



SAINT ALBANS

Vermont

City of St. Albans, Vermont

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014**

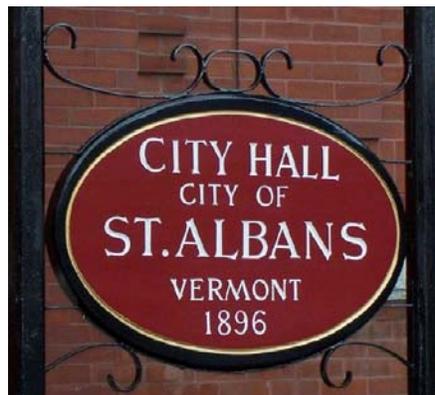
CITY OF ST. ALBANS, VERMONT

Comprehensive Annual Financial Report For the Year Ended June 30, 2014



Prepared by:

**The Finance Department
Sarah Duffy, Finance Manager**



CITY OF ST. ALBANS, VERMONT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION	
Letter of Transmittal.....	2
GFOA Certificate of Achievement.....	7
Organizational Chart.....	8
List of Elected and Appointed Officials.....	9
 FINANCIAL SECTION	
Independent Auditor’s Report.....	12
Management’s Discussion and Analysis.....	15
 Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	28
Statement of Activities.....	29
Fund Financial Statements:	
Balance Sheet – Governmental Funds.....	30
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	31
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statements of Activities – Governmental Funds.....	32
Proprietary Funds:	
Statement of Net Position – Proprietary Funds.....	33
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds.....	34
Statement of Cash Flows – Proprietary Funds.....	35
Fiduciary Funds:	
Statement of Fiduciary Net Position – Fiduciary Funds.....	36
Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	37
Notes to the Financial Statements.....	38
 Required Supplementary Information:	
Statement of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund.....	73
Schedule of Funding Progress – Pension Trust Fund.....	74
Schedule of Changes in Net Pension Liability and Related Ratios – Pension Trust Fund.....	75
Schedule of Employer Contributions – Pension Trust Fund.....	76
Schedule of Investment Returns – Pension Trust Fund.....	77

Combining and Individual Fund Financial Statements and Schedules:

Combining Balance Sheet – Nonmajor Governmental Funds	78
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds	79
Combining Balance Sheet – Special Revenue Funds	80
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Special Revenue Funds	81
Combining Statement of Fiduciary Net Position – Agency Funds	82

STATISTICAL SECTION

Financial Trends:

Net Position by Component	84
Changes in Net Position	85
Fund Balances – Governmental Funds	87
Changes in Fund Balances – Governmental Funds	88

Revenue Capacity:

Assessed Value and Estimated Actual Value of Taxable Property	89
Property Tax Rates – Direct and Overlapping Governments	90
Principal Property Taxpayers	91
Property Tax Levies and Collections	92

Debt Capacity:

Ratios of Outstanding Debt by Type	93
Ratios of General Bonded Debt Outstanding	94
Direct and Overlapping Governmental Activities Debt	95
Legal Debt Margin Information	96
Enterprise Bond Coverage	97

Demographic and Economic Information:

Demographic and Economic Statistics	98
Principal Employers	99

Operating Information:

Full-Time Equivalent Employees by Function/Program	100
Operating Indicators by Function/Program	101
Capital Asset Statistics by Function/Program	102

INTRODUCTORY SECTION



SAINT ALBANS
Vermont

January 30, 2015

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, 2014.

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 Sullivan, Powers & Company, 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, 2014, 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, 2014 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 auditor's 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.



The Single Audit Act of 1984 (as amended in 1996) requires recipients of federal funds in excess of \$500,000 in a particular year to undergo a “Single Audit” that is specifically designed to meet the auditing requirements of all federal grantor agencies, instead of performing multiple grant audits that meet the needs of each individual agency. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government’s internal controls and legal requirements involving the administration of federal awards. These reports are available in the City of St. Albans’ separately issued Single Audit Report.

Profile of the City

St. Albans, Vermont was chartered on August 17, 1763. On March 3, 1902 the City of St. Albans was incorporated. The City, an area of approximately two square miles, is surrounded on all sides by the Town of St. Albans. As of the 2010 census the City had a population of 6,918. 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 from 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 each 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 6,918, as reported in the most recent census 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. According to the Census Bureau, the City's five year average median household income is \$45,712 compared to the state-wide \$54,267. Unemployment in the City is at 6.0% which is still higher than statewide 3.4% unemployment rate. Over the past ten years the City has reported a higher level of unemployment than the state with a significantly higher level reported in 2009, 2010 and 2011 while the local economy was suffering the effects of the great recession. The unemployment trend within the City has been improving since the ten year high point of 11.2% in 2009. Since 2009 the City's unemployment rate has steadily decrease each year and at 6.0% is almost half what it was in 2009. According to the Vermont Department of Labor, the total number of jobs in the City as of June 30, 2014 was 7,185. This is an increase of 290 jobs from a total of 6,895 as of June 30, 2013.

The assessed value of taxable real property as of April 1, 2014 increased by \$155,137 or 3.3% compared to April 1, 2013. The percentage of taxes collected as of June 30, 2014, for the 2014 tax year was 98.34% an increase from 97.65% the previous year. Total delinquencies, for the year were stated at \$173,457 compared to \$237,212 the previous year. This trend is consistent with the previous year and is a result of a recovering housing market and aggressive tax sale efforts in both years.

During the past ten years, charges for services related to governmental funds have increased in amount and as a percentage of total revenues in governmental funds. For the year ended June 30, 2014 charges for services made up 21.5% of total revenues (excluding other financing sources) in governmental funds, reflecting an increase of almost 350% 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.

Long-term Financial Planning

The City Finance 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, many of which are financed by annual savings through reserves. Each year the City reserves funds for future capital projects and purchases. For the year ended June 30, 2014 the City had \$414,436 reserved in the general fund for projects ranging from downtown redevelopment to parking improvements to equipment purchases.



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 to 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. 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. The projects focus on several commercial, residential, and industrial private investments which will boost employment, broaden the tax base, and contribute to the economic sustainability of the City. These projects include the implementation of the Taylor Park Master Plan, the construction of a parking garage, clean-up of multiple Brownfield sites, diverting through traffic away from Main Street, streetscape projects, and a storm water treatment project. With a number of private projects already planned in the district, this combination of private and public investment promises an increased viability and accelerated revitalization of the City.

During the fiscal year ended June 30, 2014 the City was engrossed in the construction of the parking garage which has facilitated the private construction of a forty thousand square foot office building in the TIF district. The City has completed the Main Street Streetscape project which included a complete overhaul of the downtown core. Improvements included updated underground utilities, expanded sidewalks, new way-finding and street signs, new street lights, updated parking and repaving of Main Street. In conjunction with this project the City has encouraged property owners in the downtown to upgrade the facades of their buildings by offering façade grants to eligible applicants. The success of the Main Street Streetscape project has spurred the expansion of that original project to include an additional block on Main Street and at least one primary side street.



In addition to project in the TIF district, the City has begun discussion of improving the walk and bike infrastructure within the City and improvements to its parks. The City operated sewer plant is in the final design phase of a major upgrade which will continue to a bond vote for construction in the future. Shortly after the end of the fiscal year, the City's voters approved a bond for renovation of City Hall. Renovations will start in the spring of 2015. Major improvements will include elevator access, a community room, larger vault space, increased storage, and energy efficient lighting and heating systems.

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 the fiscal year ended June 30, 2013. 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 or 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.

Respectfully submitted,

Dominic Cloud
City Manager

Thomas Leitz
Director of Administration

Sarah Duffy
Finance Manager



Government Finance Officers Association

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

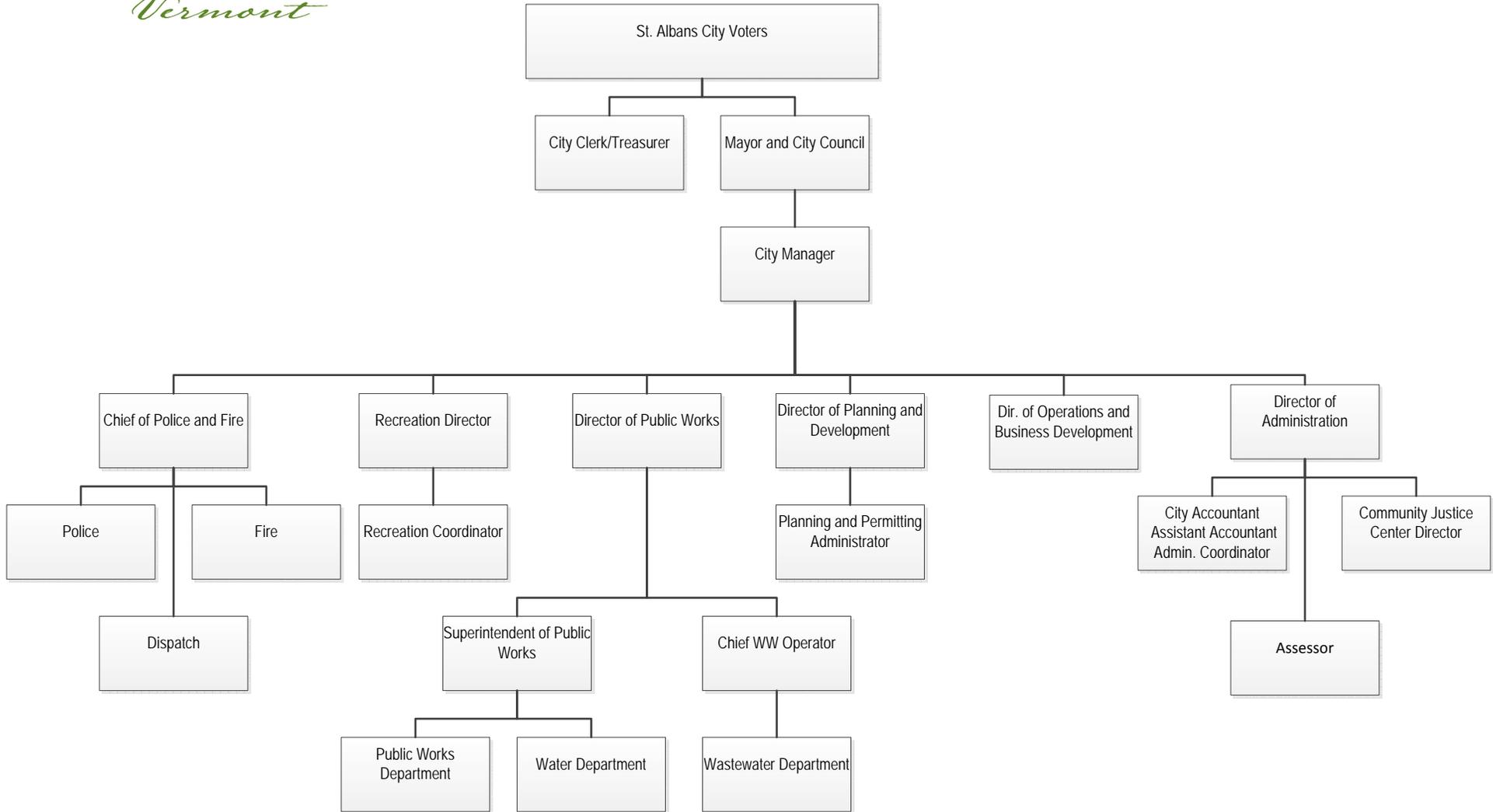
Presented to

**City of St. Albans
Vermont**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2013

Executive Director/CEO



CITY OF ST. ALBANS, VERMONT
PRINCIPAL ELECTED AND APOINTED OFFICIALS
JUNE 30, 2014

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	Ryan Doyle
Council Member - Ward VI	Chad Spooner
City Clerk/Treasurer	Susan Krupp



FINANCIAL SECTION



SAINT ALBANS
Vermont

CITY OF ST. ALBANS, VERMONT

AUDIT REPORT

JUNE 30, 2014

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

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
www.sullivanpowers.com

Fred Duplessis, CPA
Richard J. Brigham, CPA
Chad A. Hewitt, CPA
Wendy C. Gilwee, CPA
VT Lic. #92-000180

Independent Auditor's Report

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

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, 2014 and the related notes to the financial statements, which collectively comprise the City of St. Albans, Vermont's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit 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 City of St. Albans, Vermont's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of St. Albans, Vermont's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the governmental activities, the business-activities, each major fund, and the aggregate remaining fund information of the City of St. Albans, Vermont as of June 30, 2014 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and the budgetary comparison information for the General Fund and the Schedule of Funding Progress, the Schedule of Changes in Net Pension Liability and Related Ratios, the Schedule of Employer Contributions and the Schedule of Investments Returns for the Pension Trust Fund presented in Schedules 1 through 5 respectively, 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

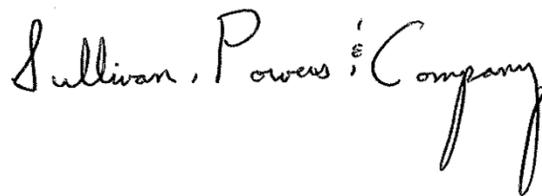
As described in Note I.F. to the financial statements, effective June 30, 2014, the City of St. Albans, Vermont implemented Governmental Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans".

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Albans, Vermont's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. 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 basic financial statements. These schedules have 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 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, these schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by "Government Auditing Standards"

In accordance with "Government Auditing Standards", we have also issued our report dated January 29, 2015 on our consideration of the City of St. Albans, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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 of St. Albans, Vermont's internal control over financial reporting and compliance.

January 29, 2015
Montpelier, Vermont
VT Lic. #92-000180

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

**CITY OF ST. ALBANS, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

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, 2014. Please note that this section of the Basic Financial Statements is unaudited.

FINANCIAL HIGHLIGHTS

- The City's assets exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$24,000,133 (net position). Of this amount, \$3,152,111 (unrestricted net position) may be used to meet the City's ongoing obligations. The balance of net position is made up of \$20,640,855 net investment in capital assets and \$207,167 restricted for specific purposes.
- The City's total net position increased by \$3,946,964 (19.7%). Of this amount, net position attributable to governmental activities increased by \$2,690,053 (48.1%), and net position attributable to business-type activities increased by \$1,256,911 (8.7%).
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$7,325,522, a significant increase of \$6,036,314 over the prior year.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$414,326, or approximately 5.7% of total general fund expenditures.
- The City's total outstanding long-term debt increased by \$11,440,419 during the current fiscal year as a result of the issuance of \$14,500,000 in tax increment financing (TIF) bonds. Of this amount, \$3,000,000 was used to pay a bond anticipation note issued in the previous year.
- Construction in progress increased by \$8,350,147 of which, \$7,115,955 is for construction of a parking garage.

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 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, there are significant differences between the two. For readers versed in private sector accounting, the government-wide financial statements will be the most familiar. The 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.

**CITY OF ST. ALBANS, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Government-Wide Financial Statements

The government-wide financial statements provide a general overview of the operations of the City 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, the governmental activities are presented separately from the business-type activities. The governmental activities reflect the City's basic services; including general government, public safety, public works, community development, parks and recreation, health and welfare, 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, liabilities, and deferred inflows/outflows 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).

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 period under audit, 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.

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. However, unlike the government-wide financial statements, 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.

CITY OF ST. ALBANS, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014

The City maintains four major governmental funds; the General Fund, the TIF (Tax Increment Financing) Capital Projects Fund, the TIF (Tax Increment Financing) Debt Service Fund and the Streetscape Capital Project Fund. In addition to this, the City maintains a number of special revenue funds and a capital project fund, 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 9.

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. 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 separate information for the Water Fund and the Wastewater Fund.

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

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 two fiduciary funds at this time, detailed in Exhibits I and J.

Notes to the Financial Statements provide additional information that is necessary to acquire 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 as well. The notes can be found immediately following the basic financial statements.

In addition to the basic financial statements and accompanying notes, certain **Supplementary Information** is provided, including a budgetary comparison statement for the general fund and the City's progress in funding its obligation to provide pension benefits to its employees. 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.

**CITY OF ST. ALBANS, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Cash and Investments	\$ 10,842,430	\$ 2,958,827	\$ 1,195,402	\$ 1,140,918	\$ 12,037,832	\$ 4,099,745
Other Assets	(850,797)	1,013,111	2,933,240	1,730,222	2,082,443	2,743,333
Capital Assets	16,731,048	8,199,957	20,952,640	20,759,660	37,683,688	28,959,617
Total Assets	<u>26,722,681</u>	<u>12,171,895</u>	<u>25,081,282</u>	<u>23,630,800</u>	<u>51,803,963</u>	<u>35,802,695</u>
Other Liabilities	2,022,853	1,618,587	346,707	260,671	2,369,560	1,879,258
Noncurrent Liabilities	16,387,545	4,930,374	9,017,623	8,910,088	25,405,168	13,840,462
Total Liabilities	<u>18,410,398</u>	<u>6,548,961</u>	<u>9,364,330</u>	<u>9,170,759</u>	<u>27,774,728</u>	<u>15,719,720</u>
Deferred Inflows of Resources	29,102	29,806	0	0	29,102	29,806
Net Position:						
Net Investment in Capital Assets	8,540,627	7,119,924	12,100,228	12,009,592	20,640,855	19,129,516
Restricted	207,167	215,538	0	0	207,167	215,538
Unrestricted/(Deficit)	(464,613)	(1,742,334)	3,616,724	2,450,449	3,152,111	708,115
Total Net Position	<u>\$ 8,283,181</u>	<u>\$ 5,593,128</u>	<u>\$ 15,716,952</u>	<u>\$ 14,460,041</u>	<u>\$ 24,000,133</u>	<u>\$ 20,053,169</u>

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 exceeded liabilities and deferred inflows of resources by \$24,000,133. The City's total net position is split between governmental activities net position of \$8,283,181 and business-type activities net position of \$15,716,952.

The largest portion of the City's total net position \$20,640,855 (86%) 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 these 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. The City strives, on an ongoing basis, to work reserves into the annual budget to provide for financial contingencies and reserves for a long-term capital plan. As was the case in 2013, the 2014 operations achieved that goal.

The City's total net position also includes \$207,167 (0.9%) of restricted net position. These are assets representing resources subject to external restrictions as to how they may be used. The remaining balance of unrestricted net position equal to \$3,152,111 (13.1%) 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.

**CITY OF ST. ALBANS, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Summary of the Statement of Activities

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues:						
Charges for Services	\$ 2,056,144	\$ 2,213,946	\$ 5,518,684	\$ 4,847,728	\$ 7,574,828	\$ 7,061,674
Operating Grants & Contributions	861,861	1,106,294	0	0	861,861	1,106,294
Capital Grants & Contributions	885,807	1,264,603	251,537	452,696	1,137,344	1,717,299
General Revenues:						
Property Taxes	3,953,716	3,763,707	0	0	3,953,716	3,763,707
Other	2,428,651	172,636	312,244	51,744	2,740,895	224,380
Transfers In/(Out)	306,946	0	(306,946)	0	0	0
Total Revenues	<u>10,493,125</u>	<u>8,521,186</u>	<u>5,775,519</u>	<u>5,352,168</u>	<u>16,268,644</u>	<u>13,873,354</u>
Expenses:						
General Government	752,052	760,536	0	0	752,052	760,536
Public Safety	4,535,681	4,504,074	0	0	4,535,681	4,504,074
Public Works	815,624	610,692	0	0	815,624	610,692
Culture and Recreation	600,304	540,147	0	0	600,304	540,147
Community Development	762,129	2,005,440	0	0	762,129	2,005,440
Interest on Long-Term Debt	337,282	74,998	0	0	337,282	74,998
Water	0	0	1,895,517	1,885,455	1,895,517	1,885,455
Sewer	0	0	2,623,091	2,842,362	2,623,091	2,842,362
Total Expenses	<u>7,803,072</u>	<u>8,495,887</u>	<u>4,518,608</u>	<u>4,727,817</u>	<u>12,321,680</u>	<u>13,223,704</u>
Change in Net Position	2,690,053	25,299	1,256,911	624,351	3,946,964	649,650
Beginning Net Position	5,593,128	5,567,829	14,460,041	13,835,690	20,053,169	19,403,519
Ending Net Position	<u>\$ 8,283,181</u>	<u>\$ 5,593,128</u>	<u>\$ 15,716,952</u>	<u>\$ 14,460,041</u>	<u>\$ 24,000,133</u>	<u>\$ 20,053,169</u>

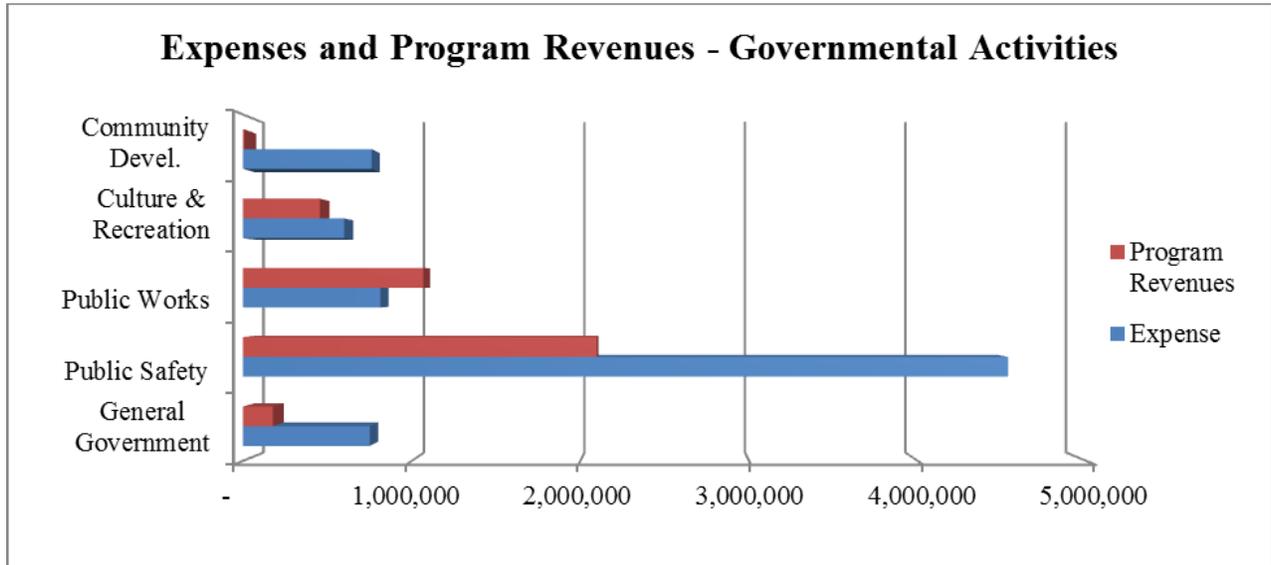
Governmental Activities

Governmental activities increased the City's net position by \$2,690,053 for the year ended June 30, 2014. Key elements of the change are as follows:

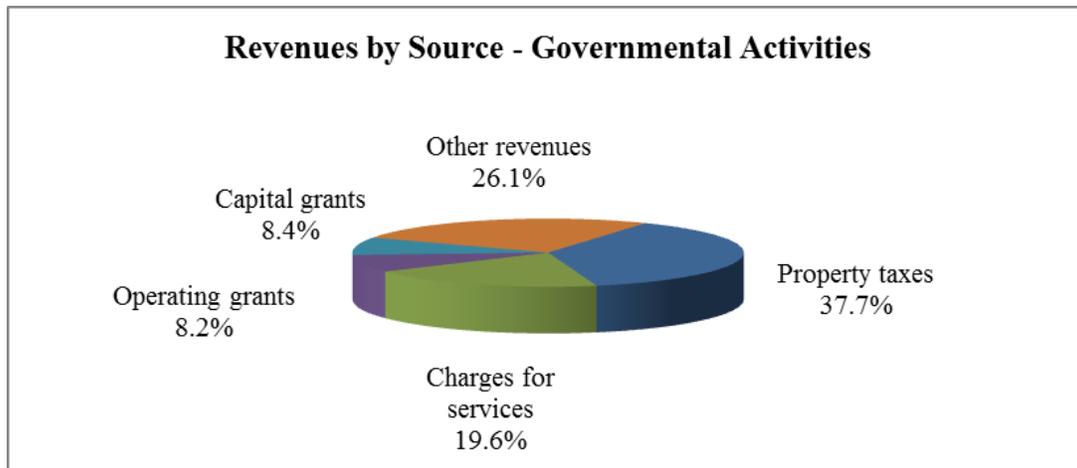
- Total governmental activities' revenues increased by 23.1% (1,971,939) from 2013 to 2014. The driving factor in this increase was the sale of property and deeded parking rights for \$2,500,000. This large, onetime, revenue was offset by a 17.0% (\$781,031) decrease in program revenues and a 5.0% (\$190,009) increase in property tax revenue.
- Total governmental activities' expenses decreased by 8.2% (\$692,815) from 2013 to 2014. The driving factor in the decrease was a 62% drop in community development expenses. During 2013 the City redeveloped a brownfield site within the TIF district and sold it to be privately developed. This project cost \$1,353,318 in 2013 and was expensed entirely in that year as it was not a capital project. While activity in the TIF district has not decreased from the prior year, 2014 TIF activity was primarily capital and therefore is not reflected in expenses. Noncapital TIF expenses dropped from \$1,851,382 in 2013 to \$738,453 in 2014.
- Public safety expenses end the year at 58.1% (\$4,535,681) of total governmental activities' expenses. This is a slight increase from the previous year when public safety expenses were 53% (\$4,504,074) of total governmental activities' expenses. Public safety remains the largest category of expenses from year to year.

**CITY OF ST. ALBANS, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

The follow 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 such as user fees, capital grants, and operating grants. General revenues such as property 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.



The majority of revenue for governmental activities comes from property taxes, 37.7% of total revenue or \$3,953,716. Other revenue, including transfers, was the second largest category of revenue during the year coming in at \$2,735,597 or 26.1% of total revenue. Included in this number is the one time sale of property and parking rights for \$2,500,000 driving the large increase in the other category over previous years. The third largest category of revenue during the year was charges for services with \$2,056,144 or 19.6% of total revenue. The dollar amount raised in charges is consistent with 2013 at \$2,213,946. The following graph shows the distribution of governmental activities revenues by source.



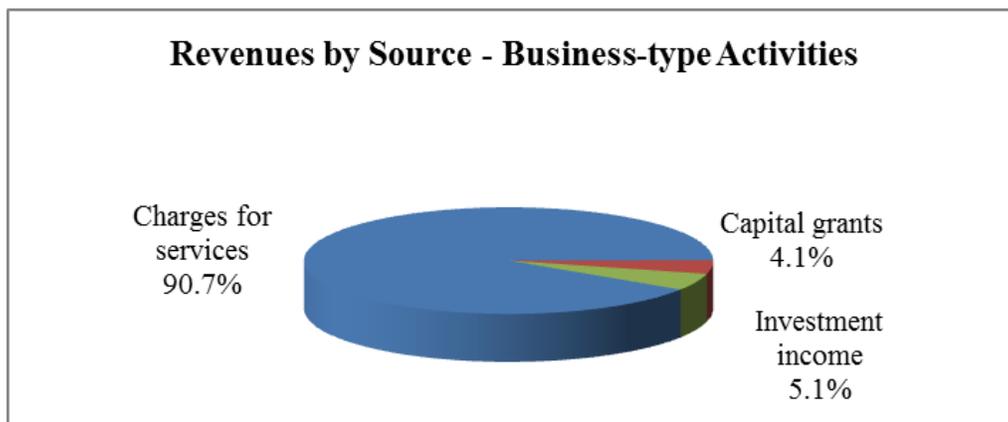
**CITY OF ST. ALBANS, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Business-type Activities

Business-type activities increased the City's net position by \$1,256,911 during the current fiscal year. Key elements of this increase are as follows:

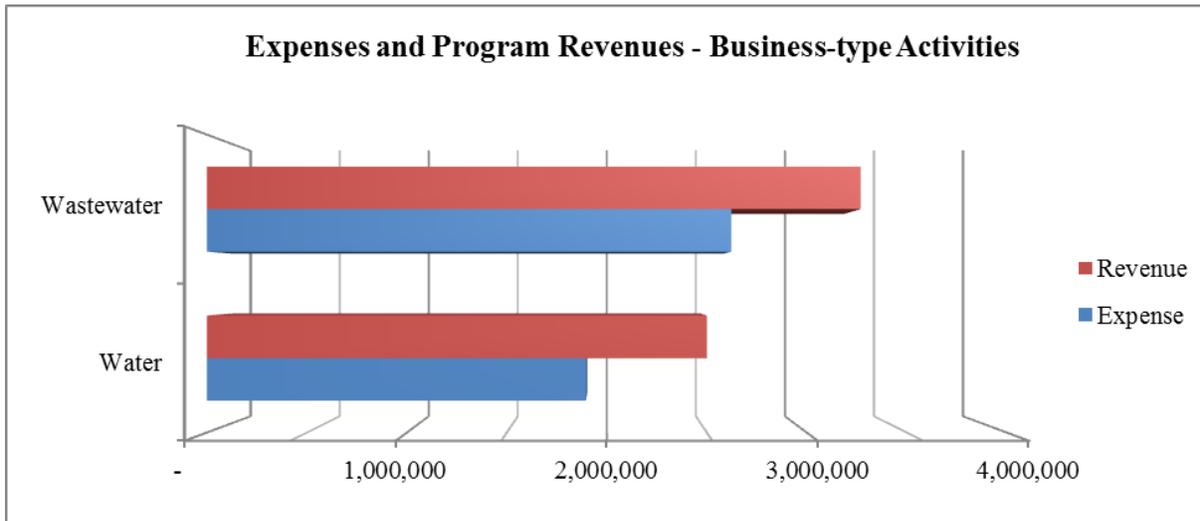
- Total revenues of \$5,775,519 were \$423,351 or 7.9% higher than the previous year. Charges for services increased overall by \$670,956 offset by a decrease in capital grants and contributions of \$201,159. Capital grants and contributions reflect an allocation of the Streetscape project to the business-type activities for improvements to the water and sewer infrastructure. The decrease in allocation from 2013 to 2014 is a result of substantial completion of the work during 2013.
- Operating revenues in the water and wastewater funds increased by \$685,956 or 14.2%. This is a result of a large increase in allocation fees. Allocation fees are paid when a new water and wastewater connection is established and as such as directly related to development activity in the water and wastewater district. The increase of \$583,993 over the prior year is the result of one large development paying its entire allocation during the year. The balance of the operating revenue increase is due to \$98,366 in charges for services as a result of an increase in user fees.
- Total expenses of \$4,518,608 decreased by \$209,209 (2.1%) when compared to the prior year.
 - This decrease was driven by a \$159,875 (48.6%) decrease in other operating costs from \$329,067 to \$169,192. During the previous year, the cost of a new water allocation was cut in half and refunds were paid to anyone who had purchased a new account at the higher rate. These refunds totaled approximately \$108,000 and are the driving factor in the decrease.
 - Total cost for chemicals decreased by \$58,883 (11.5%) from the previous year. The volume of chemicals used is dependent on the flow volume (treated water demand, sewer inflow). The City operates a combined sewer system that does not separate storm water which causes flows to increase with the level of precipitation. While total precipitation remained stable year over year, the prior year experienced a number of exceptionally heavy rain storms causing a spike in required chemicals.

The City's business-type activities are supported by user fees, also referred to as charges for services (\$5,518,684) with assistance from capital grants (\$251,537) and investment income (\$312,244). The percentage breakdown of revenue sources is illustrated in the following graph titled Revenues by Source – Business-type Activities.



**CITY OF ST. ALBANS, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

As the name suggests, business-type activities are accounted for in the same manner that businesses would account for operations. This being said, 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. Revenues and capital contributions exceeded expenses in the water fund by \$605,464 or 24.2% of total revenues (\$2,500,981). In the wastewater fund, revenues and capital contributions exceeded expenses by \$646,149 or 19.8% of total revenues (\$3,269,240). 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 improvements and debt.



Total net position in the water fund is \$3,980,034, an increase of 19.7% from the previous year. Half of the water fund's net position are invested in capital assets net of related debt; 50.1% or \$1,992,548. In the wastewater fund, total net position is \$11,736,918, an increase of 5.4% from the previous year. The vast majority of net position in the wastewater fund is invested in capital assets net of related debt; 86.1% or \$10,107,680. Other major factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

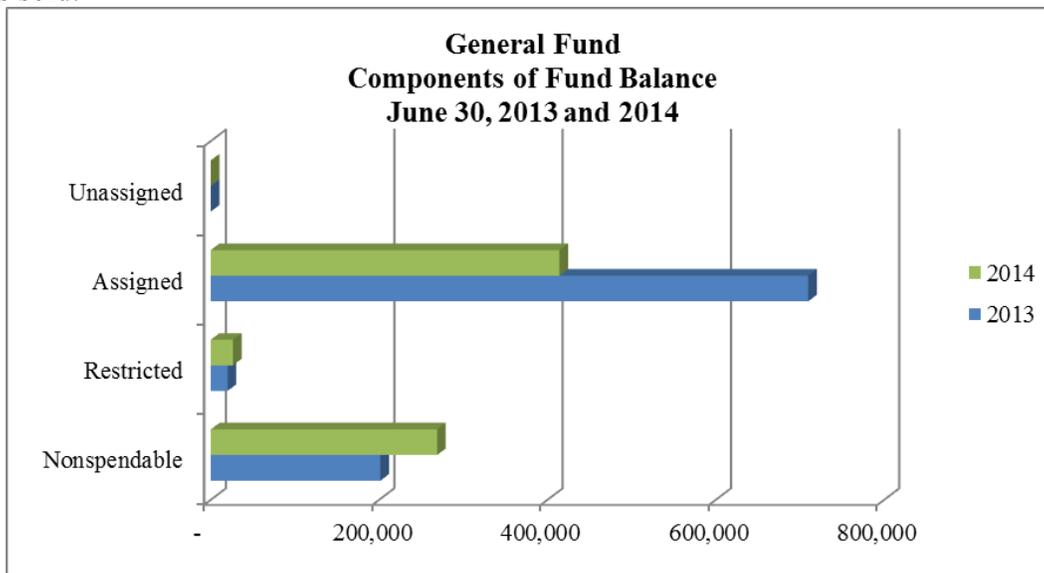
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**CITY OF ST. ALBANS, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Governmental Funds

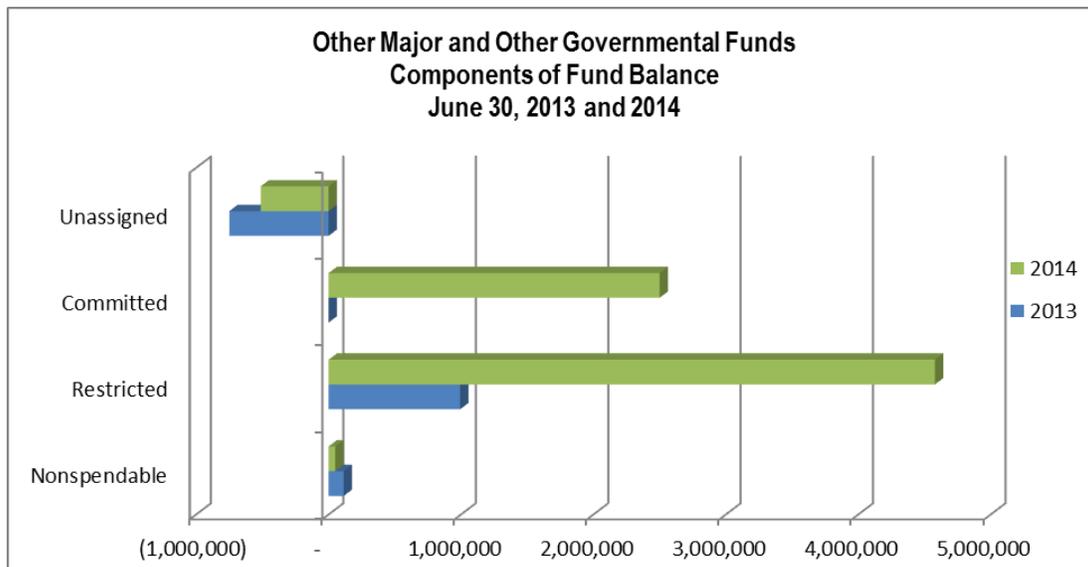
The focus of the City's governmental funds is to provide information on current year revenue, expenditures, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's 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 \$7,325,522, an increase of \$6,036,314 over the prior year. Of this total amount, \$319,406 or is non-spendable (advances to other funds, prepaid expenses and inventories) and \$4,605,095 is restricted to indicate that it is not available for discretionary spending, because it is otherwise restricted by grant agreements, statutes, or bond covenants. Of the remaining amount, \$2,500,000 is committed and \$414,326 has been assigned by the City for various purposes (detailed in Footnote IV.H. Net Position/Fund Balances) and unassigned fund balance is a deficit of \$513,305. The deficit unassigned fund balance is caused by timing of grant proceeds in the Streetscape fund and other governmental funds as well as a running deficit in the Fonda/Solo Building fund that will be funded when the property is sold.



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 \$709,580, a decrease of \$221,955 from the previous year. Of this amount, \$268,930 is non-spendable and \$26,324 is restricted unspent debt proceeds and donations. The remaining amount of \$414,326 has been assigned as detailed in the footnotes. 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 balance represents approximately 9.8% of total general fund expenditures, however, this amount includes nonspendable and restricted fund balances which would not be available to finance general fund expenditures if necessary. The remaining categories of fund balance (committed, assigned, and unassigned) are referred to as unrestricted fund balance and are resources that could be liquidated to support general fund expenditures if necessary. Unrestricted fund balance represents 5.7% of total general fund expenditures.

**CITY OF ST. ALBANS, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**



In the governmental funds other than the general fund the two noteworthy changes to fund balance are an increase in committed fund balance from zero to \$2,500,000 with the sale of property and parking rights during the year, and an increase in restricted fund balance of \$3,585,164 representing unspent debt proceeds in the TIF Capital Projects fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The City's budget for the year ended June 30, 2014 passed on the first vote in March of 2013 and there were no amendments made to the budget during the year. Actual revenues exceeded budgeted revenues by \$22,180 and actual expenditures exceeded budgeted expenditures by \$244,135.

The \$244,135 or 3.4% overage in expenditures is driven by capital purchases offset primarily with debt proceeds. These capital purchases included a \$26,626 truck in the Fire Department offset by lease proceeds; a \$130,000 sidewalk plow in the Public Works Department offset by loan proceeds; a \$43,000 bucket truck in the Fire Department that was funded subsequent to year end with debt proceeds; and a \$23,238 vehicle in the Recreation Department that was also funded subsequent to year end with debt proceeds. These combined capital purchases total \$222,864 and constitute the majority of the overage as each was a planned debt purchase and only the first year of debt service was included in the budget. The City also incurred \$188,811 of unbudgeted grant expenses during the year which were offset by unbudgeted grant revenues. Additionally, the City underspent their administration and legal budgets which offset some of the overages.

On the revenue side, the City had budgeted \$300,000 in payments on prior year taxes none of which was realized during the year. This considerable blow was offset by the unbudgeted debt proceeds mentioned above totaling \$156,626 during the year; \$133,611 in unbudgeted public safety grants and contracts; and \$47,200 in unbudgeted public works grants.

**CITY OF ST. ALBANS, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Other Major Governmental Funds

The City reports two other major funds worth noting in its analysis – the TIF Capital Projects Fund and the TIF Debt Service Fund. The TIF Capital Projects fund is used to record and track all projects and initiatives within the TIF district that are funded with TIF debt proceeds. The fund balance increased by \$3,541,812 from the prior year which represents unspent TIF debt proceeds. During the year, the City issued a \$14,500,000 bond, of which \$3,000,000 was used to retire debt issued in the prior year in anticipation of the bond. Of the bond proceeds, \$7,115,955 was spent on construction of a parking garage; \$400,000 was spent on the Streetscape project, \$738,454 was used for other projects and initiatives in the district; and \$14,005 was transferred to the TIF Debt Service Fund to pay for debt service.

The TIF Debt Service Fund is new for the year ended June 30, 2014 and is used to account for debt service on voter approved TIF bonds. During the year, the fund balance in this fund increased from zero to \$2,500,000 as a result of the sale of property and parking rights to a third party. These funds are committed for TIF purposes. The debt service fund made \$237,960 in debt interest payments during the year. These were funded by incremental property tax revenues in the TIF district and a contribution from the TIF Capital Projects Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's capital assets for its governmental and business-type activities as of June 30, 2014 were \$54,269,016 (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 \$9,994,467 from June 30, 2013 to June 30, 2014, or 22.6%. Combined accumulated depreciation at the end of the year is \$16,585,329. Capital assets for governmental activities increased by \$8,531,090, net of accumulated depreciation. Capital assets for business-type activities increased by \$192,980, net of accumulated depreciation. During the year the City substantially completed construction of a parking garage driving the large increase in construction in progress and therefore overall capital assets.

Summary of Capital Assets

	Governmental Activities		Business-type Activities		Total Government	
	2014	2013	2014	2013	2014	2013
Capital Assets:						
Land	\$ 908,932	\$ 940,932	\$ 202,012	\$ 202,012	\$ 1,110,944	\$ 1,142,944
Construction in Progress	11,010,988	2,475,152	1,663,312	1,849,001	12,674,300	4,324,153
Buildings and Improvements	1,534,539	1,727,538	30,389,064	29,178,241	31,923,603	30,905,779
Machinery and Equipment	3,418,834	3,162,490	2,745,816	2,650,825	6,164,650	5,813,315
Infrastructure	2,395,519	2,088,358	0	0	2,395,519	2,088,358
	19,268,812	10,394,470	35,000,204	33,880,079	54,269,016	44,274,549
Less: Accumulated Depreciation	(2,537,764)	(2,194,513)	(14,047,564)	(13,120,419)	(16,585,328)	(15,314,932)
Total Assets, Net	\$ 16,731,048	\$ 8,199,957	\$ 20,952,640	\$ 20,759,660	\$ 37,683,688	\$ 28,959,617

**CITY OF ST. ALBANS, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

Major capital asset activity for the year ended June 30, 2014 included the following:

- The completion of the South Reservoir Dam project in the Water fund moved a total of \$1,210,823 from construction in progress to buildings and improvements in business-type activities.
- Notable additions to construction in progress in business-type activities include \$652,00 in Streetscape improvements and final design engineering for the Wastewater Treatment Facility Upgrade.
- Construction in progress in the governmental activities increased with the construction of 365 space parking garage in the downtown core. Parking garage construction was well underway as of June 30, 2014 and was completed and opened for business on October 30, 2014.
- Paving projects totaling \$247,780 and major sidewalk projects totaling \$59,382 were completed during the year contributing to the increase in governmental activities infrastructure.
- A surveillance camera system was purchased and installed in Taylor Park.
- A solar powered crosswalk system for \$24,400 was purchased with assistance of local businesses.
- Other major purchases include a sidewalk plow for \$130,000; a bucket truck for \$43,000; and two police cruisers totaling \$63,000.

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

Long-Term Debt

The City began the year with \$13,263,445 in long-term debt outstanding. As of June 30, 2014 this amount had increased by \$11,440,419 or 86.6% to end the current year with \$24,703,864 in long-term debt outstanding.

Summary of Long Term Debt

	June 30, 2013	Additions	Deletions	June 30, 2014
Governmental Activities	\$ 4,513,377	\$ 14,656,626	\$ 3,318,553	\$ 15,851,450
Business-type Activities	8,750,068	548,510	446,164	8,852,414
Total Government	\$ 13,263,445	\$ 15,205,136	\$ 3,764,717	\$ 24,703,864

Factors contributing to the change include the following:

- The City's governmental activities debt increased with the issuance of a \$14,500,000 tax increment financing (TIF) bond. A portion of TIF bond proceeds were used to retire \$3,000,000 of short term debt that was issued in the prior year in anticipation of the TIF bond. The net of these two transactions is an increase in debt of \$11,500,000. This is the primary cause of the drastic current year increase in governmental activities debt.
- New debt for the business-type activities included \$500,000 to replace the underground utilities during the Streetscape project and \$48,510 for the Wastewater Treatment Facility upgrade final design engineering.

**CITY OF ST. ALBANS, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

- Debt retired during the year in governmental activities included a note for purchase of a fire truck in addition to the \$3,000,000 bond anticipation note. In business-type activities the refinanced wastewater line of credit was retired.
- Principal payments totaling \$3,318,553 were made on governmental activities debt and principal payments totaling \$446,164 were made on business-type activities debt.

Additional information about long-term debt can be found in Footnote IV.G. Long-term Liabilities.

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.

In March and September 2013 voters authorized TIF bonds to construct a parking garage. During the year, the City was engaged in construction and the garage was open to the public on October 30, 2014. Concurrently, private construction on a forty thousand square foot office building adjacent to the garage was underway and the grand opening of that building was January 12, 2015. The City is continuing Streetscape improvements and anticipates additional infrastructure projects and private development in the TIF district in the near future.

Next Year's Budget

In March 2014, the City's legal voters approved a General Fund budget for the year ended June 30, 2015 with total expenditures of \$7,405,580, an increase of \$300,608 or 4.2% from the prior year. Of these total expenditures, \$3,902,512 will be supported by property taxes. This is an increase of \$74,896 or 2.0% from the prior year. A municipal tax rate of .8044 per \$100 of assessed value has been levied and billed for fiscal year 2015. This is a .0207 or 2.6% increase over the prior year's tax rate of .7837 per \$100 of assessed value.

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.

CITY OF ST. ALBANS, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 10,786,982	\$ 1,195,402	\$ 11,982,384
Investments	55,448	0	55,448
Receivables (Net of Allowance for Uncollectibles)	716,109	1,139,326	1,855,435
Loans Receivable	107,346	0	107,346
Notes Receivable	0	11,834	11,834
Prepaid Expenses	69,324	0	69,324
Inventory	7,919	30,585	38,504
Internal Balances	(1,751,495)	1,751,495	0
Capital Assets			
Land	908,932	202,012	1,110,944
Construction in Progress	11,010,988	1,663,312	12,674,300
Other Capital Assets, (Net of Accumulated Depreciation)	4,811,128	19,087,316	23,898,444
Total Assets	<u>26,722,681</u>	<u>25,081,282</u>	<u>51,803,963</u>
LIABILITIES			
Accounts Payable	1,771,993	249,760	2,021,753
Accrued Payroll and Benefits Payable	94,298	13,233	107,531
Unearned Revenue	91,090	3,728	94,818
Accrued Interest Payable	65,472	79,986	145,458
Noncurrent Liabilities:			
Due within One Year	868,729	355,516	1,224,245
Due in More than One Year	15,518,816	8,662,107	24,180,923
Total Liabilities	<u>18,410,398</u>	<u>9,364,330</u>	<u>27,774,728</u>
DEFERRED INFLOWS OF RESOURCES			
Prepaid Property Taxes	29,102	0	29,102
Total Deferred Inflows of Resources	<u>29,102</u>	<u>0</u>	<u>29,102</u>
NET POSITION			
Net Investment in Capital Assets	8,540,627	12,100,228	20,640,855
Restricted			
Revolving Loan Fund	198,001	0	198,001
Taylor Park	9,166	0	9,166
Unrestricted/(Deficit)	(464,613)	3,616,724	3,152,111
Total Net Position	<u>\$ 8,283,181</u>	<u>\$ 15,716,952</u>	<u>\$ 24,000,133</u>

CITY OF ST. ALBANS, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs:							
Primary Government:							
Governmental Activities:							
General Government	\$ 752,052	\$ 140,099	\$ 35,411	\$ 0	\$ (576,542)	\$ 0	\$ (576,542)
Public Safety	4,535,681	1,402,824	693,483	0	(2,439,374)	0	(2,439,374)
Public Works	815,624	54,405	128,419	885,807	253,007	0	253,007
Culture and Recreation	600,304	450,924	4,548	0	(144,832)	0	(144,832)
Community Development	762,129	7,892	0	0	(754,237)	0	(754,237)
Interest on Long-term Debt	337,282	0	0	0	(337,282)	0	(337,282)
Total Governmental Activities	<u>7,803,072</u>	<u>2,056,144</u>	<u>861,861</u>	<u>885,807</u>	<u>(3,999,260)</u>	<u>0</u>	<u>(3,999,260)</u>
Business-Type Activities:							
Water	1,895,517	2,404,911	0	96,070	0	605,464	605,464
Sewer	2,623,091	3,113,773	0	155,467	0	646,149	646,149
Total Business-Type Activities	<u>4,518,608</u>	<u>5,518,684</u>	<u>0</u>	<u>251,537</u>	<u>0</u>	<u>1,251,613</u>	<u>1,251,613</u>
Total Primary Government	<u>\$ 12,321,680</u>	<u>\$ 7,574,828</u>	<u>\$ 861,861</u>	<u>\$ 1,137,344</u>	<u>(3,999,260)</u>	<u>1,251,613</u>	<u>(2,747,647)</u>
General Revenues:							
Property Taxes					3,953,716	0	3,953,716
Interest and Penalties on Delinquent Taxes					65,714	0	65,714
Unrestricted Investment Earnings					4,540	312,244	316,784
General State Grants					86,703	0	86,703
Other Revenues					19,983	0	19,983
Gain on Sale of Capital Assets and Parking Rights					2,251,711	0	2,251,711
Transfers					306,946	(306,946)	0
Total General Revenues and Transfers					<u>6,689,313</u>	<u>5,298</u>	<u>6,694,611</u>
Change in Net Position					2,690,053	1,256,911	3,946,964
Net Position - July 1, 2013					<u>5,593,128</u>	<u>14,460,041</u>	<u>20,053,169</u>
Net Position - June 30, 2014					<u>\$ 8,283,181</u>	<u>\$ 15,716,952</u>	<u>\$ 24,000,133</u>

CITY OF ST. ALBANS, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	TIF Capital Projects Fund	TIF Debt Service Fund	Streetscape Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash	\$ 4,332,465	\$ 6,410,996	\$ 0	\$ 0	\$ 43,521	\$ 10,786,982
Investments	55,448	0	0	0	0	55,448
Receivables (Net of Allowance for Uncollectibles)	308,322	0	0	153,548	254,239	716,109
Due from Other Funds	0	0	2,500,000	0	9,985	2,509,985
Advances to Other Funds	191,687	0	0	0	50,476	242,163
Loans Receivable	0	0	0	0	107,346	107,346
Prepaid Expenses	69,324	0	0	0	0	69,324
Inventories	7,919	0	0	0	0	7,919
Total Assets	<u>\$ 4,965,165</u>	<u>\$ 6,410,996</u>	<u>\$ 2,500,000</u>	<u>\$ 153,548</u>	<u>\$ 465,567</u>	<u>\$ 14,495,276</u>
LIABILITIES						
Accounts Payable	\$ 178,340	\$ 1,474,293	\$ 0	\$ 42,165	\$ 77,195	\$ 1,771,993
Accrued Payroll and Benefits Payable	94,298	0	0	0	0	94,298
Due to Other Funds	3,689,251	400,953	0	111,383	59,893	4,261,480
Advances from Other Funds	0	0	0	0	242,163	242,163
Unearned Revenue	85,990	0	0	0	5,100	91,090
Total Liabilities	<u>4,047,879</u>	<u>1,875,246</u>	<u>0</u>	<u>153,548</u>	<u>384,351</u>	<u>6,461,024</u>
DEFERRED INFLOWS OF RESOURCES						
Prepaid Property Taxes	29,102	0	0	0	0	29,102
Unavailable Revenue - Property Taxes	156,300	0	0	0	0	156,300
Unavailable Revenue - Other	22,304	0	0	153,548	347,476	523,328
Total Deferred Inflows of Resources	<u>207,706</u>	<u>0</u>	<u>0</u>	<u>153,548</u>	<u>347,476</u>	<u>708,730</u>
FUND BALANCES (DEFICIT)						
Nonspendable	268,930	0	0	0	50,476	319,406
Restricted	26,324	4,535,750	0	0	43,021	4,605,095
Committed	0	0	2,500,000	0	0	2,500,000
Assigned	414,326	0	0	0	0	414,326
Unassigned	0	0	0	(153,548)	(359,757)	(513,305)
Total Fund Balances/(Deficit)	<u>709,580</u>	<u>4,535,750</u>	<u>2,500,000</u>	<u>(153,548)</u>	<u>(266,260)</u>	<u>7,325,522</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 4,965,165</u>	<u>\$ 6,410,996</u>	<u>\$ 2,500,000</u>	<u>\$ 153,548</u>	<u>\$ 465,567</u>	

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. 16,731,048

Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Deferred in the Funds. 679,628

Long-Term and Accrued Liabilities are not Due or Payable in the Current Period and, Therefore, are Not Reported in the Funds. (16,453,017)

Net Position of Governmental Activities \$ 8,283,181

CITY OF ST. ALBANS, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	TIF Capital Projects Fund	TIF Debt Service Fund	Streetscape Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Property Taxes	\$ 3,880,339	\$ 0	\$ 155,077	\$ 0	\$ 0	\$ 4,035,416
Penalties and Interest	65,713	0	0	0	0	65,713
Intergovernmental Revenues	991,564	0	0	1,001,813	182,787	2,176,164
Charges for Services	1,798,004	0	0	0	0	1,798,004
Investment Income	4,163	0	0	0	377	4,540
Licenses and Permits	109,977	0	0	44,250	0	154,227
Other Revenue	132,834	400	0	6,400	2,480	142,114
Total Revenues	6,982,594	400	155,077	1,052,463	185,644	8,376,178
EXPENDITURES						
Current:						
General Government	747,579	0	0	0	14,324	761,903
Public Safety	4,205,467	0	0	0	47,359	4,252,826
Public Works	637,760	0	0	0	0	637,760
Culture and Recreation	564,466	0	0	0	1,769	566,235
Community Development	0	738,454	0	0	23,675	762,129
Capital Outlay:						
General Government	65,553	0	0	0	0	65,553
Public Safety	180,906	0	0	0	0	180,906
Public Works	483,585	7,115,955	0	1,140,085	219,163	8,958,788
Culture and Recreation	23,238	0	0	0	0	23,238
Debt Service:						
Principal	318,553	0	0	0	0	318,553
Interest	42,285	0	237,960	0	0	280,245
Total Expenditures	7,269,392	7,854,409	237,960	1,140,085	306,290	16,808,136
Excess/(Deficiency) of Revenues Over Expenditures	<u>(286,798)</u>	<u>(7,854,009)</u>	<u>(82,883)</u>	<u>(87,622)</u>	<u>(120,646)</u>	<u>(8,431,958)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds of Long-Term Debt	156,626	11,500,000	0	0	0	11,656,626
Proceeds from Sale of Equipment, Land and Parking Rights	4,700	0	2,500,000	0	0	2,504,700
Transfers In	20,964	309,826	82,883	423,208	1,517	838,398
Transfers Out	(117,447)	(414,005)	0	0	0	(531,452)
Total Other Financing Sources/(Uses)	64,843	11,395,821	2,582,883	423,208	1,517	14,468,272
Net Change in Fund Balances	(221,955)	3,541,812	2,500,000	335,586	(119,129)	6,036,314
Fund Balances/(Deficit) - July 1, 2013	931,535	993,938	0	(489,134)	(147,131)	1,289,208
Fund Balances/(Deficit) - June 30, 2014	<u>\$ 709,580</u>	<u>\$ 4,535,750</u>	<u>\$ 2,500,000</u>	<u>\$ (153,548)</u>	<u>\$ (266,260)</u>	<u>\$ 7,325,522</u>

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, 2014

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)	\$	6,036,314
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$9,228,485) is allocated over their estimated useful lives and reported as depreciation expense (\$444,405). This is the amount by which capital outlays exceeded depreciation in the current period.		8,784,080
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and loss on disposals) is to decrease net position.		(252,989)
The issuance of long-term debt (\$11,656,626) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$318,553) 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.		(11,338,073)
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 decrease of unearned and unavailable revenue over last year.		(363,143)
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>(176,136)</u>
Change in net position of governmental activities (Exhibit B)	\$	<u><u>2,690,053</u></u>

The General Fund charges the Water and Sewer Funds for administrative expenses. These charges totaling \$78,570 have been eliminated from the Governmental Activities on the Statement of Activities.

CITY OF ST. ALBANS, VERMONT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
ASSETS			
Current Assets:			
Cash	\$ 623,133	\$ 572,269	\$ 1,195,402
Receivables (Net of Allowance for Uncollectible Accounts)	471,502	667,824	1,139,326
Notes Receivable, Current Portion	0	3,342	3,342
Inventory	17,465	13,120	30,585
Due from Other Funds	<u>1,081,544</u>	<u>669,951</u>	<u>1,751,495</u>
Total Current Assets	<u>2,193,644</u>	<u>1,926,506</u>	<u>4,120,150</u>
Noncurrent Assets:			
Notes Receivable	0	8,492	8,492
Capital Assets			
Land	155,000	47,012	202,012
Construction in Progress	765,537	897,775	1,663,312
Buildings, Distribution and Collection System and Improvements	8,529,212	21,859,852	30,389,064
Vehicles, Machinery and Equipment	1,266,464	1,479,352	2,745,816
Less Accumulated Depreciation	<u>(3,912,336)</u>	<u>(10,135,228)</u>	<u>(14,047,564)</u>
Total Noncurrent Assets	<u>6,803,877</u>	<u>14,157,255</u>	<u>20,961,132</u>
Total Assets	<u>\$ 8,997,521</u>	<u>\$ 16,083,761</u>	<u>\$ 25,081,282</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	\$ 118,348	\$ 131,412	\$ 249,760
Accrued Payroll	6,101	7,132	13,233
Unearned Revenue	3,728	0	3,728
Accrued Interest Payable	18,247	61,739	79,986
Bonds Payable - Current Portion	97,138	172,974	270,112
Notes Payable - Current Portion	<u>63,548</u>	<u>21,856</u>	<u>85,404</u>
Total Current Liabilities	<u>307,110</u>	<u>395,113</u>	<u>702,223</u>
Noncurrent Liabilities			
Compensated Absences Payable	59,734	105,477	165,211
Bonds Payable - Noncurrent Portion	3,313,992	3,530,819	6,844,811
Notes Payable - Noncurrent Portion	<u>1,336,651</u>	<u>315,434</u>	<u>1,652,085</u>
Total Noncurrent Liabilities	<u>4,710,377</u>	<u>3,951,730</u>	<u>8,662,107</u>
Total Liabilities	<u>5,017,487</u>	<u>4,346,843</u>	<u>9,364,330</u>
NET POSITION			
Net Investment in Capital Assets	1,992,548	10,107,680	12,100,228
Unrestricted	<u>1,987,486</u>	<u>1,629,238</u>	<u>3,616,724</u>
Total Net Position	<u>3,980,034</u>	<u>11,736,918</u>	<u>15,716,952</u>
Total Liabilities and Net Position	<u>\$ 8,997,521</u>	<u>\$ 16,083,761</u>	<u>\$ 25,081,282</u>

CITY OF ST. ALBANS, VERMONT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Water Fund	Wastewater Fund	Total
Operating Revenues:			
Charges for Services	\$ 2,086,849	\$ 2,618,015	\$ 4,704,864
Penalties and Interest	15,183	19,913	35,096
Allocation Fees	285,960	473,340	759,300
Other Income	1,919	2,505	4,424
	<u>2,389,911</u>	<u>3,113,773</u>	<u>5,503,684</u>
Total Operating Revenues			
Operating Expenses:			
Salaries and Benefits	662,483	822,541	1,485,024
Other Purchased Services	90,311	171,131	261,442
Chemicals	136,835	316,694	453,529
Repairs and Maintenance	99,020	106,660	205,680
Insurances	51,325	51,148	102,473
Utilities	293,883	233,595	527,478
Supplies	15,926	18,235	34,161
Real Estate and State Water Taxes	55,265	4,943	60,208
Other Operating Costs	80,792	88,400	169,192
Depreciation	265,005	724,549	989,554
	<u>1,750,845</u>	<u>2,537,896</u>	<u>4,288,741</u>
Total Operating Expenses			
Operating Income	<u>639,066</u>	<u>575,877</u>	<u>1,214,943</u>
Nonoperating Revenues (Expenses):			
Land Lease	15,000	0	15,000
Investment Income	118,429	193,815	312,244
Interest Expense	(144,672)	(85,195)	(229,867)
	<u>(11,243)</u>	<u>108,620</u>	<u>97,377</u>
Total Nonoperating Revenues (Expenses)			
Net Income Before Capital Contributions and Transfers	627,823	684,497	1,312,320
Capital Contributions	96,070	155,467	251,537
Transfers Out	(69,747)	(237,199)	(306,946)
Change in Net Position	654,146	602,765	1,256,911
Net Position - July 1, 2013	<u>3,325,888</u>	<u>11,134,153</u>	<u>14,460,041</u>
Net Position - June 30, 2014	<u>\$ 3,980,034</u>	<u>\$ 11,736,918</u>	<u>\$ 15,716,952</u>

CITY OF ST. ALBANS, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Water Fund	Wastewater Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers and Users	\$ 2,310,671	\$ 3,086,949	\$ 5,397,620
Other Receipts	1,919	2,505	4,424
Payments to Suppliers	(682,680)	(918,641)	(1,601,321)
Payment of Taxes	(55,265)	(4,943)	(60,208)
Payments for Wages and Benefits	(657,066)	(818,548)	(1,475,614)
	<u>917,579</u>	<u>1,347,322</u>	<u>2,264,901</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Land Lease	15,000	0	15,000
Decrease/(Increase) in Due from Other Funds	(370,913)	(800,356)	(1,171,269)
Transfers Out	(69,747)	(237,199)	(306,946)
	<u>(425,660)</u>	<u>(1,037,555)</u>	<u>(1,463,215)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital Contributions	96,070	158,157	254,227
Acquisition and Construction of Capital Assets	(616,228)	(566,306)	(1,182,534)
Proceeds of Long-Term Debt	250,000	298,510	548,510
Principal Paid on:			
General Obligation Bonds	(93,465)	(169,583)	(263,048)
Notes Payable	(60,596)	(122,521)	(183,117)
Interest Paid on:			
General Obligation Bonds	(135,894)	(77,468)	(213,362)
Notes Payable	(9,427)	(10,695)	(20,122)
	<u>(569,540)</u>	<u>(489,906)</u>	<u>(1,059,446)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Receipt of Interest & Dividends	118,429	193,815	312,244
	<u>118,429</u>	<u>193,815</u>	<u>312,244</u>
Net Increase in Cash	40,808	13,676	54,484
Cash - July 1, 2013	582,325	558,593	1,140,918
Cash - June 30, 2014	<u>\$ 623,133</u>	<u>\$ 572,269</u>	<u>\$ 1,195,402</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Operating Income	639,066	575,877	1,214,943
Depreciation	265,005	724,549	989,554
(Increase)/Decrease in Receivables	(11,187)	(24,319)	(35,506)
(Increase)/Decrease in Inventory	1,912	(845)	1,067
Increase/(Decrease) in Accounts Payable	83,500	68,067	151,567
Increase/(Decrease) in Accrued Payroll	2,161	2,058	4,219
Increase/(Decrease) in Unearned Revenue	(66,134)	0	(66,134)
Increase/(Decrease) in Compensated Absences Payable	3,256	1,935	5,191
	<u>\$ 917,579</u>	<u>\$ 1,347,322</u>	<u>\$ 2,264,901</u>

CITY OF ST. ALBANS, VERMONT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2014

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and Cash Equivalents	\$ 0	\$ 147,633
Investments	3,944,851	0
Receivables	15,547	0
Total Assets	3,960,398	147,633
LIABILITIES		
Due to Others	0	147,633
Total Liabilities	0	147,633
NET POSITION		
Net Position Restricted for Pensions	\$ 3,960,398	\$ 0

CITY OF ST. ALBANS, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 200,000
Plan Members	40,043
Total Contributions	240,043
Net Investment Earnings	256,831
Total Additions	496,874
DEDUCTIONS	
Benefits - Pension	432,133
Administrative Expenses	28,753
Management Fee	6,890
Total Deductions	467,776
Net Increase in Net Position	29,098
Net Position - July 1, 2013	3,931,300
Net Position- June 30, 2014	\$ 3,960,398

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

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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 (7) elected officials – a mayor and six (6) council members. The City is made up of six (6) individual wards, each being represented by one (1) of the six (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 as authorized by its charter: public safety (police, ambulance, 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 funds of the City. The 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 burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. Based on these criteria, there are no 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.

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.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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 Capital Projects Fund – This fund is used to account for all expenditures and revenues related to capital projects and improvements within the tax increment financing (TIF) district.

TIF Debt Service Fund – This debt service fund is used to account for all debt service related to the TIF district.

Streetscape Fund – This capital project fund accounts for all expenditures, revenues, and grants related to the Main Street Streetscape project.

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.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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 accounts for monies maintained for a local group called Saint Albans for the Future (SAFF) and 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, deferred inflows of resources, and liabilities 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 invested in capital assets, net of related debt; 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 current liabilities are generally reported on their balance sheets. Their reported fund balances (net current position) are considered a measure of available spendable resources, and are segregated into nonspendable; restricted; committed; assigned and unassigned amounts. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current position. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

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.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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 sixty (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, 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 sixty (60) days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the government.

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 are both restricted and unrestricted net position available to finance the program. It is the 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 and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

F. New Pronouncement – Financial Reporting for Pension Plans

Effective June 30, 2014, the City implemented GASB Statement No. 67, “Financial Reporting for Pension Plans – An Amendment of GASB Statement No. 25”. The objective of this Statement is to improve the usefulness of pension information included in the financial statements of state and local government pension plans for making decisions and assessing accountability.

G. Future Changes in Accounting Standards

The Governmental Accounting Standards Board (GASB) issued Statement No. 68, “Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27”, effective for fiscal years beginning after June 15, 2014. This new accounting and reporting standard may impact the City’s measurement and recognition of pension liabilities, deferred outflows or resources, deferred inflows of resources, and expenses/expenditures in government-wide and/or enterprise fund financial statements. The requirements of this statement may require restating of beginning net position. The City is currently not planning to early implement this Statement, and has made no estimation of the effect this Statement will have in the financial statements.

H. Assets, Liabilities 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 ninety (90) days 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. 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/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as either “Due to/from Other Funds” (i.e., the current portion) or “Advances to/from Other Funds” (i.e., the non-current portion). 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”.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Advances between funds, as reported in the fund financial statements, are offset by a fund 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.

5. Inventories and Prepaid Expense Expenses

Inventory quantities are determined by physical count and are valued at the lower of cost or market. Inventories in the governmental funds consists 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. Deferred Outflows/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/expenditures) until then. The City did not have any items that qualified for reporting in this category.

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 (3) types of items which arise under the modified accrual basis of accounting and one (1) type which arises under the accrual basis of accounting that qualify for reporting in this category. Accordingly, the item, “unavailable revenue”, is reported in the statement of net position and governmental funds balance sheet. The statement of net position reports unavailable revenues from one source; prepaid property taxes. The governmental funds report unavailable revenues from three (3) 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 period that the amounts become available.

7. 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 estimated fair value at the time received. 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 assets’ lives 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.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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.

8. Compensated Absences

It is the policy of the City to permit employees to accumulate earned but unused vacation time up to two hundred forty (240) hours. Public safety employees may accumulate earned but unused comp time up to two hundred forty (240) hours and all other employees may accumulate earned but unused comp time up to one hundred sixty (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 six hundred forty (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 two hundred forty (240) hours with one hundred sixty (160) hours vested for payment upon retirement, termination, or death. Compensated absences are reported in governmental funds only if they have matured.

9. Long-term Liabilities

Long-term liabilities include bonds, notes and capital leases payable and other obligations such as compensated absences and the net pension obligation. 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.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

10. 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.

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.

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 bond proceeds as other financing sources and principal payments as expenditures, whereas government-wide statements report those transactions as increases and decreases in liabilities, respectively.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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

For the year ended June 30, 2014, expenditures in the General Fund exceeded appropriations by \$244,135. This was funded by unbudgeted revenues and available fund balance.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The City's cash and investments as of June 30, 2014 consisted of the following:

Cash:

Cash on Hand	\$ 600
Deposits with Financial Institutions	5,718,421
Deposits with Investment Company	<u>6,410,996</u>
Total Cash	<u>12,130,017</u>

Investments:

Mutual Funds - Cash Equivalents	55,448
Pension Investments - International Stocks	408,329
Pension Investments - US Stocks	1,024,751
Pension Investment - Guaranteed Deposit Account	<u>2,511,771</u>
Total Investments	<u>4,000,299</u>
Total Cash and Investments	<u>\$ 16,130,316</u>

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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 City's international stock, U.S. stock and mutual funds are in the name of the City and are not exposed to custodial credit risk. The guaranteed deposit account 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.

	Book Balance	Bank Balance
FDIC/SIPC Insured	\$ 571,291	\$ 571,291
Uninsured, Uncollateralized - Held by Bank's Trust Department	6,160,996	6,160,996
Uninsured, Uncollateralized (\$2,707,913 Could be Offset by Debt to the Respective Bank)	5,452,578	5,612,694
Total Cash Deposits	\$ 12,184,865	\$ 12,344,981

The difference between the book and the bank balance is due to reconciling items such as deposits in transit and outstanding checks. Due to higher cash flows at certain times during the year, the amounts of uninsured, uncollateralized cash was much higher at year end.

Deposits are comprised of the following:

Cash with Financial Institutions	\$ 5,718,421
Cash with Investment Company	6,410,996
Mutual Funds – Cash Equivalents	55,448
Total Cash Deposits	\$ 12,184,865

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.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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.

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 100% of their mutual funds invested in Federated Treasury Cash Equivalents and 64% of their retirement investments invested in a guaranteed deposit account with PRIAC. The other 36% of the City's retirement investments are in stocks.

B. Receivables

Receivables at June 30, 2014, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows.

	Governmental Activities		Business-Type Activities		Total
	<u> </u>		<u> </u>		<u> </u>
Delinquent Taxes	\$ 240,042	\$	0	\$	240,042
Penalties and Interest	37,214		0		37,214
Billed Services	0		812,938		812,938
Unbilled Services	0		277,867		277,867
Grants	431,882		0		431,882
Other	35,854		63,021		98,875
Reimbursements	2,117		0		2,117
Allowance for Doubtful Accounts	(31,000)		(14,500)		(45,500)
	<u>\$ 716,109</u>	\$	<u>1,139,326</u>	\$	<u>1,855,435</u>

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

C. Loans and Notes Receivable

Loans Receivable at June 30, 2014 consists of six (6) 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	\$ 4,762
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 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	<u>1,524,363</u>
Plus: Accrued Interest on Note	2,584
Less: Allowance for Doubtful Loans Receivable	<u>(1,419,601)</u>
Governmental Funds Reported Balance at June 30, 2014	\$ <u><u>107,346</u></u>

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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

<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Payments</u>	<u>Amounts</u> <u>Written Off</u>	<u>Balance</u> <u>June 30, 2014</u>
\$ 1,519,601	\$ 5,000	\$ 238	\$ 0	\$ 1,524,363

Notes Receivable at June 30, 2014 consists of one (1) note for acquisition of a pump station in the wastewater fund as follows.

Proprietary Funds

Note Receivable; Local Contractor; Interest at 5%; Monthly Interest and Principal Payments of \$300; Due January 5, 2018	\$ 11,834
Proprietary Funds Reported Value at June 30, 2014	\$ 11,834

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

<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Payments</u>	<u>Amounts</u> <u>Written Off</u>	<u>Balance</u> <u>June 30, 2014</u>
\$ 14.524	\$ 0	\$ 2.690	\$ 0	\$ 11,834

D. Capital Assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 940,932	\$ 0	\$ 32,000	\$ 908,932
Construction in Progress	2,475,152	8,540,756	4,920	11,010,988
Total Capital Assets, Not Being Depreciated	<u>3,416,084</u>	<u>8,540,756</u>	<u>36,920</u>	<u>11,919,920</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	1,727,538	0	192,999	1,534,539
Vehicles, Machinery and Equipment	3,162,490	385,488	129,144	3,418,834
Infrastructure	2,088,358	307,161	0	2,395,519
	<u>6,978,386</u>	<u>692,649</u>	<u>322,143</u>	<u>7,348,892</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	782,177	36,153	26,537	791,793
Vehicles, Machinery and Equipment	1,170,588	322,227	74,617	1,418,198
Infrastructure	241,748	86,025	0	327,773
Totals	<u>2,194,513</u>	<u>444,405</u>	<u>101,154</u>	<u>2,537,764</u>
Total Capital Assets, Being Depreciated	<u>4,783,873</u>	<u>248,244</u>	<u>220,989</u>	<u>4,811,128</u>
Governmental Activities Capital Assets, Net	<u>\$ 8,199,957</u>	<u>\$ 8,789,000</u>	<u>\$ 257,909</u>	<u>\$ 16,731,048</u>

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 202,012	\$ 0	\$ 0	\$ 202,012
Construction in Progress	<u>1,849,001</u>	<u>1,025,134</u>	<u>1,210,823</u>	<u>1,663,312</u>
Total Capital Assets, Not Being Depreciated	<u>2,051,013</u>	<u>1,025,134</u>	<u>1,210,823</u>	<u>1,865,324</u>
Capital Assets, Being Depreciated:				
Buildings, Distribution and Collection				
Systems & Improvements	29,178,241	1,210,823	0	30,389,064
Machinery and Equipment	<u>2,650,825</u>	<u>157,400</u>	<u>62,409</u>	<u>2,745,816</u>
Totals	<u>31,829,066</u>	<u>1,368,223</u>	<u>62,409</u>	<u>33,134,880</u>
Less Accumulated Depreciation for:				
Buildings, Distribution and Collection				
Systems & Improvements	11,631,498	740,930	0	12,372,428
Machinery and Equipment	<u>1,488,921</u>	<u>248,624</u>	<u>62,409</u>	<u>1,675,136</u>
Totals	<u>13,120,419</u>	<u>989,554</u>	<u>62,409</u>	<u>14,047,564</u>
Total Capital Assets, Being Depreciated	<u>18,708,647</u>	<u>378,669</u>	<u>0</u>	<u>19,087,316</u>
Business-Type Activities Capital Assets, Net	<u>\$ 20,759,660</u>	<u>\$ 1,403,803</u>	<u>\$ 1,210,823</u>	<u>\$ 20,952,640</u>

The City has capitalized \$42,357 of interest in the Proprietary Funds during 2014. The cumulative interest capitalized in the Proprietary Funds is \$78,645.

Depreciation was charged as follows:

Governmental Activities:		Business - Type Activities:	
General Government	\$ 8,205	Water	\$ 265,005
Public Safety	262,582	Sewer	<u>724,549</u>
Public Works	138,117		
Culture and Recreation	<u>35,501</u>		
Total Depreciation Expense - Governmental Activities	<u>\$ 444,405</u>	Total Depreciation Expense - Business- Type Activities	<u>\$ 989,554</u>

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

E. Interfund Balances and Activity

The composition of Due From/(To) Other Funds at June 30, 2014 is as follows:

<u>Fund Name</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$ 3,689,251
TIF Capital Projects Fund	0	400,953
TIF Debt Service Fund	2,500,000	0
Streetscape Fund	0	111,383
Other Governmental Funds	9,985	59,893
Water Fund	1,081,544	0
Wastewater Fund	<u>669,951</u>	<u>0</u>
 Total	 <u>\$ 4,261,480</u>	 <u>\$ 4,261,480</u>

The composition of Advances To/(From) Other Funds at June 30, 2014 is as follows:

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
General Fund	\$ 191,687	\$ 0
Revolving Loan Fund	50,476	0
Fonda/Solo Building Fund	0	80,457
Federal Street Bypass Fund	<u>0</u>	<u>161,706</u>
 Total	 <u>\$ 242,163</u>	 <u>\$ 242,163</u>

The advances will be repaid as receivables are collected and when the Fonda/Solo building site is sold. These advances are interest free.

Interfund transfers during the year ended June 30, 2014 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	VCDP Grants Fund	\$ 1,517	Fund local match on grants
General Fund	TIF Capital Projects Fund	23,844	Fund TIF outreach expenses
General Fund	Streetscape Fund	23,208	Fund local match on grants
General Fund	TIF Debt Service Fund	68,878	Fund TIF Bond debt service
TIF Capital Projects Fund	TIF Debt Service Fund	14,005	Fund TIF Bond debt service
TIF Capital Projects Fund	Streetscape Fund	400,000	Fund local match on grants
Water Fund	TIF Capital Projects Fund	59,265	Parking Garage Utility Work
Water Fund	General Fund	10,482	Contribute to City Hall Renovation
Wastewater Fund	TIF Capital Projects Fund	226,717	Parking Garage Utility Work
Wastewater Fund	General Fund	<u>10,482</u>	Contribute to City Hall Renovation
 Total		 <u>\$ 838,398</u>	

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

F. Unearned Revenue and Deferred Inflows of Resources

Unearned revenue in the General Fund consists of \$3,000 of parking fees received in advance; \$19,108 of payments for recreation programs for fiscal year 2015; and \$63,882 of grant revenue received in advance. The revenue will be recognized as parking and other services are provided and as expenses are incurred for the grants. Total Unearned Revenue in the General Fund is \$85,990.

Unearned revenue in the Other Governmental Funds consists of \$5,100 of donations to the reconstitution committee received in advance. The revenue will be recognized as the next phase of the project commences and as expenses are incurred. Total unearned revenue in the Other Governmental Funds is \$5,100.

Unearned revenue in the Water Fund of \$3,728 consists of water fees received in advance. This revenue will be earned in 2015 as water fees are billed.

Deferred inflows of resources in the General Fund consists of \$156,300 of delinquent property taxes, penalties and interest on those taxes as well as \$22,304 in other receivables that were not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. It also includes \$29,102 of prepaid property taxes. Total deferred inflows of resources in the General Fund are \$207,706.

Deferred inflows of resources in the Streetscape Fund consists of \$153,548 of grant receivables not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

Deferred inflows of resources in the Other Governmental Funds consists of \$107,346 of net loans receivable and \$240,130 of grant receivables not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. The revenue will be recognized as the loans are repaid and as receivables are collected. Total deferred inflows of resources in the Other Governmental Funds are \$347,476.

G. 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.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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 sewer 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 as discussed in Note I.F.7. The accrual for compensated absences, based on current rates, is recorded in the government-wide financial statements and proprietary fund financial statements.

Net Pension Obligation – In previous years, payments made by the City to the pension plan have been less than equal to the annual required contribution resulting in a net pension obligation.

Long-term liabilities outstanding as of June 30, 2014 were as follows.

Bonds, Notes and Capital Leases Payable:

Governmental Activities:

	Beginning Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2014</u>
Note Payable – Peoples Trust Company; Blouin Parking Lot; Interest at 3.50%; Monthly Principal and Interest Payments of \$1,252; Due October 31, 2020	\$ 98,002	\$ 0	\$ 12,783	\$ 85,219
Note Payable – Peoples Trust Company; 32 Nason Street Property; Interest at 3.75%; Monthly Principal and Interest Payments of \$997; Due December 25, 2016	38,017	0	10,723	27,294

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

	<u>Beginning Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2014</u>
Note Payable – Peoples Trust Company; Fonda/Solo Building Purchase; Interest at 1.75%; Due July 23, 2014; The City is Making Interest Only Payments and Renewing Each Year Until the Property is Sold. The Note was Renewed Until July 31, 2015 with Interest at 1.50%	\$ 325,816	\$ 0	\$ 0	\$ 325,816
Note Payable – Peoples Trust Company; Fire Truck Purchase; Interest at 2.75%; Monthly Principal and Interest Payments of \$1,764; Due and Paid April 28, 2014	15,265	0	15,265	0
Bond Payable – Vermont Municipal Bond Bank; Retirement of the Fund Balance Deficit in the General Fund; Interest Varies from 1.90% to 4.87%; Annual Principal Payments Ranging from \$95,000 to \$100,000 Due Each November; Semi-Annual Interest Payments Due Each May and November Due November 15, 2014	190,000	0	95,000	95,000
Note Payable – Peoples Trust Company; Purchase of Little League Fields; Interest at 2.75%; Monthly Principal and Interest Payments of \$1,563; Due July 23, 2014	19,996	0	18,434	1,562
Note Payable – Peoples Trust Company; Purchase of 27-33 Federal Street; Interest at 3.75%; Monthly Principal and Interest Payments of \$1,665; Due September 4, 2023	169,865	0	13,854	156,011

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

	Beginning Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2014</u>
Bond Payable – Vermont Municipal Bond Bank; Library Improvements; Interest at 5.00%; Annual Principal Payments Ranging from \$35,000 to \$40,000 Due Each December; Semi-Annual Interest Payments Due Each June and December; Due December 1, 2014	\$ 70,000	\$ 0	\$ 35,000	\$ 35,000
Note Payable – Peoples Trust Company; Court House Parking Lot; Interest at 3.75%; Monthly Principal and Interest Payments of \$1,501; Due July 14, 2020	111,885	0	14,035	97,850
Note Payable – Peoples Trust Company; One Third (33.34%) of Single Axel Truck; Interest at 3.00%; Monthly Principal and Interest Payments of \$797; Due June 30, 2016	28,125	0	9,586	18,539
Note Payable – Peoples Trust Company; Federal Street Project Local Match; Interest at 1.65%; Monthly Principal and Interest Payments of \$2,222; Due June 30, 2014 at Which Time the City will Refinance the Note	44,480	0	23,930	20,550
Note Payable – Peoples Trust Company; Sidewalk Plow Purchase; Interest at 2.75%; Monthly Principal and Interest Payments of \$1,473; Due March 21, 2017	62,913	0	16,141	46,772
Note Payable – Peoples Trust Company; Houghton Park Tennis Court Upgrades; Interest at 2.75%; Monthly Principal and Interest Payments of \$732; Due January 12, 2017	29,950	0	8,063	21,887

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

	Beginning Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2014</u>
Note Payable – Peoples Trust Company; Barlow Street Tennis Court Upgrades; Interest at 3.25%; Monthly Principal and Interest Payments of \$983; Due December 17, 2022	\$ 96,303	\$ 0	\$ 8,796	\$ 87,507
Note Payable – Peoples Trust Company; TIF District Bond Anticipation Note; Interest at 1.65%; Refinanced in 2014 with Bonds from the Vermont Municipal Bond Bank	3,000,000	0	3,000,000	0
Note Payable – Peoples Trust Company; One Third (33.34%) of Mini-Excavator; Interest at 3.20%; Monthly Principal and Interest Payments of \$167; Due May 23, 2023	16,994	0	1,482	15,512
Note Payable – Peoples Trust Company; Sidewalk Plow II Purchase Interest at 2.85%; Monthly Principal and Interest Payments of \$5,150; Due March 15, 2021	0	130,000	3,911	126,089
Bond Payable – Vermont Municipal Bond Bank; Fire Truck Purchase; Interest Varies from 0.777% to 2.731%; Annual Principal Payments Ranging From \$20,000 to \$25,000 Due Each December, Semi-Annual Interest Payments Due Each June and December; Due December 1, 2020	170,000	0	25,000	145,000
Bond Payable – Vermont Municipal Bond Bank; TIF District Bond; Interest Varies from 0.643% to 4.723%; Annual Principal Payments Ranging From \$570,000 to \$1,010,000 Due Each November; Semi-Annual Interest Payments Due Each May and November; Due November 15, 2033	0	14,500,000	0	14,500,000

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

	Beginning Balance <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2014</u>
Capital Lease Payable – Municipal Leasing; Recreation Van; Interest at 4.45%; Annual Principal and Interest Payments of \$4,987; Due October 15, 2018	\$ 25,766	\$ 0	\$ 3,841	\$ 21,925
Capital Lease Payable – Municipal Leasing; Fire Pickup Truck; Interest at 2.99%; Quarterly Principal and Interest Payments of \$1,085; Due August 15, 2020	<u>0</u>	<u>26,626</u>	<u>2,709</u>	<u>23,917</u>
Total Governmental Activities	<u>\$ 4,513,377</u>	<u>\$ 14,656,626</u>	<u>\$ 3,318,553</u>	<u>\$ 15,851,450</u>

Business-Type Activities

Water Fund

Bond Payable – Vermont Municipal Bond Bank, USDA Refunding Bond; Water Improvements; Interest at 3.93%; Annual Payments of \$231,195 Beginning November 2012, Due November 15, 2036	\$ 3,504,595	\$ 0	\$ 93,465	\$ 3,411,130
---	--------------	------	-----------	--------------

Note Payable – Peoples Trust Company; Fifty Percent (50%) Streetscape Utilities; Interest at 3.90%; Monthly Principal and Interest Payments of \$1,502; Due August 28, 2033	0	250,000	6,946	243,054
---	---	---------	-------	---------

Note Payable – Peoples Trust Company; One Third (33.33%) of Single Axel Truck; Interest at 3.00%; Monthly Principal and Interest Payments of \$797; Due June 30, 2016	28,124	0	9,586	18,538
---	--------	---	-------	--------

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

	<u>Beginning Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2014</u>
Note Payable – Peoples Trust Company; One Third (33.33%) of Mini-Excavator; Interest at 3.20%; Monthly Principal and Interest Payments of \$167; Due May 23, 2023	\$ 16,994	\$ 0	\$ 1,481	\$ 15,513
Note Payable – Peoples Trust Company; Fairfax Dam Construction Interest at 3.70%; Monthly Principal and Interest Payments of \$7,083; Due August 17, 2032	<u>1,165,677</u>	<u>0</u>	<u>42,583</u>	<u>1,123,094</u>
Total Water Fund	<u>\$ 4,715,390</u>	<u>\$ 250,000</u>	<u>\$ 154,061</u>	<u>\$ 4,811,329</u>
Wastewater Fund:				
Note Payable – Peoples Trust Company; Fifty Percent (50%) Streetscape Utilities; Interest at 3.90%; Monthly Principal and Interest Payments of \$1,502; Due August 28, 2033	0	250,000	6,947	243,053
Note Payable – Peoples Trust Company; Wastewater Line of Credit Refinancing; Interest at 2.75%; Monthly Principal and Interest Payment of \$10,581; Due and Paid April, 2014	104,508	0	104,508	0
Bond Payable – State of Vermont Special Environmental Revolving Fund; Wastewater Treatment Facility Improvements; Interest at 0.00% Administrative Fee of 2.00%; Annual Principal and Administrative Fee Payments of \$88,677 Beginning September 2012; Due September 1, 2031	1,360,811	0	59,579	1,301,232

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

	<u>Beginning Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2014</u>
Bond Payable – State of Vermont Special Environmental Revolving Fund; Wastewater Treatment Facility Improvements; Interest at 0.00%; Administrative Fee of 2.00%; Annual Principal and Administrative Fee Payments of \$142,607 Beginning July 1, 2012; Due July 1, 2031	\$2,358,113	\$ 0	\$ 103,242	\$2,254,871
Bond Payable – State of Vermont Special Environmental Revolving Fund; Wastewater Treatment Facility Improvements; Interest at 0.00%; Administrative Fee of 2.00%; Annual Principal and Administrative Fee Payments of \$9,851 Beginning September 1, 2012; Due September 1, 2031	154,452	0	6,762	147,690
Note Payable – State of Vermont Special Environmental Revolving Fund; Wastewater Planning Loan; Interest at 0.00%; \$12,500 Authorized; Annual Payments of \$2,500 Beginning October 1, 2014; Due October 1, 2018	11,676	0	0	11,676
Note Payable – Peoples Trust Company; One Third (33.33%) of Single Axel Truck; Interest at 3.00%; Monthly Principal and Interest Payments of \$797; Due June 30, 2016	28,124	0	9,586	18,538
Note Payable – Peoples Trust Company; One Third (33.33%) of Mini-Excavator; Interest at 3.20%; Monthly Principal and Interest Payments of \$167; Due May 23, 2023	16,994	0	1,481	15,513

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

	<u>Beginning Balance July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2014</u>
Note Payable – State of Vermont Special Environmental Revolving Fund; Wastewater Planning Loan; Interest at 0.00%; \$53,900 Authorized; Annual Payments of \$10,780 Beginning December 1, 2018; Due December 1, 2022	\$ <u>0</u>	\$ <u>48,510</u>	\$ <u>0</u>	\$ <u>48,510</u>
Total Wastewater Fund	<u>4,034,678</u>	<u>298,510</u>	<u>292,105</u>	<u>4,041,083</u>
Total Business-Type Activities	<u>\$ 8,750,068</u>	<u>\$ 548,510</u>	<u>\$ 446,166</u>	<u>\$ 8,852,412</u>

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>
Governmental Activities					
Bonds Payable	\$ 430,000	\$ 14,500,000	\$ 155,000	\$ 14,775,000	\$ 725,000
Notes Payable	4,057,612	130,000	3,157,003	1,030,609	136,276
Capital Leases Payable	25,765	26,626	6,550	45,841	7,453
Compensated Absences	345,468	6,254	0	351,722	0
Net Pension Obligation	<u>71,529</u>	<u>112,844</u>	<u>0</u>	<u>184,373</u>	<u>0</u>
Total Governmental Activities Long-Term Liabilities	<u>4,930,374</u>	<u>14,775,724</u>	<u>3,318,553</u>	<u>16,387,545</u>	<u>868,729</u>
Business-type Activities					
Bonds Payable	7,377,971	0	263,048	7,114,923	270,112
Notes Payable	1,372,097	548,510	183,118	1,737,489	85,404
Compensated Absences	<u>160,020</u>	<u>5,191</u>	<u>0</u>	<u>165,211</u>	<u>0</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 8,910,088</u>	<u>\$ 553,701</u>	<u>\$ 446,166</u>	<u>\$ 9,017,623</u>	<u>\$ 355,516</u>

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Compensated Absences are paid by the applicable fund where the employee is charged.

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
2015	\$ 861,276	\$ 513,216	\$ 9,328	\$ 355,516	\$ 303,491
2016	712,945	502,047	9,327	365,806	257,129
2017	696,666	492,581	9,328	357,032	246,701
2018	681,424	482,327	9,327	367,398	236,256
2019	694,070	469,742	9,327	388,053	225,473
2020-2024	3,423,412	2,071,993	4,340	2,084,364	953,588
2025-2029	3,775,000	1,442,212	1,086	2,353,508	617,779
2030-2034	4,635,000	551,008	0	2,041,266	256,869
2035-2039	0	0	0	539,469	27,921
Unknown	325,816	0	0	0	0
Total	15,805,609	6,525,126	52,063	8,852,412	3,125,207
Less: Imputed Interest	0	0	(6,222)	0	0
Total	\$ 15,805,609	\$ 6,525,126	\$ 45,841	\$ 8,852,412	\$ 3,125,207

The short-term debt activity during the year was as follows:

Beginning Balance	\$ 495,514
Repayments of Line of Credit – Streetscape Fund	<u>(495,514)</u>
Ending Balance	<u>\$ 0</u>

The City has an available line of credit of \$1,000,000 with Peoples Trust Company. Interest is at 1.5% and matures February 1, 2015. The balance outstanding as of June 30, 2014 was \$-0-.

H. Net Position/Fund Balances

GASB Statement No. 34, as amended by GASB Statement No. 54, requires fund balances reported on the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

CITY OF ST. ALBANS, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

Governmental fund balances are to be 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.

Special Revenue Funds are created only to report a revenue source (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in that fund. Special Revenue Funds cannot be used to accumulate funds that are not restricted or committed. These amounts will have to be reflected in the General Fund.

Amounts constrained to stabilization will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. The City does not have any stabilization arrangements.

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. The City does not have any minimum fund balance policies.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the City’s policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

The purpose for each major Special Revenue Fund, including which specific revenues and other resources are authorized to be reported in each, are described in the following section.

The restricted net position of the City as of June 30, 2014 consisted of the following:

Governmental Activities:

Restricted for Revolving Loan Fund by Grant Agreement	\$ 198,001
Restricted for Taylor Park Fountain by Donation	6,324
Restricted for Taylor Park by Donations	<u>2,842</u>
Total Governmental Activities	<u>\$ 207,167</u>

The fund balances in the following funds are nonspendable as follows:

General Fund:

Nonspendable Advances to Other Funds	\$ 191,687
Nonspendable Inventories	7,919
Nonspendable Prepaid Insurances	69,324

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

Revolving Loan Fund:

Nonspendable Advances to Other Funds	\$ <u>50,476</u>
Total Nonspendable Fund Balances	\$ <u>319,406</u>

The fund balances in the following funds are restricted as follows:

Major Funds

General Fund:

Restricted for Recreation by Unspent Debt Proceeds	\$ 20,000
Restricted for Taylor Park Fountain Repairs by Donation	6,324

TIF Capital Projects Fund:

Restricted for TIF Projects by Unspent Debt Proceeds	<u>4,535,750</u>
Total Major Funds	<u>4,562,074</u>

Non-Major Funds

Restricted for Community Development by Grant Agreements (Source of Revenue is Grant Revenue)	40,179
Restricted for Taylor Park Expenses by Donation (Source of Revenue is Donations)	<u>2,842</u>
Total Non-Major Funds	<u>43,021</u>
Total Restricted Fund Balances	\$ <u>4,605,095</u>

The fund balances in the following fund is committed as follows:

Major Funds

Committed for TIF Debt Service by the Voters	\$ <u>2,500,000</u>
Total Committed Fund Balances	\$ <u>2,500,000</u>

The fund balances in the following funds are assigned as follows:

Major Funds

General Fund:

Assigned for Downtown Redevelopment (JLD Proceeds)	\$ 427,290
Assigned for Stormwater Permitting (Lemnah Proceeds)	62,849
Assigned for City Hall Window Replacement Program	15,893

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

General Fund: (Cont'd)	
Assigned for Tennis Court Rehabilitation	\$ 5,000
Assigned for General Parking Improvements	25,017
Assigned for Fire Department Reserves	35,474
Assigned for Public Health and Safety Ordinances	21,200
Assigned for Sidewalks	24,194
Assigned for Public Works Reserves	36,330
Assigned for Record Preservation	69,704
Assigned for Reappraisal	66,493
Assigned for Police Department Expenses	15,451
Amounts Assigned in Excess of Available Fund Balance	<u>(390,569)</u>
 Total General Fund	 <u>414,326</u>
 Total Assigned Fund Balances	 <u>\$ 414,326</u>

The unassigned deficits in the Federal Street Bypass Fund and the Streetscape Fund will be funded as grant receivables are collected and through future General Fund transfers.

The unassigned deficits in the Fonda/Solo Building Fund will be funded with either the sale proceeds of the former Fonda/Solo building site or from a transfer from the General Fund.

I. Designated Net Position

The designated net position of the City as of June 30, 2014 consisted of the following:

Proprietary Funds:	
Designated for Water Capital	\$ 970,449
Designated for Wastewater Capital	<u>1,067,947</u>
 Total Designated Net Position	 <u>\$ 2,038,396</u>

V. OTHER INFORMATION

A. PENSION PLANS

All applicable employees of the City of St. Albans are covered under the State of Vermont Municipal Employees' Retirement Plan. Certain other employees who were participants prior to January 1, 2010 are members of the City of St. Albans defined benefit pension plan, as discussed in Note V.B. Employees in Plan B contribute 4.625% of their gross salary and the City contributes 5.125%. Employees in Plan C contribute 9.5% of their gross salary and the City contributes 6.75%. Employees in Group C are limited to police officers and firefighters. All other employees must be in Group B.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

The City of St. Albans pays all costs accrued each year for the plans. The premise of the plans is to provide a retirement plan covering municipal employees at a uniform state-wide contribution rate based upon an actuarial valuation of all State of Vermont municipal employees. Activity in this plan is done in the aggregate, not by municipality. The net position available for benefits as well as present value of vested and non-vested plan benefits by municipality are not available.

Total payroll for the year was \$4,217,061 while covered payroll was \$3,059,914. Pension expense for this plan for the years ended June 30, 2014, 2013 and 2012 were \$181,424, \$169,923 and \$161,228, respectively.

Additional information regarding the State of Vermont Municipal Employees Retirement System is available upon request from the State of Vermont.

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 may open a 457 account without a City match. Total employer contributions to the 457 Plan for the year were \$11,071.

B. DEFINED BENEFIT 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. 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 twelve (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 actuarially determined contribution to the system for 2014 was \$313,756 which was computed through an actuarial valuation performed as of June 30, 2014.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

The system uses the level dollar closed method to amortize the unfunded accrued liability over a thirty (30) year period from date of establishment. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are as follows:

Actuarial Cost Method	Individual Entry Age
Asset Valuation Method	Market Value
Remaining Amortization Period: Initial Unfunded	0 Years
Investment Rate of Return	6.23%
Salary increases	5%
COLA Adjustment	None

There are 27 active members and 53 retirees and beneficiaries. Additionally, there are 7 former employees with vested rights.

The market value of plan assets maintained at Prudential Investments is \$3,944,851 as of June 30, 2014.

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 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 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 1/4% of the rate of Annual Base Earnings. After July 1, 1997, the yearly amount of future service pension is equal to 1 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 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.
- (d) Benefits and refunds of the post employment defined benefit plan are recognized when due and payable in accordance with the terms of the plan.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

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 or the benefit earned at the Normal Retirement Date actuarially increased to the Late Retirement Date.

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 is payable under the normal form or the option elected.

Disability Benefit

If a member who has completed at least 10 years of Continuous Service becomes totally and permanently disabled 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, 2/3rds of the amount, or 1/2 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.

CITY OF ST. ALBANS, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2014

Investment Policy

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

	<u>Target Allocation</u>
Domestic Equity	35.00%
Fixed Income	<u>65.00%</u>
 Total	 <u>100.00%</u>

Discount Rate

The discount rate was determined as follows:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	6.00%
International Equity	7.50%
Fixed Income	2.50%
Real Estate	6.50%
Cash	<u>0.00%</u>
 Real Rate of Return	 <u>3.73%</u>
 Inflation Assumption	 2.50%
 Total Nominal Return (Discount Rate)	 <u>6.23%</u>

SCHEDULE OF EMPLOYER CONTRIBUTION

<u>Year Ended</u>	<u>Annual Pension Cost</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
12/31/2008	159,632	201,136	126%
12/31/2009	213,524	153,737	72%
12/31/2010	201,866	209,825	104%
6/30/2011	118,825	161,606	136%
6/30/2012	187,482	200,000	107%
6/30/2013	224,258	200,000	89%
6/30/2014	312,844	200,000	63%

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

NET PENSION OBLIGATION

	2014
Annual Required Contribution (ARC)	\$ 313,756
Interest on NPO	4,456
Adjustment to ARC	(5,368)
Annual Pension Cost (APC)	312,844
Employer Contributions Made	200,000
Increase/(Decrease) in NPO	112,844
NPO - June 30, 2013	71,529
NPO - June 30, 2014	\$ 184,373
Percentage of APC Contributed	63%

The Schedule of funding progress for the Defined Benefit Pension Plan immediately following the notes to the financial statements presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits over time.

C. 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 sixty (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.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

D. 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 valuation as of April 1, the approved budgets and the State education property tax liability. Taxes are due and payable on August 30, November 27, February 28 and May 30, 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 taxes become an enforceable lien on the property, and such properties are subject to tax sale. The tax rates for 2014 are as follows:

	Residential	Non-Residential
Education	1.3234	1.4493
General City	.7837	.7837
Library	.0409	.0409
Library Bond	.0077	.0077
Veteran's Exemption	.0021	.0021
Total Tax Rate per \$100 of Assessed Value	2.1578	2.2837

E. POLLUTION REMEDIATION

On August 2, 2010, a Corrective Action Plan was prepared for the City of St. Albans, Vermont. Remedial actions were necessary at a property owned (Fonda/Solo Building) by the City. The remedial actions were undertaken by the City voluntarily. The clean-up was completed in December of 2013 at a total cost of \$813,787, of which \$755,892 was funded through federal grants.

F. 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.

There is an ongoing lawsuit with the Town of St. Albans, Vermont. The Town is the plaintiff and they have filed a breach of contract suit. The suit asserts that the City is in breach because the City failed to equalize water and sewer rates following the purchase of 1 equivalent unit at a cost of \$5,000. The City counters that the agreement calls for purchase of at least 88 equivalent units at a cost of \$440,000 in return for equalizing rates. It is unclear as to the likelihood or amount of damages that could result from a successful suit by the Town as they have not demanded a specific amount in their filings.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2014

G. SUBSEQUENT EVENTS

Subsequent to year end, the City secured four (4) separate notes to finance equipment purchases. Of the four equipment purchases, the bucket truck and the recreation program vehicle were purchased during the year ended June 30, 2014 and had been budgeted for purchase with debt proceeds. During the year, the purchase was made but the debt was not issued. The first is a \$43,000 note from Peoples Trust Company to finance the purchase of the bucket truck. Interest is at 2.55% and the note will be repaid over five (5) years with monthly principal and interest payments of \$763.40. The second is a \$23,238 note from Peoples Trust Company to finance the purchase of the recreation program vehicle. Interest is at 2.55% and the note will be repaid over five (5) years with monthly principal and interest payments of \$412.56. The third is a \$20,000 note from Peoples Trust Company to finance the purchase of a line striper. Interest is at 2.55% and the note will be repaid over five (5) years with monthly principal and interest payments of \$355.39. The fourth is a \$41,204 note from Peoples Trust Company to finance the purchase of a skid steer. Interest is at 2.89% and the note will be repaid over seven (7) years with monthly principal and interest payments of \$542.41.

H. 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 twenty (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 sewer system improvements. To date, the City has issued bonds totaling \$14.5 million of the \$16 million authorized.

I. 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
 REQUIRED SUPPLEMENTARY INFORMATION
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property Taxes	\$ 3,865,350	\$ 3,880,339	\$ 14,989
Payments on Prior Year Taxes	300,000	0	(300,000)
Penalty on Taxes	35,000	26,393	(8,607)
Interest on Taxes	50,000	39,007	(10,993)
State Payments/RR Taxes	8,385	8,921	536
Interest on Savings	3,500	4,163	663
Public Works Garage Lease	32,290	32,290	0
City Hall Lease	46,280	46,280	0
Barlow Street School Rents	22,200	16,963	(5,237)
PILOT	80,000	77,782	(2,218)
Insurance Reimbursements and Miscellaneous	45,000	79,994	34,994
City Clerk	106,500	102,658	(3,842)
Planning and Development	44,500	34,414	(10,086)
Assessing	23,000	23,291	291
Fire Department	76,500	66,193	(10,307)
Police, Dispatch and Animal Control	1,388,990	1,540,788	151,798
Community Justice Center	500,529	479,904	(20,625)
Public Works and Parks	130,000	320,940	190,940
Recreation Programs	384,682	384,566	(116)
	<u>7,142,706</u>	<u>7,164,886</u>	<u>22,180</u>
Total Revenue			
EXPENDITURES			
Administration	403,945	345,488	58,457
City Clerk	69,592	61,586	8,006
Finance	52,530	47,266	5,264
Planning and Development	278,345	282,475	(4,130)
Planning and Development Capital	50,000	34,107	15,893
County and District Functions	161,285	161,475	(190)
Audit and Audit Consultants	9,000	9,127	(127)
Assessing	51,525	46,898	4,627
Debt Service - Principal	189,974	188,759	1,215
Debt Service - Interest	27,892	26,200	1,692
Professional Services - Legal	70,000	31,462	38,538
Fire Department	452,150	396,196	55,954
Fire Department Capital	74,385	126,512	(52,127)
Police, Dispatch and Animal Control	3,161,527	3,277,723	(116,196)
Police Department Capital	96,792	64,112	32,680
Community Justice Center	490,684	479,915	10,769
Public Works, Highway, Parks	592,175	689,337	(97,162)
Public Works Capital	414,415	510,443	(96,028)
Recreation Programs	438,191	483,472	(45,281)
Recreation Capital	20,565	48,808	(28,243)
Library Bond and Expenses	37,734	75,480	(37,746)
	<u>7,142,706</u>	<u>7,386,841</u>	<u>(244,135)</u>
Total Expenditures			
Excess/(Deficiency) of Revenue Over Expenditures	\$ <u>0</u>	(221,955)	\$ <u>(221,955)</u>
Fund Balance - July 1, 2013		<u>931,535</u>	
Fund Balance - June 30, 2014		<u>\$ 709,580</u>	

Notes:

The budget is presented on the Modified Accrual Basis of Accounting.

CITY OF ST. ALBANS, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS
 PENSION TRUST FUND
 JUNE 30, 2014

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess/ (Deficiency) of Assets Over AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess/ (Deficiency) as a Percentage of Covered Payroll (a-b/c)
1/1/2009	3,661,826	4,962,749	(1,300,923)	74%	1,290,469	-101%
1/1/2010	3,861,404	5,000,719	(1,139,315)	77%	628,509	-181%
1/1/2011	3,933,672	5,168,463	(1,234,791)	76%	571,413	-216%
1/1/2012	3,807,325	5,210,067	(1,402,742)	73%	571,413	-245%
6/30/2012	3,877,443	5,441,160	(1,563,717)	71%	714,519	-219%
6/30/2013	3,916,318	5,625,776	(1,709,458)	70%	647,286	-264%
6/30/2014	3,944,851	6,343,614	(2,398,763)	62%	538,265	-446%

CITY OF ST. ALBANS, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY
 AND RELATED RATIOS
 PENSION TRUST FUND
 JUNE 30, 2014

Total Pension Liability:	
Service Cost	\$ 54,376
Interest	372,888
Benefit Payments, Including Refunds of Member Contributions	<u>(432,133)</u>
Net Change in Total Pension Liability	(4,869)
Total Pension Liability, July 1, 2013	<u>6,348,483</u>
Total Pension Liability, June 30, 2014	<u>6,343,614</u>
Plan Fiduciary Net Position:	
Contributions - Employer	200,000
Contributions - Members	40,043
Net Investment Income	249,941
Benefit Payments, Including Refunds of Member Contributions	(432,133)
Administrative Expenses	<u>(28,753)</u>
Net Change in Fiduciary Net Position	29,098
Plan Fiduciary Net Position, July 1, 2013	<u>3,931,300</u>
Plan Fiduciary Net Position, June 30, 2014	3,960,398
Net Pension Liability, June 30, 2014	<u>\$ 2,383,216</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.43%
Covered Employee Payroll	\$ 538,265
Net Pension Liability as a Percentage of Covered Employee Payroll	442.76%

Notes to Schedules

Benefit Changes since June 30, 2013: None

Changes of Assumptions Since June 30, 2013:

The actuarial cost method was changed from the frozen entry age cost method to the individual entry age cost method.

The discount rate (investment return) was changed from 7.5% to 6.23%.

GASB No. 67 required supplementary information is not available for fiscal years prior to 2014. Data for future years will be added prospectively.

CITY OF ST. ALBANS, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS
 PENSION TRUST FUND
 JUNE 30, 2014

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Actuarially Determined Contribution	\$ 312,844	\$ 224,258	\$ 187,482	\$ 118,825	\$ 201,866	\$ 213,524	\$ 159,632
Contributions in Relation to the Actuarially Determined Contribution	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>161,606</u>	<u>209,825</u>	<u>153,737</u>	<u>201,136</u>
Contribution Deficiency/(Excess)	<u>\$ 112,844</u>	<u>\$ 24,258</u>	<u>\$ (12,518)</u>	<u>\$ (42,781)</u>	<u>\$ (7,959)</u>	<u>\$ 59,787</u>	<u>\$ (41,504)</u>
Covered-Employee Payroll	\$ 538,265	\$ 647,286	\$ 714,519	\$ 571,413	\$ 571,413	\$ 628,509	\$ 1,290,469
Contributions as a Percentage of Covered-Employee Payroll	37.16%	30.90%	27.99%	28.28%	36.72%	24.46%	15.59%

Notes to the Schedule

Valuation Date: June 30, 2014

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	Individual Entry Age
Amortization Method	Level Dollar Closed Method
Remaining Amortization Period	0 Years
Asset Valuation Method	Market Value
Inflation	2.5%
Salary Increases	5%
Investment Rate of Return	6.23%
Retirement Age	55
Mortality	The UP84 Mortality Table, with ages set back one year for males and set back six years for females.

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

CITY OF ST. ALBANS, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF INVESTMENT RETURNS
PENSION TRUST FUND
JUNE 30, 2014

2014

Annual Money-Weighted Rate of Return, Net of Investment Expense	4.98%
--	-------

GASB No. 67 required supplementary information is not available for fiscal years prior to 2014.
Data for future years will be added prospectively.

CITY OF ST. ALBANS, VERMONT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2014

	Special Revenue Funds	Capital Projects Fund - Federal St. Bypass Fund	Total
ASSETS			
Cash	\$ 43,521	\$ 0	\$ 43,521
Receivables	14,109	240,130	254,239
Due from Other Funds	9,985	0	9,985
Advances to Other Funds	50,476	0	50,476
Loans Receivable (Net of Allowance for Doubtful Accounts)	<u>107,346</u>	<u>0</u>	<u>107,346</u>
Total Assets	<u>\$ 225,437</u>	<u>\$ 240,130</u>	<u>\$ 465,567</u>
LIABILITIES			
Accounts Payable	\$ 16,837	\$ 60,358	\$ 77,195
Due to Other Funds	2,657	57,236	59,893
Advances from Other Funds	80,457	161,706	242,163
Unearned Revenue	<u>5,100</u>	<u>0</u>	<u>5,100</u>
Total Liabilities	<u>105,051</u>	<u>279,300</u>	<u>384,351</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue	<u>107,346</u>	<u>240,130</u>	<u>347,476</u>
Total Deferred Inflows of Resources	<u>107,346</u>	<u>240,130</u>	<u>347,476</u>
FUND BALANCES (DEFICIT)			
Nonspendable	50,476	0	50,476
Restricted	43,021	0	43,021
Unassigned	<u>(80,457)</u>	<u>(279,300)</u>	<u>(359,757)</u>
Total Fund Balances/(Deficits)	<u>13,040</u>	<u>(279,300)</u>	<u>(266,260)</u>
Total Liabilities and Fund Balances	<u>\$ 225,437</u>	<u>\$ 240,130</u>	<u>\$ 465,567</u>

CITY OF ST. ALBANS, VERMONT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds	Capital Projects Fund - Federal St. Bypass Fund	Total
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Intergovernmental	\$ 62,291	\$ 120,496	\$ 182,787
Investment Income	377	0	377
Donations	<u>2,480</u>	<u>0</u>	<u>2,480</u>
Total Revenues	<u>65,148</u>	<u>120,496</u>	<u>185,644</u>
EXPENDITURES			
Current:			
General Government	14,324	0	14,324
Public Safety	47,359	0	47,359
Culture and Recreation	1,769	0	1,769
Community Development	23,675	0	23,675
Capital Outlay:			
Public Works	<u>0</u>	<u>219,163</u>	<u>219,163</u>
Total Expenditures	<u>87,127</u>	<u>219,163</u>	<u>306,290</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(21,979)</u>	<u>(98,667)</u>	<u>(120,646)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>1,517</u>	<u>0</u>	<u>1,517</u>
Total Other Financing Sources	<u>1,517</u>	<u>0</u>	<u>1,517</u>
Net Change in Fund Balances	(20,462)	(98,667)	(119,129)
Fund Balances/(Deficit) - July 1, 2013	<u>33,502</u>	<u>(180,633)</u>	<u>(147,131)</u>
Fund Balances/(Deficit) - June 30, 2014	<u>\$ 13,040</u>	<u>\$ (279,300)</u>	<u>\$ (266,260)</u>

CITY OF ST. ALBANS, VERMONT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	Revolving Loan Fund	OJP and Police Grants Fund	VCDP Grants Fund	Fonda/Solo Building Fund	Taylor Park Trust Fund	Reconstitution Donations Fund	Total
ASSETS							
Cash	\$ 40,679	\$ 0	\$ 0	\$ 0	\$ 2,842	\$ 0	\$ 43,521
Receivables	0	9,821	4,288	0	0	0	14,109
Due from Other Funds	0	4,885	0	0	0	5,100	9,985
Advances to Other Funds	50,476	0	0	0	0	0	50,476
Loans Receivable (Net of Allowance for Doubtful Accounts)	107,346	0	0	0	0	0	107,346
Total Assets	<u>\$ 198,501</u>	<u>\$ 14,706</u>	<u>\$ 4,288</u>	<u>\$ 0</u>	<u>\$ 2,842</u>	<u>\$ 5,100</u>	<u>\$ 225,437</u>
LIABILITIES							
Accounts Payable	\$ 0	\$ 14,706	\$ 2,131	\$ 0	\$ 0	\$ 0	\$ 16,837
Due to Other Funds	500	0	2,157	0	0	0	2,657
Advances from Other Funds	0	0	0	80,457	0	0	80,457
Unearned Revenue	0	0	0	0	0	5,100	5,100
Total Liabilities	<u>500</u>	<u>14,706</u>	<u>4,288</u>	<u>80,457</u>	<u>0</u>	<u>5,100</u>	<u>105,051</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	107,346	0	0	0	0	0	107,346
Total Deferred Inflows of Resources	<u>107,346</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>107,346</u>
FUND BALANCES (DEFICIT)							
Nonspendable	50,476	0	0	0	0	0	50,476
Restricted	40,179	0	0	0	2,842	0	43,021
Unassigned	0	0	0	(80,457)	0	0	(80,457)
Total Fund Balances/(Deficit)	<u>90,655</u>	<u>0</u>	<u>0</u>	<u>(80,457)</u>	<u>2,842</u>	<u>0</u>	<u>13,040</u>
Total Liabilities and Fund Balances	<u>\$ 198,501</u>	<u>\$ 14,706</u>	<u>\$ 4,288</u>	<u>\$ 0</u>	<u>\$ 2,842</u>	<u>\$ 5,100</u>	<u>\$ 225,437</u>

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, 2014

	Revolving Loan Fund	OJP and Police Grants Fund	VCDP Grants Fund	Fonda/Solo Building Fund	Taylor Park Trust Fund	Reconstitution Donations Fund	Total
REVENUES							
Intergovernmental	\$ 2,125	\$ 47,359	\$ 12,807	\$ 0	\$ 0	\$ 0	\$ 62,291
Investment Income	377	0	0	0	0	0	377
Donations	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,480</u>	<u>0</u>	<u>2,480</u>
Total Revenues	<u>2,502</u>	<u>47,359</u>	<u>12,807</u>	<u>0</u>	<u>2,480</u>	<u>0</u>	<u>65,148</u>
EXPENDITURES							
Current:							
General Government	0	0	14,324	0	0	0	14,324
Public Safety	0	47,359	0	0	0	0	47,359
Culture and Recreation	0	0	0	0	1,769	0	1,769
Community Development	<u>23,675</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>23,675</u>
Total Expenditures	<u>23,675</u>	<u>47,359</u>	<u>14,324</u>	<u>0</u>	<u>1,769</u>	<u>0</u>	<u>87,127</u>
Excess/(Deficiency) of Revenue Over Expenditures	<u>(21,173)</u>	<u>0</u>	<u>(1,517)</u>	<u>0</u>	<u>711</u>	<u>0</u>	<u>(21,979)</u>
OTHER FINANCING SOURCES (USES)							
Transfer In	<u>0</u>	<u>0</u>	<u>1,517</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,517</u>
Total Other Financing Sources	<u>0</u>	<u>0</u>	<u>1,517</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,517</u>
Net Change in Fund Balances	(21,173)	0	0	0	711	0	(20,462)
Fund Balances/(Deficit) - July 1, 2013	<u>111,828</u>	<u>0</u>	<u>0</u>	<u>(80,457)</u>	<u>2,131</u>	<u>0</u>	<u>33,502</u>
Fund Balances/(Deficit) - June 30, 2014	<u>\$ 90,655</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ (80,457)</u>	<u>\$ 2,842</u>	<u>\$ 0</u>	<u>\$ 13,040</u>

TOWN OF ST. ALBANS, VERMONT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 JUNE 30, 2014

	Tax Sale Escrow Fund	SAFF Fund	Total
	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>			
Cash and Cash Equivalents	\$ <u>136,133</u>	\$ <u>11,500</u>	\$ <u>147,633</u>
Total Assets	\$ <u><u>136,133</u></u>	\$ <u><u>11,500</u></u>	\$ <u><u>147,633</u></u>
 <u>LIABILITIES AND NET POSITION</u>			
Liabilities:			
Due to Others	\$ <u>136,133</u>	\$ <u>11,500</u>	\$ <u>147,633</u>
Total Liabilities	<u>136,133</u>	<u>11,500</u>	<u>147,633</u>
Net Position			
Total Net Position	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities and Net Position	\$ <u><u>136,133</u></u>	\$ <u><u>11,500</u></u>	\$ <u><u>147,633</u></u>

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.

Contents	Page
Financial Trends	84-88
<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	89-92
<i>These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.</i>	
Debt Capacity	93-97
<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	98-99
<i>These schedules contain information to help the reader understand the environment within which the government's financial activities take place.</i>	
Operating Information	100-102
<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>	



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

	2014	2013	2012	2011	2010 (restated)	2010	2009	2008	2007	2006	2005
Governmental Activities											
Net Investment in Capital Assets	\$ 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	\$ 1,901,247	\$ 1,493,316
Restricted	207,167	215,538	214,623	264,656	555,570	345,682	210,527	94,116	94,116	133,896	175,000
Unrestricted	(464,613)	(1,742,334)	(334,422)	(226,679)	696,496	666,509	242,004	(307,414)	(182,941)	(42,118)	257,730
Total Governmental Activities Net Position	8,283,181	5,593,128	5,567,829	4,132,374	3,080,312	3,006,868	2,178,710	2,271,357	2,085,321	1,993,025	1,926,046
Business-type Activities											
Net Investment in Capital Assets	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	11,487,899	12,233,567
Unrestricted	3,616,724	2,450,449	2,252,046	1,198,191	1,138,845	1,191,575	730,207	(181,539)	(148,221)	355,393	(25,546)
Total Business-type Activities Net Position	15,716,952	14,460,041	13,835,690	13,251,673	12,030,672	12,138,797	11,776,020	11,364,399	11,371,102	11,843,292	12,208,021
Primary Government											
Net Investment in Capital Assets	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	13,389,146	13,726,883
Restricted	207,167	215,538	214,623	264,656	555,570	345,682	210,527	94,116	94,116	133,896	175,000
Unrestricted	3,152,111	708,115	1,917,624	971,512	1,835,341	1,858,084	972,211	(488,953)	(331,162)	313,275	232,184
Total Primary Government Net Position	\$ 24,000,133	\$ 20,053,169	\$ 19,403,519	\$ 17,384,047	\$ 15,110,984	\$ 15,145,665	\$ 13,954,733	\$ 13,635,756	\$ 13,456,423	\$ 13,836,317	\$ 14,134,067

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses										
Governmental Activities:										
General Government	\$ 752,052	\$ 760,536	\$ 1,387,110	\$ 947,435	\$ 1,144,117	\$ 951,130	\$ 617,719	\$ 756,379	\$ 681,717	\$ 609,126
Public Safety	4,535,681	4,504,074	4,682,229	4,190,064	3,558,949	3,192,272	2,828,788	2,749,792	2,875,416	2,830,791
Public Works	815,624	610,692	581,886	571,072	520,534	470,066	467,661	434,770	489,674	614,371
Culture and Recreation	600,304	540,147	472,500	485,389	419,147	507,323	403,011	417,362	507,006	448,228
Community Development	762,129	2,005,440	498,887	2,356	284,619	748,394	1,023,587	999,195	536,858	399,211
Depreciation, Unallocated	0	0	0	0	206,832	165,288	135,906	132,526	132,881	130,412
Interest on Long-term Debt	337,282	74,998	50,438	62,959	76,276	25,592	48,237	47,594	44,954	54,328
Total Governmental Activities	<u>7,803,072</u>	<u>8,495,887</u>	<u>7,673,050</u>	<u>6,259,275</u>	<u>6,210,474</u>	<u>6,060,065</u>	<u>5,524,909</u>	<u>5,537,618</u>	<u>5,268,506</u>	<u>5,086,467</u>
Business-type Activities:										
Water	1,895,517	1,885,455	1,807,120	1,714,023	1,652,883	1,511,804	1,504,356	1,640,767	1,508,809	1,442,208
Sewer	2,623,091	2,842,362	2,505,130	2,365,686	2,268,216	2,125,398	2,201,700	2,100,465	1,975,846	1,770,562
Total Business-Type Activities	<u>4,518,608</u>	<u>4,727,817</u>	<u>4,312,250</u>	<u>4,079,709</u>	<u>3,921,099</u>	<u>3,637,202</u>	<u>3,706,056</u>	<u>3,741,232</u>	<u>3,484,655</u>	<u>3,212,770</u>
Total Expenses	<u>\$ 12,321,680</u>	<u>\$ 13,223,704</u>	<u>\$ 11,985,300</u>	<u>\$ 10,338,984</u>	<u>\$ 10,131,573</u>	<u>\$ 9,697,267</u>	<u>\$ 9,230,965</u>	<u>\$ 9,278,850</u>	<u>\$ 8,753,161</u>	<u>\$ 8,299,237</u>
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	\$ 140,099	\$ 492,848	\$ 237,930	\$ 136,402	\$ 245,471	\$ 129,977	\$ 133,800	\$ 150,052	\$ 99,276	\$ 114,956
Public Safety	1,402,824	1,197,101	1,172,465	684,202	712,195	506,101	266,931	273,181	203,044	210,637
Public Works	54,405	86,756	42,756	28,111	240,765	358,985	330,638	307,699	234,046	313,674
Culture and Recreation	450,924	436,241	325,041	414,298	272,733	216,324	191,550	166,297	149,111	152,664
Community Development	7,892	1,000	579	85,608	0	0	0	0	23,279	47,971
Operating Grants and Contributions	861,861	1,106,294	2,377,447	1,050,574	1,285,243	1,458,740	1,421,720	1,551,299	1,509,669	1,387,749
Capital Grants and Contributions	885,807	1,264,603	933,940	920,671	0	0	0	0	0	0
Total Governmental Activities	<u>3,803,812</u>	<u>4,584,843</u>	<u>5,090,158</u>	<u>3,319,866</u>	<u>2,756,407</u>	<u>2,670,127</u>	<u>2,344,639</u>	<u>2,448,528</u>	<u>2,218,425</u>	<u>2,227,651</u>
Business-type Activities:										
Charges for Services										
Water	2,404,911	2,102,458	2,085,442	1,988,380	1,900,576	1,892,135	1,775,887	1,529,324	1,438,227	1,316,179
Sewer	3,113,773	2,745,270	2,680,843	2,267,927	2,350,434	2,303,097	1,910,123	1,688,736	1,641,642	1,508,743
Operating Grants and Contributions	0	0	0	0	0	0	0	50,982	40,057	31,674
Capital Grants and Contributions	251,537	452,696	79,587	1,000,000	0	0	0	0	0	0
Total Business-type Activities	<u>5,770,221</u>	<u>5,300,424</u>	<u>4,845,872</u>	<u>5,256,307</u>	<u>4,251,010</u>	<u>4,195,232</u>	<u>3,686,010</u>	<u>3,269,042</u>	<u>3,119,926</u>	<u>2,856,596</u>
Total Program Revenues	<u>\$ 9,574,033</u>	<u>\$ 9,885,267</u>	<u>\$ 9,936,030</u>	<u>\$ 8,576,173</u>	<u>\$ 7,007,417</u>	<u>\$ 6,865,359</u>	<u>\$ 6,030,649</u>	<u>\$ 5,717,570</u>	<u>\$ 5,338,351</u>	<u>\$ 5,084,247</u>
Net (Expense)/Revenue										
Governmental Activities	\$ (3,999,260)	\$ (3,911,044)	\$ (2,582,892)	\$ (2,939,409)	\$ (3,454,067)	\$ (3,389,938)	\$ (3,180,270)	\$ (3,089,090)	\$ (3,050,081)	\$ (2,858,816)
Business-type Activities	1,251,613	572,607	533,622	1,176,598	329,911	558,030	(20,046)	(472,190)	(364,729)	(356,174)
Total Net Expense	<u>\$ (2,747,647)</u>	<u>\$ (3,338,437)</u>	<u>\$ (2,049,270)</u>	<u>\$ (1,762,811)</u>	<u>\$ (3,124,156)</u>	<u>\$ (2,831,908)</u>	<u>\$ (3,200,316)</u>	<u>\$ (3,561,280)</u>	<u>\$ (3,414,810)</u>	<u>\$ (3,214,990)</u>

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

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Revenues										
Governmental Activities:										
Property Taxes	\$ 3,953,716	\$ 3,763,707	\$ 3,780,436	\$ 3,765,017	\$ 3,810,002	\$ 3,597,523	\$ 3,377,979	\$ 3,188,435	\$ 2,903,027	\$ 2,807,088
Interest and Penalties on Delinquent Taxes	65,714	55,706	96,792	95,793	0	0	0	0	0	0
Unrestricted Investment Earnings	4,540	2,994	4,884	7,934	5,931	11,766	13,329	22,951	16,620	12,137
General State Grants	86,703	95,416	89,834	85,435	0	0	0	0	0	0
Other Revenues	19,983	17,670	23,140	34,005	0	0	0	0	0	0
Gain/(Loss) on Capital Assets	2,251,711	850	23,261	0	498,680	(312,000)	0	0	258,579	0
Transfers	306,946	0	0	3,287	0	0	(25,001)	(30,000)	(25,000)	(19,175)
Prior Period Adjustment	0	0	0	0	(32,388)	0	0	0	0	(19,811)
Total Governmental Activities	<u>6,689,313</u>	<u>3,936,343</u>	<u>4,018,347</u>	<u>3,991,471</u>	<u>4,282,225</u>	<u>3,297,289</u>	<u>3,366,307</u>	<u>3,181,386</u>	<u>3,153,226</u>	<u>2,780,239</u>
Business-type Activities:										
Unrestricted Investment Earnings	312,244	51,744	50,395	42,313	32,861	13,040	13,324	0	0	0
Other Revenues	0	0	0	5,377	0	0	0	0	0	0
Transfers	(306,946)	0	0	(3,287)	0	0	0	0	0	19,175
Prior Period Adjustment	0	0	0	0	0	(159,446)	0	0	0	(75,803)
Total Business-type Activities	<u>5,298</u>	<u>51,744</u>	<u>50,395</u>	<u>44,403</u>	<u>32,861</u>	<u>(146,406)</u>	<u>13,324</u>	<u>0</u>	<u>0</u>	<u>(56,628)</u>
Total Primary Government	<u>\$ 6,694,611</u>	<u>\$ 3,988,087</u>	<u>\$ 4,068,742</u>	<u>\$ 4,035,874</u>	<u>\$ 4,315,086</u>	<u>\$ 3,150,883</u>	<u>\$ 3,379,631</u>	<u>\$ 3,181,386</u>	<u>\$ 3,153,226</u>	<u>\$ 2,723,611</u>
Change in Net Position										
Governmental Activities	\$ 2,690,053	\$ 25,299	\$ 107,303	\$ 1,408,579	\$ 1,342,816	\$ (156,778)	\$ (23,631)	\$ 1,116	\$ 64,136	\$ (269,842)
Business-type Activities	1,256,911	624,351	623,002	578,025	1,209,459	183,505	571,354	(20,046)	(472,190)	(421,357)
Total Change in Net Position	<u>\$ 3,946,964</u>	<u>\$ 649,650</u>	<u>\$ 730,305</u>	<u>\$ 1,986,604</u>	<u>\$ 2,552,275</u>	<u>\$ 26,727</u>	<u>\$ 547,723</u>	<u>\$ (18,930)</u>	<u>\$ (408,054)</u>	<u>\$ (691,199)</u>

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

	2014 (1)	2013 (1)	2012 (1)	2011 (1)	2010	2009	2008	2007	2006	2005
General Fund										
Nonspendable	268,930	201,638	193,645	200,523	-	-	-	-	-	-
Restricted	26,324	20,000	20,000	15,919	-	-	-	-	-	-
Assigned	414,326	709,897	318,203	517,393	-	-	-	-	-	-
Unassigned	0	0	0	6,687	-	-	-	-	-	-
Reserved	-	-	-	-	345,683	210,527	94,116	94,116	133,896	175,000
Unreserved	-	-	-	-	584,645	302,423	(461,856)	(487,132)	(332,973)	(23,400)
Total General Fund	<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>	<u>(199,077)</u>	<u>151,600</u>
All Other Governmental Funds										
Nonspendable	50,476	114,290	50,476	50,476	-	-	-	-	-	-
Restricted	4,578,771	993,607	63,568	115,293	-	-	-	-	-	-
Committed	2,500,000	0	0	0	-	-	-	-	-	-
Unassigned	(513,305)	(750,224)	(269,158)	(275,378)	-	-	-	-	-	-
Reserved	-	-	-	-	0	0	0	0	0	0
Unreserved	-	-	-	-	88,704	35,367	82,749	177,775	216,005	140,899
Total All Other Governmental Funds	<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>	<u>216,005</u>	<u>140,899</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)

	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Revenues										
Property Taxes	\$ 4,035,416	\$ 3,753,707	\$ 3,850,436	\$ 3,707,017	\$ 4,059,977	\$ 3,958,175	\$ 3,710,830	\$ 3,416,794	\$ 3,063,408	\$ 2,966,382
Penalties and Interest	65,713	55,706	96,791	95,793	31,351	17,917	12,241	36,930	23,365	42,191
Intergovernmental Revenues	2,176,164	2,074,187	2,931,608	1,947,208	515,519	442,030	155,242	1,066,891	1,060,877	577,232
Charges for Services	1,798,004	1,610,276	1,583,855	1,311,588	545,033	440,798	318,783	330,593	359,579	402,956
Investment Income	4,540	2,994	4,884	7,934	8,683	11,729	15,117	25,073	13,235	12,137
Loan Repayments	0	0	98,887	3,662	17,691	112,845	34,421	33,786	125,794	48,618
Licenses and Permits	154,227	468,198	202,758	113,486	79,778	80,058	87,658	50,187	48,721	53,192
Recreation Department	0	0	0	0	306,433	248,862	218,550	193,297	156,566	162,358
Grant Revenue	0	0	0	0	751,317	585,531	1,072,848	177,533	170,935	292,701
Other Revenue	142,114	97,463	95,333	63,112	270,030	440,652	61,476	185,729	124,009	135,918
Total Revenues	8,376,178	8,062,531	8,864,552	7,249,800	6,585,812	6,338,597	5,687,166	5,516,813	5,146,489	4,693,685
Expenditures										
Current:										
General Government	761,903	813,050	1,514,761	1,238,677	943,532	713,239	472,400	566,927	440,544	393,592
Public Safety	4,252,826	4,140,795	4,481,489	4,055,873	3,690,738	3,330,406	2,991,708	2,863,852	2,582,319	2,294,671
Public Works	637,760	546,484	513,179	535,024	550,784	565,061	542,425	548,732	592,078	555,715
Culture and Recreation	566,235	435,924	453,683	465,542	375,124	308,766	281,430	255,474	264,591	265,787
Community Development	762,129	2,005,440	598,887	2,356	119,102	369,927	525,593	1,064,346	1,053,621	598,765
Grant Expenditures	0	0	0	0	479,654	615,498	1,071,568	177,533	162,631	293,284
Miscellaneous	0	0	0	0	212,624	263,492	170,653	224,502	242,552	216,519
Capital Outlay	9,228,485	1,978,708	1,357,999	1,599,721	87,500	225,000	0	0	155,000	0
Debt Service:										
Principal	318,553	308,671	291,468	483,187	155,961	103,223	44,199	48,943	264,372	84,377
Interest	280,245	69,451	54,006	65,292	55,861	61,708	48,965	16,673	16,725	44,664
Total Expenditures	16,808,136	10,298,523	9,265,472	8,445,672	6,670,880	6,556,320	6,148,941	5,766,982	5,774,433	4,747,374
Excess (Deficiency) of Revenues over Expenditures	(8,431,958)	(2,235,992)	(400,920)	(1,195,872)	(85,068)	(217,723)	(461,775)	(250,169)	(627,944)	(53,689)
Other Financing Sources (Uses)										
Proceeds of Long-Term Debt	11,656,626	3,148,466	123,480	529,118	87,500	1,051,028	393,026	0	155,000	0
Proceeds from Sale of Capital Assets	2,504,700	0	23,261	4,350	500,671	0	24,000	48,000	258,579	0
Transfers In	838,398	3,500	132,672	94,045	0	50,114	104,896	15,000	5,000	0
Transfers Out	(531,452)	(3,500)	(132,672)	(90,758)	0	(50,114)	(129,897)	(45,000)	(30,000)	(19,175)
Total Other Financing Sources (Uses)	14,468,272	3,148,466	146,741	536,755	588,171	1,051,028	392,025	18,000	388,579	(19,175)
Net Change in Fund Balances	\$ 6,036,314	\$ 912,474	\$ (254,179)	\$ (659,117)	\$ 503,103	\$ 833,305	\$ (69,750)	\$ (232,169)	\$ (239,365)	\$ (72,864)
Debt Service as a Percentage of Noncapital Expenditures	7.90%	4.54%	4.37%	8.01%	3.22%	2.61%	1.52%	1.14%	5.00%	2.72%

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
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
2006	3,773,200	4,309,274	0.8040	1,786,073	1,790,708
2005	3,688,077	3,791,977	0.7890	1,755,888	1,761,771

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

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
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
2006	0.8040	1.3957	1.5525	2.1997	2.3565
2005	0.7890	1.2489	1.4490	2.0379	2.2380

Notes:

Tax rates are per \$100 of assessed value.

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

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

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed value
Mylan Technologies Inc.	175,703	1	3.60%	45,727	2	1.24%
Elman Vermont Investors	143,852	2	2.95%			
Green Mountain Power	68,232	3	1.40%			
St. Albans Coop Creamery	60,698	4	1.24%	31,425	5	0.85%
St. Albans Shopping Center	39,563	5	0.81%	24,060	6	0.65%
Housing Foundation	23,868	6	0.49%			
Willard Mill Housing	18,787	7	0.39%			
Peoples Trust Company	18,581	8	0.38%			
Rail City Housing	17,375	9	0.36%			
Holy Angels Housing	17,059	10	0.35%			
Pizzagalli Property Co				95,139	1	2.58%
MLI Acquisition Corp				41,660	3	1.13%
Central Vermont Public Service				33,222	4	0.90%
Emile Legere				21,059	7	0.57%
Fonda Group Inc.				16,882	8	0.46%
Switchyard Assoc.				15,286	9	0.41%
Poquette & Bruley Inc.				14,500	10	0.39%
	<u>583,718</u>		<u>11.97%</u>	<u>338,960</u>		<u>9.19%</u>

Table 8

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 Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2014	10,461,499	10,288,042	98.34%	0	10,288,042	98.34%
2013	10,078,467	9,841,255	97.65%	205,431	10,046,686	99.68%
2012	10,288,103	9,983,848	97.04%	279,615	10,263,463	99.76%
2011	10,338,270	10,000,762	96.74%	332,408	10,333,170	99.95%
2010	10,308,950	10,036,219	97.30%	270,919	10,307,138	99.98%
2009	9,880,566	9,602,732	97.12%	275,408	9,878,140	99.98%
2008	9,185,814	8,920,116	97.10%	264,293	9,184,409	99.98%
2007	8,836,454	8,596,949	97.28%	239,010	8,835,959	99.99%
2006	8,325,695	8,102,070	97.23%	223,625	8,325,695	100.00%
2005	7,655,823	7,428,088	97.02%	227,735	7,655,823	100.00%

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				
2014	\$ 14,775,000	\$ 1,030,609	\$ 45,841	\$ 7,114,923	\$ 1,737,489	\$ -	\$ 24,703,862	6,875	\$ 3,593	n/a
2013	430,000	4,057,612	25,765	7,377,971	1,372,097	0	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	0	10,375,036	6,918	1,500	3.56%
2009	704,482	1,119,759	75,873	4,007,069	1,430,453	0	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%
2006	345,000	400,513	40,470	3,931,776	1,962,903	40,470	6,721,132	7,409	916	2.46%
2005	385,000	495,055	0	3,992,036	517,426	0	5,389,517	7,476	728	2.04%

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 Enterprise Fund Revenues	Net General Obligation Debt	Estimated Population (1)	Debt per Capita	Assessed Value	Ratio of Debt to Assessed Value
2014	\$ 24,703,864	\$ 8,852,414	\$ 15,851,450	6,875	\$ 2,306	\$ 487,679,700	3.25%
2013	13,263,445	8,750,068	4,513,377	6,876	647	472,166,000	0.96%
2012	9,815,171	8,141,589	1,673,582	6,894	243	473,070,400	0.35%
2011	10,158,119	8,316,549	1,841,570	6,971	266	383,329,600	0.48%
2010	10,375,036	8,579,397	1,795,639	6,918	260	383,524,900	0.47%
2009	7,337,636	5,437,522	1,900,114	7,243	262	384,537,100	0.49%
2008	6,062,436	5,056,569	1,005,867	7,250	139	383,782,300	0.26%
2007	6,176,854	5,479,814	697,040	7,305	95	384,655,000	0.18%
2006	6,721,132	5,935,149	785,983	7,409	107	377,320,000	0.21%
2005	5,389,517	4,509,462	880,055	7,476	119	368,807,700	0.24%

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, 2014

Jurisdiction	Net General Obligation Debt Outstanding	Percentage Applicable to the City	Amount Applicable to the City of St. Albans
Direct:			
City of St. Albans	\$ 15,851,450	100.0%	\$ 15,851,450
Overlapping:			
Bellows Free Academy Union High School (1)	4,225,000	50.1%	2,115,035
St. Albans City School (1)	<u>5,402,221</u>	100.0%	<u>5,402,221</u>
Total	<u><u>\$ 25,478,671</u></u>		<u><u>\$ 23,368,706</u></u>

Sources:

(1) Franklin County Supervisory Union

Notes:

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

CITY OF ST. ALBANS
LEGAL DEBT MARGIN INFORMATION
JUNE 30, 2014

Grand List Valuation	<u>\$ 4,876,797</u>
Legal Debt Margin	
Debt Limitation - Ten Times Last Grant List	48,767,970
Debt Applicable to Limitation	<u>15,851,450</u>
Legal Debt Margin	<u>\$ 32,916,520</u>
Debt as Percentage of Debt Limit	<u>32.50%</u>

LEGAL DEBT MARGIN
PRECEDING NINE YEARS

<u>Fiscal Year</u>	<u>Debt Limit</u>	<u>Applicable Debt</u>	<u>Legal Debt Margin</u>	<u>Debt as Percentage of Debt Limit</u>
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%
2006	37,732,000	785,983	36,946,017	2.08%
2005	36,880,770	880,055	36,000,715	2.39%

Notes:

The City's outstanding general obligation debt may not exceed ten (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 (TIF) dist

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	
2014	2,389,911	1,750,845	639,066	250,000	154,060	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%
2006	1,438,227	1,304,114	134,113	131,867	204,695	336,562	39.85%
2005	1,316,179	1,253,599	62,580	123,115	188,609	311,724	20.08%

WASTEWATER FUND

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2014	3,113,773	2,537,896	575,877	298,510	292,104	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%
2006	1,641,642	1,945,840	(304,198)	97,747	30,006	127,753	-238.11%
2005	1,508,743	1,759,404	(250,661)	135,911	11,158	147,069	-170.44%

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

Year	Population (1, 2)	Per Capita Income (1, 2)	Personal Income	State-wide Per Capita Income (3)	State-wide Median Family Income (1)	Unemployment Rate		Enrollment Grades 9-12 (2)	High School Graduation Rate (2)
						St. Albans City (3)	State-wide (2, 3)		
2014	6,875	n/a	n/a	n/a	n/a	6.00%	3.40%	1,047	93%
2013	6,876	45,712	314,315,712	45,483	54,267	6.80%	4.40%	1,069	88%
2012	6,894	44,376	305,928,144	44,443	55,582	7.60%	5.00%	1,069	90%
2011	6,971	44,108	307,476,868	42,968	51,862	9.20%	5.60%	1,083	87%
2010	6,918	42,174	291,759,732	40,134	55,928	10.90%	6.30%	1,119	86%
2009	7,243	42,446	307,436,378	38,527	52,318	11.20%	6.40%	1,129	86%
2008	7,250	39,864	289,014,000	40,148	50,706	6.90%	5.50%	1,175	92%
2007	7,305	37,355	272,878,275	38,675	47,390	5.90%	3.70%	1,199	91%
2006	7,409	36,913	273,488,417	36,768	51,981	6.00%	3.00%	1,207	85%
2005	7,476	35,424	264,829,824	34,530	50,704	4.10%	3.40%	1,100	85%

Sources:

- (1) United States Census Bureau
- (2) Vermont Economic-Demographic Profile, report years 2005-2014
- (3) Vermont Department of Labor

Notes:

Fields marked "n/a" indicate that data is not available. Current year data is reported as of June 30, 2014 when available.

The 2005 Vermont Economic-Demographic Profile incorrectly listed the enrollment for Bellows Free Academy by mixing it up with Bellows Free Academy - Fairfax. The numbers listed on this table are the correct enrollment figures for Bellows Free Academy - St. Albans.

Population for 2014 have been estimated based on the historical relationship between state level and city level data.

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

Employer	2014			2005		
	Employees (1, 2, 3)	Rank	Percentage of Total City Employment (4)	Employees (2, 3)	Rank	Percentage of Total City Employment (4)
Department of Homeland Security, USCIS	1,447	1	20.14%	1,232	1	16.18%
Mylan Technologies	600	2	8.35%	400	3	5.25%
Northwestern Medical Center	447	3	6.22%	600	2	7.88%
Northwest Supervisory Union	378	4	5.26%	335	4	4.40%
Peoples Trust Company	110	5	1.53%	110	7	1.44%
A. N. Deringer, Inc.	90	6	1.25%	130	6	1.71%
SB Collins	80	7	1.11%			
St. Albans Coop Creamery	75	8	1.04%	67	10	0.88%
Sticks & Stuff	65	9	0.90%	90	8	1.18%
City of St. Albans	60	10	0.84%	76	9	1.00%
Solo Cup Company				168	5	2.21%
	3,352		46.65%	3,208		42.13%

Sources:

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

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

Full-time Equivalent Employees as of June 30										
Function/Program	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government:										
Administration	3.00	3.00	3.00	3.00	3.00	3.00	2.00	3.00	3.00	3.00
Finance	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Clerk	2.00	2.00	2.00	2.00	2.00	1.50	2.00	1.50	1.50	1.50
Planning and Zoning	2.50	3.50	2.50	3.50	3.00	2.50	3.00	3.50	4.50	2.50
Assessing	0.50	0.50	0.50	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Justice Center	5.00	4.50	4.50	4.50	2.00	0.00	0.00	1.00	1.00	0.00
Public Safety:										
Police	25.50	23.00	23.00	25.00	24.00	23.00	20.00	20.00	22.00	20.00
Fire	2.00	3.00	4.00	5.00	6.00	11.00	12.00	10.00	11.00	11.00
Dispatch	9.00	10.00	9.50	10.00	11.50	9.00	8.00	7.00	7.00	7.00
Public Works:										
Highways	10.50	11.00	9.00	10.00	8.50	7.50	9.00	8.00	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.	1.50	1.50	1.00	1.00	2.50	3.00	3.00	3.50	2.50	2.50
Water	3.00	2.50	2.50	2.00	2.00	3.00	2.00	4.00	3.00	5.00
Wastewater	4.00	4.50	4.50	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Total Employees	72.00	72.50	69.50	75.50	74.00	73.00	70.50	71.00	74.00	70.00

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

Function/Program	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government:										
Full-time positions filled	72.00	72.50	69.50	75.50	74.00	73.00	70.50	71.00	74.00	70.00
Tax bills mailed	2,484	2,474	2,475	2,363	2,360	2,427	2,543	2,543	2,514	2,510
Active Recreation Programs	545	551	564	500	n/a	n/a	n/a	n/a	n/a	n/a
Recreation Participants	3,641	3,498	3,578	2,983	n/a	n/a	n/a	n/a	n/a	n/a
Birth Certificates Recorded*	539	479	507	507	553	465	510	544	535	574
Marriage Licenses Recorded*	61	63	69	47	58	72	53	74	92	89
Death Certificates Recorded*	149	160	156	160	161	114	170	158	165	186
Public Safety (1):										
Total Cases*	12,372	9,992	6,858	6,558	5,433	5,556	6,192	5,703	4,880	4,446
Number of Offenses*	n/a	760	632	939	628	839	664	758	653	591
Number of Traffic Tickets*	1,018	645	721	1,104	1,791	873	1,047	1,209	964	906
Number of Traffic Warnings*	2,087	1,774	1,225	1,944	2,689	1,177	643	624	399	111
Water System:										
Average Daily Consumption (gallons)*	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	2,152,392
Wastewater System:										
Average Daily Treatment (gallons)*	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	n/a
Sludge Disposed (tons)*	1,489	1,150	2,346	1,518	1,854	342	274	363	632	n/a

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

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

Function/Program	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
General Government:										
Number of general government buildings	1	1	1	1	1	1	1	1	1	1
Public Safety:										
Number of police stations	1	1	1	1	1	1	1	1	1	1
Number of police vehicles	14	13	12	12	12	12	11	10	10	10
Number of fire stations	1	1	1	1	1	1	1	1	1	1
Number of fire vehicles	4	4	4	6	6	6	6	6	6	6
Public Works:										
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
Culture and Recreation:										
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
Water:										
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
Wastewater:										
Number of wastewater facilities	1	1	1	1	1	1	1	1	1	1
Miles of sanitary sewers	50	50	50	50	50	50	50	50	50	50