



SAINT ALBANS

Vermont

City of St. Albans, Vermont

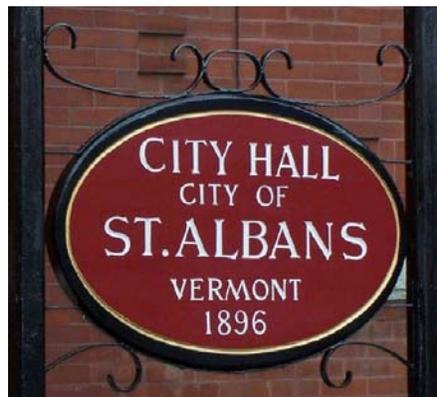
**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019**

CITY OF ST. ALBANS, VERMONT

Comprehensive Annual Financial Report For the Year Ended June 30, 2019



**Prepared by:
The Finance Department**



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CITY OF ST. ALBANS, VERMONT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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INTRODUCTORY SECTION



SAINT ALBANS
Vermont

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December 20, 2019

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, 2019.

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

The City's financial statements have been audited by Melanson Heath, licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of St. Albans, Vermont, for the fiscal year ended June 30, 2019, 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 unmodified opinion that the City's financial statements for the fiscal year ended June 30, 2019 are fairly presented in conformity with GAAP. The independent auditor's report is presented in the financial section of this report. In addition, the City is required to undergo an annual audit in conformity with the provisions of the Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to the Single Audit, including the Schedule of Expenditures of Federal Awards, findings and recommendation, and auditors' reports on the internal control structure and compliance with applicable laws and regulations, is not including in this year's CAFR but is available in a separate report.

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

Profile of the City

St. Albans, Vermont was chartered on August 17, 1763 and the City of St. Albans was incorporated in 1896. The City, an area of approximately two square miles, is surrounded on all sides by the Town of St. Albans. The U.S. census estimates the City had a population of 6,813 in 2018, as compared to a population of 6,918 in 2010. 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. The City also provides police service to the neighboring Towns of St. Albans and Highgate, dispatch services for most of Franklin and Grand Isle Counties, and recreational offerings serve the broader region. In 2015 the City's Restorative Justice Center merged with the Franklin-Grand Isle Court Diversion program to form the Franklin Grand-Isle Restorative Justice Center (FGIRJC). The FGIRJC is a two-county agency that is housed in the City, which provides accounting and administrative support to the agency. Through its enterprise funds, the City provides water and wastewater services to all City residents as well as residents in surrounding communities. Enterprise funds are designed to be self-supporting through the collection of user fees.

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

Factors Affecting Financial Condition

Local Economy

The City of St. Albans is the county seat of Franklin County in the northwest corner of Vermont. The City's population has declined slowly in recent years, consistent with overall trends in the State of Vermont. However, the number of individuals working in the city has remained stable.

The assessed value of taxable real property in the City was stagnant for many years, but since the inception of the City's TIF district, values have increased by over \$50 million. The City has a strong

history of collecting a high percentage of its property taxes levied, and has an annual “tax sale process to utilize its authority to collect delinquencies.

During the past ten years, charges for services in the governmental funds have increased dramatically, which has allowed the City to stabilize the tax rate and diversify its revenue sources. The City has three primary programmatic areas where charges for services are significant. In 2019 the City's recreation department had total expenditures of \$703,779, but after charges for services, City taxpayers bore a net cost of \$98,257. City police expenditures totaled \$2.96 million in 2019, but were partially offset by \$784,841 in revenues from policing neighboring towns. Finally, total dispatch expenditures were \$1.11 million, but the net cost to City taxpayers was \$316,317.

In all three departments, charges for services were minor a decade ago, but through new programmatic offerings, primarily to residents beyond the City's borders, the City has been able to grow while reducing its overhead. An examination of City dispatch operations illustrates this point. Because it operates a police force, the City has no recourse but to provide dispatch services for its officers, which is a sunk cost associated with City policing. However, there are economies of scale associated with dispatching for neighboring communities, so the City has successfully marketed these services. The marginal cost to provide these services is lower than the revenue stream.

The City polices the neighboring Town of St. Albans on a full-time basis, the Town of Highgate on a part-time basis, and provides school resource officers for the three public schools within its borders. Similar to dispatch services, these contracts provide a financial benefit to the City. Additionally, these services provide a myriad of different experiences for officers, which assists the City with recruitment and retention.

Long-term Financial Planning

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

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

Relevant Financial Policies

The City implemented a comprehensive set of financial policies in July 2011 and has updated those policies as of the end of July 2018. The policy manual includes policies covering financial reporting, cash management, credit cards, debt, investments, purchasing, and fund balance. The purpose of the financial policy manual is to establish and maintain high standards for the accounting practices of the City which guarantees that the City's financial statements have reliable, transparent data on which to base decisions. The Finance Department has also implemented a comprehensive procedures

manual. Throughout the year finance staff works to improve and update the policies and procedures, as needed. The City is developing a multi-year budget forecast that would incorporate the impact of the CIP and organization-wide strategic goals and strategies that influence future operating budgets.

City TIF District

The City was approved for a Tax Increment Financing (TIF) district by the State of Vermont and local voters in 2012. The TIF district is a major piece of a larger downtown redevelopment plan. The purpose of the TIF district is to implement a series of eight projects to stimulate development and redevelopment in the City. These projects include the implementation of the Taylor Park Master Plan, the construction of a 365-space parking garage, clean-up and redevelopment of multiple Brownfield sites, pedestrian improvements, and streetscape projects. TIF in St. Albans has proven a critical element in spurring redevelopment in the downtown. Since the inception of TIF in 2012 the municipal grand list within the TIF district has grown by \$51.4 million. This impressive growth is a testament to the combination of private and public investment which has increased viability and accelerated revitalization of the City, and the City's approach is partnership with private sector developers.

On October 30, 2014, the City opened the St. Albans Parking Garage with a ribbon cutting ceremony and a visit from the Governor. The 365-space parking garage fills a desperate need for parking in the downtown core, contributing to the vitality of downtown businesses.

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

The City partnered with PeakCM to construct an 84-room, nationally-franchised hotel on Lake Street in the heart of the St. Albans Downtown. The Lake Street Hotel was the final piece of the City's downtown core project, and construction was completed in the Spring of 2017. In addition to the hotel, the City used TIF funds to complete streetscape work on Lake Street, and the road was paved during summer 2017. The City has a \$1.0 million investment in the hotel, and anticipates recouping the investment, with interest, within 5 years.

During 2017 and 2018, the City completed a major project to realign the intersection of Lake and Federal Streets and replace aging water and sewer infrastructure. That project also features significant improvements to parts of Federal, Market, and Catherine Streets.

During 2018, the City also announced a redevelopment project wherein several City-owned properties, some in significant disrepair, would be demolished and replaced with new residential and commercial space. This project is directly across from City Hall and wholly within the City's TIF district. An anchor tenant of the project is the Community College of Vermont (CCV). Once completed

CCV will move downtown from their location on the southern end of the City, and their existing building will be utilized by the City's police department for a headquarters. The project is currently under construction and will be completed during the summer of 2020. The City anticipates this project will add a further \$10.0 million to the grand list.

The City's TIF district is funded through incremental taxes on new development, including taxes that would otherwise be used to fund education expenses. These incremental taxes are utilized to service debt on TIF bonds. Of critical import is the TIF's 20-year lifespan; for the entire 20-year period the City can collect tax increment to service debt on TIF bonds used for public improvements within the district. Because public improvements are typically necessary to spur private investment, the 20-year period is critical because deficits in the early years of the program can be eliminated in later years when incremental revenues exceed debt service. According to economists with the Vermont Economic Progress Council, the agency overseeing the City's TIF district, the City's TIF district is forecast to have a significant surplus at the end of the 20-year period.

We specifically note that, as per GASB rules, the City's financial statements reflect both short- and long-term TIF debt. However, the future revenue stream associated with incremental tax revenues, particularly those that would otherwise be used to service educational expenses, are not reported. City administration can be contacted for a long-term financial projection of all TIF revenues and expenses.

Other Major Initiatives

Along with projects in the TIF district, the City has begun to shift its focus into the neighborhoods with improvements to infrastructure and a focus on redeveloping blighted properties and rehabilitating substandard sidewalks and curbs. A bond vote in March 2016 authorized the City to bond \$4.95 million towards the reconstruction of all sidewalks and curbs that were rated as "fair" or "poor" by the City's engineer. That project was begun in earnest in spring 2017, and will be completed in 2020.

The City also purchased 10 South Main Street in FY16, and subsequently rehabilitated and leased the property, and redeveloped 36 Diamond Street in partnership with the building trades program at our high school. The home at 36 Diamond Street was torn down completely, and construction of the new home was completed during FY17. The City sold the home to a private owner at the beginning of FY18. The City currently owns several other blighted properties which will be redeveloped during 2020 and 2021.

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

In July 2015, the City of Saint Albans Community Justice Center merged with the Franklin-Grand Isle Court Diversion Program. This entailed the incorporation of a local nonprofit into City operations. The combined agency, the Franklin Grand-Isle Restorative Justice Center, serves clients throughout both Franklin and Grand Isle Counties. The merger allowed for the City to provide

services to individuals currently residing in, or soon to be entering, our community, who have had interactions with the justice system. By using restorative justice principles and a victim-centered approach, the agency strives to assist these individuals to better contribute to the community.

As a result of the brutally cold 2014-2015 winter, the City experienced a higher than average number of water main breaks. We subsequently discovered that many of our older valves, which allow for us to isolate the impact of a break to a few blocks, could not be turned. In conjunction with repairing the water mains, the City installed a number of new valves in the system. Since then the City has spent over \$225,000 on new valves, which significantly improves the ability to isolate and repair leaks.

Additionally, underground infrastructure has been replaced on Fairfield Street in conjunction with a state-sponsored paving project. The City financed this project with a voter-approved bond issuance of \$2.5 million and completed the work in FY17. The work included stormwater separation from the wastewater system, and important goal for the City as we work to improve water quality in our region. In addition to this project, the City made a significant investment in sidewalks on the south side of Main Street, completing the sidewalk improvements along Main Street.

In FY16 and FY17, the City began replacing the water filter at its Fairfax plant. This investment was critical because water treated at this plant is gravity-fed into the distribution system, saving significant costs as compared to water treated at the Maquam plant. This project was completed, substantially under budget, and the surplus has been utilized to service debt.

In 2018 the City began construction on a major upgrade project at its wastewater treatment plant. The upgrade is nearly completed - both on schedule and on budget. The project addresses age-related issues at the facility, and will allow for the City to meet more stringent environmental requirements related to the removal of phosphorous from the wastewater stream. The City has secured a total \$4.1 million in grant financing and \$13.9 in low-interest loans from USDA and the State of Vermont.

Hard'ack Merger

In FY18 the City merged with Hard'ack, a 95-acre ski and recreation area. The City has long had a relationship with Hard'ack, and both parties championed the merger as it would allow for the City to leverage its resources and expand programming at Hard'ack. At this time, the Greg Brown Lodge is being built, which is a new ski lodge that will be financed by Hard'ack through fund-raising initiatives. The City is working with Hard'ack to provide bridge financing as needed. The City also announced a partnership initiative at Hard'ack with the Town of St. Albans (although owned and operated by the City, Hard'ack is within the legal limits of the Town). Both parties will seek voter authorization this coming March to fund a \$5.5 million project at Hard'ack to build a new community pool, with each municipality servicing half of the debt. The City would own and operate the pool, with user fees funding operational expenses.

The City's community pool is at the end of its useful life, and is lacking an at-grade entrance and other attractive amenities. The proposed facility would have these modern amenities, and during the winter months the pool would be enclosed in a bubble, allowing for year-round operations. Both the City and Town view this project as critical infrastructure that would improve quality of life for our residents, and attract new individuals and families to the region.

City Pension Obligations

At the close of FY19, the City has a net pension liability of \$2.1 million associated with the Vermont Municipal Retirement System (VMERS) plan, and \$2.7 million associated with an older, City-owned plan. The City-owned plan has been closed to new entrants for some years, has three active employees participating in the plan, and 51 beneficiaries with a median age of 71 years.

For the VMERS plan, the City pays the employer share as directed by VMERS, and does not currently have any reserves created to address future liabilities. Our understanding is VMERS is likely to increase future employee contributions to reduce current plan deficits.

The City currently makes a \$215,000 equity investment in the City-owned pension plan. While the GASB 68 analysis does not credit the City for future contributions, we note the City has made this contribution for many years. We further note that, assuming this investment continues for the foreseeable future, the City's leadership team believes this pension plan will have sufficient assets to pay its beneficiaries until the plan expires.

The City leadership team envisions that in future years this \$215,000 contribution will be available to be redirected to reduce liabilities associated with the VMERS plan. We encourage interested parties to contact the Director of Administration to review these projections in detail.

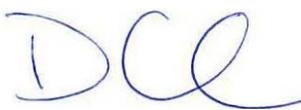
Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of St. Albans for its comprehensive annual financial report for FY14 through FY18. 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 Program requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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

Respectfully submitted,



Dominic Cloud
City Manager



Government Finance Officers Association

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

Presented to

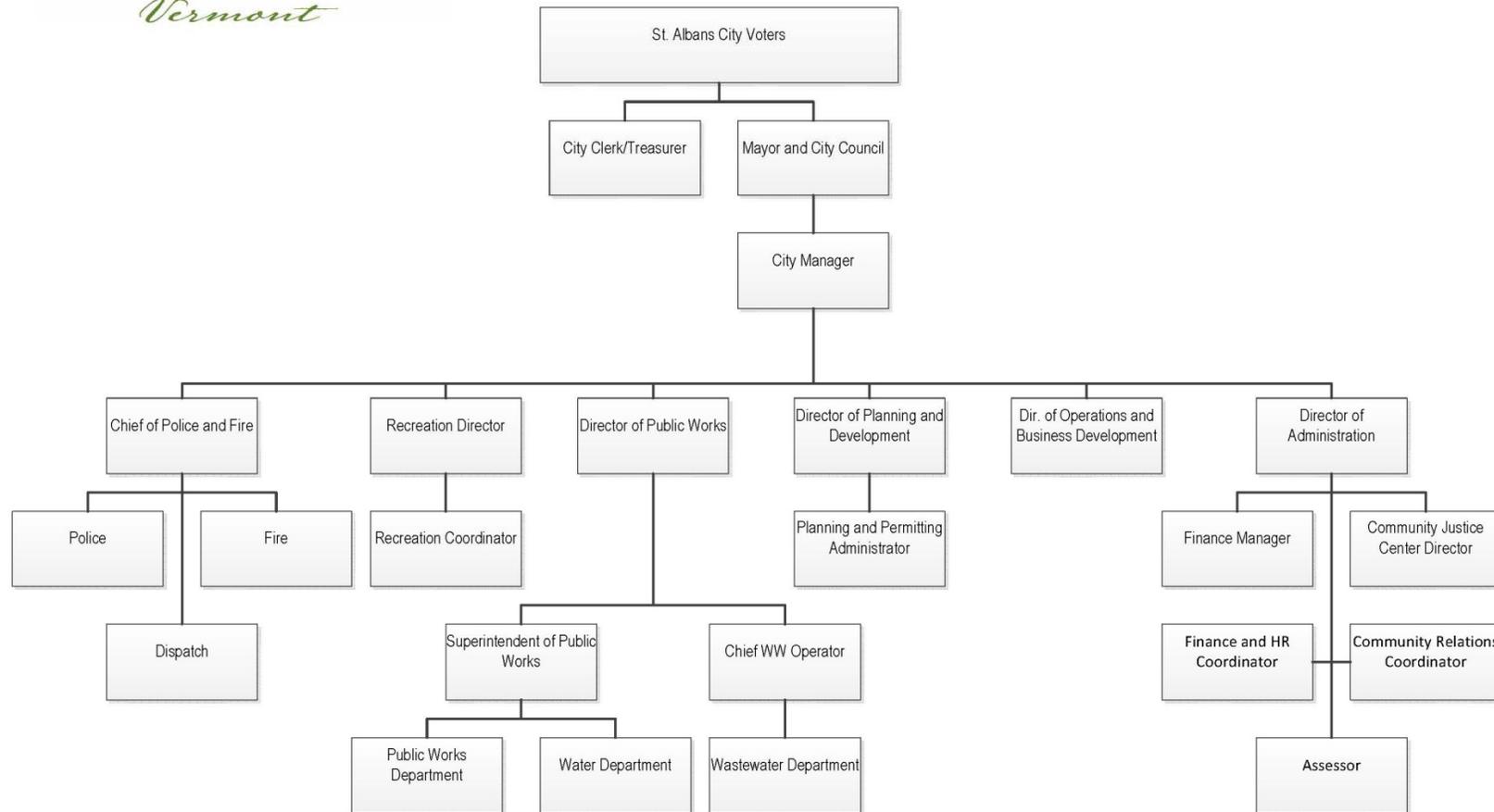
**City of St. Albans
Vermont**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO



CITY OF ST. ALBANS, VERMONT
PRINCIPAL ELECTED AND APPOINTED OFFICIALS
June 30, 2019

Elected Officials

Mayor

Timothy Smith

Council Member - Ward I

Timothy Hawkins

Council Member - Ward II

James Pelkey

Council Member - Ward III

Marie Bessette

Council Member - Ward IV

Michael McCarthy

Council Member - Ward V

Kate Laddison

Council Member - Ward VI

Chad Spooner

City Manager

Dominic Cloud

City Clerk/Treasurer

Curry Galloway



FINANCIAL SECTION



SAINT ALBANS
Vermont

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INDEPENDENT AUDITORS' REPORT

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

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Albans, Vermont, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such

opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of St. Albans, Vermont, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Budgetary Comparison for the General Fund, and the Pension schedules appearing on pages 79 to 82 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying supplementary information appearing on pages 83 through 89 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including

comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated December 20, 2019 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the City's internal control over financial reporting and compliance.

Melanson Heath

December 20, 2019

**CITY OF ST. ALBANS, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

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, 2019. Please note that this section of the Basic Financial Statements is unaudited.

FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$23,516,746 (net position). Of this amount, \$121,476 is the unrestricted net position. The balance of net position is made up of \$23,302,704 net investment in capital assets and \$92,566 restricted for Taylor Park.
- The City's total net position increased by \$1,639,242. Of this amount, net position of the governmental activities decreased by (\$317,603), and net position attributable to business-type activities increased by \$1,956,845.
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$2,579,585.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$1,179,293, as compared to \$1,340,769 in the previous year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements which are presented in three sections: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. In addition to the basic financial statements, this report also contains other and required supplementary information such as a general fund budget to actual comparison and combining financial statements.

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

Government-Wide Financial Statements

The government-wide financial statements provide a general overview of the City's operations presenting all data on a full accrual basis, similar to the way a private sector business would present its financial statements. There are two statements presented at the government-wide level: the Statement of Net Position and the Statement of Activities. Within each of these statements, governmental

CITY OF ST. ALBANS, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

activities are presented separately from business-type activities. The governmental activities reflect the City's basic services; including general government, public safety, public works, community development, parks and recreation, and public improvements. Property taxes finance the majority of these services supplemented by program fees, grant revenues, and other revenues. The business-type activities reflect private-sector-type operations for which user fees recover all or a significant portion of costs. The business-type activities of the City include both water and wastewater operations.

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

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

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

The government-wide financial statements can be found on pages 30 and 31 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. Unlike the government-wide financial statements however, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Consequently, the governmental fund financial statements provide a detailed short-term view that helps the reader determine the level of financial resources that are available to finance the City's programs in the near future. Because this information does not encompass the long-term focus of the government-wide statements, additional information is provided that reconciles the governmental fund financial statements to the government-wide statements explaining the relationship between the two.

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

The basic governmental fund financial statements can be found on pages 32 through 34 of this report. The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement is provided in Schedule 1 for the purpose of demonstrating compliance with the duly appropriated budget.

Proprietary funds are used to account for a government's business-type activities at the fund level. There are two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City maintains three enterprise funds: the Water Fund, Wastewater Fund, and the Stormwater 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, Wastewater, and Stormwater Fund operations. The Water and Wastewater Funds are considered to be major funds.

The proprietary fund financial statements of the City may be found on pages 35 through 37 of this report.

Fiduciary funds, also known as trust and agency funds, account for resources for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the programs of the City. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has a Pension Trust Fund, detailed on pages 38 and 39 of this report. The City has two Agency Funds with consolidated amounts detailed on page 38 of this report, with additional information on these funds presented in Schedule 12.

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

In addition to the basic financial statements and accompanying notes, certain **Required Supplementary Information** is provided, including a budgetary comparison statement for the general fund,

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information on changes in the net pension liability, employer contributions to pensions, and investment returns. The supplementary information can be found immediately following the notes to the financial statements in this report.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Total Government	
	2019	2018	2019	2018	2019	2018
Assets:						
Current assets	\$ 3,933,400	\$ 939,286	\$ 3,099,915	\$ 4,825,646	\$ 7,033,315	\$ 5,764,932
Capital assets	33,185,428	31,900,897	34,481,377	25,233,064	67,666,805	57,133,961
Other assets	1,000,000	800,000	-	-	1,000,000	800,000
Total assets	38,118,828	33,640,183	37,581,292	30,058,710	75,700,120	63,698,893
Total deferred outflows of resources	971,381	949,665	297,121	262,506	1,268,502	1,212,171
Total assets and deferred inflows of resources	\$39,090,209	\$34,589,848	\$ 37,878,413	\$ 30,321,216	\$ 76,968,622	\$ 64,911,064
Liabilities:						
Other liabilities	\$ 2,756,033	\$ 3,384,051	\$ 6,519,751	\$ 5,982,708	\$ 9,275,784	\$ 9,366,759
Noncurrent liabilities	27,611,841	22,040,665	16,206,181	11,097,935	43,818,022	33,138,600
Total liabilities	30,367,874	25,424,716	22,725,932	17,080,643	53,093,806	42,505,359
Total deferred inflows of resources	261,118	386,312	96,952	141,889	358,070	528,201
Net Position:						
Net investment in capital assets	9,412,690	10,936,296	13,890,014	11,409,359	23,302,704	22,345,655
Restricted	92,566	10,758	-	-	92,566	10,758
Unrestricted/(deficit)	(1,044,039)	(2,168,234)	1,165,515	1,689,325	121,476	(478,909)
Total net position	8,461,217	8,778,820	15,055,529	13,098,684	23,516,746	21,877,504
Total liabilities, deferred inflows and net position	\$39,090,209	\$34,589,848	\$ 37,878,413	\$ 30,321,216	\$ 76,968,622	\$ 64,911,064

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. At the end of the most recent fiscal year, the City's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$23,516,746. The City's total net position is split between governmental activities net position of \$8,461,217 and business-type activities net position of \$15,055,529.

The largest portion of the City's total net position \$23,302,704 reflects its investment in capital assets (construction in progress, equipment, land, buildings and infrastructure) net of any outstanding debt used to acquire or construct those assets. The City uses capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves

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cannot be used to liquidate these liabilities. On an ongoing basis, the City strives to work reserves into the annual budget to provide for financial contingencies and reserves for a long-term capital plan.

The City's total net position includes \$92,556 (0.39%) of restricted net position. Restricted net position represents assets whose use is subject to external restrictions. The remaining balance of \$121,476 is the unrestricted net position, comprised of a positive balance of \$1,165,515 in our business-type activities (water, sewer, and stormwater) and a deficit balance of (\$1,044,039) in our governmental activities.

Summary of the Statement of Activities

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program revenues:						
Charges for services	\$ 2,823,953	\$ 2,443,305	\$ 6,001,300	\$ 5,724,172	\$ 8,825,253	\$ 8,167,477
Operating grants & contributions	1,796,332	1,176,466	-	-	1,796,332	1,176,466
Capital grants & contributions	47,075	560,543	-	-	47,075	560,543
General revenues:						
Property taxes	5,638,761	5,467,918	-	-	5,638,761	5,467,918
Other	434,947	403,147	1,892,304	55,239	2,327,251	458,386
Total revenues	<u>10,741,068</u>	<u>10,051,379</u>	<u>7,893,604</u>	<u>5,779,411</u>	<u>18,634,672</u>	<u>15,830,790</u>
Expenses:						
General government	1,965,262	1,824,410	-	-	1,965,262	1,824,410
Public safety	5,838,802	4,956,155	-	-	5,838,802	4,956,155
Public works	1,721,684	3,405,016	-	-	1,721,684	3,405,016
Culture and recreation	826,487	760,160	-	-	826,487	760,160
Community development	100,117	150,808	-	-	100,117	150,808
Interest on long-term debt	760,380	556,262	-	-	760,380	556,262
Water	-	-	2,306,069	2,030,791	2,306,069	2,030,791
Wastewater	-	-	3,405,475	2,901,567	3,405,475	2,901,567
Stormwater	-	-	71,154	-	71,154	-
Total expenses	<u>11,212,732</u>	<u>11,652,811</u>	<u>5,782,698</u>	<u>4,932,358</u>	<u>16,995,430</u>	<u>16,585,169</u>
Increase (decrease) in net position before transfers	(471,664)	(1,601,432)	2,110,906	847,053	1,639,242	(754,379)
Transfers	154,061	2,262,920	(154,061)	(2,262,920)	-	-
Increase (decrease) in net position	<u>(317,603)</u>	<u>661,488</u>	<u>1,956,845</u>	<u>(1,415,867)</u>	<u>1,639,242</u>	<u>(754,379)</u>
Beginning net position	8,778,820	8,117,332	13,098,684	14,514,551	21,877,504	22,631,883
Ending net position	<u>\$ 8,461,217</u>	<u>\$ 8,778,820</u>	<u>\$ 15,055,529</u>	<u>\$ 13,098,684</u>	<u>\$ 23,516,746</u>	<u>\$ 21,877,504</u>

Governmental Activities

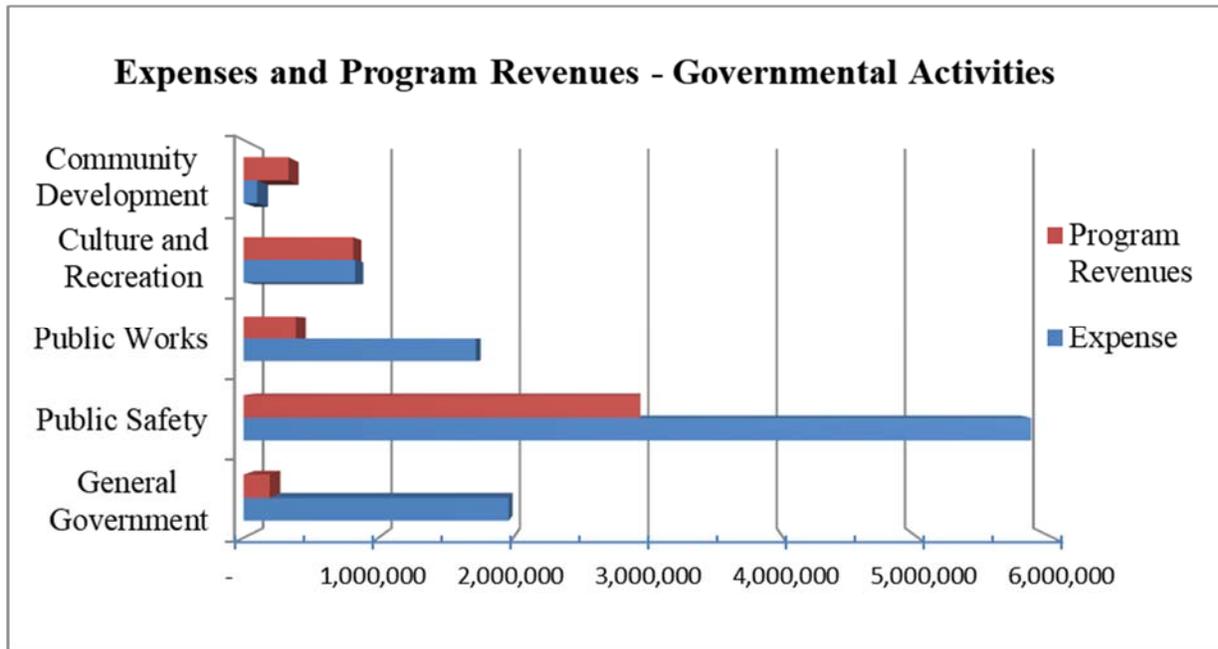
Governmental activities decreased the City's net position by (\$317,603) for the year ended June 30, 2019, primarily from investments in police department personnel which management believes will allow for increased revenues in future fiscal years. Other factors include:

- Total governmental activities' revenues increased by 6.86% or \$689,689 from 2018 to 2019.
- Charges for service increased by 15.58% or \$380,648 driven by increased demand for recreational and police services offered by the City.

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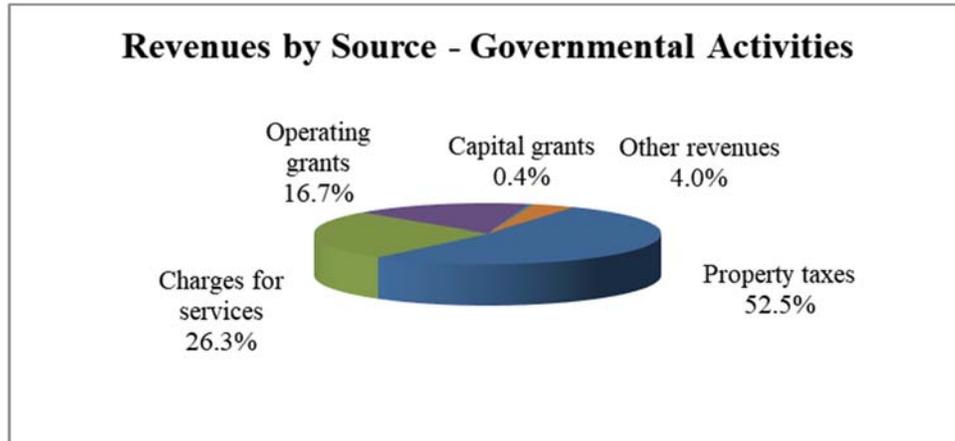
- Property tax revenues increased 3.12% or \$170,843 from the previous year due to an increased City tax rate, and growth in the grand list within the TIF district.
- Total governmental activities’ expenses decreased by (3.78%) or \$(440,079) from 2018 to 2019. Public safety expenses end the year at 52.07% of total governmental activities’ expenses. Public safety remains the largest category of expenses from year to year.

The following graph entitled Expense and Program Revenues – Governmental Activities, gives the reader an idea of how each major program is funded. The revenues included in this graph are program specific revenues including user fees, operating grants, and capital grants. General revenues such as property tax revenues and interest earnings are excluded. The supporting data may be found on the Statement of Activities, which is presented on page 31 of this report. 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; 52.5% of total revenue or \$5,638,761. The second largest category of revenue is charges for services coming in at 26.3% or \$2,823,953 of total revenue. The following graph shows the distribution of governmental activities revenues by source for the year ended June 30, 2019.

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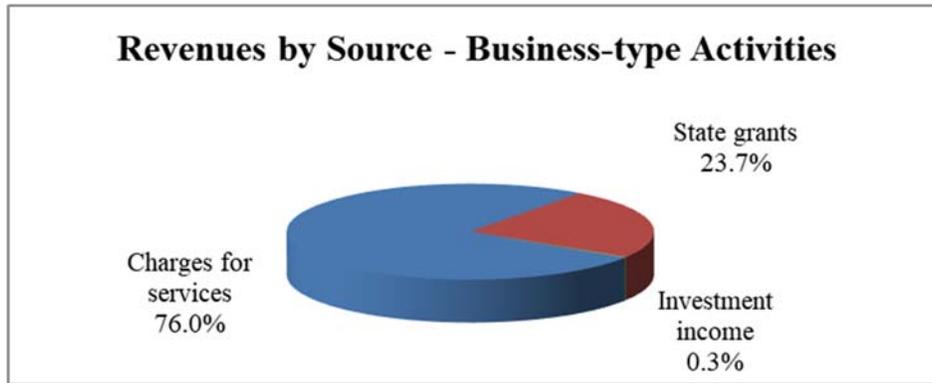
Business-type Activities

Business-type activities increased the City's net position by \$1,956,845 during the current fiscal year. The majority of the increase results from the receipt of funds for the wastewater upgrade project, a portion of these funds pertained to prior year expenditures. Other highlights are:

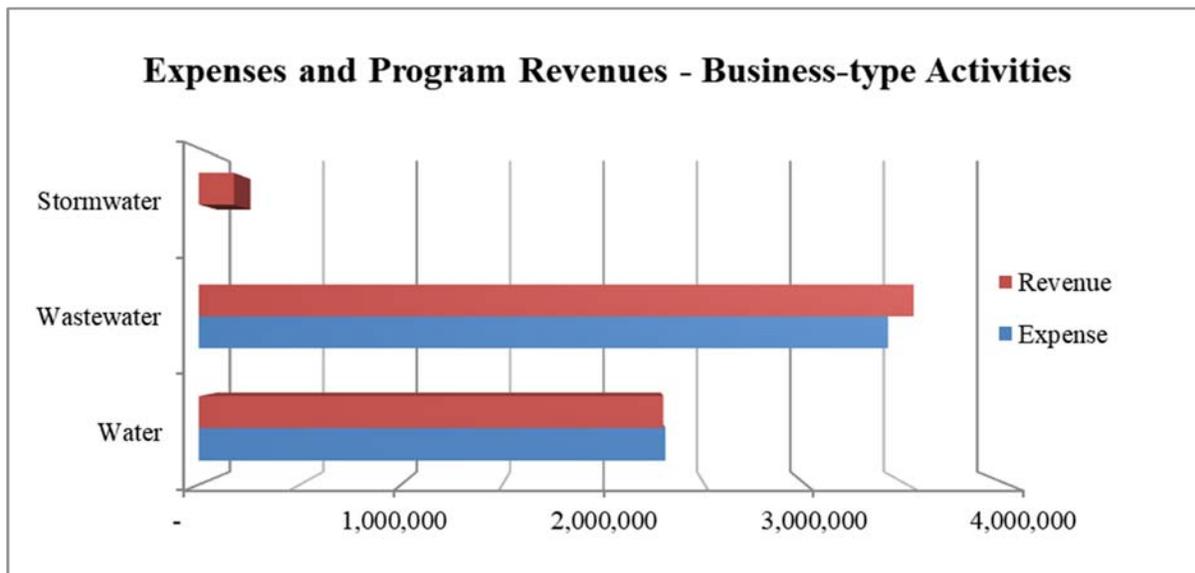
- Total revenues of \$7,893,604 were 2,114,193 or 36.58% higher than the previous year, primarily due to state pollution control grant received in fiscal year 2019 in the amount of \$1,328,626 and increased user fee revenue.
- Operating revenues increased by \$277,128 or 4.85%. On the government-wide financial statements charges for services in the business-type activities are made up primarily of user fees and allocation fees. The increase from the previous year reflects an increase in user fees of \$514,583. This amount included the creation of a new stormwater utility, which resulted in \$172,222 in user fees, along with higher fees for water and wastewater treatment and disposal. The increase in user fees was offset by an increase in allocation fees of \$130,714. Allocation fees are paid when a new water and/or wastewater connection is established and are therefore directly related to development activity in the water and wastewater district. This revenue source typically fluctuates from year to year, however, all revenue from allocation fees is designated as reserved for future capital needs and therefore the fluctuations do not have a negative impact on the City's ability to budget and set rates so that operating costs are covered.
- Total expenses of \$5,782,698 increased by \$850,340 or 17.24% from the previous year, largely driven by increased investment in personnel, utilities, and repairs and maintenance. The City has increased personnel expenses to address maintenance issues in water distribution and wastewater collection. Some of the repairs and maintenance expenses arose due to the wastewater upgrade project but were not part of the funding applications and therefore not eligible for reimbursement. Nonetheless, some of these costs may be reimbursed in FY20 if sufficient grant funds are available at the end of the project and the USDA approves the expenses.

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The City's business-type activities are supported by user fees and allocation fees, also referred to as charges for services (\$6,001,300) with assistance from noncapital grants of (\$1,871,547). The percentage breakdown of revenue sources is illustrated in the following graph titled Revenues by Source – Business-type Activities.



As the name suggests, business-type activities are accounted for in the same manner that businesses would account for operations. Therefore, it is necessary that revenues meet or exceed expenses in order to continue operating. The graph titled Expenses and Program Revenues – Business-type Activities, demonstrates that during the current fiscal year, revenues exceeded expenses for the water, wastewater and stormwater funds. Operating revenues exceeded operating expenses in the water fund by \$131,432 or 5.76% of total operating revenues. In the wastewater fund, operating revenues exceeded operating expenses by \$317,940 or 9.4% of total operating revenues. In the stormwater fund, operating revenues exceeded operating expenses by \$102,215 or 58.96% of total operating revenues. Each year the amount that revenues exceed expenses in these funds increases unrestricted net position. Included in unrestricted net position are amounts that management has designated for particular purposes, such as future capital projects and debt service.



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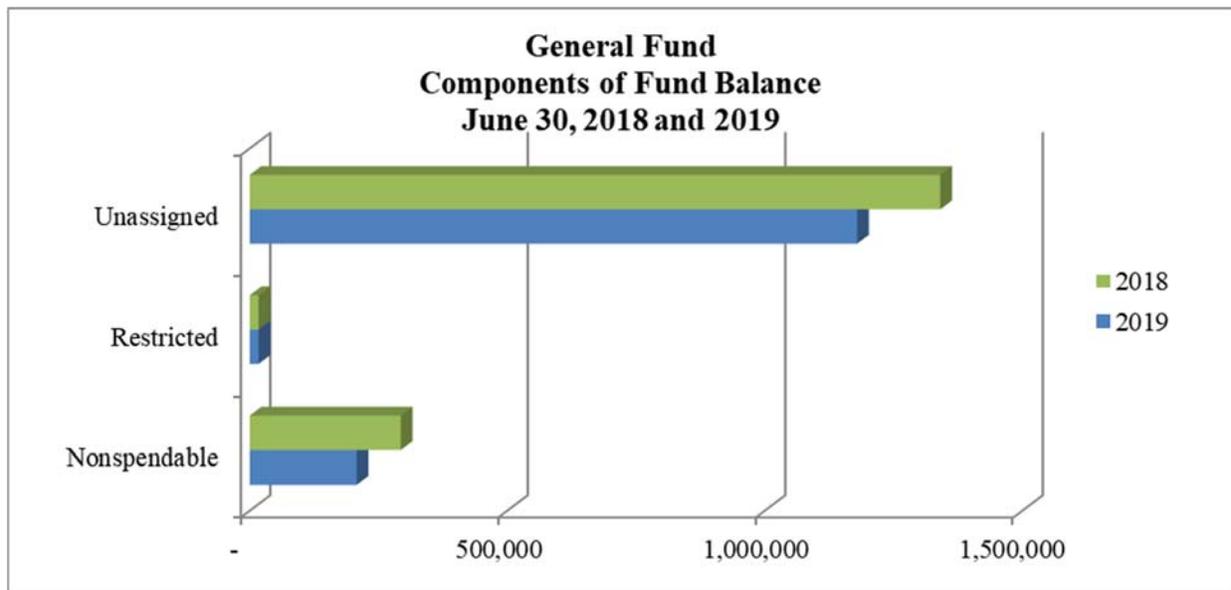
FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

At the end of the current fiscal year, the City's governmental funds reported a combined ending fund balance of \$2,579,585, an increase of \$4,233,821 over the prior year. The increase is largely due to the receipt of grants and loans to finance capital projects, including expenses that were incurred in FY18. \$207,659 is non-spendable (assets held for resale, prepaid items, and inventories) and \$1,187,844 is restricted, which indicates it is not available for discretionary spending, as it is otherwise restricted by grant agreements, statutes, or debt covenants. The unassigned fund balance is \$1,184,082.



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 \$1,404,046, a decrease of (\$247,079) from the previous year. Of this amount, \$207,659 is non-spendable and \$17,094 is restricted. 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 16.21% of total general fund expenditures, however, this amount includes non-spendable balances which would not be available to finance general fund expenditures if necessary.

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The City's unassigned general fund balance at June 30, 2019, was \$1,179,293, a decrease of (\$161,476) from the prior year. The decrease is attributable to increases in police department personnel expenses and a tax settlement agreement resulting in a refund to a property owner.

In the governmental funds other than the general fund, the most noteworthy change to fund balance reflects issuance of long-term debt of \$6,538,547.

General Fund Budgetary Highlights

The City's budget for the year ended June 30, 2019 passed on the first vote in March 2017 and there were no amendments made to the budget during the year. Actual revenues exceeded budgeted revenues by \$621,956, and actual expenditures exceeded budgeted amounts by \$754,639.

Contributing to the overage in expenditures was an overage of \$184,236 in payroll expenses for the City police department. Much of this increase was driven by a short-term staffing shortage, resulting in increases in overtime. The City also invested heavily in new recruits, and incurred payroll expense while these individuals were undergoing training. There was an overage of \$378,368 in dispatch expenses, which was largely driven by the purchase of a new dispatch console for \$231,064. This purchase was grant funded. Similarly, the public works department exceeded its paving budget by \$76,399 due to the receipt of a grant which allowed for additional road mileage to be repaved. The recreation department also exceeded its budget by \$165,816, which was offset by user fees.

On the revenue side, dispatch revenues exceeded the budget by \$279,435 largely due to grant revenues related to the dispatch console. Fire department revenues exceeded the budget by \$132,039 due to revenues from fines and debt proceeds. Recreation programs revenues exceeded the budget by \$147,121, mostly due to the aforementioned demand increases.

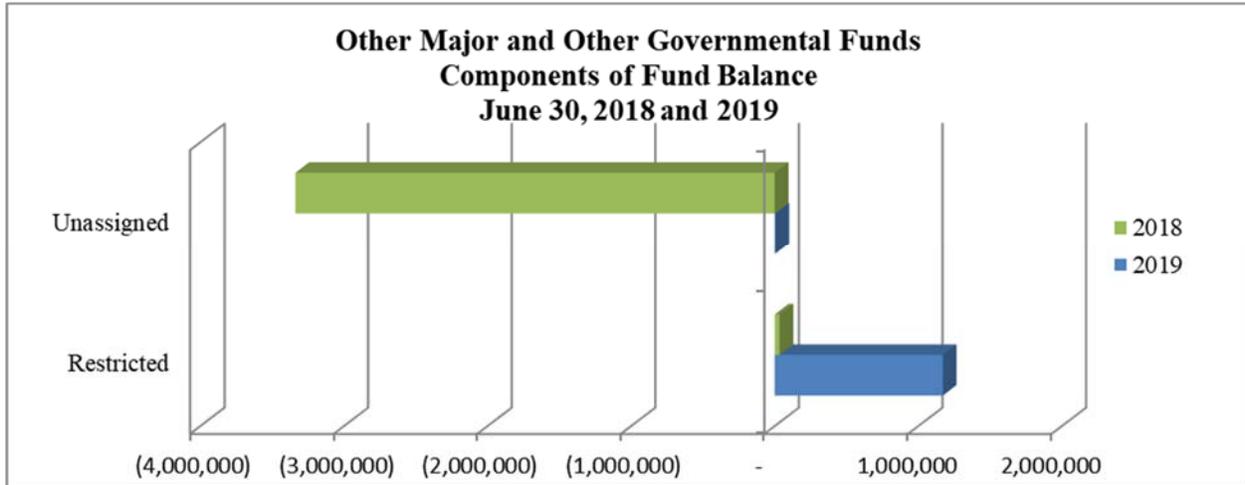
On a net basis, the deficit in the general fund largely resulted from overages in police payroll expenses, and the tax settlement agreement. All other significant overages were financed through grants or increased user fees.

Other Major Governmental Funds

In addition to the general fund, the City reports two major funds – the TIF Debt Service Fund and the Sidewalk Fund. The TIF Debt Service Fund is used to account for TIF property tax revenues, the principal and interest cost on the related debt as well as the general fund subsidy of the debt service. The Debt Service Fund made \$1,178,351 in debt principal and interest payments during the year. These were funded by incremental property tax revenues in the TIF district and a contribution from the general fund. The fund balance at year end is \$74,783 due to transfer from the general fund to fund debt payments in excess of tax incremental revenue being budgeted at higher than was needed. This fund balance will be utilized to service debt in future years.

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The Sidewalk Fund is used to record and track the various sidewalk projects in the City. The Fund balance increased by \$2,405,203 during the year, primarily reflecting \$1,545,311 in expenditures and issuance of long-term debt of \$3,950,000, ending with restricted fund balance of \$1,008,406.



Proprietary Funds

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

Total net position in the water fund is \$3,040,152 a decrease of (1.73%) from the previous year. More than half of the water fund’s net position is invested in capital assets net of related debt; 68.29% or \$2,076,060. In the wastewater fund, total net position is \$11,915,684, an increase of 19.10% from the previous year. The vast majority of net position in the wastewater fund is invested in capital assets net of related debt; 99.15% or \$11,813,954. The wastewater fund had a line of credit balance at June 30, 2019 of \$5,253,972. The City plans to permanently finance this debt in FY20 with the aid of a \$7.17 million loan and \$3.0 million grant from the USDA. The loan has a 30-year repayment term with a fixed interest rate of 1.75%. The City Council established an ordinance creating the stormwater fund effective July 1, 2018. The stormwater fund had minor activity and ending with net position of \$99,693. Other major factors concerning the finances of these funds have already been addressed in the discussion of the City’s business-type activities.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City’s capital assets for governmental and business-type activities as of June 30, 2019 were \$93,617,730 (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 (capital asset additions) increased by \$12,779,978 from June 30, 2018 to June 30, 2019, or 15.81%. Combined accumulated depreciation at the end of the year is

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\$25,950,925. Capital assets for governmental activities increased by \$1,284,531, net of accumulated depreciation. Capital assets for business-type activities increased by \$9,248,313, net of accumulated depreciation.

Summary of Capital Assets

	Governmental Activities		Business-type Activities		Total Government	
	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
Capital assets:						
Land	\$ 776,095	\$ 776,095	\$ 197,000	\$ 197,000	\$ 973,095	\$ 973,095
Construction in progress	459,916	1,824,877	14,686,751	4,466,160	15,146,667	6,291,037
Buildings and improvements	4,448,344	4,448,344	35,145,774	35,145,774	39,594,118	39,594,118
Machinery and equipment	5,306,575	5,154,856	3,584,435	3,539,437	8,891,010	8,694,293
Infrastructure	29,012,840	25,285,209	-	-	29,012,840	25,285,209
	<u>40,003,770</u>	<u>37,489,381</u>	<u>53,613,960</u>	<u>43,348,371</u>	<u>93,617,730</u>	<u>80,837,752</u>
Less: accumulated depreciation	<u>(6,818,342)</u>	<u>(5,588,484)</u>	<u>(19,132,583)</u>	<u>(18,115,307)</u>	<u>(25,950,925)</u>	<u>(23,703,791)</u>
Total assets, net	<u>\$33,185,428</u>	<u>\$31,900,897</u>	<u>\$34,481,377</u>	<u>\$25,233,064</u>	<u>\$67,666,805</u>	<u>\$57,133,961</u>

Major capital asset activity for the year ended June 30, 2019 included the following:

- Major additions to infrastructure (in addition to the amount noted above) in the governmental activities include \$1,607,579 for sidewalks.
- In business-type activities, major additions to construction in progress include \$10,204,771 for the Wastewater treatment upgrade Phase II project.

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

Long-term Liabilities

The City began the year with \$35,090,745 in long-term liabilities outstanding. As of June 30, 2019 this amount had increased by \$10,998,903 or 31.34% to end the current year with \$46,089,648 in long-term liabilities outstanding.

Summary of Long-term Liabilities

	<u>June 30, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
Governmental activities	\$ 23,419,194	\$ 7,308,787	\$ 1,448,518	\$ 29,279,463
Business-type activities	11,671,551	6,323,434	1,184,800	16,810,185
Total government	<u>\$ 35,090,745</u>	<u>\$ 13,632,221</u>	<u>\$ 2,633,318</u>	<u>\$ 46,089,648</u>

Factors contributing to the change include the following:

- The City's governmental activities debt increased with the issuance of \$3.95 million in Vermont Municipal Bond Bank loans for Neighborhood Sidewalk Improvements and \$2.50 million in TIF district debt. The TIF district debt was related to a voter authorization of \$2.5 million for the Congress and Main project; the balance of the debt will be drawn down in FY20.

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- New debt for the business-type activities includes various loans for a backhoe, utility truck, and payload, along with \$5.95 million in long-term debt for the wastewater upgrade project.
- Fixed principal payments totaling \$1.04 million were made on governmental activities and \$1.06 million on business-type activities debt.

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

BUDGETARY STEWARDSHIP AND HIGHLIGHTS

In accordance with state law, the City of St. Albans adopts an annual voter-approved budget for its General Fund. The Schedule of Revenue, Expenditures, and Changes in Fund Balance is on Schedule 1, presenting Budgeted Amounts compared to Actual Amounts and the Variance with Final Budget. As noted in Schedule 1, General Fund Total Revenue exceeded budget by \$621,956 and expenditures exceeded budgeted appropriations by \$754,639 with a Deficiency of Revenue Over Expenditures of \$132,683. There were property tax abatements totaling \$101,275 in FY19, almost all of this amount was related to an abatement for a large commercial property and the City views this as a one-time aberration.

There were no other significant variances in revenues, expenditures, and other financing sources and uses other than the ones that have been detailed here.

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.

As has been detailed in the transmittal letter, the City's TIF district has been a resounding success, and the City has engaged in a number of other critical projects to extend its revitalization beyond the downtown.

For FY19 and future years a number of significant projects are under development. Across the street from City Hall is the ongoing Congress and Main project. The City ultimately expects this project to add \$10 million to the grand list. Since the close of FY19 the City has also announced several new ambitious projects.

**CITY OF ST. ALBANS, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019**

The City and Town of St. Albans, in a joint initiative, have engaged in a partnership to build a new community pool at Hard'ack, with each community servicing half of the respective debt. The City has also sought to obtain an additional \$1.5 million in debt financing to complete the neighborhood sidewalks project. In March of 2020 these projects will go before the voters of St. Albans, along with a local option tax. The local option tax is akin to a 1 percent sales tax, and the City has engaged a professional economist who estimates this revenue stream will conservatively generate \$850,000 in annual revenue. A portion of this revenue would be earmarked to service debt on the pool and sidewalks projects. The City leadership team has also begun to engage the City Council and public about earmarking other portions to fund future redevelopment projects, and to build the City's general fund balance. If approved, the local option tax could be in effect at the start of FY21.

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, Vermont 05478. The report is available online at www.stalbansvt.com.

CITY OF ST. ALBANS, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,556,691	\$ 504,744	\$ 4,061,435
Receivables (net of allowance for uncollectibles)	911,396	1,515,359	2,426,755
Loans receivable	155,429	-	155,429
Prepaid expenses	18,028	1,040	19,068
Inventory	11,831	29,872	41,703
Due from fiduciary fund	1,125	-	1,125
Internal balances	(1,048,900)	1,048,900	-
Assets held for resale	177,800	-	177,800
Investment property	150,000	-	150,000
Loan receivable, long-term	1,000,000	-	1,000,000
Capital assets			
Land	776,095	197,000	973,095
Construction in progress	459,916	14,686,751	15,146,667
Other capital assets, (net of accumulated depreciation)	<u>31,949,417</u>	<u>19,597,626</u>	<u>51,547,043</u>
Total assets	38,118,828	37,581,292	75,700,120
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to the City's			
Pension plan and participation in VMERS	<u>971,381</u>	<u>297,121</u>	<u>1,268,502</u>
Total assets and deferred outflows of resources	<u>\$ 39,090,209</u>	<u>\$ 37,878,413</u>	<u>\$ 76,968,622</u>
LIABILITIES			
Accounts payable	\$ 803,922	\$ 550,820	\$ 1,354,742
Accrued payroll and other expenses	85,214	23,011	108,225
Unearned revenue	89,996	9,456	99,452
Accrued interest payable	109,279	78,488	187,767
Line of credit	-	5,253,972	5,253,972
Current portion of long-term debt	1,667,622	604,004	2,271,626
Noncurrent liabilities:			
Net pension liability	3,513,116	1,333,258	4,846,374
Other, net of current portion	<u>24,098,725</u>	<u>14,872,923</u>	<u>38,971,648</u>
Total liabilities	30,367,874	22,725,932	53,093,806
DEFERRED INFLOWS OF RESOURCES			
Prepaid property taxes	51,260	-	51,260
Deferred inflows of resources related to the City's pension			
Plan and participation in VMERS	<u>209,858</u>	<u>96,952</u>	<u>306,810</u>
Total deferred inflows	<u>261,118</u>	<u>96,952</u>	<u>358,070</u>
NET POSITION			
Net investment in capital assets	9,412,690	13,890,014	23,302,704
Restricted for Taylor Park	92,566	-	92,566
Unrestricted (deficit)	<u>(1,044,039)</u>	<u>1,165,515</u>	<u>121,476</u>
Total net position	<u>8,461,217</u>	<u>15,055,529</u>	<u>23,516,746</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 39,090,209</u>	<u>\$ 37,878,413</u>	<u>\$ 76,968,622</u>

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

CITY OF ST. ALBANS, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
FUNCTIONS/PROGRAMS:							
PRIMARY GOVERNMENT:							
GOVERNMENTAL ACTIVITIES:							
General government	\$ 1,965,262	\$ 174,120	\$ 19,686	\$ -	\$ (1,771,456)	\$ -	\$ (1,771,456)
Public safety	5,838,802	1,579,683	1,360,935	-	(2,898,184)	-	(2,898,184)
Public works	1,721,684	257,878	83,076	46,666	(1,334,064)	-	(1,334,064)
Culture and recreation	826,487	812,272	-	409	(13,806)	-	(13,806)
Community development	100,117	-	332,635	-	232,518	-	232,518
Interest on long-term debt	760,380	-	-	-	(760,380)	-	(760,380)
Total governmental activities	11,212,732	2,823,953	1,796,332	47,075	(6,545,372)	-	(6,545,372)
BUSINESS-TYPE ACTIVITIES:							
Water	2,306,069	2,295,847	-	-	-	(10,222)	(10,222)
Wastewater	3,405,475	3,532,084	-	-	-	126,609	126,609
Stormwater	71,154	173,369	-	-	-	102,215	102,215
Total business-type activities	5,782,698	6,001,300	-	-	-	218,602	218,602
Total primary government	\$ 16,995,430	\$ 8,825,253	\$ 1,796,332	\$ 47,075	(6,545,372)	218,602	(6,326,770)
GENERAL REVENUES:							
Property taxes					5,638,761	-	5,638,761
Interest and penalties on delinquent taxes					119,784	-	119,784
Unrestricted investment earnings					2,337	20,757	23,094
General state grants					55,587	1,871,547	1,927,134
Other revenues					257,239	-	257,239
Transfers					154,061	(154,061)	-
Total general revenues and transfers					6,227,769	1,738,243	7,966,012
Change in net position					(317,603)	1,956,845	1,639,242
Net position - July 1, 2018					8,778,820	13,098,684	21,877,504
Net position - June 30, 2019					\$ 8,461,217	\$ 15,055,529	\$ 23,516,746

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

CITY OF ST. ALBANS, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	TIF Debt Service Fund	Sidewalk Fund	Nonmajor Funds	Total Governmental Funds
ASSETS					
Cash	\$ 2,149,731	\$ -	\$ 1,057,352	\$ 349,607	\$ 3,556,690
Receivables (net of allowance)	710,735	-	-	200,661	911,396
Due from other funds	855,098	74,783	-	32,990	962,871
Loans receivable	1,155,429	-	-	-	1,155,429
Prepaid items	18,028	-	-	-	18,028
Inventories	11,831	-	-	-	11,831
Assets held for resale	177,800	-	-	-	177,800
Investment property	150,000	-	-	-	150,000
Total assets	\$ 5,228,652	\$ 74,783	\$ 1,057,352	\$ 583,258	\$ 6,944,045
LIABILITIES					
Accounts payable	\$ 797,146	\$ -	\$ -	\$ 6,776	\$ 803,922
Accrued payroll and benefits payable	85,214	-	-	-	85,214
Due to other funds	1,477,568	-	48,946	484,132	2,010,646
Unearned revenue	89,996	-	-	-	89,996
Total liabilities	2,449,924	-	48,946	490,908	2,989,778
DEFERRED INFLOWS OF RESOURCES					
Prepaid property taxes	51,260	-	-	-	51,260
Unavailable revenue - property taxes	216,300	-	-	-	216,300
Unavailable revenue - other	1,107,122	-	-	-	1,107,122
Total deferred inflows of resources	1,374,682	-	-	-	1,374,682
FUND BALANCES (DEFICIT)					
Nonspendable	207,659	-	-	-	207,659
Restricted	17,094	-	1,008,406	162,344	1,187,844
Unassigned	1,179,293	74,783	-	(69,994)	1,184,082
Total fund balances/(deficit)	1,404,046	74,783	1,008,406	92,350	2,579,585
Total liabilities, deferred inflows of Resources and fund balances	\$ 5,228,652	\$ 74,783	\$ 1,057,352	\$ 583,258	\$ 6,944,045
Governmental Funds balance as reported above.					\$ 2,579,585
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.					33,185,428
Other assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.					1,323,423
Deferred outflows of resources related to the City's participation in VMERS are applicable to future periods and, therefore,					971,381
Long-term and accrued liabilities are not due or payable in the current period and, therefore, are not reported in the funds.					(29,388,742)
Deferred inflows of resources related to the City's Defined Benefit Pension Plan and its participation in VMERS are applicable to					(209,858)
Net Position of Governmental Activities					\$ 8,461,217

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

CITY OF ST. ALBANS, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	TIF Debt Service Fund	Sidewalk Fund	Nonmajor Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 4,518,273	\$ 1,088,888	\$ -	\$ -	\$ 5,607,161
Penalties and interest	119,784	-	-	-	119,784
Intergovernmental revenues	600,179	-	-	1,348,405	1,948,584
Charges for services	2,615,788	-	-	44,761	2,660,549
Investment income	2,324	-	-	12	2,336
Licenses and permits	210,771	-	-	-	210,771
Donations	409	-	-	-	409
Other revenue	256,376	-	514	350	257,240
	<u>8,323,904</u>	<u>1,088,888</u>	<u>514</u>	<u>1,393,528</u>	<u>10,806,834</u>
Total revenues					
EXPENDITURES					
Current:					
General government	1,507,478	-	-	-	1,507,478
Public safety	4,401,166	-	-	991,594	5,392,760
Public works	854,246	-	-	23,269	877,515
Culture and recreation	768,484	-	-	115	768,599
Community development	-	-	-	340,185	340,185
Capital outlay:					
Public safety	128,238	-	-	-	128,238
Public works	360,828	-	1,545,311	547,451	2,453,590
Culture and recreation	21,622	-	-	-	21,622
Debt service:					
Principal	355,970	683,235	-	-	1,039,205
Interest	265,773	495,116	-	-	760,889
	<u>8,663,805</u>	<u>1,178,351</u>	<u>1,545,311</u>	<u>1,902,614</u>	<u>13,290,081</u>
Total expenditures					
Excess/(deficiency) of revenues over expenditures	(339,901)	(89,463)	(1,544,797)	(509,086)	(2,483,247)
OTHER FINANCING SOURCES (USES)					
Issuance of long-term debt	88,547	-	3,950,000	2,500,000	6,538,547
Issuance of capital leases	24,460	-	-	-	24,460
Transfers in	154,061	164,246	-	10,000	328,307
Transfers out	(174,246)	-	-	-	(174,246)
	<u>92,822</u>	<u>164,246</u>	<u>3,950,000</u>	<u>2,510,000</u>	<u>6,717,068</u>
Total other financing sources/(uses)					
Net change in fund balances	(247,079)	74,783	2,405,203	2,000,914	4,233,821
Fund balances/(deficit)					
July 1, 2018, as reclassified	<u>1,651,125</u>	<u>-</u>	<u>(1,396,797)</u>	<u>(1,908,564)</u>	<u>(1,654,236)</u>
Fund balances - June 30, 2019	<u>\$ 1,404,046</u>	<u>\$ 74,783</u>	<u>\$ 1,008,406</u>	<u>\$ 92,350</u>	<u>\$ 2,579,585</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, 2019

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

Net change in fund balances - total government funds	\$ 4,233,821
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$2,573,082) is allocated over their estimated useful lives and reported as depreciation expense (\$1,270,062). This is the amount by which capital outlays exceeded depreciation in the current period.	1,303,020
The net effect of various miscellaneous transactions involving capital assets (i.e., sales and loss on disposals).	(18,489)
The issuance of long-term debt (\$6,563,007) (e.g., bonds, loans, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$1,067,634) 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.	(5,495,373)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. This amount reflects the increase of unearned and unavailable revenue over last year.	(65,766)
Governmental funds report employer pension contributions as expenditures. However, in the statement of activities, the cost of pension benefits earned net of employee contributions is reported as pension expense. This amount is the net effect of the differences in the treatment of pension expense.	(289,340)
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>14,524</u>
Change in net position of governmental activities	\$ <u><u>(317,603)</u></u>

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

CITY OF ST. ALBANS, VERMONT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Water Fund	Wastewater Fund	Nonmajor Stormwater Fund	Total
ASSETS				
Current assets:				
Cash	\$ -	\$ 504,744	\$ -	\$ 504,744
Receivables (net of allowance for uncollectibles)	539,462	930,112	45,785	1,515,359
Inventory	19,846	10,026	-	29,872
Prepaid expenses	520	520	-	1,040
Due from other funds	<u>1,003,972</u>	<u>-</u>	<u>53,908</u>	<u>1,057,880</u>
Total Current Assets	1,563,800	1,445,402	99,693	3,108,895
Noncurrent Assets:				
Capital assets				
Land	155,000	42,000	-	197,000
Construction in progress	-	14,686,751	-	14,686,751
Buildings, distribution and collection system and improvements	84,733	24,564,157	-	24,648,890
Vehicles, machinery and equipment	12,273,244	1,808,076	-	14,081,320
Less accumulated depreciation	<u>(5,388,120)</u>	<u>(13,744,464)</u>	<u>-</u>	<u>(19,132,584)</u>
Total noncurrent assets	<u>7,124,857</u>	<u>27,356,520</u>	<u>-</u>	<u>34,481,377</u>
Total assets	8,688,657	28,801,922	99,693	37,590,272
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows of resources related to the City's pension plan and participation in VMERS	<u>145,784</u>	<u>151,337</u>	<u>-</u>	<u>297,121</u>
Total deferred outflows of resources	<u>145,784</u>	<u>151,337</u>	<u>-</u>	<u>297,121</u>
Total assets and deferred outflows of resources	<u>\$ 8,834,441</u>	<u>\$ 28,953,259</u>	<u>\$ 99,693</u>	<u>\$ 37,887,393</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ -	\$ 550,820	\$ -	\$ 550,820
Accrued payroll	9,329	13,682	-	23,011
Due to other funds	-	8,980	-	8,980
Unearned revenue	9,456	-	-	9,456
Accrued interest payable	29,622	48,866	-	78,488
Line of credit	-	5,253,972	-	5,253,972
Current portion of long-term debt:				
Compensated absences	2,543	4,281	-	6,824
Capital lease	19,107	31,636	-	50,743
Bonds payable	233,106	273,241	-	506,347
Notes payable	<u>18,886</u>	<u>21,204</u>	<u>-</u>	<u>40,090</u>
Total current liabilities	322,049	6,206,682	-	6,528,731
Noncurrent portion of long-term debt:				
Compensated absences	49,869	82,843	-	132,712
Capital lease	38,512	64,758	-	103,270
Bonds payable	4,673,201	9,809,325	-	14,482,526
Loans payable	65,985	88,430	-	154,415
Net pension liability	<u>603,519</u>	<u>729,739</u>	<u>-</u>	<u>1,333,258</u>
Total noncurrent liabilities	<u>5,431,086</u>	<u>10,775,095</u>	<u>-</u>	<u>16,206,181</u>
Total liabilities	5,753,135	16,981,777	-	22,734,912
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources related to the City's pension plan and participation in VMERS	<u>41,154</u>	<u>55,798</u>	<u>-</u>	<u>96,952</u>
Total deferred inflows of resources	<u>41,154</u>	<u>55,798</u>	<u>-</u>	<u>96,952</u>
NET POSITION				
Net investment in capital assets	2,076,060	11,813,954	-	13,890,014
Unrestricted	<u>964,092</u>	<u>101,730</u>	<u>99,693</u>	<u>1,165,515</u>
Total net position	<u>3,040,152</u>	<u>11,915,684</u>	<u>99,693</u>	<u>15,055,529</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,834,441</u>	<u>\$ 28,953,259</u>	<u>\$ 99,693</u>	<u>\$ 37,887,393</u>

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

CITY OF ST. ALBANS, VERMONT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Water Fund	Wastewater Fund	Nonmajor Stormwater Fund	Total
OPERATING REVENUES:				
Charges for services	\$ 2,248,487	\$ 3,489,475	\$ 172,222	\$ 5,910,184
Penalties and interest	14,252	23,310	1,147	38,709
Allocation fees	4,790	16,951	-	21,741
Other income	13,318	2,348	-	15,666
	<u>2,280,847</u>	<u>3,532,084</u>	<u>173,369</u>	<u>5,986,300</u>
OPERATING EXPENSES:				
Salaries and benefits	870,650	1,028,695	-	1,899,345
Other purchased services	144,109	315,914	34,361	494,384
Chemicals	120,867	345,836	-	466,703
Repairs and maintenance	171,518	255,695	30,698	457,911
Insurances	85,394	82,131	-	167,525
Utilities	247,315	253,481	-	500,796
Supplies	27,289	37,537	-	64,826
Real estate and state water taxes	42,593	5,676	-	48,269
Other operating costs	122,209	123,420	6,095	251,724
Depreciation	317,471	765,759	-	1,083,230
	<u>2,149,415</u>	<u>3,214,144</u>	<u>71,154</u>	<u>5,434,713</u>
Operating income	131,432	317,940	102,215	551,587
NONOPERATING REVENUES (EXPENSES):				
Land lease	15,000	-	-	15,000
Intergovernmental revenue	-	1,861,541	10,006	1,871,547
Investment income	5,552	15,205	-	20,757
Interest expense	(152,654)	(187,331)	-	(339,985)
Loss on disposal of an asset	(4,000)	(4,000)	-	(8,000)
	<u>(136,102)</u>	<u>1,685,415</u>	<u>10,006</u>	<u>1,559,319</u>
Net income before transfers	(4,670)	2,003,355	112,221	2,110,906
Transfers out	(48,895)	(92,638)	(12,528)	(154,061)
Change in net position	(53,565)	1,910,717	99,693	1,956,845
Net position - July 1, 2018	<u>3,093,717</u>	<u>10,004,967</u>	<u>-</u>	<u>13,098,684</u>
Net position - June 30, 2019	<u>\$ 3,040,152</u>	<u>\$ 11,915,684</u>	<u>\$ 99,693</u>	<u>\$ 15,055,529</u>

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

CITY OF ST. ALBANS, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Water Fund	Wastewater Fund	Nonmajor Stormwater Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 2,202,236	\$ 4,280,585	\$ 127,584	\$ 6,610,405
Other receipts	13,318	2,348	-	15,666
Payments to suppliers	(980,523)	(2,586,893)	(71,154)	(3,638,570)
Payment of taxes	(42,593)	(5,676)	-	(48,269)
Payments for wages and benefits	(846,908)	(1,005,434)	-	(1,852,342)
Net cash provided by operating activities	345,530	684,930	56,430	1,086,890
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers out	(48,895)	(92,638)	(12,528)	(154,061)
Proceeds from land lease	15,000	-	-	15,000
Proceeds from Noncapital Grant	-	1,861,541	10,006	1,871,547
Decrease in due from other funds	65,559	1,514,888	(53,908)	1,526,539
Net cash provided by (used by) noncapital financing activities	31,664	3,283,791	(56,430)	3,259,025
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and construction of capital assets	(42,466)	(10,241,838)	-	(10,284,304)
Proceeds of:				
Notes payable	39,884	39,884	-	79,768
Short term debt	-	3,143,345	-	3,143,345
Line of credit	-	8,753,972	-	8,753,972
Principal paid on:				
General obligation bonds	(239,915)	(767,664)	-	(1,007,579)
Notes payable	(10,087)	(14,800)	-	(24,887)
Line of credit	-	(4,200,000)	-	(4,200,000)
Capital leases	(9,112)	(21,260)	-	(30,372)
Interest paid on:				
General obligation bonds	(150,059)	(107,641)	-	(257,700)
Notes payable	(1,400)	(2,153)	-	(3,553)
Line of credit	-	(90,326)	-	(90,326)
Capital leases	(1,195)	(2,789)	-	(3,984)
Net cash provided by (used by) capital and Related financing activities	(414,350)	(3,511,270)	-	(3,925,620)
CASH FLOWS FROM INVESTING ACTIVITIES				
Receipt of interest & dividends	37,156	47,293	-	84,449
Net cash provided by investing activities	37,156	47,293	-	84,449
Net change in cash	-	504,744	-	504,744
Cash - July 1, 2018	-	-	-	-
Cash - June 30, 2019	\$ -	\$ 504,744	\$ -	\$ 504,744
ADJUSTMENT TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES				
Operating income	\$ 131,432	\$ 317,940	\$ 102,215	\$ 551,587
Depreciation	317,471	765,759	-	1,083,230
(Increase)/decrease in accounts receivables	(66,754)	750,849	(45,785)	638,310
(Increase)/decrease in inventory	990	-	-	990
(Increase)/decrease in prepaid expenses	474	474	-	948
Increase/(decrease) in accounts payable	(63,287)	(1,173,353)	-	(1,236,640)
Increase/(decrease) in accrued payroll	4,755	7,975	-	12,730
Increase/(decrease) in unearned revenue	1,462	-	-	1,462
Increase/(decrease) in compensated absences payable	(20,677)	(21,689)	-	(42,366)
Increase/(decrease) in net pension liability and related deferrals	39,664	36,975	-	76,639
Net cash provided by operating activities	\$ 345,530	\$ 684,930	\$ 56,430	\$ 1,086,890

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

CITY OF ST. ALBANS, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2019

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ -	\$ 46,479
Investments		
Fixed income	2,029,204	-
Stocks	<u>1,827,102</u>	-
Total Investments	3,856,306	-
Receivables	<u>12,239</u>	-
 Total Assets	 3,868,545	 46,479
LIABILITIES		
Due to primary government	-	1,125
Due to others	<u>-</u>	<u>45,354</u>
 Total Liabilities	 <u>-</u>	 <u>\$ 46,479</u>
NET POSITION		
Restricted for pensions	<u>3,868,545</u>	
 Total Liabilities and Net Position	 <u>\$ 3,868,545</u>	

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

CITY OF ST. ALBANS, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2019

	Pension Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 210,153
Plan Members	<u>26,999</u>
Total Contributions	237,152
Net Investment Earnings	<u>139,318</u>
Total Additions	376,470
DEDUCTIONS	
Benefits - Pension	463,668
Administrative Expenses	<u>36,611</u>
Total Deductions	<u>500,279</u>
Net Decrease in Net Position	(123,809)
Net Position - July 1, 2018	<u>3,992,354</u>
Net Position- June 30, 2019	<u><u>\$ 3,868,545</u></u>

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

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. The Financial Reporting Entity

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

B. Basis of Presentation

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

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

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

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

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

The City reports on the following major governmental funds:

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

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

Sidewalk Fund – This capital project fund accounts for all expenditures, revenues, and grants related to the Sidewalk Project. The project involves improving sidewalk construction along the roads in conjunction with the Streetscape projects.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

The City reports on the following major enterprise funds:

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

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

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

Additionally, the City reports the following fund types:

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

Agency Funds – These funds account for monies maintained for local nonprofit groups, Saint Albans for the Future (SAFF) and the Explorer Program.

C. Measurement Focus

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

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

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

D. Basis of Accounting

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

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

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

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

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

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

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

E. Use of Estimates

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

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

1. Cash

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

2. Investments

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

3. Receivables

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

4. Internal Balances

Activity between funds that is representative of lending or borrowing arrangements that are outstanding at the end of the fiscal year are referred to as Advances to/from Other Funds. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”. Cash balances deposited and invested by the Treasurer in a combined cash account are reported as “Due to/from Other Funds”.

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

5. Inventories, Prepaid Expenses and Assets Held for Resale

Inventory quantities are determined by physical count and are valued at cost. Inventories in the governmental funds consist of pool chemicals, salt and sand. The cost of governmental funds inventories is recorded using the purchases method. Inventories in the proprietary funds consist primarily of chemicals.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

Inventory held for resale consists of three properties purchased by the City which are planned to be or in process of being sold. Inventory held for resale is valued at the lower of cost or market.

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

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

6. Pensions

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

7. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one type of item which arises under the accrual basis of accounting that qualifies for reporting in this category. The governmental activities, the business-type activities and the proprietary funds report deferred outflows of resources related to the City's defined benefit pension plan and the City's participation in VMERS. These amounts are deferred and recognized as an outflow of resources in the future periods to which the outflows are related.

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

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

are deferred and recognized as an inflow of resources in the future periods that the amounts become available or to which the inflows are related.

8. Capital Assets

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

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

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

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

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

9. Compensated Absences

It is the policy of the City to permit employees to accumulate earned but unused vacation time up to 240 hours. Public safety employees may accumulate earned but unused comp time up to 240 hours and all other employees may accumulate earned but unused comp time up to 160 hours. The value of this leave time will be paid at the employee's current rate of pay upon retirement, termination, or death. In addition to this, employees hired before July 1, 2008 can accrue up to 640 hours of

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

sick leave, and will be paid the value of this leave time at their current rate of pay upon retirement, termination, or death. Employees hired after July 1, 2008 can accrue up to 240 hours with 160 hours vested for payment upon retirement, termination, or death. Compensated absences are reported in governmental funds only if they have matured.

10. Long-term Liabilities

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

11. Fund Equity

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

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

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

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,

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

governmental funds report the proceeds from the sale of capital assets as another financing source, whereas government-wide statements report the gain or loss from the sale of capital assets as revenue or expense.

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

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

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets are approved at the annual City Meeting in March. Any budget changes require voter approval. There were no budget changes during the year. The legal level of budgetary control is at the department level.

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

241. Authorization of contract or debt by city council.

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

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

No city officer shall have any authority or power to bind the city for the payment of any sum of money for any purpose, or to make any contract whereby the city may become bound for the payment of any sum of money, unless such officer shall have been previously authorized to such action by city council.

243. Expenditures for ordinary administration

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

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

B. Excess of Expenditures Over Appropriations

The City reflected expenditures in excess of appropriations in the following departments for fiscal year 2019:

Administration and Finance	\$ (21,146)
City Clerk	(8,187)
Audit and Audit Consultants	(1,096)
Professional Services - Legal	(10,217)
Fire Department	(16,904)
Fire Department Capital	(19,586)
Police, Dispatch and Animal Control	(525,632)
Library	(35,119)
Public Works, Highway, Parks	(60,820)
Public Works Capital	(69,191)
Recreation Programs	(166,005)
Recreation Capital	(622)
Transfers Out	(27,246)

C. Deficit Fund Balance

The City also has a deficit fund balance in the following funds:

Congress and Main Fund (Non-Major)	\$ (7,567)
Streetscape Fund (Non-Major)	(22,176)
Fonda Fund (Non-Major)	(32,586)
VCDP Grants Fund (Non-Major)	(7,550)
Hard'ack Fund (Non-Major)	(115)

The City intends to fund the over-expenditures in the above funds with a combination of grant funds and debt proceeds.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Custodial credit risk for deposits is the risk that in the event of a bank failure, the deposits may not be returned. The custodial credit risk for investments is the risk that, in the event of a failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

The City's cash as of June 30, 2019 consisted of deposits in financial institutions. The City's investments as of June 30, 2019 consisted of the following:

Investments - Pension Trust Fund:	
International Stocks	\$ 39,439
US Stocks	1,690,533
Real Estate Mutual Fund	97,130
Annuity Contracts	<u>2,029,204</u>
Total Investments	<u>\$ 3,856,306</u>

Custodial Credit Risk

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

	<u>Bank Balance</u>
FDIC Insured	\$ 750,000
Collateralized	255,495
Uninsured, Uncollateralized	<u>3,309,218</u>
Total Cash Deposits	4,314,713
SIPC Coverage	250,000
Uncollateralized	<u>3,606,306</u>
Total Investments	<u>3,856,306</u>
Total Cash and Investments	<u>\$ 8,171,019</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Per the City's policy, Interest rate risk will be minimized by investing operating funds primarily in shorter-term securities, money market mutual funds,

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

or similar investment pools. At year end, the City did not have any investments in debt-related securities.

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. Per the City’s policy, credit risk will be minimized by diversifying the City’s investment portfolio so that the impact of potential losses from any one type of investment will be minimized. At year end, the City did not have any investments in debt related securities.

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 had the following investments in a single issuer which are greater than 5% of total investments.

<u>Investment Issuer</u>	<u>Amount</u>	<u>% of Total Investments</u>
PRIAC guaranteed deposit account	\$ 2,029,204	53%
T. Rowe Price Growth Stock Fund	359,165	9%
Oakmark International Fund	328,223	9%
Dodge & Cox Stock Fund	325,759	8%
Dryden S&P 500 Index Fund	<u>298,924</u>	8%
Total	<u>\$ 3,341,275</u>	

Fair Value

The City categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board Statement No. 72 Fair Value Measurement and Application (GASB 72). The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Annuity contracts are valued at cash surrender value, and therefore, are not included in this disclosure. Level 3 investment represents management’s assumption about what a market participant would use in valuing the investment and would be based on the best information available. Management uses the market approach for which sufficient and reliable data is available. In absence of market information, estimated fair value is based on the best information available in the circumstances. Management used fair value of comparable properties to approximate value of this income producing property at year-end. Management does not believe that the assumption used due to lack of observable units will significantly impact the resulting fair value.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

The City has the following fair value measurements as of June 30, 2019:

<u>Description</u>	Fair Value Measurements Using:			
	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Equity securities				
International Stocks	\$ 39,439	\$ 39,439	\$ -	\$ -
US Stocks	1,690,533	1,690,533	-	-
Real Estate Mutual Fund	97,130	97,130	-	-
Subtotal securities	1,827,102	1,827,102	-	-
Investment Property				
10 South Main Street	150,000	-	-	150,000
Total	\$ 1,977,102	\$ 1,827,102	\$ -	\$ 150,000

B. Receivables

Receivables at June 30, 2019, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows.

	Governmental Activities	Business-Type Activities	Total
Delinquent Taxes	\$ 360,419	\$ -	\$ 360,419
Penalties and Interest	55,499	-	55,499
Billed Services	-	1,113,865	1,113,865
Unbilled Services	-	367,521	367,521
Grants	237,563	-	237,563
Other	281,915	48,473	330,388
Allowance for Doubtful Accounts	(24,000)	(14,500)	(38,500)
Net Receivable	\$ 911,396	\$ 1,515,359	\$ 2,426,755

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

C. Loans and Notes Receivable

Loans Receivable at June 30, 2019 consists of the following loans for community development.

Governmental Funds

Loan Receivable, Local Business Interest at 2%, Monthly Principal And Interest Payments; Due September 23, 2019	\$ 1,296
Loan Receivable, Local Business Interest at 3%, Interest only payments due every six months. Principal payment due May 15, 2023. Secured by a personal guaranty from borrowers.	100,000
Loan Receivable, Local Nonprofit Interest at 0%, Balloon Payment Due October 30, 2044, Secured by a Mortgage Deed on Real Property	350,000
Loan Receivable; Local Nonprofit Interest at 0%; Balloon Payment Due December 31, 2032; Secured by a Mortgage Deed on Real Property	360,000
Loan Receivable; Local Nonprofit Interest at 0%; Balloon Payment Due January 14, 2035; Secured by a Mortgage Deed on Real Property	480,001
Loan Receivable; Local Nonprofit Interest at 0%; Balloon Payment Due March 15, 2037; Secured by a Mortgage Deed on Real Property	579,600
Loan Receivable; PeakCM Lake Street Hotel LLP; Interest at 3%; 5-year repayment terms	<u>1,000,000</u>
Total	2,870,897
Less: Allowance for Doubtful Loans Receivable	<u>(1,715,468)</u>
Governmental Funds Reported Balance at June 30, 2019	<u>\$ 1,155,429</u>

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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An analysis of the change in loans receivable is as follows:

Balance July 01, 2018	Additions	Payments	Amounts Written Off	Balance June 30, 2019
\$ <u>2,820,897</u>	\$ <u>50,000</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,870,897</u>

The allocation fee note receivable was written off in fiscal year 2019.

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

Balance July 01, 2018	Additions	Payments	Amounts Written Off	Balance June 30, 2019
\$ <u>63,689</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>63,689</u>	\$ <u>-</u>

D. Capital Assets

Capital asset activity for the year ended June 30, 2019 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
GOVERNMENTAL ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Land	\$ 776,095	\$ -	\$ -	\$ 776,095
Construction in Progress	<u>1,824,877</u>	<u>412,054</u>	<u>1,777,015</u>	<u>459,916</u>
Total Capital Assets, Not Being Depreciated	2,600,972	412,054	1,777,015	1,236,011
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	4,448,344	-	-	4,448,344
Vehicles, Machinery and Equipment	5,154,856	210,412	58,693	5,306,575
Infrastructure	<u>25,285,209</u>	<u>3,727,631</u>	<u>-</u>	<u>29,012,840</u>
Subtotal	34,888,409	3,938,043	58,693	38,767,759
Less Accumulated Depreciation for:				
Buildings and Building Improvements	1,046,260	105,718	-	1,151,978
Vehicles, Machinery and Equipment	2,539,329	394,458	40,204	2,893,583
Infrastructure	<u>2,002,895</u>	<u>769,886</u>	<u>-</u>	<u>2,772,781</u>
Totals	5,588,484	1,270,062	40,204	6,818,342
Total Capital Assets, Being Depreciated	<u>29,299,925</u>	<u>2,667,981</u>	<u>18,489</u>	<u>31,949,417</u>
Governmental Activities Capital Assets, Net	<u>\$ 31,900,897</u>	<u>\$ 3,080,035</u>	<u>\$ 1,795,504</u>	<u>\$ 33,185,428</u>

CITY OF ST. ALBANS, VERMONT
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	Beginning Balance	Increases	Decreases	Ending Balance
BUSINESS-TYPE ACTIVITIES				
Capital Assets, Not Being Depreciated:				
Land	\$ 197,000	\$ -	\$ -	\$ 197,000
Construction in Progress	4,466,160	11,297,181	1,076,590	14,686,751
Total Capital Assets, Not Being Depreciated	4,663,160	11,297,181	1,076,590	14,883,751
Capital Assets, Being Depreciated:				
Buildings, Distribution and Collection Systems & Improvements	35,145,774	-	-	35,145,774
Machinery and Equipment	3,539,437	118,952	73,954	3,584,435
Subtotal	38,685,211	118,952	73,954	38,730,209
Less Accumulated Depreciation for:				
Buildings, Distribution and Collection Systems & Improvements	15,796,790	879,773	-	16,676,563
Machinery and Equipment	2,318,517	203,457	65,954	2,456,020
Totals	18,115,307	1,083,230	65,954	19,132,583
Total Capital Assets, Being Depreciated	20,569,904	(964,278)	8,000	19,597,626
Business-Type Activities Capital Assets, Net	\$ 25,233,064	\$ 10,332,903	\$ 1,084,590	\$ 34,481,377

Depreciation was charged as follows:

Governmental Activities:		Business-Type Activities:	
General Government	\$ 75,733	Water	\$ 317,471
Public Safety	262,844	Sewer	765,759
Public Works	877,663		
Culture and Recreation	53,822		
Total Depreciation Expense - Governmental Activities	\$ 1,270,062	Total Depreciation Expense - Business-Type Activities	\$ 1,083,230

CITY OF ST. ALBANS, VERMONT
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E. Interfund Balances and Activity

The composition of Due From/(To) Other Funds at June 30, 2019 is as follows:

<u>Fund Name</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 855,098	\$ 1,477,568
TIF Debt Service Fund	74,783	-
Sidewalk Fund	-	48,946
Restorative Justice Center	-	153,103
VCDP Grants Fund	-	7,550
Hard'ack Fund	-	115
Federal Street Fund	32,990	-
Streetscape Fund	-	40,272
TIF Capital Project Fund	-	242,939
Fonda Fund	-	32,586
Congress and Main Fund	-	7,567
Agency Fund	-	1,125
Water Fund	1,003,972	-
Wastewater Fund	-	8,980
Stormwater Fund	53,908	-
Total	<u>\$ 2,020,751</u>	<u>\$ 2,020,751</u>

Interfund transfers during the year ended June 30, 2019 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	RJC Fund	\$ 10,000	Provide financial support to department
General Fund	TIF Debt Service	164,246	Fund TIF bond debt service
Stormwater Fund	General Fund	12,528	Street Sweeper debt service
Water Fund	General Fund	36,266	Fund City Hall debt service
Water Fund	General Fund	12,629	Transfer Affiliation Fee Revenue
Wastewater Fund	General Fund	36,266	Fund City Hall debt service
Wastewater Fund	General Fund	56,372	Transfer Affiliation Fee Revenue
	Total	<u>\$ 328,307</u>	

The City reports interfund transfers between various funds. Most transfers result from budgetary or statutory actions, whereby funds are moved to accomplish various expenditure purposes.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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F. Deferred Outflows of Resources

Deferred outflows of resources represent the consumption of net position by the City that is applicable to future reporting periods. Deferred outflows of resources have a positive effect on net position, similar to assets. Deferred outflows of resources presented in the statement of net position, related to the City's net pension liability, are more fully discussed in Notes M-1 and M-2.

G. Short Term Notes Payable

The City had notes payable during the year ended June 30, 2019 in the Wastewater fund.

The following are changes in notes payable for the year ended June 30, 2019:

<u>Business-type Activities</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Balance Beginning of Year</u>	<u>New Issues</u>	<u>Maturities</u>	<u>Balance End of Year</u>
WWTF Upgrade Phase II	0.00%	11/1/2020	\$ 2,811,124	\$ 3,143,345	\$ 5,954,469	\$ -

H. Line of Credit

The City had an unsecured line of credit of \$1,750,000 with Peoples Trust Company. Interest was at 1.65% and matured April 19, 2019, at which time the City renewed the note. As of July 1, 2018, the note had an outstanding balance of \$1,119,661, which was paid off during the year. This line of credit was associated with the Sidewalk Fund.

The City also has an unsecured line of credit of \$2,000,000 with Peoples Trust Company. Interest is at 1.50% and matures October 16, 2019, at which time the City intends to renew the note. As of July 1, 2018, this note had an outstanding balance of \$250,000. During fiscal year 2019, the City drew down \$1,500,000 and paid off \$1,750,000. This line of credit is associated with the TIF Capital Project Fund.

The City also has an unsecured line of credit of \$2,750,000 with Peoples Trust Company. Interest is at 1.65% and matures July 27, 2019, at which time the City intends to renew the note. As of July 1, 2018, this note had an outstanding balance of \$700,000. During fiscal year 2019, the City drew down \$5,250,000 and paid off \$3,200,000. As of June 30, 2019, the note has an outstanding balance of \$2,750,000. The line of credit is associated with the Wastewater fund, specifically for the Wastewater treatment facility upgrade.

The City also has an unsecured line of credit of \$5,000,000 with Northfield Savings Bank. Interest is at the Wall Street Journal Prime Rate, minus 90 basis points, adjustable daily and matures August 13, 2020. During fiscal year 2019, the City drew down \$3,503,972 and paid off \$1,000,000. As of June 30, 2019, the note has an outstanding balance of \$2,503,972. The line of credit is associated with the Wastewater fund, specifically for the Wastewater treatment facility upgrade.

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NOTES TO THE FINANCIAL STATEMENTS
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I. Unearned Revenue

Unearned revenue in the General Fund consists of \$89,996 of recreation fees and parking garage passes that were paid/purchased in advance. The revenue will be recognized when services are performed. Unearned revenue in the Enterprise Funds consists of \$9,456 of Water credits payable.

J. Deferred Inflows of Resources

Deferred inflows of resources are the acquisition of net position by the City that are applicable to future reporting periods. Deferred inflows of resources have a negative effect on net position, similar to liabilities. Deferred inflows of resources related to pension will be recognized in pension expense in future years and are more fully described in Notes M-1 and M-2.

Deferred inflows of resources in the General Fund consists of \$216,300 of delinquent property taxes, penalties and interest on those taxes, \$1,101,297 of net loans receivable as well as \$5,825 in other receivables that were not collected within 60 days after year-end as these would not be available to liquidate current liabilities. It also includes \$51,260 of prepaid property taxes. The revenue will be recognized as the loans are repaid and as receivables are collected. Total deferred inflows of resources in the General Fund are \$1,374,682.

Unavailable revenues are reported in the governmental funds balance sheet in connection with receivables for which revenues are not considered available to liquidate liabilities of the current year.

K. 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 12 to 30 year bonds.

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

Other Loans Payable - The City has other loans 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

CITY OF ST. ALBANS, VERMONT
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cancellation of the lease in the event the City does not appropriate funds in future years) and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception of the leases. Leases are reported in governmental activities if the debt is expected to be repaid from general governmental revenue and in the business-type activities if the debt is expected to be repaid from proprietary fund revenue.

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

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

Long-term liabilities outstanding as of June 30, 2019 were as follows.

Bonds, Notes, and Capital Leases Payable:

	Series	Interest	Amount
	Maturities	Rate(s) %	Outstanding
<u>Governmental Activities:</u>	<u>Through</u>	<u>Rate(s) %</u>	<u>as of</u>
			<u>6/30/19</u>
Bonds Payable - Direct Borrowings:			
Fire Truck Purchase, annual principal payments of \$20,000	\$ 12/01/30	0.777-2.731%	\$ 40,000
TIF District Bond, annual principal payments ranging from \$570,000 to \$1,010,000	11/15/33	0.643-4.723%	11,595,000
City Hall Renovation, annual principal payments of \$92,000	11/02/40	0.891-3.181%	2,024,000
TIF District Bond, annual principal payments of \$88,235	11/01/33	0.891-3.181%	1,323,529
Fairfield Street (12%), annual principal payments of \$100,000	11/02/41	0.891-3.181%	276,000
Lake/Main Sidewalks, annual principal payments of \$49,000	11/02/41	0.891-3.181%	1,127,000
Fire Truck, annual principal payments of \$23,750	11/01/36	0.891-3.181%	427,500
Neighborhood Sidewalks, annual principal payments of \$40,000	11/01/42	1.210-4.060%	960,000
Neighborhood Sidewalks, annual principal payments of \$80,000	11/01/43	1.170-4.170%	2,000,000
Neighborhood Sidewalks, annual principal payments of \$78,000	11/01/43	1.835-3.890%	1,950,000
TIF Project, annual principal payments of \$125,000	11/01/38	1.835-3.890%	2,500,000
Total Bonds Payable			24,223,029

(continued)

CITY OF ST. ALBANS, VERMONT
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JUNE 30, 2019

(continued)

<u>Governmental Activities:</u>	Series Maturities <u>Through</u>	Interest Rate(s) % <u>Rate(s) %</u>	Amount Outstanding as of <u>6/30/19</u>
Notes Payable - Direct Borrowings:			
Blouin Parking Lot, monthly principal and interest payments of \$1,252	10/31/20	3.50%	21,401
Court House Parking Lot, monthly principal and interest payments of \$1,501	07/14/20	3.75%	20,982
Fonda/Solo Building Purchase, interest only payments and renewing the note each year until the property is sold	08/28/38	1.50%	286,195
Bucket Truck, monthly principal and interest payments of \$763	10/01/19	2.55%	4,305
Tennis Court (Barlow), monthly principal and interest payments of \$983	12/17/22	3.25%	39,253
Recreation Program Vehicle, monthly principal and interest payments of \$413	10/01/19	2.55%	2,326
Mini Excavator (33.34%), monthly principal and interest payments of \$167	05/23/23	3.20%	7,387
Sidewalk Plow II, quarterly principal and interest payments of \$5,150	03/15/21	2.85%	34,887
Line Striper, monthly principal and interest payments of \$355	11/25/19	2.55%	2,056
Skid Steer (20%), monthly principal and interest payments of \$108	11/25/21	2.89%	3,075
Tractor	08/01/21	2.70%	10,228
Barlow Elevator and Stairs	02/01/27	3.25%	35,070
Hard'ack Groomer, monthly principal and interest payments of \$462	11/01/24	2.95%	28,064
Utility Truck (33.34%), monthly principal and interest payments of \$260	08/01/22	2.70%	9,679
Sidewalk Plow, monthly principal and interest payments of \$798	07/14/20	3.75%	123,274
Street Sweeper (80%), monthly principal and interest payments of \$1,044	08/01/28	3.40%	99,062
Mini Excavator (33.34%), monthly principal and interest payments of \$69	08/01/25	3.00%	21,767
Payloader (30%), quarterly principal payments of \$1,613	05/01/23	2.60%	24,460
Utility Truck (30%), quarterly principal payments of \$521	05/01/24	2.70%	9,726
Utility Vehicle, quarterly principal payments of \$1,400	05/01/23	2.60%	21,237
Fire Vehicle, quarterly principal payments of \$1,774	05/01/24	2.70%	33,123
Total Loans Payable			837,557
Capital Leases Payable:			
Fire Pickup Truck, quarterly principal and interest payments of \$1,085	08/15/20	3.97%	5,267
Backhoe (30%), annual principal and interest payments of \$8,832	12/01/21	4.25%	24,460
Total Capital Leases Payable			29,727
Total Governmental Activities			\$ 25,090,313

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NOTES TO THE FINANCIAL STATEMENTS
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	Series Maturities <u>Through</u>	Interest Rate(s) %	Amount Outstanding as of <u>6/30/19</u>
<u>Business-Type Activities:</u>			
Water Fund			
Bonds Payable - Direct Borrowings:			
USDA Refunding Bond, annual payments of \$231,195	11/15/36	3.93%	\$ 2,885,736
Fairfax Water Plant, annual principal payments of \$46,667	11/01/30	0.891-3.181%	560,000
Fairfield Street (17%), annual principal payments of \$100,000	11/02/41	0.891-3.181%	391,000
Streetscape Utilities (50%), annual principal payments of \$22,526	11/01/35	0.891-3.181%	191,473
Fairfax Dam, annual principal payments of \$51,653	11/01/35	0.891-3.181%	878,099
WWTF Upgrade, annual principal, interest, and administrative payments of	11/01/39	0.00%	5,454,469
Total Bonds Payable			<u>10,360,777</u>
Notes Payable - Direct Borrowings:			
Mini Excavator (33.33%), monthly principal and interest payments of \$167	05/23/23	3.20%	7,387
Skid Steer (40%), monthly principal and interest payments of \$216	11/25/21	2.89%	6,151
Utility Truck (33.34%), monthly principal and interest payments of \$260	08/01/22	2.70%	9,679
Mini Excavator (33.34%), monthly principal and interest payments of \$69	08/01/25	3.00%	21,767
Payloader (35%), quarterly principal payments of \$1,881	05/01/23	2.60%	28,537
Utility Truck (35%), quarterly principal payments of \$608	05/01/24	2.70%	11,347
Total Loans Payable			<u>84,868</u>
Capital Lease Payable:			
Vactor (30%), annual principal and interest payments of \$34,357	06/01/21	3.13%	29,082
Backhoe (35%), annual principal and interest payments of \$10,304	12/01/21	4.25%	28,537
Total Capital Leases Payable			<u>57,619</u>
Total Water Fund			10,503,264
Wastewater Fund			
Bonds Payable - Direct Borrowings:			
Wastewater Treatment Facility Improvements, annual principal and administrative fee payments of \$88,677	09/01/31	0.00%	984,981
Wastewater Treatment Facility Improvements, annual principal and administrative fee payments of \$142,607	09/01/31	0.00%	1,706,848
Wastewater Treatment Facility Improvements, annual principal and administrative fee payments of \$9,851	09/01/31	0.00%	111,796
Fairfield Street (71%), annual principal payments of \$100,000	11/02/41	0.891-3.181%	1,633,000
Streetscape Utilities (50%), annual principal payments of \$88,235	11/01/33	0.891-3.181%	191,473
Total Bonds Payable			<u>4,628,098</u>
Notes Payable - Direct Borrowings:			
Mini Excavator (33.33%), monthly principal and interest payments of \$167	05/23/23	3.20%	7,387
Skid Steer (40%), monthly principal and interest payments of \$216	11/25/21	2.89%	6,151
Utility Truck (33.34%), monthly principal and interest payments of \$260	08/01/22	2.70%	9,679
Street Sweeper (20%), monthly principal and interest payments of \$261	08/01/28	3.40%	24,765
Mini Excavator (33.34%), monthly principal and interest payments of \$69	08/01/25	3.00%	21,767
Payloader (35%), quarterly principal payments of \$1,881	05/01/23	2.60%	28,537
Utility Truck (35%), quarterly principal payments of \$608	05/01/24	2.70%	11,347
Total Loans Payable			<u>109,633</u>
Capital Lease Payable:			
Vactor (70%), annual principal and interest payments of \$34,357	06/01/21	3.13%	67,857
Backhoe (35%), annual principal and interest payments of \$10,304	12/01/21	4.25%	28,537
Total Capital Leases Payable			<u>96,394</u>
Total Wastewater Fund			<u>4,834,125</u>
Total Business-Type Activities			<u>\$ 15,337,389</u>

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Changes in all long-term liabilities during the year were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
GOVERNMENTAL ACTIVITIES					
Bonds Payable - Direct Borrowings	\$ 18,693,015	\$ 6,450,000	\$ 919,986	\$ 24,223,029	\$ 1,212,985
Notes Payable - Direct Borrowings	880,627	88,547	131,617	837,557	419,390
Capital Leases Payable	21,298	24,460	16,031	29,727	13,903
Compensated Absences	469,310	338,444	380,884	426,870	21,344
Environmental Liability	249,164	-	-	249,164	-
Net Pension Liability	<u>3,105,780</u>	<u>407,336</u>	<u>-</u>	<u>3,513,116</u>	<u>-</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 23,419,194</u>	<u>\$ 7,308,787</u>	<u>\$ 1,448,518</u>	<u>\$ 29,279,463</u>	<u>\$ 1,667,622</u>
BUSINESS-TYPE ACTIVITIES					
Bonds Payable - Direct Borrowings	\$ 10,041,139	\$ 5,954,469	\$ 1,006,733	\$ 14,988,875	\$ 506,347
Notes Payable - Direct Borrowings	139,625	79,768	24,892	194,501	40,090
Capital Leases Payable	131,817	57,074	34,878	154,013	50,743
Compensated Absences	181,903	75,932	118,297	139,538	6,824
Net Pension Liability	<u>1,177,067</u>	<u>156,191</u>	<u>-</u>	<u>1,333,258</u>	<u>-</u>
Total Business-type Activities Long-Term Liabilities	<u>\$ 11,671,551</u>	<u>\$ 6,323,434</u>	<u>\$ 1,184,800</u>	<u>\$ 16,810,185</u>	<u>\$ 604,004</u>

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

The general fund and enterprise funds have typically been used to liquidate pension liabilities.

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019

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

Year Ending June 30	Governmental Activities				
	Bonds Payable - Direct Borrowings		Notes Payable - Direct Borrowings		Capital Leases
	Principal	Interest	Principal	Interest	
2020	\$ 1,212,985	\$ 851,600	\$ 419,390	\$ 16,036	\$ 14,154
2021	1,222,985	794,294	102,889	12,142	10,899
2022	1,222,985	767,869	74,437	9,426	5,042
2023	1,242,985	738,133	67,040	7,119	-
2024	1,262,985	705,350	47,079	5,310	-
2025-2029	6,714,926	2,936,807	126,722	9,075	-
2030-2034	7,574,928	1,675,507	-	-	-
2035-2039	2,451,250	480,057	-	-	-
2040-2044	1,317,000	100,967	-	-	-
Total	24,223,029	9,050,584	837,557	59,108	30,095
Less: Interest	-	-	-	-	(368)
Total	<u>\$ 24,223,029</u>	<u>\$ 9,050,584</u>	<u>\$ 837,557</u>	<u>\$ 59,108</u>	<u>\$ 29,727</u>

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

Year Ending June 30	Business-Type Activities				
	Bonds Payable - Direct Borrowings		Notes Payable - Direct Borrowings		Capital Leases
	Principal	Interest	Principal	Interest	
2020	\$ 517,610	\$ 264,822	\$ 40,090	\$ 4,981	\$ 53,984
2021	750,547	361,687	41,144	3,927	53,984
2022	763,743	344,442	39,743	2,770	52,597
2023	777,297	326,548	33,561	1,715	-
2024	791,217	308,024	14,454	555	-
2025-2029	4,178,568	1,239,909	25,509	1,281	-
2030-2034	3,949,554	412,018	-	-	-
2035-2039	2,669,301	216,148	-	-	-
2040-2044	591,038	19,138	-	-	-
Total	14,988,875	3,492,736	194,501	15,229	160,565
Less: Interest	-	-	-	-	(6,552)
Total	<u>\$ 14,988,875</u>	<u>\$ 3,492,736</u>	<u>\$ 194,501</u>	<u>\$ 15,229</u>	<u>\$ 154,013</u>

During fiscal year 2019, the City had three available lines of credit. Lines of credit are more fully described in Note H.

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L. Net Position and Fund Balances

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

The City has set a goal of obtaining a minimum unassigned General Fund balance of one month of general fund operating expenditures. Due to the City's focus on ambitious redevelopment, this goal has not yet been attained.

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

The following types of fund balances are reported at June 30, 2019:

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

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

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

Following is a breakdown of the City's fund balances at June 30, 2019:

	General Fund	TIF Debt Service Fund	Sidewalk Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable					
Prepaid expenditures	\$ 18,028	\$ -	\$ -	\$ -	\$ 18,028
Inventories	11,831	-	-	-	11,831
Assets held for resale	177,800	-	-	-	177,800
Total Nonspendable	207,659	-	-	-	207,659
Restricted					
Asset forfeiture	17,094	-	-	-	17,094
Restorative Justice Center	-	-	-	2,217	2,217
Expendable permanent funds	-	-	-	14,002	14,002
Federal Street Fund	-	-	-	53,559	53,559
TIF Capital Project Fund	-	-	-	92,566	92,566
Sidewalk Fund	-	-	1,008,406	-	1,008,406
Total Restricted	17,094	-	1,008,406	162,344	1,187,844
Unassigned	1,179,293	74,783	-	(69,994)	1,184,082
Total Fund Balance	<u>\$ 1,404,046</u>	<u>\$ 74,783</u>	<u>\$ 1,008,406</u>	<u>\$ 92,350</u>	<u>\$ 2,579,585</u>

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M. Retirement Plans

1. Vermont Municipal Employees' Retirement System – Defined Benefit Plan

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis, and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2018 the retirement system consisted of 402 participating employers.

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125. The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives – one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of credible services.

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

As of June 30, 2018, the measurement date selected by the State of Vermont, VMERS was funded at 82.60% and had a plan fiduciary net position of \$667,848,905 and a total pension liability of \$808,524,797 resulting in a net pension liability of \$140,675,892. As of June 30, 2019, the City's proportionate share of this was 1.50299% resulting in a liability of \$2,114,343. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. As of June 30, 2018, the City's proportion of 1.50299% was an increase of 0.00287% from its proportion measured as of June 30, 2017.

For the measurement date year ended June 30, 2018, the City recognized pension expense of \$602,907.

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As of June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Changes in proportional share of contributions	\$ 11,403	\$ (142)
Difference between projected and actual earnings on pension plan investments	245,045	(33,809)
Difference between expected and actual experience	183,653	-
Changes in assumptions	234,137	-
City's required employer contributions made subsequent to the measurement date	<u>291,841</u>	<u>-</u>
Total	<u>\$ 966,079</u>	<u>\$ (33,951)</u>

The deferred outflows of resources resulting from the City's required employer contributions made subsequent to the measurement date in the amount of \$291,841 will be recognized as a reduction of the net pension liability in the subsequent fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year Ended June 30	Deferred Outflows (Inflows) of Resources
2019	\$ 406,878
2020	145,171
2021	36,957
2022	<u>51,281</u>
Total	<u>\$ 640,287</u>

Summary of System Provisions

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

Creditable Service: Service as a member plus purchased service.

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

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Service Retirement Allowance:

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

Amount: Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC. Group C – 2.5% of AFC times service as a Group C member plus percentage earned as a Group A or B member times AFC.

Maximum benefit is 60% of AFC for Group B and 50% of AFC for Group C. The previous amounts include the portion of the allowance provided by member contributions.

Early Retirement Allowance:

Eligibility: Age 55 with 5 years of service for Group B. No eligibility requirements for Group C.

Amount: Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes normal retirement age for Group B members.

Vested Retirement Allowance:

Eligibility: Five years of service.

Amount: Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on “Post-Retirement Adjustments”.

Disability Retirement Allowance:

Eligibility: Five years of service and disability as determined by Retirement Board.

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

Death Benefit:

Eligibility: Death after five years of service.

Amount: For Groups B and C, reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor(s) benefit under disability annuity computed as of date of death.

Optional Benefit and Death after Retirement: For Groups B and C, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee.

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Refund of Contribution: Upon termination, if the member so elects or if no other benefit is payable, the member's accumulated contributions are refunded.

Post-Retirement Adjustments: Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in the Consumer Price Index but not more than 3% for Groups B and C.

Member Contributions: Group B – 4.875% effective July 1, 2016 (increased from 4.75%). Group C – 10% effective January 1, 2016 (increased from 9.75%).

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

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

Significant Actuarial Assumptions and Methods

These assumptions were selected on the basis of the experience study dated July 27, 2015.

Investment rate of return: 7.50%, net of pension plan investment expenses, including inflation.

Salary Increases: 5.00% per year.

Deaths:

Death in active service: 98% of RP-2006 blended 60% Blue Collar Employee, 40% Healthy Employee with generational projection using Scale SSA-2017.

Healthy post-retirement: 98% of RP-2006 blended 60% Blue Collar Annuitant, 40% Healthy Annuitant with generational projection using Scale SSA-2017.

Disabled post-retirement: RP-2006 Disabled Mortality Table with generational projection using Scale SSA-2017.

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

Cost-of-Living Adjustments to Benefits of Terminated Vested and Retired Participants: Assumed to occur at the rate of 1.3% per annum for Group B and C members.

Actuarial Cost Method: Entry Age Normal Method. Entry Age is the age at employment or, if date is unknown, current age minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined using the plan of benefits applicable to each participant.

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Asset Valuation Method: Smoothing method is used, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. The value of assets for actuarial purposes may not differ from market value of assets by more than 20%.

Inflation: 2.50% per year

Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which the best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2018 are summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Equity	18.00%	6.10%
Non-US Equity	16.00%	7.45%
Global Equity	9.00%	6.74%
Fixed Income	26.00%	2.25%
Real Estate	8.00%	5.11%
Private Markets	15.00%	7.60%
Hedge Funds	8.00%	3.86%

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

Discount Rate: The discount rate used to measure the total pension liability was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments to current members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

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Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the net pension liability, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

<u>Impact of a 1% Change in the Discount Rate</u>		
	<u>Discount Rate</u>	<u>Net Pension Liability</u>
Current Rate	7.50%	\$ 2,114,343
1% Decrease	6.50%	\$ 3,581,220
1% Increase	8.50%	\$ 921,366

Additional Information

Additional information regarding the State of Vermont Municipal Employees’ Retirement System, including the details of the Fiduciary Net Position, is available upon request from the State of Vermont.

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

Plan Description

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

Funding Policy

The Plan requires members to contribute either 2.5% or 7.5% of Annual Base Earnings, excluding overtime and any other additional compensation, depending on the benefit level elected. The total actuarially determined contribution to the system for 2019 was \$297,245 which was computed through an actuarial valuation performed as of June 30, 2019.

There are 12 active members and 53 retirees and beneficiaries. Additionally, there are 9 former employees with vested rights.

The market value of plan assets maintained at Prudential Investments is \$3,868,544 as of June 30, 2019.

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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 0.75% 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 0.75% 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 1.25% of the rate of Annual Base Earnings. After July 1, 1997, the yearly amount of future service pension is equal to 1.50% of the rate of Annual Base Earnings.
 - i. Effective July 1, 2001, the yearly amount of future service pension is equal to 1.50% of the rate of Annual Base Earnings for those participants electing on July 1, 2001 to make required employee contributions of 2.50% of Annual Base Earnings.
 - ii. Effective July 1, 2001, the yearly amount of future service pension is equal to 3.00% of the rate of Annual Base Earnings for those participants electing July 1, 2001 to make required employee contributions of 7.50% of Annual Base Earnings.
- (c) Effective July 1, 2001, the maximum amount was removed for all participants.

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

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

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

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

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

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

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

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

Net Pension Liability

The City's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as for June 30, 2019 using an annual actuarial valuation as of June 30, 2019. Because the measurement date is the same as the reporting date, no adjustments have been necessary to roll forward the data.

Significant Actuarial Assumptions and Methods

The total pension liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement.

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

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Discount Rate: The discount rate was determined as follows:

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

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

Changes in Net Pension Liability: The change in net pension liability for the plan is as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary	
		Net Position	Net Pension Liability
Balances at June 30, 2018	\$ 6,457,721	\$ 3,992,353	\$ 2,465,368
Changes for the year:			
Service cost	30,831	-	30,831
Interest	407,927	-	407,927
Changes in assumptions	-	-	-
Differences between actual and expected experience	167,764	-	167,764
Contributions - employer	-	210,153	(210,153)
Contributions - member	-	26,999	(26,999)
Net investment income	-	139,318	(139,318)
Administrative expenses	-	(36,611)	36,611
Benefit payments, including refunds of member contributions	(463,668)	(463,668)	-
Net changes	142,854	(123,809)	266,663
Balances at June 30, 2019	\$ 6,600,575	\$ 3,868,544	\$ 2,732,031

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

Impact of a 1% Change in the Discount Rate		
	Discount Rate	Net Pension Liability
Current Rate	6.07%	\$ 2,732,031
1% Decrease	5.07%	\$ 3,365,217
1% Increase	7.07%	\$ 2,191,748

Pension Expense and Deferred Outflows and Deferred Inflows of Resources

For the year ended June 30, 2019 the City recognized pension expense of \$240,089. At June 30, 2019 the City reported deferred outflows of resources and deferred inflows or resources related to the Plan from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Differences between actual and expected experience	\$ 132,142	\$ (163,370)
Changes in assumptions	49,656	-
Net difference between projected and actual earnings on plan investments	120,625	(109,489)
Total	\$ 302,423	\$ (272,859)

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

Year Ended June 30	Deferred Outflows (Inflows) of Resources
2020	\$ 21,811
2021	(40,968)
2022	4,775
2023	43,948
2024	2
Thereafter	(4)
Total	\$ 29,564

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3. Deferred Compensation Plan

The City also offers its employees a deferred compensation plan through the International City/County Management Association’s Retirement Corporation (ICMA-RC) in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City has no liability for losses under this plan but does have the duty of due care that would be required of an ordinary prudent investor. All of the investments are self-directed by each employee. For each employee not currently participating in the City’s defined benefit plan or VMERS, the City will match the employee’s contribution to the plan up to 5%. The City also provides the City Manager a 2.1% contribution of base pay without a required employee contribution amount. Employees remaining in the City’s defined benefit plan or VMERS may open a 457 account without a City match. Total employer contributions to the 457 Plan for the year were \$6,882.

N. Taxes Receivable and Excise Taxes

The City is responsible for assessing and collecting its own property taxes, as well as education taxes for the State of Vermont. Property taxes are assessed based on property valuations as of April 1, the approved budgets and the State education property tax liability. Taxes are due and payable on August 24, November 21, February 22, and May 24, 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 2019 are as follows:

	Residential	Non-Residential
Education	\$ 1.5587	\$ 1.7211
General City	0.9094	0.9094
Library	0.0424	0.0424
Veteran's Exemption	0.0033	0.0033
Total Tax Rate per \$100 of Assessed Value	\$ 2.5138	\$ 2.6762

O. Pollution Remediation

On August 11, 2016, a Feasibility Study was prepared for the Fonda/Solo Site to assess the feasibility for redevelopment of 19 Lower Newton Street to house municipal fire, police and public works functions for the community. The project parcel is the site of a former manufacturing facility, with known environmental contamination. This includes, but is not limited to, portions of the concrete slab remaining after the building was demolished, a known contaminant plume beneath the slab in the center of the site, and the possibility of “urban soils”. The estimate for mitigation of these

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items is currently assessed at \$249,164. Actual costs may differ depending on what is uncovered during mitigation, as well as due to inflation, changes in technology, or changes in regulations.

P. Contingent Liabilities

The City is a participating member in the Northwest Vermont Solid Waste Management District (NWSWD). The City could be subject to a portion of the District's debt if the District experiences financial problems. The district serves 19 member towns and the City Council appoints a board representative.

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.

Q. Tax Increment Financing District

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

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

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

In March 2019 voters authorized the City to borrow up to \$2.5 million for the Congress and Main Redevelopment project, issued and outstanding in fiscal year 2019, for the purpose of land acquisition,

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brownfield remediation, construction of public improvements and associated professional services and related costs.

R. Commitments

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

S. Subsequent Events

Subsequent to year-end, the City issued the following direct borrowing debt:

	<u>Amount</u>	<u>Interest Rate</u>	<u>Issue Date</u>	<u>Maturity Date</u>
People's Trust Line of Credit	\$ 3,250,000	1.65%	08/01/19	02/01/20
People's Trust Line of Credit renewal	\$ 2,000,000	1.60%	10/16/19	10/16/20
Public sewer system improvement bonds	\$ 7,717,000	1.75%	11/15/19	11/15/49

T. Reclassification

The City's major governmental funds for fiscal year 2019, as defined by GASB Statement 34, have changed from the previous fiscal year. Accordingly, the following reconciliation is provided:

	Fund Equity 6/30/18 (as previously reported)	<u>Reclassification</u>	Fund Equity 6/30/18 (as reclassified)
TIF Capital Project Fund	\$ (1,924,481)	\$ 1,924,481	\$ -
Nonmajor Governmental Funds	<u>15,917</u>	<u>(1,924,481)</u>	<u>(1,908,564)</u>
Total	<u>\$ (1,908,564)</u>	<u>\$ -</u>	<u>\$ (1,908,564)</u>

Schedule 1

CITY OF ST. ALBANS, VERMONT
 SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2019

	Original/Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES AND OTHER FINANCING SOURCES			
Property Taxes	\$ 4,733,276	\$ 4,518,273	\$ (215,003)
Penalty on Taxes	27,500	26,631	(869)
Interest on Taxes	40,000	41,016	1,016
PHSO Violations Revenue	-	52,137	52,137
State Payments/RR Taxes	11,150	5,021	(6,129)
Interest on Savings	1,000	2,295	1,295
Public Works Garage Lease	51,277	51,277	-
City Hall Lease	57,368	57,372	4
PILOT	50,000	50,566	566
Insurance Reimbursements and Miscellaneous	25,000	53,381	28,381
City Clerk	110,350	102,428	(7,922)
Planning and Development	37,000	49,415	12,415
Assessing	22,500	23,937	1,437
Fire Department	90,500	169,822	79,322
Police, Dispatch and Animal Control	1,658,340	1,925,600	267,260
Parking Garage	248,284	227,847	(20,437)
Public Works and Parks	166,000	258,183	92,183
Recreation Programs	458,400	640,638	182,238
Affiliation fees	-	69,002	69,002
Transfers In	-	85,060	85,060
	<u>7,787,945</u>	<u>8,409,901</u>	<u>621,956</u>
EXPENDITURES AND OTHER FINANCING USES			
Administration and Finance	327,201	348,347	(21,146)
HRA and Leave Buy Back	200,738	160,329	40,409
City Clerk	89,453	97,640	(8,187)
Planning and Development	323,523	264,281	59,242
Planning and Development Capital	5,000	105	4,895
County and District Functions	254,670	253,877	793
Audit and Audit Consultants	10,000	11,096	(1,096)
Assessing	49,377	35,624	13,753
Debt Service - Principal and Interest	661,221	616,197	45,024
Professional Services - Legal	50,500	60,717	(10,217)
Fire Department	387,879	404,783	(16,904)
Fire Department Capital	15,000	34,586	(19,586)
Police, Dispatch and Animal Control	3,470,751	3,996,383	(525,632)
Police Department Capital	109,500	93,652	15,848
Library	-	35,119	(35,119)
Parking Garage	223,289	196,121	27,168
Public Works, Highway, Parks	623,245	684,065	(60,820)
Public Works Capital	291,637	360,828	(69,191)
Recreation Programs	516,961	682,966	(166,005)
Recreation Capital	21,000	21,622	(622)
Transfers Out	147,000	174,246	(27,246)
	<u>7,777,945</u>	<u>8,532,584</u>	<u>(754,639)</u>
Total Expenditures and Other Financing Uses			
Excess/(Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing Uses	<u>\$ 10,000</u>	(122,683)	<u>\$ (132,683)</u>
Fund Balance - July 1, 2018		1,651,125	
Non-budgeted items:			
Other redevelopment activity		<u>(124,396)</u>	
Fund Balance - June 30, 2019		<u>\$ 1,404,046</u>	

See Accompanying Independent Auditor's Report.

Schedule 2

CITY OF ST. ALBANS, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
 CITY OF ST. ALBANS PENSION PLAN
 JUNE 30, 2019

	2019	2018	2017	2016	2015
Total Pension Liability:					
Service Cost	\$ 30,831	\$ 29,288	\$ 43,521	\$ 56,040	\$ 226,520
Interest	407,927	410,188	409,950	421,289	423,309
Changes in Assumptions	-	-	-	-	335,956
Differences Between Actual and Expected Experience	167,764	(12,752)	(6,635)	(294,671)	(188,267)
Benefit Payments, Including Refunds of Member Contributions	<u>(463,668)</u>	<u>(464,892)</u>	<u>(440,755)</u>	<u>(384,878)</u>	<u>(449,104)</u>
Net Change in Total Pension Liability	142,854	(38,168)	6,081	(202,220)	348,414
Total Pension Liability, beginning	<u>6,457,721</u>	<u>6,495,889</u>	<u>6,489,808</u>	<u>6,692,028</u>	<u>6,343,614</u>
Total Pension Liability, ending	6,600,575	6,457,721	6,495,889	6,489,808	6,692,028
Plan Fiduciary Net Position:					
Contributions - Employer	210,153	215,000	210,000	200,000	200,000
Contributions - Members	26,999	27,442	32,350	37,743	36,594
Net Investment Income	139,318	273,153	439,577	9,080	233,965
Benefit Payments, Including Refunds of Member Contributions	(463,668)	(464,892)	(440,755)	(384,878)	(449,104)
Administrative Expenses	<u>(36,611)</u>	<u>(39,274)</u>	<u>(37,347)</u>	<u>(35,508)</u>	<u>(31,191)</u>
Net Change in Fiduciary Net Position	(123,809)	11,429	203,825	(173,563)	(9,736)
Plan Fiduciary Net Position, beginning	<u>3,992,353</u>	<u>3,980,924</u>	<u>3,777,099</u>	<u>3,950,662</u>	<u>3,960,398</u>
Plan Fiduciary Net Position, ending	<u>3,868,544</u>	<u>3,992,353</u>	<u>3,980,924</u>	<u>3,777,099</u>	<u>3,950,662</u>
Net Pension Liability, ending	<u>\$ 2,732,031</u>	<u>\$ 2,465,368</u>	<u>\$ 2,514,965</u>	<u>\$ 2,712,709</u>	<u>\$ 2,741,366</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.61%	61.82%	61.28%	58.20%	59.04%
Covered Payroll	\$ 310,515	\$ 386,378	\$ 531,385	\$ 531,385	\$ 508,580
Net Pension Liability as a Percentage of Covered Payroll	879.84%	638.07%	473.28%	510.50%	539.02%

Notes to the Schedule:

Benefit Changes: none

Changes in Assumptions: none

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

Data for future years will be added prospectively.

See Accompanying Independent Auditor's Report.

Schedule 3

CITY OF ST. ALBANS, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS AND INVESTMENT RETURNS
 CITY OF ST. ALBANS PENSION PLAN
 JUNE 30, 2019

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Actuarially Determined Contribution	\$ 297,245	\$ 269,698	\$ 288,768	\$ 322,117	\$ 494,618	\$ 312,844	\$ 224,258	\$ 187,482	\$ 118,825	\$ 201,866	\$ 213,524
Contributions in Relation to the Actuarially Determined Contribution	<u>210,153</u>	<u>215,000</u>	<u>210,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>	<u>161,606</u>	<u>209,825</u>	<u>153,737</u>
Contribution Deficiency/(Excess)	<u>\$ 87,092</u>	<u>\$ 54,698</u>	<u>\$ 78,768</u>	<u>\$ 122,117</u>	<u>\$ 294,618</u>	<u>\$ 112,844</u>	<u>\$ 24,258</u>	<u>\$ (12,518)</u>	<u>\$ (42,781)</u>	<u>\$ (7,959)</u>	<u>\$ 59,787</u>
Covered Payroll	\$ 310,515	\$ 386,378	\$ 531,385	\$ 531,385	\$ 508,580	\$ 538,265	\$ 647,286	\$ 714,519	\$ 471,413	\$ 471,413	\$ 628,509
Contributions as a Percentage of Covered Payroll	67.68%	55.64%	39.52%	37.64%	39.33%	37.16%	30.90%	27.99%	34.28%	44.51%	24.46%
	2019	2018	2017	2016	2015	2014					
Annual Money-Weighted Rate of Return, Net of Investment Expense	2.88%	6.12%	12.13%	0.38%	4.64%	4.98%					

Notes to the Schedule:

Valuation Date: June 30, 2019

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

Methods and assumptions used to determine contribution rates:

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

See Accompanying Independent Auditor's Report.

Schedule 4

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

JUNE 30, 2019

	2018	2017	2016	2015	2014
Total Plan Net Pension Liability	\$ 140,675,892	\$ 121,155,552	\$ 128,696,167	\$ 77,095,810	\$ 9,126,613
City's Proportion of the Net Pension Liability	1.50298%	1.50012%	1.50050%	1.42843%	1.40650%
City's Proportionate Share of the Net Pension Liability	\$ 2,114,343	\$ 1,817,479	\$ 1,931,081	\$ 1,101,261	\$ 128,361
City's Covered Payroll	\$ 4,130,395	\$ 3,851,259	\$ 3,748,413	\$ 3,271,734	\$ 3,029,983
Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	51.19%	47.19%	51.52%	33.66%	4.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.60%	83.64%	80.95%	87.42%	98.32%

Notes to the Schedule:

Benefit Changes: none

Changes in Assumptions: none

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

See Accompanying Independent Auditor's Report.

Schedule 5

CITY OF ST. ALBANS, VERMONT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS
 VMERS DEFINED BENEFIT PLAN
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contributions (Actuarially Determined)	\$ 288,233	\$ 245,260	\$ 228,052	\$ 199,673	\$ 181,424
Contributions in Relation to the Actuarially Determined Contributions	<u>288,233</u>	<u>245,260</u>	<u>228,052</u>	<u>199,673</u>	<u>181,424</u>
Contribution Excess/(Deficiency)	<u>\$ -</u>				
Covered Payroll	\$ 3,852,234	\$ 4,023,362	\$ 3,748,413	\$ 3,271,734	\$ 3,029,983
Contributions as a Percentage of Covered Payroll	7.48%	6.10%	6.08%	6.10%	5.99%

Notes to the Schedule:

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

See Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2019

	Special Revenue Funds	Capital Project Funds	Total
ASSETS			
Cash	\$ 14,102	\$ 335,505	\$ 349,607
Receivables	161,996	38,665	200,661
Due from Other Funds	-	32,990	32,990
Total Assets	\$ 176,098	\$ 407,160	\$ 583,258
 LIABILITIES			
Accounts Payable	\$ 6,776	\$ -	\$ 6,776
Due to Other Funds	160,768	323,364	484,132
Total Liabilities	167,544	323,364	490,908
 FUND BALANCES (DEFICIT)			
Restricted	16,219	146,125	162,344
Unassigned	(7,665)	(62,329)	(69,994)
Total Fund Balances/(Deficit)	8,554	83,796	92,350
Total Liabilities and Fund Balances	\$ 176,098	\$ 407,160	\$ 583,258

See Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Special Revenue Funds	Capital Project Funds	Total
	<u> </u>	<u> </u>	<u> </u>
REVENUES			
Intergovernmental Revenues	\$ 1,251,740	\$ 96,665	\$ 1,348,405
Charges for Services	44,761	-	44,761
Investment Income	12	-	12
Other Revenue	350	-	350
	<u> </u>	<u> </u>	<u> </u>
Total Revenues	1,296,863	96,665	1,393,528
 EXPENDITURES			
Current:			
Public Safety	991,594	-	991,594
Community Development	340,185	-	340,185
Culture and Recreation	115	-	115
Public Works	-	23,269	23,269
Capital Outlay	-	547,451	547,451
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	1,331,894	570,720	1,902,614
 Excess/(Deficiency) of Revenue Over Expenditures	(35,031)	(474,055)	(509,086)
 OTHER FINANCING SOURCES (USES)			
Issuance of long-term debt	-	2,500,000	2,500,000
Transfers Out	10,000	-	10,000
	<u> </u>	<u> </u>	<u> </u>
Total Other Financing Sources	10,000	2,500,000	2,510,000
 Net Change in Fund Balances	(25,031)	2,025,945	2,000,914
 Fund balances/(deficit) - July 1, 2018, as reclassified	33,585	(1,942,149)	(1,908,564)
	<u> </u>	<u> </u>	<u> </u>
Fund Balance/(Deficit) - June 30, 2019	\$ 8,554	\$ 83,796	\$ 92,350
	<u> </u>	<u> </u>	<u> </u>

See Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2019

	Restorative Justice Center Fund	VCDP Grants Fund	Taylor Park Trust Fund	Hard'ack Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Cash	\$ 100	\$ -	\$ 14,002	\$ -	\$ 14,102
Receivables	<u>161,996</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,996</u>
Total Assets	<u>\$ 162,096</u>	<u>\$ -</u>	<u>\$ 14,002</u>	<u>\$ -</u>	<u>\$ 176,098</u>
LIABILITIES					
Accounts Payable	\$ 6,776	\$ -	\$ -	\$ -	\$ 6,776
Due to Other Funds	<u>153,103</u>	<u>7,550</u>	<u>-</u>	<u>115</u>	<u>160,768</u>
Total Liabilities	159,879	7,550	-	115	167,544
FUND BALANCES (DEFICIT)					
Restricted	2,217	-	14,002	-	16,219
Unassigned	<u>-</u>	<u>(7,550)</u>	<u>-</u>	<u>(115)</u>	<u>(7,665)</u>
Total Fund Balances/(Deficit)	<u>2,217</u>	<u>(7,550)</u>	<u>14,002</u>	<u>(115)</u>	<u>8,554</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 162,096</u>	<u>\$ -</u>	<u>\$ 14,002</u>	<u>\$ -</u>	<u>\$ 176,098</u>

See Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	Restorative Justice Center Fund	VCDP Grants Fund	Taylor Park Trust Fund	Hard'ack Fund	Total Nonmajor Special Revenue Funds
REVENUES					
Intergovernmental	\$ 919,105	\$ 332,635	\$ -	\$ -	\$ 1,251,740
Charges for Services	41,529	-	3,232	-	44,761
Investment Income	-	-	12	-	12
Other Revenue	<u>350</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350</u>
Total Revenues	960,984	332,635	3,244	-	1,296,863
EXPENDITURES					
Current:					
Public Safety	991,594	-	-	-	991,594
Community Development	-	340,185	-	-	340,185
Recreation	<u>-</u>	<u>-</u>	<u>-</u>	<u>115</u>	<u>115</u>
Total Expenditures	<u>991,594</u>	<u>340,185</u>	<u>-</u>	<u>115</u>	<u>1,331,894</u>
Excess/(Deficiency) of Revenue Over Expenditures	<u>(30,610)</u>	<u>(7,550)</u>	<u>3,244</u>	<u>(115)</u>	<u>(35,031)</u>
OTHER FINANCING SOURCES (USES)					
Transfer In	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Total Other Financing Sources	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Net Change in Fund Balances	(20,610)	(7,550)	3,244	(115)	(25,031)
Fund Balances/(Deficit) - July 1, 2018	<u>22,827</u>	<u>-</u>	<u>10,758</u>	<u>-</u>	<u>33,585</u>
Fund Balances/(Deficit) - June 30, 2019	<u>\$ 2,217</u>	<u>\$ (7,550)</u>	<u>\$ 14,002</u>	<u>\$ (115)</u>	<u>\$ 8,554</u>

See Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2019

	Federal Street Fund	Streetscape Fund	TIF Capital Project Fund	Fonda Fund	Congress and Main Fund	Total Nonmajor Capital Project Funds
ASSETS						
Cash	\$ -	\$ -	\$ 335,505	\$ -	\$ -	\$ 335,505
Receivables	20,569	18,096	-	-	-	38,665
Due from Other Funds	<u>32,990</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,990</u>
Total Assets	<u>\$ 53,559</u>	<u>\$ 18,096</u>	<u>\$ 335,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 407,160</u>
LIABILITIES						
Due to Other Funds	\$ -	\$ 40,272	\$ 242,939	\$ 32,586	\$ 7,567	\$ 323,364
Total Liabilities	-	40,272	242,939	32,586	7,567	323,364
FUND BALANCES (DEFICIT)						
Restricted	53,559	-	92,566	-	-	146,125
Unassigned	<u>-</u>	<u>(22,176)</u>	<u>-</u>	<u>(32,586)</u>	<u>(7,567)</u>	<u>(62,329)</u>
Total Fund Balances/(Deficit)	<u>53,559</u>	<u>(22,176)</u>	<u>92,566</u>	<u>(32,586)</u>	<u>(7,567)</u>	<u>83,796</u>
Total Liabilities and Fund Balances	<u>\$ 53,559</u>	<u>\$ 18,096</u>	<u>\$ 335,505</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 407,160</u>

See Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUND
 FOR THE YEAR ENDED JUNE 30, 2019

	Federal Street Fund	Streetscape Fund	TIF Capital Project Fund	Fonda Fund	Congress and Main Fund	Total Nonmajor Capital Project Funds
REVENUES						
Intergovernmental Revenues	\$ 78,569	\$ 18,096	\$ -	\$ -	\$ -	\$ 96,665
Total Revenues	78,569	18,096	-	-	-	96,665
EXPENDITURES						
Public Works	-	-	-	23,269	-	23,269
Capital Outlay	<u>25,010</u>	<u>22,604</u>	<u>78,466</u>	<u>9,317</u>	<u>412,054</u>	<u>547,451</u>
Total Expenditures	<u>25,010</u>	<u>22,604</u>	<u>78,466</u>	<u>32,586</u>	<u>412,054</u>	<u>570,720</u>
Excess/(Deficiency) of Revenue Over Expenditures	53,559	(4,508)	(78,466)	(32,586)	(412,054)	(474,055)
OTHER FINANCING SOURCES (USES)						
Issuance of long-term debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500,000</u>	<u>2,500,000</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,500,000</u>	<u>2,500,000</u>
Net Change in Fund Balances	53,559	(4,508)	(78,466)	(32,586)	2,087,946	2,025,945
Fund balances/(deficit) - July 1, 2018, as reclassified	<u>-</u>	<u>(17,668)</u>	<u>171,032</u>	<u>-</u>	<u>(2,095,513)</u>	<u>(1,942,149)</u>
Fund Balance/(Deficit) - June 30, 2019	<u>\$ 53,559</u>	<u>\$ (22,176)</u>	<u>\$ 92,566</u>	<u>\$ (32,586)</u>	<u>\$ (7,567)</u>	<u>\$ 83,796</u>

See Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2019

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2019</u>
SAFF FUND				
ASSETS				
Cash and Cash Equivalents	\$ <u>48,089</u>	\$ <u>-</u>	\$ <u>2,948</u>	\$ <u>45,141</u>
Total Assets	\$ <u><u>48,089</u></u>	\$ <u><u>-</u></u>	\$ <u><u>2,948</u></u>	\$ <u><u>45,141</u></u>
LIABILITIES				
Other Liabilities	\$ 48,089	\$ -	\$ 4,073	\$ 44,016
Due to Others	<u>-</u>	<u>1,125</u>	<u>-</u>	<u>1,125</u>
Total Liabilities	\$ <u><u>48,089</u></u>	\$ <u><u>1,125</u></u>	\$ <u><u>4,073</u></u>	\$ <u><u>45,141</u></u>
EXPLORER FUND				
ASSETS				
Cash and Cash Equivalents	\$ <u>964</u>	\$ <u>374</u>	\$ <u>-</u>	\$ <u>1,338</u>
Total Assets	\$ <u><u>964</u></u>	\$ <u><u>374</u></u>	\$ <u><u>-</u></u>	\$ <u><u>1,338</u></u>
LIABILITIES				
Other Liabilities	\$ <u>964</u>	\$ <u>374</u>	\$ <u>-</u>	\$ <u>1,338</u>
Total Liabilities	\$ <u><u>964</u></u>	\$ <u><u>374</u></u>	\$ <u><u>-</u></u>	\$ <u><u>1,338</u></u>
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash and Cash Equivalents	\$ <u>49,053</u>	\$ <u>374</u>	\$ <u>2,948</u>	\$ <u>46,479</u>
Total Assets	\$ <u><u>49,053</u></u>	\$ <u><u>374</u></u>	\$ <u><u>2,948</u></u>	\$ <u><u>46,479</u></u>
LIABILITIES				
Other Liabilities	\$ 49,053	\$ 374	\$ 4,073	\$ 45,354
Due to Others	<u>-</u>	<u>1,125</u>	<u>-</u>	<u>1,125</u>
Total Liabilities	\$ <u><u>49,053</u></u>	\$ <u><u>1,499</u></u>	\$ <u><u>4,073</u></u>	\$ <u><u>46,479</u></u>

See Accompanying Independent Auditor's Report.

STATISTICAL SECTION

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

Contents	Page
Financial Trends	91-95
<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	96-99
<i>These schedules contain information to help the reader assess the government’s most significant local revenue source, the property tax.</i>	
Debt Capacity	100-104
<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	105-106
<i>These schedules contain information to help the reader understand the environment within which the government’s financial activities take place.</i>	
Operating Information	107-109
<i>These schedules contain service and infrastructure data to help the reader understand how the information in the government’s financial report relates to the services the government provides and the activities it performs.</i>	



Table 1

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

	2019	2018	2017	2016	2015	2014 (1)	2013	2012	2011	2010
Governmental Activities										
Net Investment in Capital Assets	\$ 9,412,690	\$ 10,936,296	\$ 8,320,405	\$ 8,578,242	\$ 10,198,477	\$ 8,540,627	\$ 7,119,924	\$ 5,687,628	\$ 4,094,397	\$ 1,828,246
Restricted	92,566	10,758	10,747	440,834	169,832	207,167	215,538	214,623	264,656	555,570
Unrestricted	(1,044,039)	(2,168,234)	(213,820)	(493,699)	(2,963,868)	(2,144,164)	(1,742,334)	(334,422)	(226,679)	696,496
Total Governmental Activities Net Position	8,461,217	8,778,820	8,117,332	8,525,377	7,404,441	6,603,630	5,593,128	5,567,829	4,132,374	3,080,312
Business-type Activities										
Net Investment in Capital Assets	13,890,014	11,409,359	10,897,177	11,641,845	11,433,940	12,100,228	12,009,592	11,583,644	12,053,482	10,891,827
Unrestricted	1,165,515	1,689,325	3,617,374	3,436,619	3,773,956	2,763,469	2,450,449	2,252,046	1,198,191	1,138,845
Total Business-type Activities Net Position	15,055,529	13,098,684	14,514,551	15,078,464	15,207,896	14,863,697	14,460,041	13,835,690	13,251,673	12,030,672
Primary Government										
Net Investment in Capital Assets	23,302,704	22,345,655	19,217,582	20,220,087	21,632,417	20,640,855	19,129,516	17,271,272	16,147,879	12,720,073
Restricted	92,566	10,758	10,747	440,834	169,832	207,167	215,538	214,623	264,656	555,570
Unrestricted	121,476	(478,909)	3,403,554	2,942,920	810,088	619,305	708,115	1,917,624	971,512	1,835,341
Total Primary Government Net Position	<u>\$ 23,516,746</u>	<u>\$ 21,877,504</u>	<u>\$ 22,631,883</u>	<u>\$ 23,603,841</u>	<u>\$ 22,612,337</u>	<u>\$ 21,467,327</u>	<u>\$ 20,053,169</u>	<u>\$ 19,403,519</u>	<u>\$ 17,384,047</u>	<u>\$ 15,110,984</u>

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

Table 2

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Expenses										
Governmental Activities:										
General Government	\$ 1,965,262	\$ 1,824,410	\$ 1,934,671	\$ 1,205,537	\$ 1,410,424	\$ 752,052	\$ 760,536	\$ 1,387,110	\$ 947,435	\$ 1,144,117
Public Safety	5,838,802	4,956,155	4,794,040	4,962,749	4,309,467	4,535,681	4,504,074	4,682,229	4,190,064	3,558,949
Public Works	1,721,684	3,405,016	2,230,889	1,125,780	1,044,000	815,624	610,692	581,886	571,072	520,534
Culture and Recreation	826,487	760,160	635,921	840,608	604,679	600,304	540,147	472,500	485,389	419,147
Community Development	100,117	150,808	461,450	755,341	554,978	762,129	2,005,440	498,887	2,356	284,619
Depreciation, Unallocated	-	-	-	-	-	-	-	-	-	206,832
Interest on Long-term Debt	760,380	556,262	694,137	574,680	517,014	337,282	74,998	50,438	62,959	76,276
Total Governmental Activities	11,212,732	11,652,811	10,751,108	9,464,695	8,440,562	7,803,072	8,495,887	7,673,050	6,259,275	6,210,474
Business-type Activities:										
Water	2,306,069	2,030,791	2,273,575	2,023,263	2,128,265	1,895,517	1,885,455	1,807,120	1,714,023	1,652,883
Sewer	3,405,475	2,901,567	2,952,711	2,935,021	2,830,952	2,623,091	2,842,362	2,505,130	2,365,686	2,268,216
Stormwater	71,154	-	-	-	-	-	-	-	-	-
Total Business-Type Activities	5,782,698	4,932,358	5,226,286	4,958,284	4,959,217	4,518,608	4,727,817	4,312,250	4,079,709	3,921,099
Total Expenses	\$ 16,995,430	\$ 16,585,169	\$ 15,977,394	\$ 14,422,979	\$ 13,399,779	\$ 12,321,680	\$ 13,223,704	\$ 11,985,300	\$ 10,338,984	\$ 10,131,573
Program Revenues										
Governmental Activities:										
Charges for Services										
General Government	\$ 174,120	\$ 241,705	\$ 311,412	\$ 301,961	\$ 139,525	\$ 140,099	\$ 492,848	\$ 237,930	\$ 136,402	\$ 245,471
Public Safety	1,579,683	1,368,780	1,338,961	1,317,354	1,376,666	1,402,824	1,197,101	1,172,465	684,202	712,195
Public Works	257,878	241,634	207,884	174,649	107,293	54,405	86,756	42,756	28,111	240,765
Culture and Recreation	812,272	591,186	421,273	395,570	399,619	450,924	436,241	325,041	414,298	272,733
Community Development	-	-	-	-	39	7,892	1,000	579	85,608	-
Operating Grants and Contributions	1,796,332	1,176,466	1,173,226	1,333,954	1,060,125	861,861	1,106,294	2,377,447	1,050,574	1,285,243
Capital Grants and Contributions	47,075	560,543	553,071	1,324,321	1,414,679	885,807	1,264,603	933,940	920,671	-
Total Governmental Activities	4,667,360	4,180,314	4,005,827	4,847,809	4,497,946	3,803,812	4,584,843	5,090,158	3,319,866	2,756,407
Business-type Activities:										
Charges for Services										
Water	2,295,847	2,372,557	2,332,238	2,246,862	2,298,907	2,404,911	2,102,458	2,085,442	1,988,380	1,900,576
Sewer	3,532,084	3,351,615	3,156,794	2,930,614	2,913,086	3,113,773	2,745,270	2,680,843	2,267,927	2,350,434
Stormwater	173,369	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	-	-	-	109,666	12,287	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-	251,537	452,696	79,587	1,000,000	-
Total Business-type Activities	6,001,300	5,724,172	5,489,032	5,287,142	5,224,280	5,770,221	5,300,424	4,845,872	5,256,307	4,251,010
Total Program Revenues	\$ 10,668,660	\$ 9,904,486	\$ 9,494,859	\$ 10,134,951	\$ 9,722,226	\$ 9,574,033	\$ 9,885,267	\$ 9,936,030	\$ 8,576,173	\$ 7,007,417
Net (Expense)/Revenue										
Governmental Activities	\$ (6,545,372)	\$ (7,472,497)	\$ (6,745,281)	\$ (4,616,886)	\$ (3,942,616)	\$ (3,999,260)	\$ (3,911,044)	\$ (2,582,892)	\$ (2,939,409)	\$ (3,454,067)
Business-type Activities	218,602	791,814	262,746	328,858	265,063	1,251,613	572,607	533,622	1,176,598	329,911
Total Net Expense	\$ (6,326,770)	\$ (6,680,683)	\$ (6,482,535)	\$ (4,288,028)	\$ (3,677,553)	\$ (2,747,647)	\$ (3,338,437)	\$ (2,049,270)	\$ (1,762,811)	\$ (3,124,156)

Table 2 (continued)

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Revenues										
Governmental Activities:										
Property Taxes	\$ 5,638,761	\$ 5,467,918	\$ 5,066,109	\$ 4,941,051	\$ 4,534,809	\$ 3,953,716	\$ 3,763,707	\$ 3,780,436	\$ 3,765,017	\$ 3,810,002
Interest and Penalties on Delinquent Taxes	119,784	57,239	68,784	63,231	65,645	65,714	55,706	96,792	95,793	-
Unrestricted Investment Earnings	2,337	4,110	12,046	17,493	3,907	4,540	2,994	4,884	7,934	5,931
General State Grants	55,587	50,616	99,434	95,199	84,441	86,703	95,416	89,834	85,435	-
Other Revenues	257,239	291,182	220,893	160,293	44,617	19,983	17,670	23,140	34,005	-
Gain/(Loss) on Capital Assets	-	-	-	(20,089)	3,341	2,251,711	850	23,261	-	498,680
Transfers	154,061	2,262,920	869,970	487,896	6,667	306,946	-	-	3,287	-
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	(32,388)
Total Governmental Activities	<u>6,227,769</u>	<u>8,133,985</u>	<u>6,337,236</u>	<u>5,745,074</u>	<u>4,743,427</u>	<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>
Business-type Activities:										
Unrestricted Investment Earnings	20,757	31,024	43,311	29,606	85,803	312,244	51,744	50,395	42,313	32,861
General state grants	1,871,547	24,215	-	-	-	-	-	-	-	-
Other Revenues	-	-	-	-	-	-	-	-	5,377	-
Transfers	(154,061)	(2,262,920)	(869,970)	(487,896)	(6,667)	(306,946)	-	-	(3,287)	-
Prior Period Adjustment	-	-	-	-	-	-	-	-	-	-
Total Business-type Activities	<u>1,738,243</u>	<u>(2,207,681)</u>	<u>(826,659)</u>	<u>(458,290)</u>	<u>79,136</u>	<u>5,298</u>	<u>51,744</u>	<u>50,395</u>	<u>44,403</u>	<u>32,861</u>
Total Primary Government	<u>\$ 7,966,012</u>	<u>\$ 5,926,304</u>	<u>\$ 5,510,577</u>	<u>\$ 5,286,784</u>	<u>\$ 4,822,563</u>	<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>
Change in Net Position										
Governmental Activities	\$ (317,603)	\$ 661,488	\$ (408,045)	\$ 1,128,188	\$ 800,811	\$ 25,299	\$ 107,303	\$ 1,408,579	\$ 1,342,816	\$ (156,778)
Business-type Activities	1,956,845	(1,415,867)	(563,913)	(129,432)	344,199	624,351	623,002	578,025	1,209,459	183,505
Total Change in Net Position	<u>\$ 1,639,242</u>	<u>\$ (754,379)</u>	<u>\$ (971,958)</u>	<u>\$ 998,756</u>	<u>\$ 1,145,010</u>	<u>\$ 649,650</u>	<u>\$ 730,305</u>	<u>\$ 1,986,604</u>	<u>\$ 2,552,275</u>	<u>\$ 26,727</u>

Table 3

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

	2019	2018	2017	2016	2015 (1)	2014 (1)	2013 (1)	2012 (1)	2011 (1)	2010
General Fund										
Nonspendable	\$ 207,659	293,268	\$ 630,472	\$ 791,045	\$ 92,858	\$ 268,930	\$ 201,638	\$ 193,645	\$ 200,523	\$ -
Restricted	17,094	17,088	12,298	8,435	-	26,324	20,000	20,000	15,919	-
Committed	-	-	988,453	2,302,184	-	-	-	-	-	-
Assigned	-	-	-	-	374,308	414,326	709,897	318,203	517,393	-
Unassigned	1,179,293	1,340,769	128,832	(188,336)	-	-	-	-	6,687	-
Reserved	-	-	-	-	-	-	-	-	-	345,683
Unreserved	-	-	-	-	-	-	-	-	-	584,645
Total General Fund	<u>\$ 1,404,046</u>	<u>\$ 1,651,125</u>	<u>\$ 1,760,055</u>	<u>\$ 2,913,328</u>	<u>\$ 467,166</u>	<u>\$ 709,580</u>	<u>\$ 931,535</u>	<u>\$ 531,848</u>	<u>\$ 740,522</u>	<u>\$ 930,328</u>
All Other Governmental Funds										
Nonspendable	\$ -	-	\$ -	\$ -	\$ 252,082	\$ 50,476	\$ 114,290	\$ 50,476	\$ 50,476	\$ -
Restricted	1,170,750	33,585	701,883	440,834	976,318	4,578,771	993,607	63,568	115,293	-
Assigned	-	-	-	-	2,502,194	2,500,000	-	-	-	-
Unassigned	4,789	(3,338,946)	(1,428,766)	(1,373,683)	(630,389)	(513,305)	(750,224)	(269,158)	(275,378)	-
Reserved	-	-	-	-	-	-	-	-	-	-
Unreserved	-	-	-	-	-	-	-	-	-	88,704
Total All Other Governmental Funds	<u>\$ 1,175,539</u>	<u>\$ (3,305,361)</u>	<u>\$ (726,883)</u>	<u>\$ (932,849)</u>	<u>\$ 3,100,205</u>	<u>\$ 6,615,942</u>	<u>\$ 357,673</u>	<u>\$ (155,114)</u>	<u>\$ (109,609)</u>	<u>\$ 88,704</u>

(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.

Table 4

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

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Property Taxes	\$ 5,607,161	\$ 5,437,703	\$ 5,123,788	\$ 4,910,083	\$ 4,532,609	\$ 4,035,416	\$ 3,753,707	\$ 3,850,436	\$ 3,707,017	\$ 4,059,977
Penalties and Interest	119,784	57,239	68,784	63,231	65,645	65,713	55,706	96,791	95,793	31,351
Intergovernmental Revenues	1,948,584	1,949,059	2,079,052	2,375,111	2,427,415	2,176,164	2,074,187	2,931,608	1,947,208	515,519
Charges for Services	2,660,549	2,235,415	2,179,507	2,005,579	1,912,381	1,798,004	1,610,276	1,583,855	1,311,588	545,033
Investment Income	2,336	4,110	12,046	17,474	3,907	4,540	2,994	4,884	7,934	8,683
Loan Repayments	-	-	-	-	966	-	-	98,887	3,662	17,691
Licenses and Permits	210,771	139,453	121,376	183,956	113,935	154,227	468,198	202,758	113,486	79,778
Recreation Department	-	-	-	-	-	-	-	-	-	306,433
Grant Revenue	-	-	-	-	-	-	-	-	-	751,317
Donations	409	27,446	41,983	166,440	173,545	-	-	-	-	-
Other Revenue	257,240	291,187	220,583	160,293	160,716	142,114	97,463	95,333	63,112	270,030
Total Revenues	10,806,834	10,141,612	9,847,119	9,882,167	9,391,119	8,376,178	8,062,531	8,864,552	7,249,800	6,585,812
Expenditures										
Current:										
General Government	1,507,478	1,741,811	2,866,892	1,167,734	1,457,172	761,903	813,050	1,514,761	1,238,677	943,532
Public Safety	5,392,760	4,598,134	4,309,966	4,584,531	3,973,959	4,252,826	4,140,795	4,481,489	4,055,873	3,690,738
Public Works	877,515	780,759	742,532	682,714	715,622	637,760	546,484	513,179	535,024	550,784
Culture and Recreation	768,599	700,270	1,034,549	1,548,616	552,838	566,235	435,924	453,683	465,542	375,124
Community Development	340,185	150,808	-	-	422,141	762,129	2,005,440	598,887	2,356	119,102
Grant Expenditures	-	-	-	-	-	-	-	-	-	479,654
Miscellaneous	-	-	-	-	-	-	-	-	-	212,624
Capital Outlay	2,603,450	6,779,368	3,862,584	5,525,948	5,082,998	9,228,485	1,978,708	1,357,999	1,599,721	87,500
Debt Service:										
Principal	1,039,205	1,007,712	962,910	867,704	879,981	318,553	308,671	291,468	483,187	155,961
Interest	760,889	651,831	609,513	546,480	518,080	280,245	69,451	54,006	65,292	55,861
Total Expenditures	13,290,081	16,410,693	14,388,946	14,923,727	13,602,791	16,808,136	10,298,523	9,265,472	8,445,672	6,670,880
Excess (Deficiency) of Revenues over Expenditures	(2,483,247)	(6,269,081)	(4,541,827)	(5,041,560)	(4,211,672)	(8,431,958)	(2,235,992)	(400,920)	(1,195,872)	(85,068)
Other Financing Sources (Uses)										
Proceeds of Long-Term Debt	6,538,547	1,318,753	2,724,550	2,974,024	444,479	11,656,626	3,148,466	123,480	529,118	87,500
Issuance of capital leases	24,460	-	-	-	-	-	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	-	-	2,375	2,504,700	-	23,261	4,350	500,671
Transfers In	328,307	2,827,856	1,838,661	3,881,181	798,077	838,398	3,500	132,672	94,045	-
Transfers Out	(174,246)	(564,936)	(968,691)	(3,393,285)	(791,410)	(531,452)	(3,500)	(132,672)	(90,758)	-
Total Other Financing Sources (Uses)	6,717,068	3,581,673	3,594,520	3,461,920	453,521	14,468,272	3,148,466	146,741	536,755	588,171
Net Change in Fund Balances	\$ 4,233,821	\$(2,687,408)	\$ (947,307)	\$(1,579,640)	\$(3,758,151)	\$ 6,036,314	\$ 912,474	\$ (254,179)	\$ (659,117)	\$ 503,103
Debt Service as a Percentage of Noncapital Expenditures	13.54%	10.11%	13.71%	15.05%	16.41%	7.90%	4.54%	4.37%	8.01%	8.23%

Table 5

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
2019	\$ 5,550,951	\$ 6,095,257	\$ 0.9551	\$ 2,176,673	\$ 2,512,417
2018	\$ 5,511,418	\$ 6,003,723	\$ 0.9249	\$ 2,145,008	\$ 2,894,374
2017	\$ 5,424,404	\$ 5,710,500	\$ 0.8978	\$ 2,131,663	\$ 2,831,719
2016	\$ 5,403,024	\$ 5,525,129	\$ 0.8563	\$ 2,110,729	\$ 2,834,996
2015	\$ 5,185,853	\$ 5,303,050	\$ 0.8557	\$ 2,145,192	\$ 2,607,223
2014	\$ 4,876,797	\$ 4,987,010	\$ 0.8344	\$ 2,220,851	\$ 2,384,785
2013	\$ 4,721,660	\$ 4,752,073	\$ 0.8400	\$ 2,318,092	\$ 2,188,360
2012	\$ 4,730,704	\$ 4,808,603	\$ 0.8410	\$ 2,261,360	\$ 2,242,897
2011	\$ 3,833,296	\$ 5,146,055	\$ 1.0341	\$ 1,755,837	\$ 1,855,401
2010	\$ 3,835,249	\$ 5,339,342	\$ 1.0139	\$ 1,742,725	\$ 1,870,482

Notes:

Tax rates are per \$100 of assessed value.

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

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

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
2019	\$ 0.9551	\$ 1.5587	\$ 1.7211	\$ 2.5138	\$ 2.6762
2018	\$ 0.9249	\$ 1.4496	\$ 1.6160	\$ 2.3745	\$ 2.5409
2017	\$ 0.8978	\$ 1.4771	\$ 1.5673	\$ 2.3749	\$ 2.4651
2016	\$ 0.8563	\$ 1.4828	\$ 1.5697	\$ 2.3391	\$ 2.4260
2015	\$ 0.8557	\$ 1.4413	\$ 1.5442	\$ 2.2970	\$ 2.3999
2014	\$ 0.8344	\$ 1.3234	\$ 1.4493	\$ 2.1578	\$ 2.2837
2013	\$ 0.8400	\$ 1.3173	\$ 1.4027	\$ 2.1573	\$ 2.2427
2012	\$ 0.8410	\$ 1.3330	\$ 1.4688	\$ 2.1740	\$ 2.3098
2011	\$ 1.0341	\$ 1.6464	\$ 1.8794	\$ 2.6805	\$ 2.9135
2010	\$ 1.0139	\$ 1.6525	\$ 1.8947	\$ 2.6664	\$ 2.9086

Notes:

Tax rates are per \$100 of assessed value.

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

Table 7

CITY OF ST. ALBANS, VERMONT
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO
 (amounts expressed in hundreds)

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed value
Mylan Technologies Inc.*	\$ 33,095,570	1	5.96%	\$ 12,823,639	1	3.33%
Mylan Technologies Inc.	23,249,400	2	4.19%	8,732,600	3	2.27%
Elman Vermont Investors	14,413,900	3	2.60%	10,424,800	2	2.71%
Peak CM Lake Street Hotel LLC	10,850,600	4	1.95%			
27 Federal Street, LLC	10,646,600	5	1.92%			
St. Albans Coop Creamery	9,112,600	6	1.64%	4,120,200	6	1.07%
Win Core Portfolio Owner, LLC	7,722,400	7	1.39%			
Green Mountain Power	6,418,600	8	1.16%			
St. Albans Coop Creamery*	4,446,341	9	0.80%			
St. Albans Shopping Center	3,956,300	10	0.71%	4,450,800	4	1.16%
Vermont Gas Systems Inc.	3,718,200		0.67%			
Central Vermont Public Service				4,434,100	5	1.15%
Clarence Brown Prop. Inc				2,057,400	7	0.54%
Holy Angels Common Association				1,779,600	8	0.46%
Switchyard Association				1,709,000	9	0.44%
Jolley Robert J Estate of				1,397,400	10	0.36%
	<u>\$ 127,630,511</u>		<u>23.00%</u>	<u>\$ 51,929,539</u>		<u>13.51%</u>

* Personal Property

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		in Subsequent Years	Total Collections to Date	
		Amount Collected	Percentage of Levy		Amount Collected	Percentage of Levy
2019	\$ 13,677,781	\$ 13,333,602	97.48%	\$ -	\$ 13,333,602	97.48%
2018	\$ 12,886,990	\$ 12,593,801	97.72%	\$ 148,433	\$ 12,742,234	98.88%
2017	\$ 12,458,041	\$ 12,247,629	98.31%	\$ 170,076	\$ 12,417,705	99.68%
2016	\$ 12,207,881	\$ 12,012,102	98.40%	\$ 184,508	\$ 12,196,610	99.91%
2015	\$ 11,557,477	\$ 11,342,736	98.14%	\$ 211,400	\$ 11,554,136	99.97%
2014	\$ 10,461,499	\$ 10,288,042	98.34%	\$ 170,953	\$ 10,458,995	99.98%
2013	\$ 10,078,467	\$ 9,841,255	97.65%	\$ 236,994	\$ 10,078,249	100.00%
2012	\$ 10,288,103	\$ 9,983,848	97.04%	\$ 302,543	\$ 10,286,391	99.98%
2011	\$ 10,338,270	\$ 10,000,762	96.74%	\$ 336,143	\$ 10,336,905	99.99%
2010	\$ 10,308,950	\$ 10,036,219	97.30%	\$ 271,455	\$ 10,307,674	99.99%

Table 9

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

Fiscal Year	Governmental Activities			Business-type Activities			Total Debt Outstanding	Estimated Population (1)	Debt per Capita	Percentage of Personal Income (2)
	Bonds	Loans	Capital Leases	Bonds	Loans	Capital Leases				
2019	\$24,223,029	\$ 837,557	\$ 29,727	\$ 14,988,875	\$ 194,501	\$154,013	\$40,427,702	6813	\$5,934	NA
2018	\$18,693,015	\$ 880,627	\$ 21,298	\$ 10,041,139	\$ 139,625	\$131,817	\$29,907,521	6795	\$4,401	NA
2017	\$18,563,000	\$ 684,293	\$ 36,603	\$ 10,542,594	\$ 535,070	\$161,267	\$30,522,827	6792	\$4,494	10.10%
2016	\$13,455,000	\$4,036,638	\$ 30,618	\$ 6,567,419	\$ 2,768,876	\$185,317	\$27,043,868	6816	\$3,968	8.52%
2015	\$14,050,000	\$1,327,560	\$ 38,388	\$ 6,844,811	\$ 2,092,922	\$ -	\$24,353,681	6860	\$3,550	8.07%
2014	\$14,775,000	\$1,030,609	\$ 45,841	\$ 7,114,923	\$ 1,737,489	\$ -	\$24,703,862	6875	\$3,593	7.49%
2013	\$ 430,000	\$4,057,612	\$ 25,765	\$ 7,377,971	\$ 1,372,097	\$ -	\$13,263,445	6876	\$1,929	4.22%
2012	\$ 585,000	\$1,085,322	\$ 3,260	\$ 7,634,159	\$ 494,388	\$ 13,042	\$ 9,815,171	6894	\$1,424	3.21%
2011	\$ 750,000	\$1,085,144	\$ 6,426	\$ 7,481,794	\$ 809,051	\$ 25,704	\$10,158,119	6971	\$1,457	3.30%
2010	\$ 670,000	\$1,086,898	\$ 38,741	\$ 7,486,635	\$ 1,092,762	\$ -	\$10,375,036	6918	\$1,500	3.56%

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.

Table 10

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

<u>Fiscal Year Ended June 30</u>	<u>Total Debt</u>	<u>Less: Debt Payable from Enterprise Fund Revenues</u>	<u>Less: Loans and capital leases</u>	<u>Net General Obligation Debt</u>	<u>Estimated Population (1)</u>	<u>Debt per Capita</u>	<u>Assessed Value</u>	<u>Ratio of Debt to Assessed Value</u>
2019	\$ 40,427,702	\$ 15,337,389	\$ 867,284	\$ 24,223,029	6813	\$ 3,555	\$ 555,095,054	4.36%
2018	\$ 29,907,521	\$ 10,312,581	\$ 901,925	\$ 18,693,015	6975	\$ 2,680	\$ 551,141,800	3.39%
2017	\$ 30,522,827	\$ 11,238,931	\$ 1,417,233	\$ 17,866,663	6792	\$ 2,631	\$ 542,440,408	3.29%
2016	\$ 27,043,868	\$ 9,521,612	\$ 4,067,256	\$ 13,455,000	6816	\$ 2,232	\$ 540,302,440	2.49%
2015	\$ 24,353,681	\$ 8,937,733	\$ 1,365,948	\$ 14,050,000	6860	\$ 2,048	\$ 518,585,300	2.71%
2014	\$ 24,703,862	\$ 8,852,414	\$ 1,076,448	\$ 14,775,000	6875	\$ 2,306	\$ 487,679,700	3.25%
2013	\$ 13,263,445	\$ 8,750,068	\$ 4,083,377	\$ 430,000	6876	\$ 647	\$ 472,166,000	0.96%
2012	\$ 9,815,171	\$ 8,141,589	\$ 1,088,582	\$ 585,000	6894	\$ 243	\$ 473,070,400	0.35%
2011	\$ 10,158,119	\$ 8,316,549	\$ 1,091,570	\$ 750,000	6971	\$ 266	\$ 383,329,600	0.48%
2010	\$ 10,375,036	\$ 8,579,397	\$ 1,125,639	\$ 670,000	6918	\$ 260	\$ 383,524,900	0.47%

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, 2019

<u>Jurisdiction</u>	<u>Net General Obligation and Other Debt Outstanding</u>	<u>Percentage Applicable to the City</u>	<u>Amount Applicable to the City of St. Albans</u>
Direct:			
City of St. Albans	\$ 24,223,029	100.00%	\$ 24,223,029
Overlapping:			
Maple Run Unified School District	11,389,597	45.17%	5,144,681
Subtotal Overlapping:	<u>11,389,597</u>		<u>5,144,681</u>
 Total	 <u>\$ 35,612,626</u>		 <u>\$ 29,367,710</u>

Sources:

(1) Franklin County Supervisory Union

The percentage of school district debt that is applicable to the City is based on equalized pupil count.

CITY OF ST. ALBANS
LEGAL DEBT MARGIN INFORMATION
JUNE 30, 2019

Grand List Valuation	\$ 5,550,951
Legal Debt Margin	
Debt Limitation - Ten Times Last Grant List	55,509,510
Debt Applicable to Limitation	<u>25,090,313</u>
Legal Debt Margin	<u>\$ 30,419,197</u>
Debt as Percentage of Debt Limit	45.20%

LEGAL DEBT MARGIN
PRECEDING NINE YEARS

Fiscal Year	Debt Limit	Applicable Debt	Legal Debt Margin	Debt as Percentage of Debt Limit
2018	\$ 55,114,180	\$ 19,514,168	\$ 35,600,012	35.41%
2017	\$ 54,244,040	\$ 19,283,896	\$ 34,960,144	35.55%
2016	\$ 54,030,240	\$ 17,522,256	\$ 36,507,984	32.43%
2015	\$ 51,858,530	\$ 15,415,948	\$ 36,442,582	29.73%
2014	\$ 48,767,970	\$ 15,851,450	\$ 32,916,520	32.50%
2013	\$ 47,216,600	\$ 4,513,377	\$ 42,703,223	9.56%
2012	\$ 47,307,040	\$ 1,673,582	\$ 45,633,458	3.54%
2011	\$ 38,332,960	\$ 1,841,570	\$ 36,491,390	4.80%
2010	\$ 38,352,490	\$ 1,795,639	\$ 36,556,851	4.68%

Notes:

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

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

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

Table 13

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

WATER FUND

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2019	\$ 2,280,847	\$ 2,149,415	\$ 131,432	\$ 239,915	\$ 150,059	\$ 389,974	33.70%
2018	\$ 2,357,557	\$ 1,961,364	\$ 396,193	\$ 235,629	\$ 157,540	\$ 393,169	100.77%
2017	\$ 2,317,238	\$ 1,935,239	\$ 381,999	\$ 214,506	\$ 127,942	\$ 342,448	111.55%
2016	\$ 2,231,862	\$ 1,843,764	\$ 388,098	\$ 168,959	\$ 179,499	\$ 348,458	111.38%
2015	\$ 2,283,907	\$ 1,945,616	\$ 338,291	\$ 161,956	\$ 182,649	\$ 344,605	98.17%
2014	\$ 2,389,911	\$ 1,750,845	\$ 639,066	\$ 154,061	\$ 144,672	\$ 404,060	158.16%
2013	\$ 2,102,458	\$ 1,743,027	\$ 359,431	\$ 230,739	\$ 142,428	\$ 373,167	96.32%
2012	\$ 2,085,442	\$ 1,644,221	\$ 441,221	\$ 104,181	\$ 162,899	\$ 267,080	165.20%
2011	\$ 1,988,380	\$ 1,542,120	\$ 446,260	\$ 211,595	\$ 171,903	\$ 383,498	116.37%
2010	\$ 1,900,576	\$ 1,457,632	\$ 442,944	\$ 461,271	\$ 195,251	\$ 656,522	67.47%

WASTEWATER FUND

Fiscal Year	Gross Revenues	Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2019	\$ 3,532,084	\$ 3,214,144	\$ 317,940	\$ 769,497	\$ 107,641	\$ 877,138	36.25%
2018	\$ 3,351,615	\$ 2,838,549	\$ 513,066	\$ 265,825	\$ 112,433	\$ 378,258	135.64%
2017	\$ 3,156,794	\$ 2,757,805	\$ 398,989	\$ 193,901	\$ 107,028	\$ 300,929	132.59%
2016	\$ 2,930,614	\$ 2,852,189	\$ 78,425	\$ 201,032	\$ 82,832	\$ 283,864	27.63%
2015	\$ 2,913,086	\$ 2,739,917	\$ 173,169	\$ 195,942	\$ 78,748	\$ 274,690	63.04%
2014	\$ 3,113,773	\$ 2,537,896	\$ 575,877	\$ 292,105	\$ 85,195	\$ 590,614	97.50%
2013	\$ 2,730,270	\$ 2,690,840	\$ 39,430	\$ 395,008	\$ 151,522	\$ 546,530	7.21%
2012	\$ 2,680,843	\$ 2,490,705	\$ 190,138	\$ 302,732	\$ 14,425	\$ 317,157	59.95%
2011	\$ 2,267,927	\$ 2,344,320	\$ (76,393)	\$ 250,739	\$ 21,366	\$ 272,105	-28.07%
2010	\$ 2,350,434	\$ 2,223,855	\$ 126,579	\$ 615,551	\$ 44,361	\$ 659,912	19.18%

Table 14

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 (3)		
2019	6813	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2018	6795	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	6792	\$ 44,320	\$ 301,021,440	\$ 51,640	\$ 57,513	3.50%	3.10%	935	89%
2016	6816	\$ 43,063	\$ 293,517,408	\$ 49,831	\$ 55,176	3.00%	3.20%	935	89%
2015	6860	\$ 41,931	\$ 301,929,180	\$ 48,940	\$ 56,990	4.20%	3.60%	1030	93%
2014	6875	\$ 41,033	\$ 330,039,685	\$ 47,025	\$ 54,166	5.90%	4.10%	1047	93%
2013	6876	\$ 39,748	\$ 314,315,712	\$ 44,826	\$ 54,267	6.40%	4.40%	1069	88%
2012	6894	\$ 39,063	\$ 305,928,144	\$ 44,582	\$ 55,582	7.30%	5.00%	1069	90%
2011	6971	\$ 35,350	\$ 307,476,868	\$ 42,735	\$ 51,862	8.90%	5.50%	1083	87%
2010	6918	\$ 29,608	\$ 291,759,732	\$ 40,545	\$ 55,928	9.30%	6.10%	1119	86%

Sources:

(1) United States Census Bureau

(2) Vermont Economic-Demographic Profile, report years 2007-2016

(3) Vermont Department of Labor, Economic & Labor Market Information; data reported as of June each year

Table 15

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

Employer	2019			2010		
	Employees (1, 2)	Rank	Percentage of Total City Employment (3)	Employees (2)	Rank	Percentage of Total City Employment (3)
Department of Homeland Security, USCIS	1,150	1	14.23%	1,232	1	17.44%
Northwestern Medical Center*	866	2	10.72%	600	2	8.49%
Maple Run Unified School District†	551	3	6.82%	335	4	4.74%
Mylan Technologies*	525	4	6.50%	400	3	5.66%
Sticks & Stuff*	104	5	1.29%	90	7	1.27%
City of St. Albans	91	6	1.13%	71	8	1.01%
Peoples Trust Company	87	7	1.08%	110	6	1.56%
A. N. Deringer, Inc.*	83	8	1.03%	130	5	1.84%
St. Albans Coop Creamery	83	9	1.03%	67	9	0.95%
SB Collins*	80	10	0.99%	52	10	0.74%
	<u>3,620</u>		<u>44.80%</u>	<u>3,087</u>		<u>43.70%</u>

Sources:

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

Notes:

* Employment data not yet available for 2019. Employers noted reflect 2017 figure.

**Employment data was not compiled for 2010 and 2009. This table reflects the 2008 figure.

Table 16

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	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government:										
Administration & Finance	4.50	4.50	4.50	4.50	4.50	5.00	5.00	5.00	5.00	5.00
Clerk	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Planning and Zoning	3.00	3.00	3.00	3.00	3.00	2.50	3.50	2.50	3.50	3.00
Assessing	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	1.00	1.00
Restorative Justice Center	11.00	11.00	9.50	9.50	5.50	5.00	4.50	4.50	4.50	2.00
Public Safety:										
Police (incl. Parks Patrol)	27.00	27.00	27.00	25.00	25.00	25.50	23.00	23.00	25.00	24.00
Fire	2.00	2.00	2.00	2.00	2.00	2.00	3.00	4.00	5.00	6.00
Dispatch	10.00	8.00	8.00	8.50	9.50	9.00	10.00	9.50	10.00	11.50
Public Works:										
Highways	9.00	8.50	8.50	9.50	9.50	10.50	11.00	9.00	10.00	8.50
Public Works Administration	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Culture and Recreation, Admin.	2.00	2.00	2.00	2.00	2.00	1.50	1.50	1.00	1.00	2.50
Water	3.00	3.00	3.00	3.00	3.00	3.00	2.50	2.50	2.00	2.00
Wastewater	5.00	4.00	4.00	4.00	4.00	4.00	4.50	4.50	5.00	5.00
Total Employees	80.50	77.00	75.50	75.00	72.00	72.00	72.50	69.50	75.50	74.00

Table 17

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

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
General Government:										
Full-time equivalent positions filled	76.50	77.00	75.50	75.00	72.00	72.00	72.50	69.50	75.50	74.00
Tax bills mailed	2,476	2,479	2,484	2,481	2,488	2,484	2,474	2,475	2,363	2,360
Active Recreation Programs	587	535	471	565	485	545	551	564	500	n/a
Recreation Participants	5,748	5,246	4,664	3,969	3,969	3,641	3,498	3,578	2,983	n/a
Birth Certificates Recorded*	344	474**	449	449	469	539	479	507	507	553
Marriage Licenses Recorded*	37	68	55	55	53	61	63	69	47	58
Death Certificates Recorded*	119	137	168	168	158	149	160	156	160	161
Public Safety (1):										
Total Cases	11,977	11,459	11,220	12,735	12,595	12,372	9,992	6,858	6,558	5,433
Number of Traffic Tickets	993	897	1,143	1,571	1,327	1,018	645	721	1,104	1,791
Number of Traffic Warnings	2,714	1,764	1,881	2,520	2,125	2,087	1,774	1,225	1,944	2,689
Water System:										
Average Daily Consumption (gallons)*	1,865,793	1,803,802	1,860,059	1,860,000	2,092,537	2,195,218	2,169,423	2,022,000	2,057,940	1,961,707
Wastewater System:										
Average Daily Treatment (gallons)*	2,900,000	2,448,000	2,390,000	2,390,000	2,458,500	2,520,000	2,739,000	2,273,973	3,013,699	2,739,726
Sludge Disposed (tons)*	1,697	1,536	956	956	1,586	1,489	1,150	2,346	1,518	1,854

Notes:

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

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

Birth Certificates Recorded "***" 2018 corrected.

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

Table 18

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

Function/Program	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
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	15	15	14	13	14	14	13	12	12	12
Number of fire stations	1	1	1	1	1	1	1	1	1	1
Number of fire vehicles	5	5	5	4	4	4	4	4	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	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