable

(1,005,867)

**Total net assets - governmental activities**

**\$ 2,271,357**

City of Saint Albans, Vermont  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - GOVERNMENTAL FUNDS  
 For the Year Ended June 30, 2008

	Governmental Fund Types		
	General	Community Development	Total Governmental Funds
<b>REVENUES</b>			
Taxes, interest and penalties	\$ 3,710,830	\$ -	\$ 3,710,830
Licenses and permits	87,658	-	87,658
Intergovernmental	147,242	8,000	155,242
Charges for services	318,783	-	318,783
Recreation Department	218,550	-	218,550
Fines	12,241	-	12,241
Interest on savings	13,272	1,845	15,117
Grant Revenue	8,114	1,064,734	1,072,848
Sale of Property	-	24,000	24,000
Miscellaneous	26,069	22,407	48,476
Rent	-	13,000	13,000
Loan repayments	-	34,421	34,421
<b>TOTAL REVENUES</b>	<u>4,542,759</u>	<u>1,168,407</u>	<u>5,711,166</u>
<b>EXPENDITURES</b>			
Current:			
General government	472,400	525,593	997,993
Public safety	2,991,708	-	2,991,708
Highways and streets	534,949	-	534,949
Sanitation	7,476	-	7,476
Parks and recreation	281,430	-	281,430
Miscellaneous	170,653	-	170,653
Grant expenditures	51,309	1,020,259	1,071,568
Debt Service	93,164	-	93,164
<b>TOTAL EXPENDITURES</b>	<u>4,603,089</u>	<u>1,545,852</u>	<u>6,148,941</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<u>(60,330)</u>	<u>(377,445)</u>	<u>(437,775)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Proceeds from lease	67,210	-	67,210
Proceeds from borrowings	-	325,816	325,816
Operating transfer in	45,896	59,000	104,896
Operating transfer out	(27,500)	(102,397)	(129,897)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>85,606</u>	<u>282,419</u>	<u>368,025</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	25,276	(95,026)	(69,750)
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>(393,016)</u>	<u>177,775</u>	<u>(215,241)</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ (367,740)</u>	<u>\$ 82,749</u>	<u>\$ (284,991)</u>

See Accompanying Notes to Financial Statements

**Net change in fund balances - governmental funds** \$ (69,750)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Depreciation (135,906)

Capital outlays 755,242

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 84,199

Payment of post retirement benefits are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. 866

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Notes receivable collected (25,144)

Loans provided to outside organizations are expenditures in the governmental funds, but issuing the debt increases assets in the statement of net assets. Losses are recognized in the year that it is determined that loans will not be collectible.

New loans (393,026)

Expenses in the statement of activities that do not require the use of current financial resources and are not reported as expenditures in the funds:

Estimated allowance for notes receivable (50,000)

Accrued sick time 14,192

Accrued vacation time 5,364

**Change in net assets of governmental activities** \$ 186,037

City of Saint Albans, Vermont  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 June 30, 2008

	<u>Business-Type Activities</u>		
	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Totals (Memorandum Only)</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash	\$ 680	\$ -	\$ 680
Accounts receivable	345,560	336,640	682,200
Unbilled revenue	155,337	132,075	287,412
Due from other funds	<u>42,512</u>	<u>-</u>	<u>42,512</u>
<b>TOTAL CURRENT ASSETS</b>	<u><b>544,089</b></u>	<u><b>468,715</b></u>	<u><b>1,012,804</b></u>
<b>CAPITAL ASSETS</b>			
Land	155,000	-	155,000
Building and improvements	7,319,035	15,103,551	22,422,586
Machinery and equipment	1,088,253	2,474,712	3,562,965
Construction in progress	-	187,089	187,089
Accumulated Depreciation	<u>(2,656,938)</u>	<u>(7,068,195)</u>	<u>(9,725,133)</u>
<b>CAPITAL ASSETS, net</b>	<u><b>5,905,350</b></u>	<u><b>10,697,157</b></u>	<u><b>16,602,507</b></u>
<b>TOTAL ASSETS</b>	<u><b>\$ 6,449,439</b></u>	<u><b>\$ 11,165,872</b></u>	<u><b>\$ 17,615,311</b></u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 125,786	\$ 202,501	\$ 328,287
Other accrued expenses	124,461	110,481	234,942
Due to other funds	-	27,114	27,114
Line of credit	10,000	594,000	604,000
Current Portion to General Obligation Bonds	69,850	-	69,850
Current Portion General Obligation Notes Payable	<u>186,532</u>	<u>199,367</u>	<u>385,899</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u><b>516,629</b></u>	<u><b>1,133,463</b></u>	<u><b>1,650,092</b></u>
<b>LONG-TERM LIABILITIES</b>			
General Obligation Bonds, net of current portion	3,731,069	-	3,731,069
General Obligation Notes Payable, net of current portion	<u>426,164</u>	<u>443,587</u>	<u>869,751</u>
<b>TOTAL LONG-TERM LIABILITIES</b>	<u><b>4,157,233</b></u>	<u><b>443,587</b></u>	<u><b>4,600,820</b></u>
<b>TOTAL LIABILITIES</b>	<u><b>4,673,862</b></u>	<u><b>1,577,050</b></u>	<u><b>6,250,912</b></u>
<b>NET ASSETS</b>			
Invested in Capital Assets, net of debt	1,491,735	10,054,203	11,545,938
Unreserved	<u>283,842</u>	<u>(465,381)</u>	<u>(181,539)</u>
<b>TOTAL NET ASSETS</b>	<u><b>1,775,577</b></u>	<u><b>9,588,822</b></u>	<u><b>11,364,399</b></u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><b>\$ 6,449,439</b></u>	<u><b>\$ 11,165,872</b></u>	<u><b>\$ 17,615,311</b></u>

See Accompanying Notes to Basic Financial Statements

City of Saint Albans, Vermont  
**FUND FINANCIAL STATEMENTS**  
**CHANGES IN NET ASSETS**  
**PROPRIETARY FUNDS**  
For the Year Ended June 30, 2008

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Totals (Memorandum Only)</u>
<b>OPERATING REVENUE</b>			
Charges for Services	\$ 1,775,887	\$ 1,910,123	\$ 3,686,010
<b>OPERATING EXPENSES</b>			
Personal services	467,113	640,044	1,107,157
Other purchased services	104,773	107,809	212,582
Supplies	163,900	266,571	430,471
Repairs and maintenance	94,100	535,323	629,423
Utilities and telephone	160,238	193,937	354,175
Real estate taxes	52,300	4,553	56,853
Depreciation and amortization	<u>243,868</u>	<u>394,739</u>	<u>638,607</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>1,286,292</u>	<u>2,142,976</u>	<u>3,429,268</u>
<b>OPERATING INCOME/ (LOSS)</b>	<u>489,595</u>	<u>(232,853)</u>	<u>256,742</u>
<b>NON-OPERATING REVENUE (EXPENSE)</b>			
Interest Income	6,287	7,037	13,324
Interest Expense	<u>(218,064)</u>	<u>(58,724)</u>	<u>(276,788)</u>
<b>TOTAL NON-OPERATING REVENUE (EXPENSE)</b>	<u>(211,777)</u>	<u>(51,687)</u>	<u>(263,464)</u>
<b>NET INCOME (LOSS)</b>	277,818	(284,540)	(6,722)
<b>NET ASSETS BEGINNING OF YEAR</b>	<u>1,497,759</u>	<u>9,873,362</u>	<u>11,371,121</u>
<b>NET ASSETS END OF YEAR</b>	<u>\$ 1,775,577</u>	<u>\$ 9,588,822</u>	<u>\$ 11,364,399</u>

See Accompanying Notes to Basic Financial Statements

City of Saint Albans, Vermont  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 For the Year Ended June 30, 2008

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Totals (Memorandum Only)</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers	\$ 1,732,704	\$ 1,952,107	\$ 3,684,811
Payments to suppliers	(468,794)	(997,108)	(1,465,902)
Payments for employees and benefits	(517,590)	(672,507)	(1,190,097)
Other receipts (payments)	<u>(52,300)</u>	<u>(4,553)</u>	<u>(56,853)</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>694,020</u>	<u>277,939</u>	<u>971,959</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Receipts from (payments to) other funds	<u>(26,721)</u>	<u>62,429</u>	<u>35,708</u>
NET CASH PROVIDED/(USED) BY NONCAPITAL FINANCING ACTIVITIES	<u>(26,721)</u>	<u>62,429</u>	<u>35,708</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition of capital assets	(20,017)	(221,939)	(241,956)
Payments of interest	(218,064)	(58,724)	(276,788)
Principal reduction of notes and bonds payable	(245,505)	(177,742)	(423,247)
Reduction of STD	(670,000)	(89,000)	(759,000)
Proceeds from debt	<u>480,000</u>	<u>200,000</u>	<u>680,000</u>
NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(673,586)</u>	<u>(347,405)</u>	<u>(1,020,991)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Receipt of interest	<u>6,287</u>	<u>7,037</u>	<u>13,324</u>
NET DECREASE IN CASH	-	-	-
CASH - BEGINNING OF YEAR	<u>680</u>	<u>-</u>	<u>680</u>
CASH - END OF YEAR	<u>\$ 680</u>	<u>\$ -</u>	<u>\$ 680</u>
<b>Reconciliation of operating income(loss) to net cash provided (used) by operating activities:</b>			
Operating (loss)	\$ 489,595	\$ (232,853)	\$ 256,742
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	243,868	394,739	638,607
Change in net assets and liabilities:			
Receivables, net	(43,183)	41,984	(1,199)
Prepaid expenses	180	-	180
Accounts payable	54,037	106,532	160,569
Other accrued expenses	<u>(50,477)</u>	<u>(32,463)</u>	<u>(82,940)</u>
Net cash provided by operating activities	<u>\$ 694,020</u>	<u>\$ 277,939</u>	<u>\$ 971,959</u>

See Accompanying Notes to Basic Financial Statements.

City of Saint Albans, Vermont  
 FUND FINANCIAL STATEMENTS  
 STATEMENT OF NET ASSETS  
 FIDUCIARY FUNDS  
 June 30, 2008

Agency Fund						
	Downtown Designation	Veterans Memorial	Zoning Escrow	Rose Toutant Trust	State Fee/ Payroll	Total
<b><u>ASSETS</u></b>						
Cash	\$ 4,796	\$ 1,490	\$ 10,728	\$ 109,559	\$ -	\$ 126,573
Due from other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>61</u>	<u>61</u>
TOTAL ASSETS	<u>\$ 4,796</u>	<u>\$ 1,490</u>	<u>\$ 10,728</u>	<u>\$ 109,559</u>	<u>\$ 61</u>	<u>\$ 126,634</u>
 <b><u>LIABILITIES AND NET ASSETS</u></b>						
Due to others	\$ (8,832)	\$ 1,490	\$ 10,728	\$ 109,559	\$ 61	\$ 113,006
Due to other funds	<u>13,628</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,628</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,796</u>	<u>\$ 1,490</u>	<u>\$ 10,728</u>	<u>\$ 109,559</u>	<u>\$ 61</u>	<u>\$ 126,634</u>

See Accompanying Notes to Basic Financial Statements.

City of St. Albans, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2008

NOTE 1            SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of St. Albans is a municipal corporation operating under a council-manager form of government. It is governed by 7 elected officials – a mayor and 6 council members. The City is made up of 6 individual wards, each being represented by one of the 6 elected council members. The City Council appoints a City Manager to oversee the general operations of the City.

The City provides the following services to its citizenry: public safety (police, ambulance, fire and animal control), highways and streets, sanitation, parks and recreation, planning and zoning, and general administrative services.

A. Reporting Entity

The financial statements of the City consist only of the funds and account groups of the City. The City has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding and appointment of the respective governing board.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the City. 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 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 government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), and the acquisition or construction of general fixed assets (capital projects). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Fiduciary Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Included in this fund is the Rose Toutant account totaling \$109,559 from an estate without any heirs. This money is due to the school after a period not to exceed seventeen years if the money is not claimed before that period.

City of St. Albans, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2008

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary 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 City 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, are recorded only when payment is due.

Property taxes 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 City receives cash.

The City reports the following major governmental funds:

- \* The special revenue fund accounts for special programs and grants that have restricted or designated fund balance.
- \* The general fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

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 individuals and business for 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.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

City of St. Albans, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2008

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Deposits and Investments

The City'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. The City maintains one cash account in the general fund to collect money and pay bills for all funds. When money is collected and expended, the City records a corresponding payable or receivable to the appropriate fund. This helps manage cash and eases administrative burdens. As a result, no cash is reflected in the water or wastewater funds.

E. 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).

F. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks, water/sewer lines, etc.) are reported in the applicable governmental or business-type activity columns in the government-wide financial statements.

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 City's activities.
- (3) The asset has a \$5,000 or greater value and useful life over one year at the date of acquisition that meets or exceeds the following:

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.

The straight line depreciation method will be used over the estimated useful life of each asset.

G. Long-term Obligations

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

H. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

City of St. Albans, Vermont  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2008

NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. 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.

J. Allowance for Uncollectible Accounts

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

K. Operating Transfers

Operating transfers are legally authorized transfers from a fund receiving revenue to the fund through which the resources are to be expended.

NOTE 2      DELINQUENT TAXES RECEIVABLE

Delinquent taxes receivable consist of:

	<u>General Fund</u>
Delinquent property taxes	\$ 312,514
Penalties on taxes receivable	21,795
Interest on taxes receivable	16,869
Deferred Revenue	(76,216)
	274,962
Allowance for uncollectible delinquent taxes	(30,000)
Total	\$ 244,962

Property taxes are levied as of July 1 on property values assessed on April 1. The tax levy is divided into four installments. The equal installments are due August 31, November 30, February 28 and May 31. The bill becomes delinquent on June 1 and penalties of 8% may be assessed by the government. Interest is assessed monthly on all outstanding installments.

Deferred revenue consists of property taxes estimated not to be collected within the first 60 days of the fiscal year.

City of St. Albans, Vermont  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2008

NOTE 3 INTERFUND RECEIVABLE AND PAYABLE BALANCES

Individual Fund Interfund Receivable and Payable balances are as follows at June 30, 2007:

<u>Fund</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 47,872	\$ 110,499
Water Fund	42,512	-
Wastewater Fund	-	27,114
Downtown Designation Fund	-	13,628
State Fee/Payroll	61	-
Community Development Fund	<u>60,796</u>	<u>-</u>
Total	<u>\$ 151,241</u>	<u>\$ 151,241</u>

NOTE 4 ACCRUED COMPENSATION

At June 30, 2008, the City had the following vested benefits earned by their employees:

Vested Compensation - Water	\$ 52,426
Vested Compensation - Waste Water	99,212
Vested Compensation - General	<u>355,023</u>
Total	<u>\$ 506,661</u>

NOTE 5 NOTES AND BONDS PAYABLE

The following is a summary of changes in notes and bonds payable for the year ended June 30, 2008:

<u>Business - Type Activities:</u>	<u>Beginning Balance 6/30/07</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance 6/30/08</u>
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Note payable to the Peoples Trust Company, interest at 2.70%. Annual principal and interest payment of \$129,902 (This note is being serviced- principal and interest -50 percent by the Water Fund and 50 percent by the Wastewater Fund).

Maturing 01/23/2009

\$ 249,796	\$	-	\$ 123,157	\$ 126,639
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City of St. Albans, Vermont  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2008

NOTE 5      NOTES AND BONDS PAYABLE (continued)

	Beginning Balance <u>6/30/07</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>6/30/08</u>
Note payable to Peoples Trust Co. issued April 19, 2006, interest at 5.00%, due in monthly principal and interest installments of \$3,774.79 (This issue is being serviced-principal and interest-by the Water Enterprise Fund). Matures 2011	157,677	-	38,283	119,394
Lease payable to SunTrust Leasing Corp. issued August 17, 2005, interest at 4.89%, due in annual principal and interest installments of \$29,660.00 (This issue is being serviced- principal and interest-by the Wastewater Enterprise Fund). Matures 2008	25,640	-	12,806	12,834
Note payable to People Trust Co. issued April 19, 2006, interest at 5.00%, due in monthly principal and interest installments of \$3,774.79 (This issue is being serviced-principal and interest-by the Wastewater Enterprise Fund). Matures 2011	157,677	-	38,283	119,394
Note payable to Union Bank issued April 24, 2006, interest at 5.25% subject to adjustment in the event there is a change in the Federal Corporate Tax Rate applicable to Union Bank with respect to a period during which the note is outstanding. Due in annual principal and interest installments of \$210,780, payable to Union Bank (this issue is being serviced principal and interest-by the Water & Wastewater Enterprise Funds). Matures 2011	1,017,632	-	157,668	859,964
Note payable to State of Vermont, \$18,000 available, interest at 0%, \$3,600 due annually beginning December 1, 2011. Matures December 1, 2015	3,662	13,763	-	17,425

City of St. Albans, Vermont  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2008

NOTE 5      NOTES AND BONDS PAYABLE (continued)

	Beginning Balance 6/30/07	Additions	Deletions	Ending Balance 6/30/08
Water System Improvement bond issued February 14, 1996, interest at 4.50% due in varying annual installments payable to U.S. Department of Agriculture (This issue is being serviced-principal and interest by the Water Enterprise Fund). Matures 02/14/2036	<u>3,867,729</u>	-	<u>66,810</u>	<u>3,800,919</u>
Total Business - Type Activities	<u>\$ 5,479,813</u>	<u>\$ 13,763</u>	<u>\$ 437,007</u>	<u>\$ 5,056,569</u>

Anticipated maturities are as follows for the Business-Type Funds:

	Principal	Interest	Total
2009	\$ 455,749	\$ 229,523	\$ 685,272
2010	332,287	209,329	541,616
2011	337,484	192,525	530,009
2012	418,962	177,718	596,680
2013	87,059	156,793	243,852
Thereafter	<u>3,425,028</u>	<u>965,888</u>	<u>4,390,916</u>
Total	<u>\$ 5,056,569</u>	<u>\$ 1,931,776</u>	<u>\$ 6,988,345</u>

	Beginning Balance 6/30/07	Additions	Deletions	Ending Balance 6/30/08
<u>Governmental Activities:</u>				
Note payable to the Peoples Trust Co., interest at 4.39%, due August 31, 2025. (This note is being serviced – principal and interest – by the General Fund)	\$ 145,712	\$ -	\$ 5,417	\$ 140,295
Lease payable to SunTrust Leasing Co. for a street sweeper, interest at 4.89% with annual principal and interest payments of \$29,660. Matures 2008.	25,640	-	14,830	10,810

City of St. Albans, Vermont  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
June 30, 2008

NOTE 5      NOTES AND BONDS PAYABLE (continued)

	Beginning Balance 6/30/07	Additions	Deletions	Ending Balance 6/30/08
<b>Governmental Activities: (cont'd)</b>				
Note payable to the Peoples Trust Company for the Nason Street property; interest at 5.25%, due in monthly payments of \$997.17. This note matures May 1, 2017.	91,707	-	7,285	84,422
Note payable to Banknorth, N.A. for the purchase of a fire truck; interest at 6.45% with monthly principal payments of \$1,389, plus interest. This note matures June 12, 2015.	128,981	-	16,667	112,314
Note payable to Peoples Trust Company for the purchase of Building; interest at 4.88%, \$400,000 available. Due July 7, 2009	-	325,816	-	325,816
Key Government Finance, \$115,878 available. Interest at 4.24% with annual principal and interest payments of \$40,414. Matures July 15, 2010.	-	67,210	-	67,210
Library bond issued July 22, 1999; interest at 5.0% with semi-annual payments of \$40,000 plus interest. This matures December 1, 2014.	305,000	-	40,000	265,000
<b>Total Governmental Activities</b>	<b>\$ 697,040</b>	<b>\$ 393,026</b>	<b>\$ 84,199</b>	<b>\$ 1,005,867</b>

Anticipated maturities are as follows for the long-term debt of governmental activities:

	Principal	Interest	Total
2009	\$ 120,767	\$ 30,479	\$ 151,246
2010	423,637	26,091	449,728
2011	71,314	22,340	93,654
2012	72,047	18,524	90,571
2013	72,828	14,757	87,585
Thereafter	245,274	42,606	287,880
	<b>\$ 1,005,867</b>	<b>\$ 154,797</b>	<b>\$ 1,160,664</b>

City of St. Albans, Vermont  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2008

NOTE 6 DEPOSITS AND INVESTMENTS

At June 30, 2008, the carrying amount of the government's deposits was \$579,237 and the bank balance was \$604,836 of which \$263,878 was covered by the federal depository insurance corporation, \$340,958 was covered by the right to offset mortgage loans with local banks.

NOTE 7 BUDGETARY INFORMATION

Per the City Charter, the City's General Fund is the only fund that must legally adopt a budget. As such, no comparison of actual to budget revenues, expenditures and changes in fund balance is presented for any other fund.

NOTE 8 PENSION 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.

Funding Policy

Plan members are required to contribute 2.5% of annual base earnings, excluding overtime and any other additional compensation. Effective July 1, 2001, a participant may elect to make required contributions of 7.5% of Annual Base Earnings. The City is required to contribute at an actuarially determined rate; the current rate is 5.51% of annual covered payroll.

Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension obligation to The City of St. Albans Pension Plan for the current year were as follows:

Annual required contribution	\$	74,304
Normal Cost		49,435
Administrative expenses		19,798
Interest on net pension obligation		9,280
Annual pension cost		152,817
Contributions made		(201,180)
Increase (decrease) in net pension obligation		(48,363)
Net pension obligation beginning of year		201,180
Net pension obligation end of year	\$	152,817

City of St. Albans, Vermont  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2008

NOTE 8 PENSION PLAN (continued)

The annual required contribution for the current year was determined as part of the December 31, 2006 actuarial valuation using the frozen entry age actuarial cost method. The actuarial assumptions include (a) 7.5% investment rate of return, (b) projected salary increases of 5% per year, compounded annually, attributable to inflation, (c) the assumption that benefits will not increase after retirement. The actuarial cost method used to calculate the plans normal cost and actuarial accrued liabilities is the Frozen Entity Age Actuarial Cost Method with actuarial accrued liabilities calculated by the Individual Entity Age Actuarial Cost Method.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/06	\$ 188,790	100.0%	\$ 0
6/30/07	201,180	100.0%	0
6/30/08	152,817	100.0%	0

Schedules of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) - Entry Age (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll ((b-a)/c)</u>
1/1/06	2,852,705	3,473,388	620,683	82.1	1,945,793	31.9
1/1/07	3,085,351	3,655,845	570,494	84.4	2,135,480	26.7
1/1/08	3,484,396	4,001,831	517,435	87.1	1,788,568	29.0

NOTE 9 BUDGET EXCEPTIONS

General fund expenditures exceeded budgeted appropriations by \$22,946 for the year ended June 30, 2008.

NOTE 10 RESTRICTED CASH

The City had \$172,131 restricted cash to be used for reappraisal purposes at June 30, 2008.

City of St. Albans, Vermont  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 June 30, 2008

NOTE 11      RESTRICTED FUND BALANCE

The City had \$94,116 restricted for Public Works at June 30, 2008.

NOTE 12      CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2008 is as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
<b><u>Governmental activities:</u></b>				
Capital assets, not being depreciated				
Land	\$ 758,337	\$ -	\$ -	\$ 758,337
Property Held For Sale	<u>-</u>	<u>312,000</u>	<u>-</u>	<u>312,000</u>
Total capital assets, not being depreciated	<u>758,337</u>	<u>312,000</u>	<u>-</u>	<u>1,070,337</u>
Capital assets, being depreciated				
Buildings and improvements	2,338,106	-	-	2,338,106
Machinery and Equipment	1,217,529	111,412	-	1,328,941
Infrastructure	<u>499,742</u>	<u>331,830</u>	<u>-</u>	<u>831,572</u>
Total capital assets, being depreciated	<u>4,055,377</u>	<u>443,242</u>	<u>-</u>	<u>4,498,619</u>
Accumulated depreciation for				
Buildings and improvements	(1,272,722)	(41,056)	-	(1,313,778)
Machinery and Equipment	(646,912)	(81,586)	-	(728,498)
Infrastructure	<u>(22,894)</u>	<u>(13,264)</u>	<u>-</u>	<u>(36,158)</u>
Total accumulated depreciation	<u>(1,942,528)</u>	<u>(135,906)</u>	<u>-</u>	<u>(2,078,434)</u>
Total capital assets, being depreciated, net	<u>2,112,849</u>	<u>307,336</u>	<u>-</u>	<u>2,420,185</u>
Governmental activities, capital assets, net	<u>\$ 2,871,186</u>	<u>\$ 619,336</u>	<u>\$ -</u>	<u>\$ 3,490,522</u>
<b><u>Business-type activities:</u></b>				
Water utility:				
Capital assets, not being depreciated				
Land	\$ 155,000	\$ -	\$ -	\$ 155,000
Total capital assets, not being depreciated	<u>155,000</u>	<u>-</u>	<u>-</u>	<u>155,000</u>

City of St. Albans, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2008

NOTE 12 CAPITAL ASSETS (continued)

<u>Business-type activities: (cont'd)</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, being depreciated				
Buildings and improvements	7,301,214	17,821	-	7,319,035
Machinery and equipment	<u>1,086,042</u>	<u>2,211</u>	<u>-</u>	<u>1,088,253</u>
Total capital assets, being depreciated	<u>8,387,256</u>	<u>20,032</u>	<u>-</u>	<u>8,407,288</u>
Accumulated depreciation for:				
Buildings and improvements	(2,071,492)	(147,270)	-	(2,218,762)
Machinery and equipment	<u>(341,578)</u>	<u>(96,598)</u>	<u>-</u>	<u>(438,176)</u>
Total accumulated depreciation	<u>(2,413,070)</u>	<u>(243,868)</u>	<u>-</u>	<u>(2,656,938)</u>
Total capital assets, being depreciated, net	<u>5,974,186</u>	<u>(223,836)</u>	<u>-</u>	<u>5,750,350</u>
Water utility, capital assets, net	<u>6,129,186</u>	<u>(223,836)</u>	<u>-</u>	<u>5,905,350</u>
Wastewater utility:				
Construction in progress	<u>30,814</u>	<u>156,275</u>	<u>-</u>	<u>187,089</u>
Wastewater utility:				
Capital assets, being depreciated				
Buildings and improvements	15,103,551	-	-	15,103,551
Machinery and equipment	<u>2,409,044</u>	<u>65,668</u>	<u>-</u>	<u>2,474,712</u>
Total capital assets, being depreciated	<u>17,512,595</u>	<u>65,668</u>	<u>-</u>	<u>17,578,263</u>
Accumulated depreciation for:				
Buildings and improvements	(5,158,026)	(263,134)	-	(5,421,160)
Machinery and equipment	<u>(1,515,430)</u>	<u>(131,605)</u>	<u>-</u>	<u>(1,647,035)</u>
Total accumulated depreciation	<u>(6,673,456)</u>	<u>(394,739)</u>	<u>-</u>	<u>(7,068,195)</u>
Total capital assets, being depreciated, net	<u>10,839,139</u>	<u>(329,071)</u>	<u>-</u>	<u>10,510,068</u>
Wastewater utility, capital assets, net	<u>10,869,953</u>	<u>(172,796)</u>	<u>-</u>	<u>10,697,157</u>
Business-type activities, capital assets, net	<u>\$16,999,139</u>	<u>\$ (396,632)</u>	<u>\$ -</u>	<u>\$16,602,507</u>

City of St. Albans, Vermont  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
 June 30, 2008

**NOTE 13      SHORT-TERM DEBT**

The following is a summary of changes in short-term debt for the year ended June 30, 2008:

	Ending Balance 6/30/07	Additions	Deletions	Ending Balance 6/30/08
Tax Anticipation Note, (General Fund) Peoples Trust Co., \$485,000 available, interest at 2.900%, due December 27, 2008	\$ <u>          -</u>	\$ <u>  885,000</u>	\$ <u>  400,000</u>	\$ <u>  485,000</u>
Line of Credit (Water Fund) Peoples Trust Co. \$300,000 available, interest at 2.800%, due April 19, 2009	\$ <u>  200,000</u>	\$ <u>  480,000</u>	\$ <u>  670,000</u>	\$ <u>    10,000</u>
Line of Credit (Sewer Fund), Peoples Trust Co., \$700,000 available, interest at 2.800%, due April 19, 2009	\$ <u>  483,000</u>	\$ <u>  200,000</u>	\$ <u>    89,000</u>	\$ <u>  594,000</u>

**NOTE 14      DEFICIT FUND BALANCE**

The General Fund has a deficit fund balance of \$367,740 at June 30, 2008 which will be funded by future budgets.

**NOTE 15      NOTE RECEIVABLE**

The following is a summary of notes receivable at June 30, 2008:

Various local business, interest varies from 1% - 4%	\$   243,817
Allowance for uncollectible notes	<u>          (50,000)</u>
Total	<u>\$   193,817</u>

**NOTE 16      SUBSEQUENT EVENT**

On March 4, 2008, the voters of the City of St. Albans approved bonds in an amount not to exceed \$4,000,000, subject to reduction from available grants, to be issued for upgrading, expanding and rehabilitating the City's public sewer system collection and treatment components. As of June 30, 2008, the bonds had not been issued.

City of St. Albans, Vermont  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2008

**NOTE 16      SUBSEQUENT EVENT (continued)**

On July 1, 2008, the City refinanced their \$485,000 Tax Anticipation Note with the Vermont Municipal Bond Bank. The interest on the note varies from 1.9% - 4.87%. Principal payments of \$100,000 are due November 15, 2010 and 2011, then \$95,000 beginning November 15, 2012. The note matures November 15, 2014. The purpose of this financing is to retire the fund balance deficit in the general fund.

**REQUIRED SUPPLEMENTARY INFORMATION**

City of Saint Albans, Vermont  
**REQUIRED SUPPLEMENTAL INFORMATION**  
**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND**  
For the Year Ended June 30, 2008

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>				
Taxes, interest and penalties	\$ 3,704,693	\$ 3,704,693	\$ 3,710,830	\$ 6,137
Licenses and permits	85,500	85,500	87,658	2,158
Intergovernmental	149,800	149,800	147,242	(2,558)
Charges for services	331,650	331,650	318,783	(12,867)
Recreation Department	202,000	202,000	218,550	16,550
Fines	55,000	55,000	12,241	(42,759)
Interest on savings	15,000	15,000	13,272	(1,728)
Grant Revenue	-	-	8,114	8,114
Miscellaneous	24,000	24,000	26,069	2,069
<b>TOTAL REVENUES</b>	<u>4,567,643</u>	<u>4,567,643</u>	<u>4,542,759</u>	<u>(24,884)</u>
<b>EXPENDITURES</b>				
Current:				
General government	503,150	503,150	472,400	30,750
Public safety	2,942,850	2,942,850	2,991,708	(48,858)
Highways and streets	567,151	567,151	534,949	32,202
Sanitation	7,550	7,550	7,476	74
Parks and recreation	262,500	262,500	281,430	(18,930)
Miscellaneous	131,500	131,500	170,653	(39,153)
Grant expenditures	73,200	73,200	51,309	21,891
Debt Service	92,242	92,242	93,164	(922)
<b>TOTAL EXPENDITURES</b>	<u>4,580,143</u>	<u>4,580,143</u>	<u>4,603,089</u>	<u>(22,946)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(12,500)</u>	<u>(12,500)</u>	<u>(60,330)</u>	<u>(47,830)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from lease	-	-	67,210	67,210
Operating transfer in	40,000	40,000	45,896	5,896
Operating transfer out	(27,500)	(27,500)	(27,500)	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>12,500</u>	<u>12,500</u>	<u>85,606</u>	<u>73,106</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES</b>	-	-	25,276	25,276
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>(393,016)</u>	<u>(393,016)</u>	<u>(393,016)</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>\$ (393,016)</u>	<u>\$ (393,016)</u>	<u>\$ (367,740)</u>	<u>\$ 25,276</u>

City of Saint Albans, Vermont  
OTHER SUPPLEMENTAL INFORMATION  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>General Government</b>				
City Manager				
Personal services	\$ 158,600	\$ 158,600	\$ 161,900	\$ (3,300)
Supplies	83,000	83,000	81,119	1,881
Other purchased services	7,000	7,000	5,601	1,399
Total City Manager	<u>248,600</u>	<u>248,600</u>	<u>248,620</u>	<u>(20)</u>
Senior Center	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>-</u>
Elections	<u>4,250</u>	<u>4,250</u>	<u>4,678</u>	<u>(428)</u>
Financial Administration				
Personal services	192,600	192,600	172,602	19,998
Supplies	12,700	12,700	9,677	3,023
Other purchased services	43,000	43,000	34,823	8,177
Total Financial Administration	<u>248,300</u>	<u>248,300</u>	<u>217,102</u>	<u>31,198</u>
Total General Government	<u>503,150</u>	<u>503,150</u>	<u>472,400</u>	<u>30,750</u>
<b>Public Safety</b>				
Police				
Personal services	1,286,600	1,286,600	1,212,534	74,066
Supplies	13,500	13,500	14,224	(724)
Other purchased services	92,900	92,900	120,450	(27,550)
Property	33,000	33,000	46,401	(13,401)
Total Police	<u>1,426,000</u>	<u>1,426,000</u>	<u>1,393,609</u>	<u>32,391</u>
Ambulance Services	<u>74,800</u>	<u>74,800</u>	<u>74,760</u>	<u>40</u>
Fire				
Personal services	917,900	917,900	914,266	3,634
Other purchased services	35,950	35,950	46,793	(10,843)
Property	31,000	31,000	27,130	3,870
Total Fire	<u>984,850</u>	<u>984,850</u>	<u>988,189</u>	<u>(3,339)</u>
Animal Control				
Supplies	3,850	3,850	746	3,104
Other purchased services	20,700	20,700	17,855	2,845
Total Animal Control	<u>24,550</u>	<u>24,550</u>	<u>18,601</u>	<u>5,949</u>

City of Saint Albans, Vermont  
OTHER SUPPLEMENTAL INFORMATION  
STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND  
For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<u>Public Safety (cont'd)</u>				
Dispatching				
Personal services	381,200	381,200	396,907	(15,707)
Supplies	9,500	9,500	9,814	(314)
Other purchased services	37,950	37,950	38,618	(668)
Property	4,000	4,000	71,210	(67,210)
Total Dispatching	<u>432,650</u>	<u>432,650</u>	<u>516,549</u>	<u>(83,899)</u>
Total Public Safety	<u>2,942,850</u>	<u>2,942,850</u>	<u>2,991,708</u>	<u>(48,858)</u>
<u>Highways and Streets</u>				
Administration				
Personal Services	45,900	45,900	41,135	4,765
Supplies	5,001	5,001	2,863	2,138
Other purchased services	16,100	16,100	20,959	(4,859)
Property	60,000	60,000	45,446	14,554
Total Administration	<u>127,001</u>	<u>127,001</u>	<u>110,403</u>	<u>16,598</u>
Streets				
Personal services	216,850	216,850	196,681	20,169
Supplies	43,500	43,500	48,008	(4,508)
Other purchased services	179,800	179,800	179,857	(57)
Total Streets	<u>440,150</u>	<u>440,150</u>	<u>424,546</u>	<u>15,604</u>
Total Highways and Streets	<u>567,151</u>	<u>567,151</u>	<u>534,949</u>	<u>32,202</u>
Sanitation				
Solid waste district	7,550	7,550	7,476	74
Parks and Recreation				
Personal services	195,250	195,250	201,077	(5,827)
Supplies	6,000	6,000	9,389	(3,389)
Other purchased services	56,750	56,750	69,310	(12,560)
Property	4,500	4,500	1,654	2,846
Total Parks and Recreation	<u>262,500</u>	<u>262,500</u>	<u>281,430</u>	<u>(18,930)</u>
Miscellaneous				
Personal services - employee benefits	6,800	6,800	8,696	(1,896)
Insurance	33,000	33,000	94,012	(61,012)
Other	35,000	35,000	10,052	24,948

City of Saint Albans, Vermont  
 OTHER SUPPLEMENTAL INFORMATION  
 STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL - GENERAL FUND  
 For the Year Ended June 30, 2008

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Miscellaneous (continued)				
Court Diversion	2,400	2,400	2,400	-
Taxes	<u>54,300</u>	<u>54,300</u>	<u>55,493</u>	<u>(1,193)</u>
Total Miscellaneous	<u>131,500</u>	<u>131,500</u>	<u>170,653</u>	<u>(39,153)</u>
Grant Expenditures				
Police Block Grant	48,200	48,200	48,688	(488)
Public Works Grant	<u>25,000</u>	<u>25,000</u>	<u>2,621</u>	<u>22,379</u>
Total Grant Expenditures	<u>73,200</u>	<u>73,200</u>	<u>51,309</u>	<u>21,891</u>
Debt Service				
Principal	78,242	78,242	77,864	378
Interest	<u>14,000</u>	<u>14,000</u>	<u>15,300</u>	<u>(1,300)</u>
Total Debt Services	<u>92,242</u>	<u>92,242</u>	<u>93,164</u>	<u>(922)</u>
TOTAL EXPENDITURES	<u>4,580,143</u>	<u>4,580,143</u>	<u>4,603,089</u>	<u>(22,946)</u>