



# SAINT ALBANS

*Vermont*

**City of St. Albans, Vermont**

**Comprehensive Annual Financial Report  
For the Fiscal Year Ended June 30, 2013**

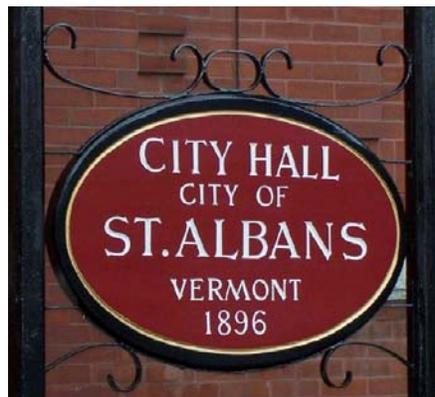
# **CITY OF ST. ALBANS, VERMONT**

## **Comprehensive Annual Financial Report For the Year Ended June 30, 2013**



**Prepared by:**

**The Finance Department  
Sarah Duffy, City Accountant**



CITY OF ST. ALBANS, VERMONT  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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# INTRODUCTORY SECTION



SAINT ALBANS  
*Vermont*

December 13, 2013

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, 2013.

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

The City's financial statements have been audited by Sullivan, Powers & Company, licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of St. Albans, Vermont, for the fiscal year ended June 30, 2013, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended June 30, 2013 are fairly presented in conformity with GAAP. The independent auditor's report is presented in the financial section of this report.

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

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

### **Profile of the City**

St. Albans, Vermont was chartered on August 17, 1763. On March 3, 1902 the City of St. Albans was incorporated. The City, an area of approximately two square miles, is surrounded on all sides by the Town of St. Albans. As of the 2010 census the City had a population of 6,918. The City is empowered by state statute to levy a property tax on all real property located within its borders as well as provide water and wastewater services to users of the City of St. Albans Water System as described in the City's Water Ordinance.

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

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

---

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

## **Factors Affecting Financial Condition**

### ***Local Economy***

The City of St. Albans is the county seat of Franklin County in the northwest corner of Vermont. The City's population of 6,918, as reported in the most recent census reflects a steady decrease over the last ten years of about ten percent. Median household incomes in the City are lower than the state as a whole. According to the Census Bureau, the City's five year average median household income is \$47,596 compared to the state-wide \$53,422. Unemployment in the City is 6.8% compared to a statewide 5.6%. Over the past ten years the City has reported a higher level than the state with a significantly higher level reported in 2009, 2010 and 2011 while the local economy was suffering the effects of the great recession. Employment in the City as of the end of 2012 was 6,589. This benchmark figure represents an overall decrease of 51 jobs from 2011. Data corresponding with the end of the City's fiscal year is not yet available.

The assessed value of taxable real property as of April 1, 2013 decreased overall by \$9,044 or 0.2% compared to April 1, 2012. The percentage of taxes collected as of June 30, 2013, for the 2013 tax year was 97.65% an increase from 97.04% the previous year. Total delinquencies, for the year were stated at \$237,212 compared to \$304,255 the previous year.

During the past ten years, charges for services related to governmental funds have increased in amount and as a percentage of total revenues in governmental funds. For the year ended June 30, 2013 charges for services made up 10.75 percent of total revenues in governmental funds, reflecting a ten-year increase of almost 210 percent. This increase in charges for services has been necessary to stabilize the property tax rate and diversify the City's revenue sources.

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

The City Finance Department presents regular financial reports to elected officials and management. In addition to these reports the City maintains a long-term capital improvement

program (CIP). The CIP is a proposed schedule of public projects and improvements to be constructed or purchased by the City. The CIP includes a detailed plan for financing each of the projects, many of which are financed by annual savings through reserves. Each year the City reserves funds for future capital projects and purchases. For the year ended June 30, 2013 the City had \$709,897 reserved in the general fund for projects ranging from downtown redevelopment to parking improvements to equipment purchases.

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

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

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

### ***Major Initiatives***

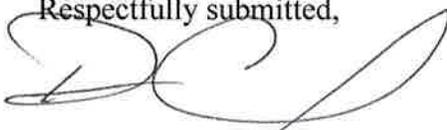
The City has recently been approved for a Tax Increment Financing (TIF) district by the State of Vermont and local voters. The TIF district is a major piece of a larger downtown redevelopment plan. The purpose of the TIF district is to implement a series of eight projects to stimulate development and redevelopment in the City. The projects focus on several commercial, residential, and industrial private investments which will boost employment, broaden the tax base, and contribute to the economic sustainability of the City. These projects include the implementation of the Taylor Park Master Plan, the construction of a 400 space parking garage, clean-up of multiple Brownfield sites, diverting through traffic away from Main Street, streetscape projects, and a storm water treatment project. With a number of private projects already planned in the district, this combination of private and public investment promises an increased viability and accelerated revitalization of the City.

The City is in the final stages of the Main Street Streetscape project which included a complete overhaul of the downtown core. Improvements included updated underground utilities, expanded sidewalks, new way-finding and street signs, new street lights, updated parking and repaving of Main Street. In conjunction with this project the City has encouraged property owners in the downtown to upgrade the facades of their buildings by offering façade grants to eligible applicants.

During the fiscal year ended June 30, 2013 the City upgraded the south dam at the Fairfax water treatment plant. The City also began preliminary work on the second phase to the wastewater treatment facility upgrade. Each of these projects is imperative to maintain the long term operability of the water and wastewater services and to stay in compliance with state regulations.

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

Respectfully submitted,



Dominic Cloud  
City Manager



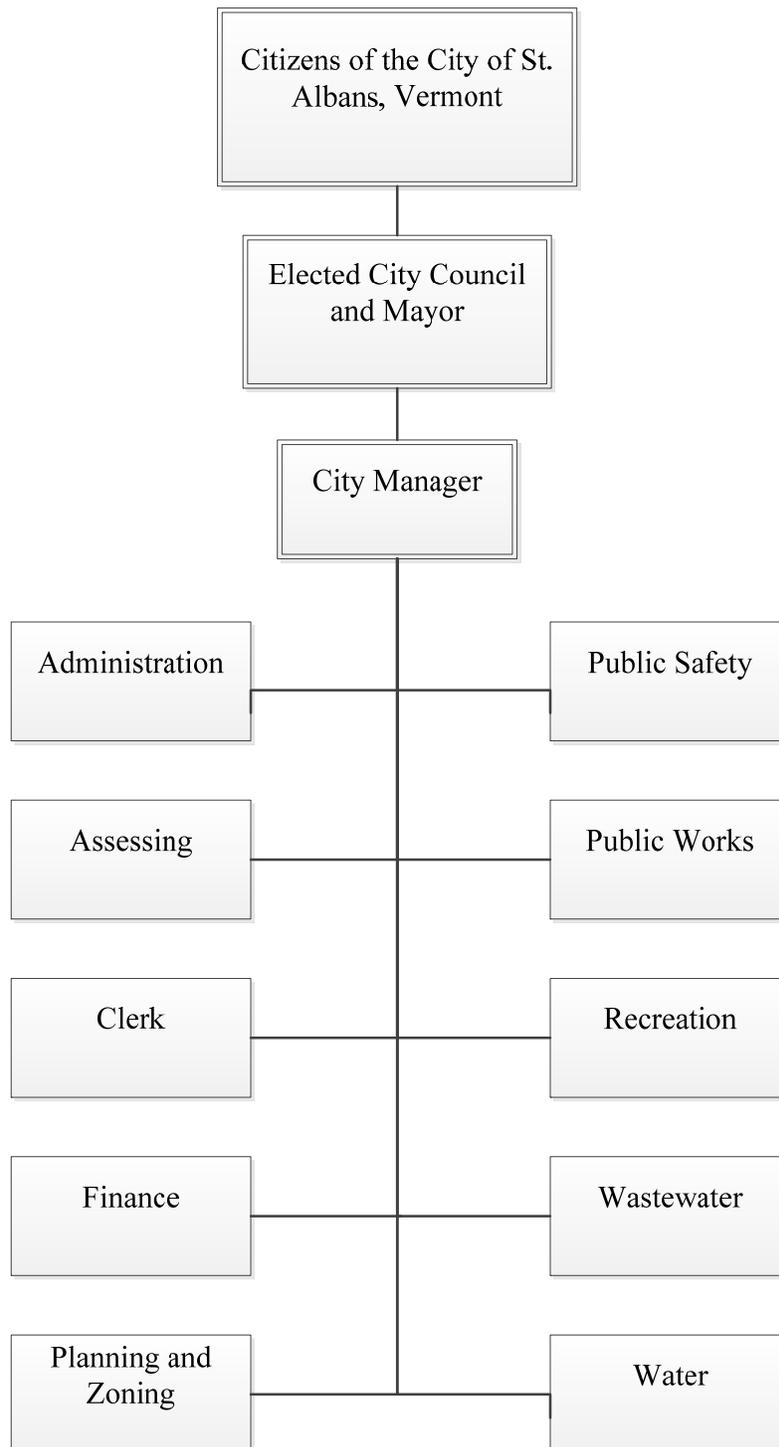
Peg Strait  
Director of Finance and Administration



Sarah M. Duffy  
City Accountant

# City of St. Albans, Vermont

## Organizational Chart



CITY OF ST. ALBANS, VERMONT  
PRINCIPAL ELECTED AND APOINTED OFFICIALS  
JUNE 30, 2013

Elected Officials

|                           |                   |
|---------------------------|-------------------|
| Mayor                     | Elizabeth Gamache |
| Council Member - Ward I   | Timothy Hawkins   |
| Council Member - Ward II  | Jim Pelkey        |
| Council Member - Ward III | Aaron O'Grady     |
| Council Member - Ward IV  | Jeff Young        |
| Council Member - Ward V   | Ryan Doyle        |
| Council Member - Ward VI  | Chad Spooner      |
| City Clerk/Treasurer      | Susan Krupp       |



# FINANCIAL SECTION



SAINT ALBANS  
*Vermont*

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Montpelier, VT 05601  
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Chad A. Hewitt, CPA  
Wendy C. Gilwee, CPA  
VT Lic. #92-000180

Independent Auditor's Report

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

***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of St. Albans, Vermont, as of and for the year ended June 30, 2013 and the related notes to the financial statements, which collectively comprise the City of St. Albans, Vermont's basic financial statements as listed in the Table of Contents.

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

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

***Auditor's Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City of St. Albans, Vermont's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of St. Albans, Vermont's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-activities, each major fund, and the aggregate remaining fund information of the City of St. Albans, Vermont as of June 30, 2013 and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 4 through 16 and the Schedule of Funding Progress for the Pension Trust Fund and the budgetary comparison information for the General Fund, presented in Schedules 1 and 2 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

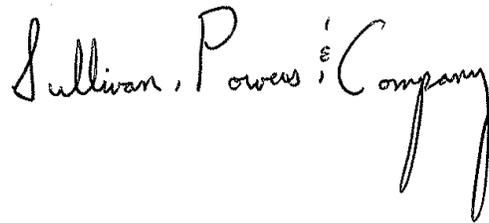
As described in Note I.F. to the financial statements, effective June 30, 2013, the City of St. Albans, Vermont implemented Governmental Accounting Standards Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position".

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of St. Albans, Vermont's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have 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 them.

***Other Reporting Required by “Government Auditing Standards”***

In accordance with “Government Auditing Standards”, we have also issued our report dated November 22, 2013 on our consideration of the City of St. Albans, Vermont’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering the City of St. Albans, Vermont’s internal control over financial reporting and compliance.

November 22, 2013  
Montpelier, Vermont  
VT Lic. #92-000180

A handwritten signature in black ink that reads "Sullivan, Powers & Company". The signature is written in a cursive style with a large, stylized 'S' at the beginning and a long, sweeping tail at the end.

**CITY OF ST. ALBANS, VERMONT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

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, 2013. Please note that this section of the Basic Financial Statements is unaudited.

**FINANCIAL HIGHLIGHTS**

- The City's assets exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$20,053,169 (net position). Of this amount, \$708,115 (unrestricted net position) may be used to meet the City's ongoing obligations. The balance of net position is made up of \$19,129,516 net investment in capital assets and \$215,538 restricted for specific purposes.
- The City's total net position increased by \$649,650 (3.4%). Of this amount, net position attributable to governmental activities increased by \$25,299 (0.5%), and net position attributable to business-type activities increased by \$624,351 (4.5%).
- At the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,289,208, a significant increase of \$912,474 over the prior year.
- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$709,897, or approximately 10.6% of total general fund expenditures.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

**CITY OF ST. ALBANS, VERMONT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

**Government-Wide Financial Statements**

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

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

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

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

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

**Fund Financial Statements**

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

**CITY OF ST. ALBANS, VERMONT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

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

The City maintains three major governmental funds; the General Fund, the TIF (Tax Increment Financing) Fund, and the Streetscape Capital Project Fund. In addition to this, the City maintains a number of special revenue funds and a capital project fund, none of which qualify as major funds. These funds are consolidated into the column labeled Other Governmental Funds in the Fund Financial Statements. Combining financial statements containing more detailed information on these funds may be found in Schedules 3 through 6.

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

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

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

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

**Fiduciary funds**, also known as trust and agency funds, account for resources for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the programs of the City. The accounting used for fiduciary funds is much like that used for proprietary funds. The City has two fiduciary funds at this time, detailed in Exhibits I and J.

**CITY OF ST. ALBANS, VERMONT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

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

In addition to the basic financial statements and accompanying notes, certain *Supplementary Information* is provided, including a budgetary comparison statement for the general fund and the City's progress in funding its obligation to provide pension benefits to its employees. The supplementary information can be found immediately following the notes to the financial statements in this report.

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Summary Statement of Net Position**

|                                  | <u>Governmental Activities</u> |                     | <u>Business-type Activities</u> |                      | <u>Total Government</u> |                      |
|----------------------------------|--------------------------------|---------------------|---------------------------------|----------------------|-------------------------|----------------------|
|                                  | 2013                           | 2012                | 2013                            | 2012                 | 2013                    | 2012                 |
| Cash and Investments             | \$ 2,958,827                   | \$ 1,432,110        | \$ 1,140,918                    | \$ 750,113           | \$ 4,099,745            | \$ 2,182,223         |
| Other Assets                     | 1,013,111                      | 251,240             | 1,730,222                       | 1,829,862            | 2,743,333               | 2,081,102            |
| Capital Assets                   | 8,199,957                      | 6,625,394           | 20,759,660                      | 19,725,233           | 28,959,617              | 26,350,627           |
| Total Assets                     | <u>12,171,895</u>              | <u>8,308,744</u>    | <u>23,630,800</u>               | <u>22,305,208</u>    | <u>35,802,695</u>       | <u>30,613,952</u>    |
| Other Liabilities                | 1,618,587                      | 765,760             | 260,671                         | 165,119              | 1,879,258               | 930,879              |
| Noncurrent Liabilities           | 4,930,374                      | 1,975,155           | 8,910,088                       | 8,304,399            | 13,840,462              | 10,279,554           |
| Total Liabilities                | <u>6,548,961</u>               | <u>2,740,915</u>    | <u>9,170,759</u>                | <u>8,469,518</u>     | <u>15,719,720</u>       | <u>11,210,433</u>    |
| Deferred Inflows of Resources    | <u>29,806</u>                  | <u>-</u>            | <u>-</u>                        | <u>-</u>             | <u>29,806</u>           | <u>-</u>             |
| Net Position:                    |                                |                     |                                 |                      |                         |                      |
| Net Investment in Capital Assets | 7,119,924                      | 5,687,628           | 12,009,592                      | 11,583,644           | 19,129,516              | 17,271,272           |
| Restricted                       | 215,538                        | 214,623             | -                               | -                    | 215,538                 | 214,623              |
| Unrestricted/(Deficit)           | <u>(1,742,334)</u>             | <u>(334,422)</u>    | <u>2,450,449</u>                | <u>2,252,046</u>     | <u>708,115</u>          | <u>1,917,624</u>     |
| Total Net Position               | <u>\$ 5,593,128</u>            | <u>\$ 5,567,829</u> | <u>\$ 14,460,041</u>            | <u>\$ 13,835,690</u> | <u>\$ 20,053,169</u>    | <u>\$ 19,403,519</u> |

As noted earlier, net position serves as a useful indicator of a government's financial position over time. At the end of the most recent fiscal year, the City's assets exceeded liabilities by \$20,153,169. The City's total net position is split between governmental activities net position of \$5,593,128 and business-type activities net position of \$14,460,041.

**CITY OF ST. ALBANS, VERMONT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

The largest portion of the City's total net position \$19,129,516 (95.4%) reflects its investment in capital assets (construction in progress, equipment, land, buildings and infrastructure) net of any outstanding debt used to acquire or construct those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City strives, on an ongoing basis, to work reserves into the annual budget to provide for financial contingencies and reserves for a long-term capital plan. As was the case in 2012, the 2013 operations achieved that goal.

The City's total net assets also include \$215,538 (1.1%) of restricted net position. These are assets representing resources subject to external restrictions as to how they may be used. The remaining balance of unrestricted net position equal to \$708,115 (3.5%) may be used to meet the government's ongoing financial obligations. Included in unrestricted net position are amounts that management has assigned for particular purposes, such as capital reserve funds and reserves for expenditures in subsequent years.

**Summary of the Statement of Activities**

|                                  | <u>Governmental Activities</u> |                     | <u>Business-type Activities</u> |                      | <u>Total Government</u> |                      |
|----------------------------------|--------------------------------|---------------------|---------------------------------|----------------------|-------------------------|----------------------|
|                                  | <u>2013</u>                    | <u>2012</u>         | <u>2013</u>                     | <u>2012</u>          | <u>2013</u>             | <u>2012</u>          |
| Revenues:                        |                                |                     |                                 |                      |                         |                      |
| Program Revenues:                |                                |                     |                                 |                      |                         |                      |
| Charges for Services             | \$ 2,213,946                   | \$ 1,778,771        | \$ 4,847,728                    | \$ 4,766,285         | \$ 7,061,674            | \$ 6,545,056         |
| Operating Grants & Contributions | 1,106,294                      | 2,377,447           | -                               | -                    | 1,106,294               | 2,377,447            |
| Capital Grants & Contributions   | 1,264,603                      | 933,940             | 452,696                         | 79,587               | 1,717,299               | 1,013,527            |
| General Revenues:                |                                |                     |                                 |                      |                         |                      |
| Property Taxes                   | 3,763,707                      | 3,780,436           | -                               | -                    | 3,763,707               | 3,780,436            |
| Other                            | 172,636                        | 237,911             | 51,744                          | 50,395               | 224,380                 | 288,306              |
| Total Revenues                   | <u>8,521,186</u>               | <u>9,108,505</u>    | <u>5,352,168</u>                | <u>4,896,267</u>     | <u>13,873,354</u>       | <u>14,004,772</u>    |
| Expenses:                        |                                |                     |                                 |                      |                         |                      |
| General Government               | 760,536                        | 1,387,110           | -                               | -                    | 760,536                 | 1,387,110            |
| Public Safety                    | 4,504,074                      | 4,682,229           | -                               | -                    | 4,504,074               | 4,682,229            |
| Public Works                     | 610,692                        | 581,886             | -                               | -                    | 610,692                 | 581,886              |
| Culture and Recreation           | 540,147                        | 472,500             | -                               | -                    | 540,147                 | 472,500              |
| Community Development            | 2,005,440                      | 498,887             | -                               | -                    | 2,005,440               | 498,887              |
| Interest on Long-Term Debt       | 74,998                         | 50,438              | -                               | -                    | 74,998                  | 50,438               |
| Water                            | -                              | -                   | 1,885,455                       | 1,807,120            | 1,885,455               | 1,807,120            |
| Sewer                            | -                              | -                   | 2,842,362                       | 2,505,130            | 2,842,362               | 2,505,130            |
| Total Expenses                   | <u>8,495,887</u>               | <u>7,673,050</u>    | <u>4,727,817</u>                | <u>4,312,250</u>     | <u>13,223,704</u>       | <u>11,985,300</u>    |
| Change in Net Position           | 25,299                         | 1,435,455           | 624,351                         | 584,017              | 649,650                 | 2,019,472            |
| Beginning Net Position           | 5,567,829                      | 4,132,374           | 13,835,690                      | 13,251,673           | 19,403,519              | 17,384,047           |
| Ending Net Position              | <u>\$ 5,593,128</u>            | <u>\$ 5,567,829</u> | <u>\$ 14,460,041</u>            | <u>\$ 13,835,690</u> | <u>\$ 20,053,169</u>    | <u>\$ 19,403,519</u> |

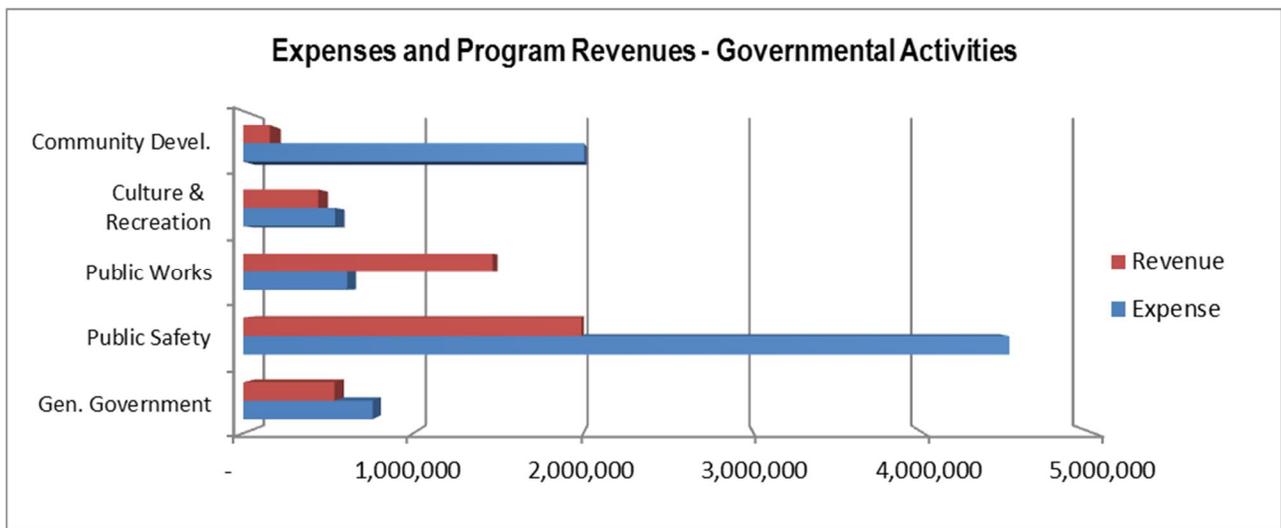
**CITY OF ST. ALBANS, VERMONT  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

**Governmental Activities**

Governmental activities increased the City’s net position by \$25,299 for the year ended June 30, 2013. Key elements of the change are as follows:

- Total governmental activities’ revenues decreased by 6.5% (\$587,319) from 2012 to 2013. During 2012 governmental activities reported a \$1.3 million increase in operating grants and contributions. Operating grants and contributions decreased by \$1.27 million from 2012 to 2013 reversing this trend. This was offset by a modest \$435,175 increase in charges for services, a \$330,663 increase in capital grants and contributions, as well as a small decrease (\$65,275) in other revenue for 2013.
- Total governmental activities’ expenses increased by 10.7% (\$822,837) from 2012 to 2013. This increase is driven by community development expenses which were up by approximately \$1.5 million. This increase was caused by the TIF fund which had significant activity during 2013. Increased activity on TIF related projects was offset by a decrease in general government, public safety, and interest on long-term debt.
- Public safety expenses end the year at 53% (\$4,504,074) of total governmental activities’ expenses. This is a slight decrease from the previous year when public safety expenses were 61% (\$4,682,229) of total governmental activities’ expenses. Public safety remains the largest category of expenses from year to year.

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



**CITY OF ST. ALBANS, VERMONT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

The majority of revenue for governmental activities comes from property taxes, 44.2% of total revenue or \$3,763,707. The second largest category of revenue is charges for services coming in at 26% or \$2,213,946 of total revenue. This is a change from the previous year when operating grants claimed the number two spot with 26.1% of total revenue. This was due to a one time boost in operating grants during 2012. Operating grants for 2013 has dropped by to the third largest category of revenue at 13% or \$1,106,294 which is consistent with 2010 and 2011.

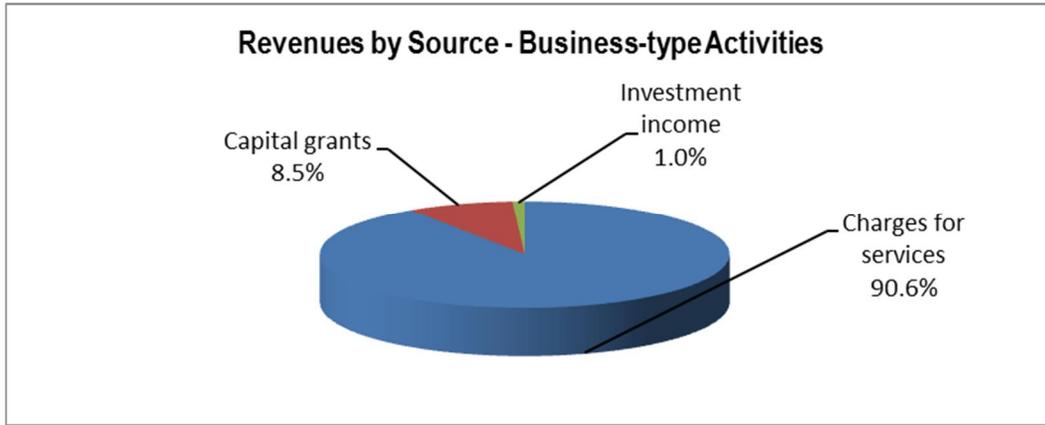
**Business-type Activities**

Business-type activities increase the City's net assets by \$624,351 during the current fiscal year. Key elements of this increase are as follows:

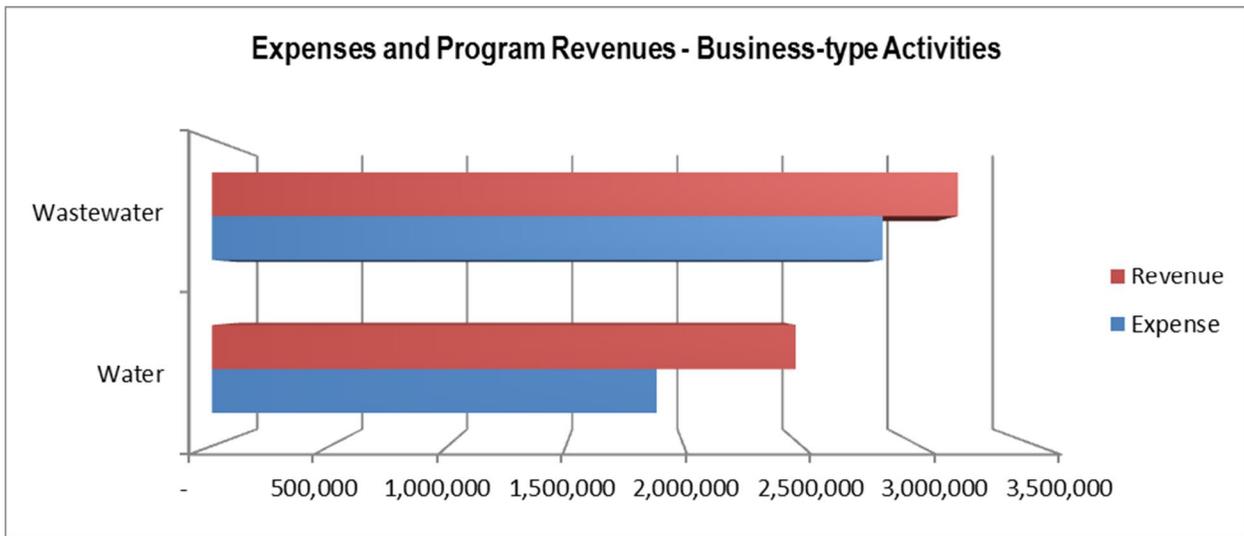
- Total revenues of \$5,352,168 were \$455,901 or 9.3% higher than the previous year due to an increase in the amount received for capital grants and contributions. A portion of the Streetscape project is allocable to the business-type activities as it improves the water and wastewater utilities beneath the street. Thusly, a portion of the grant revenue from the Streetscape project has been allocated to the business-type activities driving the increase in grant revenue.
- Operating revenues in the water and wastewater funds remained stable, increasing by \$66,443 or 1.4%.
  - In the wastewater fund this is due to a decrease in allocation fees received in the wastewater fund from \$136,546 in 2012 to \$95,507 in 2013. Allocation fees are paid when new water and wastewater connections are establish and as such are directly related to development activity in the water and wastewater district. This decrease in allocation fees was offset by an increase in charges for services leaving a net change in business-type activities operating revenues of \$49,427 and increase of 1.8%.
  - In the water fund the slight increase in operating revenues is caused by an increase charges for services of \$24,756 and a decrease in other income of \$7,707
- Total expenses of \$4,727,817 increased by \$415,567 (9.6%) when compared to the prior year. This increase is caused primarily by the following items:
  - Interest expense in the wastewater fund increased from \$14,425 in 2012 to \$151,522 in 2013. The City began paying on the bonds and note from the State Special Environmental Revolving Loan Fund that were used to fund the wastewater treatment facility upgrades completed in 2012. This \$137,097 increase is caused entirely by the annual payments on those loans.
  - Depreciation expense in the wastewater fund also increased significantly as a result of the completion of the wastewater treatment facility upgrades completed in 2012. These upgrades began depreciating halfway through 2012 and were depreciated for the entire year during 2013, causing an increase in depreciation of \$128,578.

The City's business-type activities are supported by user fees, also referred to as charges for services (\$4,847,728) with assistance from capital grants (\$452,696) and investment income (\$51,744). The percentage breakdown of revenue sources is illustrated in the following graph titled Revenues by Source – Business-type Activities.

**CITY OF ST. ALBANS, VERMONT  
MANAGEMENT DISCUSSION AND ANALYSIS  
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As the name suggests, business-type activities are accounted for in the same manner that businesses would account for operations. This being said, it is necessary that revenues meet or exceed expenses in order to continue operating. The graph titled Expenses and Program Revenues – Business-type Activities, demonstrates that during the current fiscal year, revenues exceeded expenses for both the water fund and the wastewater fund. Revenues and capital contributions exceeded expenses in the water fund by \$444,171 or 19.1% of total revenues (\$2,329,626). In the wastewater fund, revenues and capital contributions exceeded expenses by \$180,180 or 6% of total revenues (\$3,022,542).



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

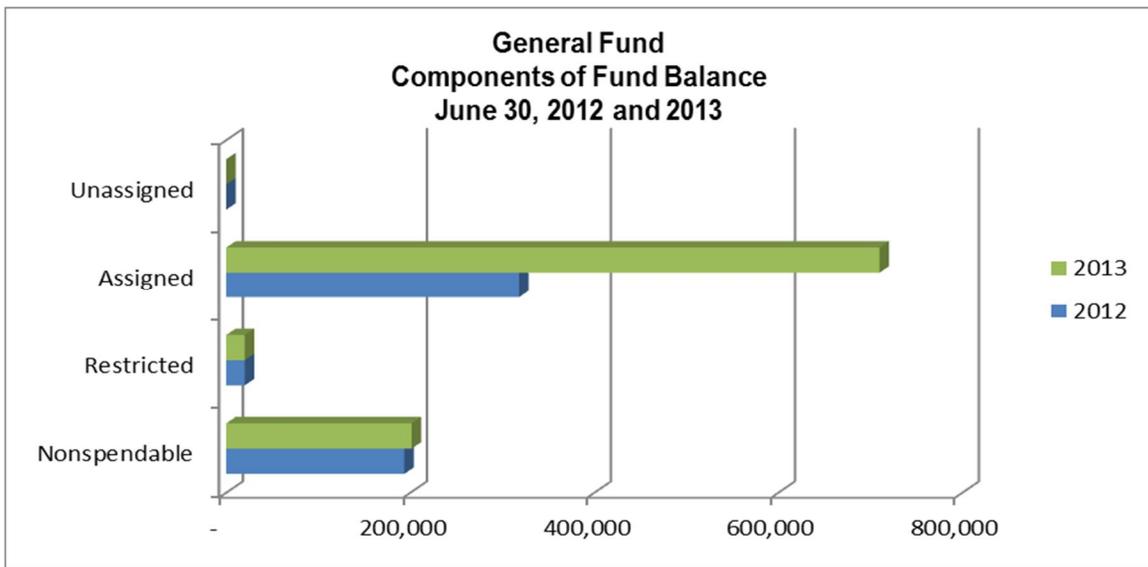
As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**CITY OF ST. ALBANS, VERMONT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

**Governmental Funds**

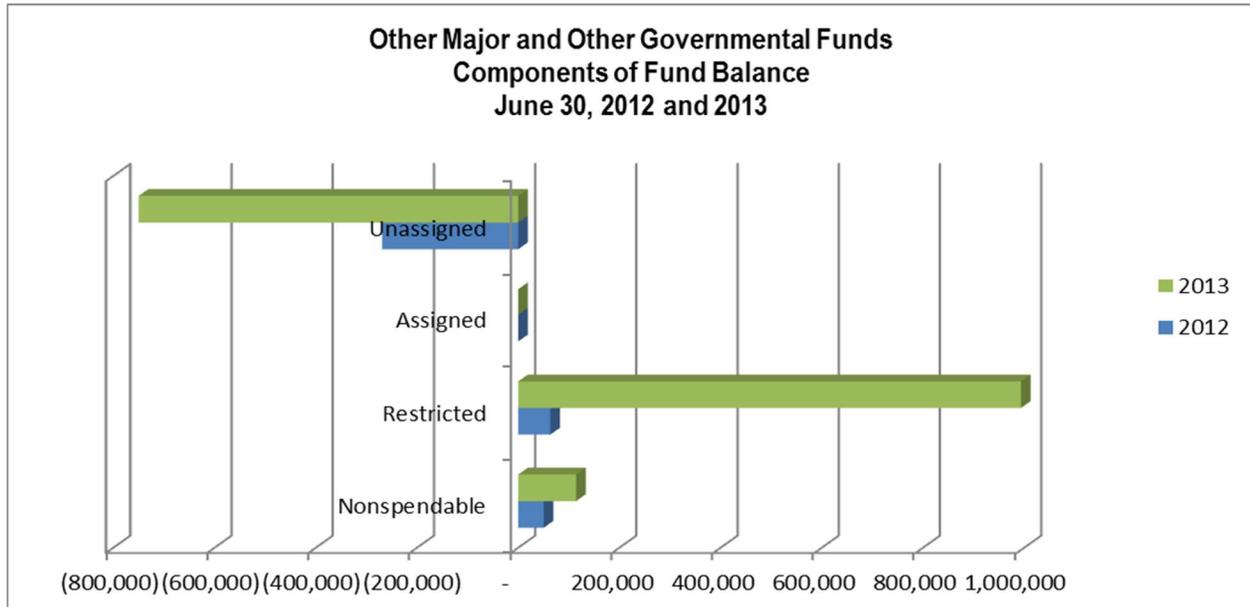
The focus of the City’s governmental funds is to provide information on current year revenue, expenditures, and balances of spendable resources. Such information is useful in assessing the City’s financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government’s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

At the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$1,289,208, an increase of \$912,474 over the prior year. Of this total amount, \$315,928 or is non-spendable (advances to other funds, land held for resale and inventories) and \$1,013,607 is restricted to indicate that it is not available for discretionary spending, because it is otherwise restricted by grant agreements, statutes, or bond covenants. Of the remaining amount, \$709,897 has been assigned by the City for various purposes (detailed in Footnote H. Net Position/Fund Balances) and unassigned fund balance is a deficit of \$750,224. The deficit unassigned fund balance is caused by timing of grant proceeds in the Streetscape fund and other governmental funds.



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 \$931,535, an increase of \$399,687 from the previous year. Of this amount, \$201,628 is non-spendable and \$20,000 is restricted unspent debt proceeds. The remaining about of \$709,897 has been assigned as detailed in the footnotes. As demonstrated by the above graph, the increase in total fund balance for the general fund is captured almost entirely in assigned fund balance. As a measure of the general fund’s liquidity, it may be useful to compare total fund balance to total general fund expenditures. Total fund balance represents approximately 13.9% of total general fund expenditures.

**CITY OF ST. ALBANS, VERMONT  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2013**



In the governmental fund other than the general fund the two noteworthy changes to fund balance are a decrease in unassigned fund balance of \$481,066 and an increase in restricted fund balance of \$930,124. The change in unassigned fund balance is caused primarily by the Streetscape capital project fund which had \$489,134 in unavailable revenue from grant proceeds not received within sixty days of the end of the year. The increase in restricted fund balance is caused entirely by the TIF Fund which had unspent debt proceeds equal to that amount.

**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 \$3,325,888, an increase of 15.4% from the previous year. Slightly more than half of the water fund’s net assets are invested in capital assets; 52.2% or \$1,737,264. In the wastewater fund, total net position is \$11,134,153, an increase of 1.6% from the previous year. The vast majority of net position in the wastewater fund is in the form of capital assets (net of related debt); 92.3% or \$10,272,328. Other factors concerning the finances of these funds have already been addressed in the discussion of the City’s business-type activities.

**CITY OF ST. ALBANS, VERMONT  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The City's budget for the year ended June 30, 2013 passed on the first vote in March of 2012 and there were no amendments made to the budget during the year. Actual revenues exceeded budgeted revenues by \$134,179.

Recreation revenue exceeded budgeted revenue in the amount of \$152,712 primarily from debt proceeds used for capital projects and equipment. Planning and Development also came in over budget by \$336,528 with the final payment from an agreement with J. L. Davis Properties revolving around the completion of Wal-Mart project. These favorable variances were offset by a shortfall of revenue from payments of prior years' taxes equal to \$324,200. The City's budget is prepared on a cash basis therefore includes budgeted revenue for cash payments on delinquent taxes, the revenue for which has been recognized in prior years on an accrual and modified accrual basis. Expenditures were underspent by \$265,508 driven by savings in Police, Dispatch and Animal Control of \$214,145 and in Administration of \$171,584. These favorable expenditure variances were offset by \$147,582 in unbudgeted in Recreation capital expenditures.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

The City's capital assets for its governmental and business-type activities as of June 30, 2013 were \$44,274,549 (before depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure. The City's combined investment in capital assets increased by \$3,933,827 from June 30, 2012 to June 30, 2013, or 9.8%. Combined accumulated depreciation at the end of the year is \$15,314,932. Capital assets for governmental activities increased by \$1,574,564, or 23.8%, net of accumulated depreciation. Capital assets for business-type activities increased by \$1,034,427 or 5.2%, net of accumulated depreciation. An increase in construction in progress related to the Streetscape Improvement Project, the Parking Garage, and the Fairfax Dam construction are driving the increase in all funds.

**CITY OF ST. ALBANS, VERMONT**  
**MANAGEMENT DISCUSSION AND ANALYSIS**  
**JUNE 30, 2013**

**Summary of Capital Assets**

|                                | <b>Governmental Activities</b> |                     | <b>Business-type Activities</b> |                      | <b>Total Government</b> |                      |
|--------------------------------|--------------------------------|---------------------|---------------------------------|----------------------|-------------------------|----------------------|
|                                | <b>2013</b>                    | <b>2012</b>         | <b>2013</b>                     | <b>2012</b>          | <b>2013</b>             | <b>2012</b>          |
| Capital Assets:                |                                |                     |                                 |                      |                         |                      |
| Land                           | \$ 940,932                     | \$ 940,932          | \$ 202,012                      | \$ 202,012           | \$ 1,142,944            | \$ 1,142,944         |
| Construction in Progress       | 2,475,152                      | 1,039,425           | 1,849,001                       | 127,792              | 4,324,153               | 1,167,217            |
| Buildings and Improvements     | 1,727,538                      | 1,658,439           | 29,178,241                      | 29,128,241           | 30,905,779              | 30,786,680           |
| Machinery and Equipment        | 3,162,490                      | 2,999,978           | 2,650,825                       | 2,436,569            | 5,813,315               | 5,436,547            |
| Infrastructure                 | 2,088,358                      | 1,807,335           | -                               | -                    | 2,088,358               | 1,807,335            |
|                                | 10,394,470                     | 8,446,109           | 33,880,079                      | 31,894,614           | 44,274,549              | 40,340,723           |
| Less: Accumulated Depreciation | (2,194,513)                    | (1,820,715)         | (13,120,419)                    | (12,169,381)         | (15,314,932)            | (13,990,096)         |
| Total Assets, Net              | <u>\$ 8,199,957</u>            | <u>\$ 6,625,394</u> | <u>\$ 20,759,660</u>            | <u>\$ 19,725,233</u> | <u>\$ 28,959,617</u>    | <u>\$ 26,350,627</u> |

Major capital asset activity for the year ended June 30, 2013 included the following:

- Construction in process increased substantially during the year. The major project is the Streetscape Improvement Project adding \$1.9 million to construction in process between the general fund, water fund and wastewater fund. In the water fund replacing the Fairfax South Reservoir Dam contributed \$971,000 to construction in process. Both of these projects are scheduled to be completed during FY2014 and will be capitalized and depreciated upon completion.
- Paving projects totaling \$101,480 and major sidewalk projects totaling \$78,840 were completed during the year contributing to the increase in governmental activities infrastructure.
- The tennis courts and basketball court at the Barlow Street Community Center was completely replaced for \$100,702; this was less than anticipated cost of \$120,000.

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

**Long-Term Debt**

The City began the year with \$9,815,171 in long-term debt outstanding. As of June 30, 2013 this amount had increased by \$3,448,274 or 3.5% to end the current year with \$13,263,445 in long-term debt outstanding. Long-term debt outstanding increased for both governmental activities (\$2,839,795) and business-type activities (\$608,479).

**Summary of Long Term Debt**

|                          | <b>June 30, 2012</b> | <b>Additions</b>    | <b>Deletions</b>  | <b>June 30, 2013</b> |
|--------------------------|----------------------|---------------------|-------------------|----------------------|
| Governmental Activities  | \$ 1,673,582         | \$ 3,148,466        | \$ 308,671        | \$ 4,513,377         |
| Business-type Activities | 8,141,589            | 1,234,226           | 625,747           | 8,750,068            |
| Total Government         | <u>\$ 9,815,171</u>  | <u>\$ 4,382,692</u> | <u>\$ 934,418</u> | <u>\$ 13,263,445</u> |

**CITY OF ST. ALBANS, VERMONT  
MANAGEMENT DISCUSSION AND ANALYSIS  
JUNE 30, 2013**

Factors contributing to the change include the following:

- The City's governmental activities debt increased with the addition of three loans and one capital lease. The three loans were \$100,600 for the construction of the Barlow Street Tennis and Basketball courts, \$17,113 for a portion of a new Mini Excavator, and \$3,000,000 for voter approved TIF projects. The capital lease for \$30,753 was to purchase a fifteen passenger van for the recreation department.
- New debt for the business-type activities included \$1,200,000 for the Fairfax Dam project, and \$17,114 in each the water and wastewater fund for the new Mini Excavator.
- Principal payments totaling \$308,671 were made on governmental activities debt and principal payments totaling \$625,747 were made on business-type activities debt.

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

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

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

The City is deeply engaged in economic development, transportation, and public infrastructure initiatives designed to increase the tax base and revitalize the City. The cornerstone of this effort is a Tax Increment Finance District (TIF) that was recently approved by the State of Vermont and local voters.

In brief, tax increment financing allows a municipality to issue bonds for public improvements and service those bonds using 75% of the incremental increase in property values in the district.

In September 2013, voters authorized \$13 million in tax increment financing bonds for a parking garage. The parking garage is critical public infrastructure necessary to construct a forty thousand square foot office building and encourage additional private investment.

## **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 Office at 100 North Main St., St. Albans, VT 05478. The report is available online at [www.stalbansvt.com](http://www.stalbansvt.com).

CITY OF ST. ALBANS, VERMONT  
STATEMENT OF NET POSITION  
JUNE 30, 2013

|  | <u>Governmental<br/>Activities</u> | <u>Business-type<br/>Activities</u> | <u>Total</u>         |
|--|------------------------------------|-------------------------------------|----------------------|
| <b>ASSETS</b>  |                                    |                                     |                      |
| Cash and Cash Equivalents                                  | \$ 2,903,115                       | \$ 1,140,918                        | \$ 4,044,033         |
| Investments  | 55,712                             | 0                                   | 55,712               |
| Receivables (Net of Allowance for<br>Uncollectibles)       | 1,417,993                          | 1,103,820                           | 2,521,813            |
| Loans Receivable   | 101,579                            | 0                                   | 101,579              |
| Notes Receivable   | 0                                  | 14,524                              | 14,524               |
| Land Held for Resale                                       | 63,814                             | 0                                   | 63,814               |
| Inventory  | 9,951                              | 31,652                              | 41,603               |
| Internal Balances  | (580,226)                          | 580,226                             | 0                    |
| Capital Assets   |                                    |                                     |                      |
| Land   | 940,932                            | 202,012                             | 1,142,944            |
| Construction in Progress                                   | 2,475,152                          | 1,849,001                           | 4,324,153            |
| Other Capital Assets, (Net of<br>Accumulated Depreciation) | 4,783,873                          | 18,708,647                          | 23,492,520           |
| Total Assets   | <u>12,171,895</u>                  | <u>23,630,800</u>                   | <u>35,802,695</u>    |
| <b>LIABILITIES</b>   |                                    |                                     |                      |
| Accounts Payable   | 948,613                            | 98,193                              | 1,046,806            |
| Accrued Payroll and Benefits Payable                       | 90,005                             | 9,014                               | 99,019               |
| Unearned Revenue   | 76,021                             | 69,862                              | 145,883              |
| Accrued Interest Payable                                   | 8,434                              | 83,602                              | 92,036               |
| Line of Credit Payable                                     | 495,514                            | 0                                   | 495,514              |
| Noncurrent Liabilities:                                    |                                    |                                     |                      |
| Due within One Year  | 314,579                            | 432,286                             | 746,865              |
| Due in More than One Year                                  | 4,615,795                          | 8,477,802                           | 13,093,597           |
| Total Liabilities  | <u>6,548,961</u>                   | <u>9,170,759</u>                    | <u>15,719,720</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                       |                                    |                                     |                      |
| Prepaid Property Taxes                                     | 29,806                             | 0                                   | 29,806               |
| Total Deferred Inflows of Resources                        | <u>29,806</u>                      | <u>0</u>                            | <u>29,806</u>        |
| <b>NET POSITION</b>  |                                    |                                     |                      |
| Net Investment in Capital Assets                           | 7,119,924                          | 12,009,592                          | 19,129,516           |
| Restricted:  |                                    |                                     |                      |
| Revolving Loan Fund  | 213,407                            | 0                                   | 213,407              |
| Taylor Park  | 2,131                              | 0                                   | 2,131                |
| Unrestricted/(Deficit)                                     | (1,742,334)                        | 2,450,449                           | 708,115              |
| Total Net Position   | <u>\$ 5,593,128</u>                | <u>\$ 14,460,041</u>                | <u>\$ 20,053,169</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, 2013

|  | Program Revenues     |                         |  |  | Net (Expense) Revenue and<br>Changes in Net Position |                             |                      |
|--|----------------------|-------------------------|--|--|--|-----------------------------|----------------------|
|  | Expenses             | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions | Governmental<br>Activities                           | Business-Type<br>Activities | Total                |
| <b>Functions/Programs:</b>                 |                      |                         |  |  |  |                             |                      |
| <b>Primary Government:</b>                 |                      |                         |  |  |  |                             |                      |
| <b>Governmental Activities:</b>            |                      |                         |  |  |  |                             |                      |
| General Government                         | \$ 760,536           | \$ 492,848              | \$ 43,000                                | \$ 0                                   | \$ (224,688)   | \$ 0                        | \$ (224,688)         |
| Public Safety                              | 4,504,074            | 1,197,101               | 791,777                                  | 0                                      | (2,515,196)  | 0                           | (2,515,196)          |
| Public Works                               | 610,692              | 86,756                  | 113,827                                  | 1,264,603                              | 854,494  | 0                           | 854,494              |
| Culture and Recreation                     | 540,147              | 436,241                 | 4,132                                    | 0                                      | (99,774)   | 0                           | (99,774)             |
| Community Development                      | 2,005,440            | 1,000                   | 153,558                                  | 0                                      | (1,850,882)  | 0                           | (1,850,882)          |
| Interest on Long-term Debt                 | 74,998               | 0                       | 0  | 0                                      | (74,998)   | 0                           | (74,998)             |
| Total Governmental Activities              | <u>8,495,887</u>     | <u>2,213,946</u>        | <u>1,106,294</u>                         | <u>1,264,603</u>                       | <u>(3,911,044)</u>                                   | <u>0</u>                    | <u>(3,911,044)</u>   |
| <b>Business-Type Activities:</b>           |                      |                         |  |  |  |                             |                      |
| Water                                      | 1,885,455            | 2,102,458               | 0  | 203,848                                | 0  | 420,851                     | 420,851              |
| Sewer                                      | 2,842,362            | 2,745,270               | 0  | 248,848                                | 0  | 151,756                     | 151,756              |
| Total Business-Type Activities             | <u>4,727,817</u>     | <u>4,847,728</u>        | <u>0</u>                                 | <u>452,696</u>                         | <u>0</u>   | <u>572,607</u>              | <u>572,607</u>       |
| Total Primary Government                   | <u>\$ 13,223,704</u> | <u>\$ 7,061,674</u>     | <u>\$ 1,106,294</u>                      | <u>\$ 1,717,299</u>                    | <u>(3,911,044)</u>                                   | <u>572,607</u>              | <u>(3,338,437)</u>   |
| <b>General Revenues:</b>                   |                      |                         |  |  |  |                             |                      |
| Property Taxes                             |                      |                         |  |  | 3,763,707  | 0                           | 3,763,707            |
| Interest and Penalties on Delinquent Taxes |                      |                         |  |  | 55,706   | 0                           | 55,706               |
| Unrestricted Investment Earnings           |                      |                         |  |  | 2,994  | 51,744                      | 54,738               |
| General State Grants                       |                      |                         |  |  | 95,416   | 0                           | 95,416               |
| Other Revenues                             |                      |                         |  |  | 17,670   | 0                           | 17,670               |
| Gain on Sale of Capital Assets             |                      |                         |  |  | 850  | 0                           | 850                  |
| Total General Revenues                     |                      |                         |  |  | <u>3,936,343</u>                                     | <u>51,744</u>               | <u>3,988,087</u>     |
| Change in Net Position                     |                      |                         |  |  | 25,299   | 624,351                     | 649,650              |
| Net Position - July 1, 2012                |                      |                         |  |  | <u>5,567,829</u>                                     | <u>13,835,690</u>           | <u>19,403,519</u>    |
| Net Position - June 30, 2013               |                      |                         |  |  | <u>\$ 5,593,128</u>                                  | <u>\$ 14,460,041</u>        | <u>\$ 20,053,169</u> |

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

CITY OF ST. ALBANS, VERMONT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2013

|   | General<br>Fund            | TIF<br>Fund                | Streetscape<br>Fund        | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|----------------------------|----------------------------|----------------------------|--------------------------------|--------------------------------|
| <b>ASSETS</b>   |                            |                            |                            |                                |                                |
| Cash  | \$ 2,837,844               | \$ 0                       | \$ 0                       | \$ 65,271                      | \$ 2,903,115                   |
| Investments   | 55,712                     | 0                          | 0                          | 0                              | 55,712                         |
| Receivables (Net of Allowance for<br>Uncollectibles)                          | 438,852                    | 0                          | 765,775                    | 213,366                        | 1,417,993                      |
| Due from Other Funds  | 0                          | 1,005,053                  | 478,362                    | 15,996                         | 1,499,411                      |
| Advances to Other Funds   | 191,687                    | 0                          | 0                          | 50,476                         | 242,163                        |
| Loans Receivable (Net of Allowance<br>for Doubtful Accounts)                  | 0                          | 0                          | 0                          | 101,579                        | 101,579                        |
| Land Held for Resale  | 0                          | 63,814                     | 0                          | 0                              | 63,814                         |
| Inventory   | 9,951                      | 0                          | 0                          | 0                              | 9,951                          |
| <b>Total Assets</b>   | <b><u>\$ 3,534,046</u></b> | <b><u>\$ 1,068,867</u></b> | <b><u>\$ 1,244,137</u></b> | <b><u>\$ 446,688</u></b>       | <b><u>\$ 6,293,738</u></b>     |
| <b>LIABILITIES</b>  |                            |                            |                            |                                |                                |
| Accounts Payable  | \$ 81,476                  | \$ 74,929                  | \$ 748,623                 | \$ 43,585                      | \$ 948,613                     |
| Accrued Payroll and Benefits<br>Payable                                       | 89,004                     | 0                          | 0                          | 1,001                          | 90,005                         |
| Due to Other Funds  | 2,069,049                  | 0                          | 0                          | 10,588                         | 2,079,637                      |
| Advances from Other Funds   | 0                          | 0                          | 0                          | 242,163                        | 242,163                        |
| Line of Credit Payable  | 0                          | 0                          | 495,514                    | 0                              | 495,514                        |
| Unearned Revenue  | 66,413                     | 0                          | 0                          | 9,608                          | 76,021                         |
| <b>Total Liabilities</b>  | <b><u>2,305,942</u></b>    | <b><u>74,929</u></b>       | <b><u>1,244,137</u></b>    | <b><u>306,945</u></b>          | <b><u>3,931,953</u></b>        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                            |                            |                            |                                |                                |
| Prepaid Property Taxes  | 29,806                     | 0                          | 0                          | 0                              | 29,806                         |
| Unavailable Revenue - Property Taxes  | 238,000                    | 0                          | 0                          | 0                              | 238,000                        |
| Unavailable Revenue - Other   | 28,763                     | 0                          | 489,134                    | 286,874                        | 804,771                        |
| <b>Total Deferred Inflows of Resources</b>                                    | <b><u>296,569</u></b>      | <b><u>0</u></b>            | <b><u>489,134</u></b>      | <b><u>286,874</u></b>          | <b><u>1,072,577</u></b>        |
| <b>FUND BALANCES (DEFICIT)</b>  |                            |                            |                            |                                |                                |
| Nonspendable  | 201,638                    | 63,814                     | 0                          | 50,476                         | 315,928                        |
| Restricted  | 20,000                     | 930,124                    | 0                          | 63,483                         | 1,013,607                      |
| Assigned  | 709,897                    | 0                          | 0                          | 0                              | 709,897                        |
| Unassigned  | 0                          | 0                          | (489,134)                  | (261,090)                      | (750,224)                      |
| <b>Total Fund Balances/(Deficit)</b>  | <b><u>931,535</u></b>      | <b><u>993,938</u></b>      | <b><u>(489,134)</u></b>    | <b><u>(147,131)</u></b>        | <b><u>1,289,208</u></b>        |
| <b>Total Liabilities, Deferred Inflows of<br/>Resources and Fund Balances</b> | <b><u>\$ 3,534,046</u></b> | <b><u>\$ 1,068,867</u></b> | <b><u>\$ 1,244,137</u></b> | <b><u>\$ 446,688</u></b>       |                                |

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.                         | 8,199,957                  |
| Other Assets are not Available to Pay for Current-Period Expenditures and, Therefore, are Reported as Deferred Inflows of Resources in the Funds. | 1,042,771                  |
| Long-Term and Accrued Liabilities are not Due or Payable in the Current Period and, Therefore, are Not Reported in the Funds.                     | <u>(4,938,808)</u>         |
| <b>Net Position of Governmental Activities</b>  | <b><u>\$ 5,593,128</u></b> |

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, 2013

|  | General<br>Fund   | TIF<br>Fund        | Streetscape<br>Fund | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|-------------------|--------------------|---------------------|--------------------------------|--------------------------------|
| <b>REVENUES</b>                                      |                   |                    |                     |                                |                                |
| Property Taxes                                       | \$ 3,753,707      | \$ 0               | \$ 0                | \$ 0                           | \$ 3,753,707                   |
| Penalties and Interest                               | 55,706            | 0                  | 0                   | 0                              | 55,706                         |
| Intergovernmental Revenues                           | 952,832           | 0                  | 746,851             | 374,504                        | 2,074,187                      |
| Charges for Services                                 | 1,610,276         | 0                  | 0                   | 0                              | 1,610,276                      |
| Investment Income                                    | 2,867             | 0                  | 0                   | 127                            | 2,994                          |
| Licenses and Permits                                 | 468,198           | 0                  | 0                   | 0                              | 468,198                        |
| Other Revenue  | 92,883            | 1,340              | 0                   | 3,240                          | 97,463                         |
| <b>Total Revenues</b>                                | <u>6,936,469</u>  | <u>1,340</u>       | <u>746,851</u>      | <u>377,871</u>                 | <u>8,062,531</u>               |
| <b>EXPENDITURES</b>                                  |                   |                    |                     |                                |                                |
| Current:   |                   |                    |                     |                                |                                |
| General Government                                   | 788,333           | 0                  | 0                   | 24,717                         | 813,050                        |
| Public Safety  | 4,015,975         | 0                  | 0                   | 124,820                        | 4,140,795                      |
| Public Works   | 546,484           | 0                  | 0                   | 0                              | 546,484                        |
| Culture and Recreation                               | 433,372           | 0                  | 0                   | 2,552                          | 435,924                        |
| Community Development                                | 0                 | 1,851,382          | 0                   | 154,058                        | 2,005,440                      |
| Capital Outlay:                                      |                   |                    |                     |                                |                                |
| General Government                                   | 56,130            | 0                  | 0                   | 0                              | 56,130                         |
| Public Safety  | 89,893            | 0                  | 0                   | 0                              | 89,893                         |
| Public Works   | 238,917           | 108,658            | 1,235,985           | 91,085                         | 1,674,645                      |
| Culture and Recreation                               | 158,040           | 0                  | 0                   | 0                              | 158,040                        |
| Debt Service:  |                   |                    |                     |                                |                                |
| Principal  | 308,671           | 0                  | 0                   | 0                              | 308,671                        |
| Interest   | 45,933            | 23,518             | 0                   | 0                              | 69,451                         |
| <b>Total Expenditures</b>                            | <u>6,681,748</u>  | <u>1,983,558</u>   | <u>1,235,985</u>    | <u>397,232</u>                 | <u>10,298,523</u>              |
| Excess/(Deficiency) of Revenues<br>Over Expenditures | <u>254,721</u>    | <u>(1,982,218)</u> | <u>(489,134)</u>    | <u>(19,361)</u>                | <u>(2,235,992)</u>             |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                   |                    |                     |                                |                                |
| Proceeds of Long-Term Debt                           | 148,466           | 3,000,000          | 0                   | 0                              | 3,148,466                      |
| Transfers In   | 0                 | 0                  | 0                   | 3,500                          | 3,500                          |
| Transfers Out  | (3,500)           | 0                  | 0                   | 0                              | (3,500)                        |
| <b>Total Other Financing Sources/(Uses)</b>          | <u>144,966</u>    | <u>3,000,000</u>   | <u>0</u>            | <u>3,500</u>                   | <u>3,148,466</u>               |
| <b>Net Change in Fund Balances</b>                   | 399,687           | 1,017,782          | (489,134)           | (15,861)                       | 912,474                        |
| Fund Balances/(Deficit) - July 1, 2012               | <u>531,848</u>    | <u>(23,844)</u>    | <u>0</u>            | <u>(131,270)</u>               | <u>376,734</u>                 |
| Fund Balances/(Deficit) - June 30, 2013              | <u>\$ 931,535</u> | <u>\$ 993,938</u>  | <u>\$ (489,134)</u> | <u>\$ (147,131)</u>            | <u>\$ 1,289,208</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, 2013

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

|  |    |                      |
|--|----|----------------------|
| Net change in fund balances - total government funds (Exhibit D)   | \$ | 912,474              |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets (\$1,978,708) is allocated over their estimated useful lives and reported as depreciation expense (\$404,145). This is the amount by which capital outlays exceeded depreciation in the current period.   |    | 1,574,563            |
| The issuance of long-term debt (\$3,148,466) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$308,671) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items. |    | (2,839,795)          |
| 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.   |    | 499,028              |
| 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>(120,971)</u>     |
| Change in net position of governmental activities (Exhibit B)  | \$ | <u><u>25,299</u></u> |

The General Fund charges the Water and Sewer Funds for administrative expenses. These charges totaling \$74,825 have been eliminated from the Governmental Activities on the Statement of Activities.

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

CITY OF ST. ALBANS, VERMONT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2013

|  | Water<br>Fund | Wastewater<br>Fund | Total         |
|--|---------------|--------------------|---------------|
| <b>ASSETS</b>  |               |                    |               |
| Current Assets:  |               |                    |               |
| Cash   | \$ 582,325    | \$ 558,593         | \$ 1,140,918  |
| Receivables (Net of Allowance for<br>Uncollectible Accounts)   | 460,315       | 643,505            | 1,103,820     |
| Notes Receivable, Current Portion                              | 0             | 2,941              | 2,941         |
| Inventory  | 19,377        | 12,275             | 31,652        |
| Due from Other Funds   | 710,631       | 0                  | 710,631       |
| Total Current Assets   | 1,772,648     | 1,217,314          | 2,989,962     |
| Noncurrent Assets:   |               |                    |               |
| Notes Receivable   | 0             | 11,583             | 11,583        |
| Capital Assets   |               |                    |               |
| Land   | 155,000       | 47,012             | 202,012       |
| Construction in Progress                                       | 1,465,683     | 383,318            | 1,849,001     |
| Buildings, Distribution and Collection System and Improvements | 7,318,389     | 21,859,852         | 29,178,241    |
| Vehicles, Machinery and Equipment                              | 1,197,988     | 1,452,838          | 2,650,826     |
| Less Accumulated Depreciation                                  | (3,684,406)   | (9,436,014)        | (13,120,420)  |
| Total Noncurrent Assets  | 6,452,654     | 14,318,589         | 20,771,243    |
| Total Assets   | \$ 8,225,302  | \$ 15,535,903      | \$ 23,761,205 |
| <b>LIABILITIES</b>   |               |                    |               |
| Current Liabilities:   |               |                    |               |
| Accounts Payable   | \$ 34,848     | \$ 63,345          | \$ 98,193     |
| Accrued Payroll  | 3,940         | 5,074              | 9,014         |
| Due to Other Funds   | 0             | 130,405            | 130,405       |
| Unearned Revenue   | 69,862        | 0                  | 69,862        |
| Accrued Interest Payable                                       | 18,896        | 64,706             | 83,602        |
| Bonds Payable - Current Portion                                | 93,465        | 169,583            | 263,048       |
| Notes Payable - Current Portion                                | 53,660        | 115,578            | 169,238       |
| Total Current Liabilities                                      | 274,671       | 548,691            | 823,362       |
| Noncurrent Liabilities   |               |                    |               |
| Compensated Absences Payable                                   | 56,478        | 103,542            | 160,020       |
| Bonds Payable - Noncurrent Portion                             | 3,411,129     | 3,703,793          | 7,114,922     |
| Notes Payable - Noncurrent Portion                             | 1,157,136     | 45,724             | 1,202,860     |
| Total Noncurrent Liabilities                                   | 4,624,743     | 3,853,059          | 8,477,802     |
| Total Liabilities  | 4,899,414     | 4,401,750          | 9,301,164     |
| <b>NET POSITION</b>  |               |                    |               |
| Net Investment in Capital Assets                               | 1,737,264     | 10,272,328         | 12,009,592    |
| Unrestricted   | 1,588,624     | 861,825            | 2,450,449     |
| Total Net Position   | 3,325,888     | 11,134,153         | 14,460,041    |
| Total Liabilities and Net Position                             | \$ 8,225,302  | \$ 15,535,903      | \$ 23,761,205 |

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

CITY OF ST. ALBANS, VERMONT  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2013

|   | Water<br>Fund       | Wastewater<br>Fund   | Total                |
|---|---------------------|----------------------|----------------------|
| Operating Revenues:                     |                     |                      |                      |
| Charges for Services                    | \$ 1,989,993        | \$ 2,616,505         | \$ 4,606,498         |
| Penalties and Interest                  | 13,777              | 16,097               | 29,874               |
| Allocation Fees                         | 79,800              | 95,507               | 175,307              |
| Land Lease                              | 15,000              | 0                    | 15,000               |
| Other Income                            | 3,888               | 2,161                | 6,049                |
|   | <u>2,102,458</u>    | <u>2,730,270</u>     | <u>4,832,728</u>     |
| Total Operating Revenues                |                     |                      |                      |
| Operating Expenses:                     |                     |                      |                      |
| Salaries and Benefits                   | 612,900             | 783,105              | 1,396,005            |
| Other Purchased Services                | 104,228             | 236,906              | 341,134              |
| Chemicals                               | 152,153             | 360,259              | 512,412              |
| Repairs and Maintenance                 | 105,214             | 98,744               | 203,958              |
| Insurances                              | 52,950              | 52,950               | 105,900              |
| Utilities                               | 260,732             | 223,354              | 484,086              |
| Supplies                                | 16,731              | 21,705               | 38,436               |
| Real Estate and State Water Taxes       | 59,222              | 4,704                | 63,926               |
| Other Operating Costs                   | 129,482             | 199,585              | 329,067              |
| Depreciation                            | 249,415             | 709,528              | 958,943              |
|   | <u>1,743,027</u>    | <u>2,690,840</u>     | <u>4,433,867</u>     |
| Total Operating Expenses                |                     |                      |                      |
| Operating Income                        | <u>359,431</u>      | <u>39,430</u>        | <u>398,861</u>       |
| Nonoperating Revenues (Expenses):       |                     |                      |                      |
| Investment Income                       | 23,320              | 28,424               | 51,744               |
| Proceeds from Loan Receivable           | 0                   | 15,000               | 15,000               |
| Interest Expense                        | (142,428)           | (151,522)            | (293,950)            |
|   | <u>(119,108)</u>    | <u>(108,098)</u>     | <u>(227,206)</u>     |
| Total Nonoperating Revenues (Expenses)  |                     |                      |                      |
| Net Income Before Capital Contributions | 240,323             | (68,668)             | 171,655              |
| Capital Contributions                   | <u>203,848</u>      | <u>248,848</u>       | <u>452,696</u>       |
| Change in Net Position                  | 444,171             | 180,180              | 624,351              |
| Net Position - July 1, 2012             | <u>2,881,717</u>    | <u>10,953,973</u>    | <u>13,835,690</u>    |
| Net Position - June 30, 2013            | <u>\$ 3,325,888</u> | <u>\$ 11,134,153</u> | <u>\$ 14,460,041</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, 2013

|  | <u>Water<br/>Fund</u> | <u>Wastewater<br/>Fund</u> | <u>Total</u>        |
|--|-----------------------|----------------------------|---------------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                       |                            |                     |
| Receipts from Customers and Users  | \$ 2,153,797          | \$ 2,745,714               | \$ 4,899,511        |
| Other Receipts   | 18,888                | 2,161                      | 21,049              |
| Payments to Suppliers  | (839,979)             | (1,209,870)                | (2,049,849)         |
| Payment of Taxes   | (59,222)              | (4,704)                    | (63,926)            |
| Payments for Wages and Benefits  | <u>(612,397)</u>      | <u>(785,003)</u>           | <u>(1,397,400)</u>  |
| Net Cash Provided by Operating Activities  | <u>661,087</u>        | <u>748,298</u>             | <u>1,409,385</u>    |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>   |                       |                            |                     |
| Proceeds from Notes Receivable   | 0                     | 476                        | 476                 |
| Decrease/(Increase) in Due from Other Funds  | <u>(87,368)</u>       | <u>181,421</u>             | <u>94,053</u>       |
| Net Cash Provided/(Used) by Noncapital Financing Activities                                    | <u>(87,368)</u>       | <u>181,897</u>             | <u>94,529</u>       |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                |                       |                            |                     |
| Capital Contributions  | 203,848               | 198,848                    | 402,696             |
| Acquisition and Construction of Capital Assets   | (1,477,611)           | (465,759)                  | (1,943,370)         |
| Proceeds of Long-Term Debt   | 1,217,113             | 17,113                     | 1,234,226           |
| Principal Paid on:   |                       |                            |                     |
| General Obligation Bonds   | (89,929)              | (166,258)                  | (256,187)           |
| Notes Payable  | (134,289)             | (222,229)                  | (356,518)           |
| Capital Leases   | (6,521)               | (6,521)                    | (13,042)            |
| Interest Paid on:  |                       |                            |                     |
| General Obligation Bonds   | (139,498)             | (80,793)                   | (220,291)           |
| Notes Payable  | (3,746)               | (8,231)                    | (11,977)            |
| Capital Leases   | <u>(195)</u>          | <u>(195)</u>               | <u>(390)</u>        |
| Net Cash Provided/(Used) by Capital and Related Financing Activities                           | <u>(430,828)</u>      | <u>(734,025)</u>           | <u>(1,164,853)</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                       |                            |                     |
| Receipt of Interest & Dividends  | <u>23,320</u>         | <u>28,424</u>              | <u>51,744</u>       |
| Net Cash Provided by Investing Activities  | <u>23,320</u>         | <u>28,424</u>              | <u>51,744</u>       |
| Net Increase in Cash   | 166,211               | 224,594                    | 390,805             |
| Cash - July 1, 2012  | <u>416,114</u>        | <u>333,999</u>             | <u>750,113</u>      |
| Cash - June 30, 2013   | <u>\$ 582,325</u>     | <u>\$ 558,593</u>          | <u>\$ 1,140,918</u> |
| <b>Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:</b> |                       |                            |                     |
| Operating Income   | 359,431               | 39,430                     | 398,861             |
| Depreciation   | 249,415               | 709,528                    | 958,943             |
| (Increase)/Decrease in Receivables   | 4,795                 | 17,605                     | 22,400              |
| (Increase)/Decrease in Inventory   | (3,982)               | 1,693                      | (2,289)             |
| Increase/(Decrease) in Accounts Payable  | (14,507)              | (18,060)                   | (32,567)            |
| Increase/(Decrease) in Accrued Payroll   | 550                   | 845                        | 1,395               |
| Increase/(Decrease) in Unearned Revenue  | 65,432                | 0                          | 65,432              |
| Increase/(Decrease) in Compensated Absences Payable  | <u>(47)</u>           | <u>(2,743)</u>             | <u>(2,790)</u>      |
| Net Cash Provided by Operating Activities  | <u>\$ 661,087</u>     | <u>\$ 748,298</u>          | <u>\$ 1,409,385</u> |
| <b>Schedule of Non-Cash Capital and Related Financing Activities:</b>                          |                       |                            |                     |
| Issuance of Note Receivable  | 0                     | 15,000                     | 15,000              |
| Contributions of Capital Assets  | 0                     | 50,000                     | 50,000              |

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

CITY OF ST. ALBANS, VERMONT  
STATEMENT OF NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2013

|                             | <u>Pension<br/>Trust<br/>Fund</u> | <u>Agency<br/>Fund</u><br><br><u>SAFF<br/>Fund</u> | <u>Total</u>        |
|-----------------------------|-----------------------------------|--|---------------------|
| <b>ASSETS</b>               |                                   |  |                     |
| Cash and Cash Equivalents   | \$ 0                              | \$ 11,500  | \$ 11,500           |
| Investments                 | 3,916,318                         | 0  | 3,916,318           |
| Receivables                 | <u>14,982</u>                     | <u>0</u>   | <u>14,982</u>       |
| Total Assets                | <u>3,931,300</u>                  | <u>11,500</u>                                      | <u>3,942,800</u>    |
| <b>LIABILITIES</b>          |                                   |  |                     |
| Due to Other Organizations  | <u>0</u>                          | <u>11,500</u>                                      | <u>11,500</u>       |
| Total Liabilities           | <u>0</u>                          | <u>11,500</u>                                      | <u>11,500</u>       |
| <b>NET POSITION</b>         |                                   |  |                     |
| Held in Trust For:          |                                   |  |                     |
| Employees' Pension Benefits | <u>3,931,300</u>                  | <u>0</u>   | <u>3,931,300</u>    |
| Total Net Position          | <u>\$ 3,931,300</u>               | <u>\$ 0</u>  | <u>\$ 3,931,300</u> |

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

CITY OF ST. ALBANS, VERMONT  
 STATEMENT OF CHANGES IN NET POSITION  
 FIDUCIARY FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

|                             | Pension<br>Trust<br>Fund |
|-----------------------------|--------------------------|
| <b>ADDITIONS</b>            |                          |
| Contributions:              |                          |
| Employer                    | \$ 200,000               |
| Plan Members                | 61,483                   |
| Total Contributions         | 261,483                  |
| Net Investment Earnings     | 197,392                  |
| Total Additions             | 458,875                  |
| <b>DEDUCTIONS</b>           |                          |
| Benefits - Pension          | 378,748                  |
| Administrative Expenses     | 26,270                   |
| Total Deductions            | 405,018                  |
| Change in Net Position      | 53,857                   |
| Net Position - July 1, 2012 | 3,877,443                |
| Net Position- June 30, 2013 | \$ 3,931,300             |

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

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

The City of St. Albans, Vermont (herein the "City") is a municipal corporation operating under a council-manager form of government. It is governed by seven (7) elected officials – a mayor and six (6) council members. The City is made up of six (6) individual wards, each being represented by one (1) of the six (6) elected council members. The City Council appoints a City Manager to oversee the general operations of the City.

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

## **I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

### **A. The Financial Reporting Entity**

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

### **B. Basis of Presentation**

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

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

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

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 Fund – This special revenue fund is used to account for all expenditures, revenues, and debt service related to the tax increment financing (TIF) district.

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

The City reports on the following major enterprise funds:

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

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

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.

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

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 Fund – This fund accounts for monies maintained for a local group called Saint Albans for the Future.

**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 and liabilities associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net position). Equity (i.e., net position) is segregated into 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 current liabilities are generally reported on their balance sheets. Their reported fund balances (net current assets) 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 assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

**D. Basis of Accounting**

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

The government-wide, proprietary fund and fiduciary fund financial statements are reported using the 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.

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

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

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

Under the terms of grant agreements, the City funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the City’s policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

#### **E. Use of Estimates**

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

#### **F. New Pronouncement – Deferred Outflows/Inflows of Resources**

Effective June 30, 2013, the City implemented GASB Statement No. 63, “Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position”. GASB Statement No 63 provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources, introduced and defined in GASB Concepts Statement No. 4. This statement amends the net asset reporting requirements in Statement No. 34, “Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments”, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, “deferred outflows of resources”, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditures) until then. The City did not have any items that qualified for reporting in this category.

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

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 one type which arises under the accrual basis of accounting that qualify for reporting in this category. Accordingly, the item, “unavailable revenue”, is reported in the statement of net position and governmental funds balance sheet. The statement of net position reports unavailable revenues from one source; prepaid taxes. The governmental funds balance sheet reports unavailable revenues from three sources; property taxes, prepaid taxes and unavailable grants receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

## **G. Assets, Liabilities and Equity**

### **1. Cash**

Cash balances of most City funds are deposited with and invested by the City Treasurer. The City considers all short-term investments of ninety (90) days or less to be cash equivalents.

### **2. Investments**

The City invests in investments as allowed by State Statute. Investments with readily determinable fair values are reported at their fair values on the balance sheet. Unrealized gains and losses are included in revenue.

### **3. Receivables**

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

### **4. Internal Balances**

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

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

CITY OF ST. ALBANS, VERMONT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2013

**5. Inventories**

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

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

**6. Capital Assets**

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated fair value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. Interest incurred during the construction phase for proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of any interest earned on the invested proceeds during the same period. The City has capitalized \$36,288 of interest in the proprietary funds. Interest is not capitalized during the construction phase of capital assets used in governmental activities. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Infrastructure assets are reported starting with fiscal year June 30, 2004. The City has elected to not report major general infrastructure assets retroactively.

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<br/>Threshold</u> | <u>Estimated<br/>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<br>and Collection Systems | 5,000                               | 60 - 100 Years                    |

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

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

**7. Compensated Absences**

It is the policy of the City to permit employees to accumulate earned but unused vacation time up to two hundred forty (240) hours. Public safety employees may accumulate earned but unused comp time up to two hundred forty (240) hours and all other employees may accumulate earned but unused comp time up to one hundred sixty (160) hours. The value of this leave time will be paid at the employee's current rate of pay upon retirement, termination or death. In addition to this, employees hired before July 1, 2008 can accrue up to six hundred forty (640) hours of sick leave, and will be paid the value of this leave time at their current rate of pay upon retirement, termination or death. Employees hired after July 1, 2008 can accrue up to two hundred forty (240) hours with one hundred sixty (160) hours vested for payment upon retirement, termination, or death. Payments for unused compensated absences in the governmental funds are recorded as expenditures in the year they are paid.

**8. Long-term Liabilities**

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

**9. Fund Equity**

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

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

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

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

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

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

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

### 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.

### IV. DETAILED NOTES ON ALL FUNDS

#### A. Cash and Investments

The City’s cash and investments as of June 30, 2013 consisted of the following:

Cash:

|                                  |                  |
|----------------------------------|------------------|
| Cash on Hand                     | \$ 600           |
| Cash with Financial Institutions | <u>4,054,933</u> |
| Total Cash                       | <u>4,055,533</u> |

Investments:

|                                 |                     |
|---------------------------------|---------------------|
| Mutual Funds – Cash Equivalents | 55,712              |
| Annuity Contracts               | <u>3,916,318</u>    |
| Total Investments               | <u>3,972,030</u>    |
| Total Cash and Investments      | <u>\$ 8,027,563</u> |

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

**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 mutual funds are in the name of the City and are not exposed to custodial credit risk. The annuity contract is a group annuity contract issued by Prudential Retirement Insurance and Annuity Company (PRIAC). The following table shows the custodial credit risk of the City's deposits.

|  | <u>Book<br/>Balance</u> | <u>Bank<br/>Balance</u> |
|--|-------------------------|-------------------------|
| FDIC/SIPC Insured  | \$ 309,305              | \$ 309,305              |
| Uninsured, Uncollateralized<br>(Offset by Debt to the Respective Bank) | <u>3,801,340</u>        | <u>4,196,135</u>        |
| Total Cash Deposits  | <u>\$ 4,110,645</u>     | <u>\$ 4,505,440</u>     |

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

Deposits are comprised of the following:

|                                  |                     |
|----------------------------------|---------------------|
| Cash with Financial Institutions | \$ 4,054,933        |
| Mutual Funds – Cash Equivalents  | <u>55,712</u>       |
| Total Cash Deposits              | <u>\$ 4,110,645</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. The City does not have any policy to limit the exposure to interest rate risk. The City has no assets with exposure to interest rate risk.

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization such as Standard and Poor's or Moody's rating services. These organizations look at a number of factors in order to evaluate the risk of an obligation and rate the risk. The rating allows the investor to make informed buying and selling decisions. The City's cash equivalents with the broker are exempt from credit risk analysis. The City does not have any policy to limit the exposure to credit risk.

**Concentration of Credit Risk**

Concentration of credit risk is the risk that a large percentage of the City's investments are held within one security. The City does not have any limitations on the amount that can be invested in any one issuer. The City has 100% of their mutual funds invested in Federated Treasury Cash Equivalents and 100% of their retirement investments invested in annuity contracts with PRIAC.

**B. Receivables**

Receivables at June 30, 2013, as reported in the statement of net position, net of applicable allowances for uncollectible accounts, are as follows.

|                                 | Governmental<br>Activities | Business-Type<br>Activities | Total               |
|---------------------------------|----------------------------|-----------------------------|---------------------|
| Delinquent Taxes                | \$ 307,209                 | \$ 0                        | \$ 307,209          |
| Penalties and Interest          | 44,730                     | 0                           | 44,730              |
| Billed Services                 | 0                          | 782,604                     | 782,604             |
| Unbilled Services               | 0                          | 235,084                     | 235,084             |
| Grants                          | 964,890                    | 0                           | 964,890             |
| Allocation Fees and Interest    | 0                          | 57,494                      | 57,494              |
| Other                           | 125,910                    | 43,138                      | 169,048             |
| Reimbursements                  | 6,254                      | 0                           | 6,254               |
| Allowance for Doubtful Accounts | (31,000)                   | (14,500)                    | (45,500)            |
|                                 | <u>\$ 1,417,993</u>        | <u>\$ 1,103,820</u>         | <u>\$ 2,521,813</u> |

**C. Loans and Notes Receivable**

Loans Receivable at June 30, 2013 consists of five (5) loans for community development as follows.

Governmental Funds

|  |           |
|--|-----------|
| Loan Receivable; Local Business;<br>Interest at 1%; Balloon Payment Plus<br>Interest Due October 27, 2016;<br>Secured by a Mortgage on Real Estate | \$ 65,000 |
|--|-----------|

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

|  |                    |
|--|--------------------|
| Loan Receivable; Local Business;<br>Interest at 1%; Balloon Payment Plus<br>Interest Due February 3, 2017; Secured<br>By a Mortgage on Real Estate | \$ 35,000          |
| Loan Receivable; Local Nonprofit;<br>Interest at 0%; Balloon Payment Due<br>December 31, 2032; Secured by a<br>Mortgage Deed on Real Property      | 360,000            |
| Loan Receivable; Local Nonprofit;<br>Interest at 0%; Balloon Payment Due<br>January 14, 2035; Secured by a<br>Mortgage Deed on Real Property       | 480,001            |
| Loan Receivable; Local Nonprofit;<br>Interest at 0%; Balloon Payment Due<br>March 15, 2037; Secured by a<br>Mortgage Deed on Real Property         | <u>579,600</u>     |
| Total  | <u>1,519,601</u>   |
| Plus: Accrued Interest on Note   | 1,579              |
| Less: Allowance for Doubtful Loans Receivable  | <u>(1,419,601)</u> |
| Governmental Funds Reported Balance at June 30, 2013   | <u>\$ 101,579</u>  |

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

| <u>Balance</u><br><u>July 1, 2012</u> | <u>Additions</u> | <u>Payments</u> | <u>Amounts</u><br><u>Written Off</u> | <u>Balance</u><br><u>June 30, 2013</u> |
|---------------------------------------|------------------|-----------------|--------------------------------------|--|
| \$ <u>1,519,601</u> *                 | \$ _____ 0       | \$ _____ 0      | \$ _____ 0                           | <u>\$1,519,601</u>                     |

\* The beginning balance has been restated by \$1,419,601 to reflect three (3) loans not previously reported.

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

Notes Receivable at June 30, 2013 consists of one (1) note for acquisition of a pump station in the Wastewater Fund as follows.

Proprietary Funds

|   |                         |
|---|-------------------------|
| Note Receivable; Local Contractor;<br>Interest at 5%; Monthly Interest and<br>Principal Payments of \$300; Due<br>January 5, 2018 | \$ <u>14,524</u>        |
| Proprietary Funds Reported Balance at June 30, 2013   | \$ <u><u>14,524</u></u> |

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

| <u>Balance</u><br><u>July 1, 2012</u> | <u>Additions</u> | <u>Payments</u> | <u>Amounts</u><br><u>Written Off</u> | <u>Balance</u><br><u>June 30, 2013</u> |
|---------------------------------------|------------------|-----------------|--------------------------------------|--|
| \$ <u>0</u>                           | \$ <u>15,000</u> | \$ <u>476</u>   | \$ <u>0</u>                          | \$ <u>14,524</u>                       |

**D. Land Held for Resale**

The Land Held for Resale of \$63,814 consists of a parcel of land purchased within the TIF District of the City. This land was sold in fiscal year 2014 for \$63,814.

**E. Capital Assets**

Capital asset activity for the year ended June 30, 2013 was as follows:

|   | <u>Beginning</u><br><u>Balance</u> | <u>Increases</u>    | <u>Decreases</u> | <u>Ending</u><br><u>Balance</u> |
|---|------------------------------------|---------------------|------------------|---------------------------------|
| <b>Governmental Activities</b>              |                                    |                     |                  |                                 |
| Capital Assets, Not Being Depreciated:      |                                    |                     |                  |                                 |
| Land  | \$ 940,932                         | \$ 0                | \$ 0             | \$ 940,932                      |
| Construction in Progress                    | <u>1,039,425</u>                   | <u>1,435,727</u>    | <u>0</u>         | <u>2,475,152</u>                |
| Total Capital Assets, Not Being Depreciated | <u>1,980,357</u>                   | <u>1,435,727</u>    | <u>0</u>         | <u>3,416,084</u>                |
| Capital Assets, Being Depreciated:          |                                    |                     |                  |                                 |
| Buildings and Building Improvements         | 1,658,439                          | 69,099              | 0                | 1,727,538                       |
| Vehicles, Machinery and Equipment           | 2,999,978                          | 192,859             | 30,347           | 3,162,490                       |
| Infrastructure                              | <u>1,807,335</u>                   | <u>281,023</u>      | <u>0</u>         | <u>2,088,358</u>                |
|   | <u>6,465,752</u>                   | <u>542,981</u>      | <u>30,347</u>    | <u>6,978,386</u>                |
| Less Accumulated Depreciation for:          |                                    |                     |                  |                                 |
| Buildings and Building Improvements         | 745,527                            | 36,650              | 0                | 782,177                         |
| Vehicles, Machinery and Equipment           | 902,313                            | 298,622             | 30,347           | 1,170,588                       |
| Infrastructure                              | <u>172,875</u>                     | <u>68,873</u>       | <u>0</u>         | <u>241,748</u>                  |
| Totals                                      | <u>1,820,715</u>                   | <u>404,145</u>      | <u>30,347</u>    | <u>2,194,513</u>                |
| Total Capital Assets, Being Depreciated     | <u>4,645,037</u>                   | <u>138,836</u>      | <u>0</u>         | <u>4,783,873</u>                |
| Governmental Activities Capital Assets, Net | <u>\$ 6,625,394</u>                | <u>\$ 1,574,563</u> | <u>\$ 0</u>      | <u>\$ 8,199,957</u>             |

CITY OF ST. ALBANS, VERMONT  
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|  | Beginning<br>Balance | Increases    | Decreases | Ending<br>Balance |
|--|----------------------|--------------|-----------|-------------------|
| <b>Business-Type Activities</b>                                  |                      |              |           |                   |
| Capital Assets, Not Being Depreciated:                           |                      |              |           |                   |
| Land   | \$ 202,012           | \$ 0         | \$ 0      | \$ 202,012        |
| Construction in Progress   | 127,792              | 1,721,209    | 0         | 1,849,001         |
| Total Capital Assets, Not Being Depreciated                      | 329,804              | 1,721,209    | 0         | 2,051,013         |
| Capital Assets, Being Depreciated:                               |                      |              |           |                   |
| Buildings, Distribution and Collection<br>Systems & Improvements | 29,128,241           | 50,000       | 0         | 29,178,241        |
| Machinery and Equipment  | 2,436,569            | 222,161      | 7,905     | 2,650,825         |
| Totals   | 31,564,810           | 272,161      | 7,905     | 31,829,066        |
| Less Accumulated Depreciation for:                               |                      |              |           |                   |
| Buildings, Distribution and Collection<br>Systems & Improvements | 10,892,180           | 739,318      | 0         | 11,631,498        |
| Machinery and Equipment  | 1,277,201            | 219,625      | 7,905     | 1,488,921         |
| Totals   | 12,169,381           | 958,943      | 7,905     | 13,120,419        |
| Total Capital Assets, Being Depreciated                          | 19,395,429           | (686,782)    | 0         | 18,708,647        |
| Business-Type Activities Capital Assets, Net                     | \$ 19,725,233        | \$ 1,034,427 | \$ 0      | \$ 20,759,660     |

Beginning balances in business-type activities' machinery and equipment and related accumulated depreciation have been increased by \$10,615 to reflect an asset that was removed in error in the prior year.

Depreciation was charged as follows:

|  |            |   |            |
|--|------------|---|------------|
| Governmental Activities:                             |            | Business - Type Activities:                           |            |
| General Government                                   | \$ 6,754   | Water   | \$ 249,415 |
| Public Safety  | 261,027    | Sewer   | 709,528    |
| Public Works   | 111,043    |   |            |
| Culture and Recreation                               | 25,321     |   |            |
| Total Depreciation Expense - Governmental Activities |            | Total Depreciation Expense - Business-Type Activities |            |
|  | \$ 404,145 |   | \$ 958,943 |

The City purchased a building known as the Fonda/Solo Building in 2007. This building, along with its 5.1 acre site, had pollution remediation obligations. The City has outstanding debt on this property totaling \$325,816. This building is being held for resale, however, in 2009, the City recognized an impairment loss due to the remediation liability. These remediation costs, however, were funded with grants. In 2012, the City demolished the building.

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**F. Interfund Balances and Activity**

The composition of Due From/(To) Other Funds at June 30, 2013 is as follows:

| <u>Fund Name</u>         | <u>Due from<br/>Other Funds</u> | <u>Due to<br/>Other Funds</u> |
|--------------------------|---------------------------------|-------------------------------|
| General Fund             | \$ 0                            | \$ 2,069,049                  |
| TIF Fund                 | 1,005,053                       | 0                             |
| Streetscape Fund         | 478,362                         | 0                             |
| Other Governmental Funds | 15,996                          | 10,588                        |
| Water Fund               | 710,631                         | 0                             |
| Wastewater Fund          | <u>0</u>                        | <u>130,405</u>                |
| Total                    | <u>\$ 2,210,042</u>             | <u>\$ 2,210,042</u>           |

The composition of Advances To/(From) Other Funds at June 30, 2013 is as follows:

|                            |                   |                   |
|----------------------------|-------------------|-------------------|
| General Fund               | \$ 191,687        | \$ 0              |
| Revolving Loan Fund        | 50,476            | 0                 |
| Solo Building Fund         | 0                 | 54,548            |
| Fonda Remediation Fund     | 0                 | 25,909            |
| Federal Street Bypass Fund | <u>0</u>          | <u>161,706</u>    |
| Total                      | <u>\$ 242,163</u> | <u>\$ 242,163</u> |

The advances will be repaid as receivables are collected and when the Fonda building site is sold.

Interfund transfers during the year ended June 30, 2013 were as follows:

| <u>Transfer From</u> | <u>Transfer To</u> | <u>Amount</u>   | <u>Purpose</u>             |
|----------------------|--------------------|-----------------|----------------------------|
| General Fund         | VCDP Grants Fund   | \$ <u>3,500</u> | Fund local match on grants |
| Total                |                    | <u>\$ 3,500</u> |                            |

**G. Unearned Revenue and Deferred Inflows of Resources**

Unearned revenue in the General Fund consists of \$6,000 of parking fees received in advance; \$41,640 of payments for recreation programs for fiscal year 2014 and \$18,773 of grant revenue received in advance. The revenue will be recognized as parking and other services are provided and as expenses are incurred for the grants. Total Unearned Revenue in the General Fund is \$66,413.

Unearned revenue in the Other Governmental Funds consists of \$4,508 of grant revenue received in advance and \$5,100 of contributions for the Reconstitution Committee received in advance. The revenue will be recognized as the next phase of the project commences and as expenses are incurred. Total unearned revenue in the Other Governmental Funds is \$9,608.

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Unearned revenue in the Water Fund of \$69,862 consists of water fees received in advance. This revenue will be earned in 2014 as water fees are billed.

Deferred inflows of resources in the General Fund consists of \$29,806 of prepaid property taxes received in advance as well as \$238,000 of delinquent property taxes, penalties and interest on those taxes and \$28,763 in other receivables that were not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. Total deferred inflows of resources in the General Fund are \$296,569.

Deferred inflows of resources in the Streetscape Fund consists of \$489,134 of grant receivables not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

Deferred inflows of resources in the Other Governmental Funds consists of \$101,579 of net loans receivable and \$185,295 of grants receivable not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. The revenue will be recognized as the loans are repaid and the receivables are collected. Total deferred inflows of resources in the Other Governmental Funds are \$286,874.

#### **H. Long-term Liabilities**

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

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

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

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

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

CITY OF ST. ALBANS, VERMONT  
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Compensated Absences - It is the policy of the City to permit employees to accumulate vacation, comp-time and sick leave time, the value of which will be paid at their current rate of pay upon retirement, termination or death as discussed in Note I.F.7. The accrual for compensated absences, based on current rates, is recorded in the government-wide financial statements and proprietary fund financial statements.

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

Long-term liabilities outstanding as of June 30, 2013 were as follows.

Bonds, Notes and Capital Leases Payable:

Governmental Activities:

|   | <u>Beginning<br/>Balance<br/>July 1, 2012</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending<br/>Balance<br/>June 30, 2013</u> |
|---|---|------------------|------------------|---|
| Note Payable – Peoples Trust<br>Company; Blouin Parking Lot;<br>Interest at 3.50%; Monthly<br>Principal and Interest Payments<br>of \$1,252; Due November 4, 2020   | \$ 108,430                                    | \$ 0             | \$ 10,428        | \$ 98,002                                   |
| Note Payable – Peoples Trust<br>Company; 32 Nason Street Property;<br>Interest at 3.75%; Monthly Principal<br>and Interest Payments of \$997;<br>Due December 25, 2016  | 48,345  | 0                | 10,328           | 38,017                                      |
| Note Payable – Peoples Trust<br>Company; Fonda Building<br>Purchase; Interest at 2.25%;<br>Due July 23, 2013; The City is<br>Making Interest Only Payments<br>and Renewing Each Year Until<br>the Property is Sold. The Note<br>was renewed until July 23, 2014<br>with interest at 1.75% | 325,816                                       | 0                | 0                | 325,816                                     |
| Note Payable – Peoples Trust<br>Company; Fire Truck Purchase;<br>Interest at 2.75%; Monthly<br>Principal and Interest Payments<br>of \$1,764; Due April 28, 2014  | 35,706  | 0                | 20,441           | 15,265                                      |

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|  | Beginning<br>Balance<br><u>July 1, 2012</u> | <u>Additions</u> | <u>Deletions</u> | Ending<br>Balance<br><u>June 30, 2013</u> |
|--|---|------------------|------------------|---|
| Bond Payable – Vermont Municipal Bond Bank; Retirement of the Fund Balance Deficit in the General Fund; Interest Varies from 1.90% to 4.87%; Annual Principal Payments Ranging from \$95,000 to \$100,000 Due Each November; Semi-Annual Interest Payments Due Each May and November Due November 15, 2014 | \$ 285,000                                  | \$ 0             | \$ 95,000        | \$ 190,000                                |
| Note Payable – Peoples Trust Company; Purchase of Little League Fields; Interest at 2.75%; Monthly Principal and Interest Payments of \$1,563; Due July 23, 2014   | 37,933                                      | 0                | 17,937           | 19,996                                    |
| Note Payable – Peoples Trust Company; Purchase of 27-33 Federal Street; Interest at 3.75%; Monthly Principal and Interest Payments of \$1,665; Due September 4, 2023   | 183,266                                     | 0                | 13,401           | 169,865                                   |
| Bond Payable – Vermont Municipal Bond Bank; Library Improvements; Interest at 5.00%; Annual Principal Payments Ranging from \$35,000 to \$40,000 Due Each December; Semi-Annual Interest Payments Due Each June and December; Due December 1, 2014   | 105,000                                     | 0                | 35,000           | 70,000                                    |
| Note Payable – Peoples Trust Company; Court House Parking Lot; Interest at 3.75%; Monthly Principal and Interest Payments of \$1,501; Due July 14, 2020  | 125,412                                     | 0                | 13,527           | 111,885                                   |
| Note Payable – Peoples Trust Company; One Third (33.34%) of Single Axle Truck; Interest at 3.00%; Monthly Principal and Interest Payments of \$797; Due June 30, 2016  | 35,992                                      | 0                | 7,867            | 28,125                                    |

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|  | Beginning<br>Balance<br><u>July 1, 2012</u> | <u>Additions</u> | <u>Deletions</u> | Ending<br>Balance<br><u>June 30, 2013</u> |
|--|---|------------------|------------------|---|
| Note Payable – Peoples Trust<br>Company; Federal Street Project<br>Local Match; Interest at 1.75%;<br>Monthly Principal and Interest<br>Payments of \$2,222; Due<br>June 30, 2013 at Which Time<br>the City Refinanced the Note<br>for One Year with the Same<br>Payments and Interest at 1.65%. | \$ 68,000                                   | \$ 0             | \$ 23,520        | \$ 44,480                                 |
| Note Payable – Peoples Trust<br>Company; Sidewalk Plow Purchase;<br>Interest at 2.75%; Monthly<br>Principal and Interest Payments<br>of \$1,473; Due March 21, 2017  | 78,624                                      | 0                | 15,711           | 62,913                                    |
| Note Payable – Peoples Trust<br>Company; Houghton Park Tennis<br>Court Upgrades; Interest at<br>2.75%; Monthly Principal and<br>Interest Payments of \$732;<br>Due January 12, 2017  | 37,798                                      | 0                | 7,848            | 29,950                                    |
| Note Payable – Peoples Trust<br>Company; Barlow Street Tennis<br>Court Upgrades; Interest at<br>3.25%; Monthly Principal and<br>Interest Payments of \$983;<br>Due December 17, 2022   | 0   | 100,600          | 4,297            | 96,303                                    |
| Note Payable – Peoples Trust<br>Company; TIF District Bond<br>Anticipation Note; Interest at<br>1.65%; Interest and Principal of<br>\$3,049,500 Due June 12, 2014;<br>The City Intends to Refund this<br>Note with Bonds Payable   | 0   | 3,000,000        | 0                | 3,000,000                                 |
| Note Payable – Peoples Trust<br>Company; One Third (33.34%)<br>of Mini-Excavator; Interest at<br>3.20%; Monthly Principal and<br>Interest Payments of \$501;<br>Due May 23, 2023   | 0   | 17,113           | 119              | 16,994                                    |

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

|  | Beginning<br>Balance<br><u>July 1, 2012</u> | <u>Additions</u>    | <u>Deletions</u>  | Ending<br>Balance<br><u>June 30, 2013</u> |
|--|---|---------------------|-------------------|---|
| Bond Payable – Vermont Municipal<br>Bond Bank; Fire Truck Purchase;<br>Interest Varies from 0.777% to 2.731%;<br>Annual Principal Payments Ranging<br>From \$20,000 to \$25,000 Due Each<br>December Semi-Annual Interest<br>Payments Due Each June and<br>December; Due<br>December 1, 2020 | \$ 195,000                                  | \$ 0                | \$ 25,000         | \$ 170,000                                |
| Capital Lease Payable – Municipal<br>Leasing; Recreation Van; Interest<br>at 4.45%; Annual Principal and<br>Interest Payments of \$4,987;<br>Due October 15, 2018  | 0   | 30,753              | 4,987             | 25,766                                    |
| Capital Lease Payable – Sun Trust<br>Equipment Financing and Leasing<br>Corporation; Twenty Percent (20%) of<br>Backhoe Purchase; Interest at 2.99%;<br>Due in Three (3) Payments of<br>\$3,358; Due and Paid<br>November 9, 2012  | <u>3,260</u>                                | <u>0</u>            | <u>3,260</u>      | <u>0</u>                                  |
| Total Governmental Activities  | <u>\$ 1,673,582</u>                         | <u>\$ 3,148,466</u> | <u>\$ 308,671</u> | <u>\$ 4,513,377</u>                       |

Business-Type Activities

Water Fund

|  |              |      |           |              |
|--|--------------|------|-----------|--------------|
| Bond Payable – Vermont Municipal<br>Bond Bank, USDA Refunding Bond;<br>Water Improvements; Interest at 3.93%;<br>Annual Payments of \$231,195<br>Beginning November 2012, Due<br>November 15, 2036 | \$ 3,594,525 | \$ 0 | \$ 89,930 | \$ 3,504,595 |
| Note Payable – Peoples Trust<br>Company; Fifty Percent (50%)<br>Water Meter Loan; Interest at<br>2.75%; Annual Principal and<br>Interest Payments of \$94,582;<br>Due and Paid September 1, 2012   | 91,979       | 0    | 91,979    | 0            |

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|  | Beginning<br>Balance<br><u>July 1, 2012</u> | <u>Additions</u> | <u>Deletions</u> | Ending<br>Balance<br><u>June 30, 2013</u> |
|--|---|------------------|------------------|---|
| Note Payable – Peoples Trust Company; One Third (33.33%) of Single Axle Truck; Interest at 3.00%; Monthly Principal and Interest Payments of \$797; Due June 30, 2016  | \$ 35,991                                   | \$ 0             | \$ 7,867         | \$ 28,124                                 |
| Note Payable – Peoples Trust Company; One Third (33.34%) of Mini-Excavator; Interest at 3.20%; Monthly Principal and Interest Payments of \$501; Due May 23, 2023  | 0   | 17,113           | 119              | 16,994                                    |
| Note Payable – Peoples Trust Company; Fairfax Dam Construction Interest at 3.70%; Monthly Principal and Interest Payments of \$7,083; Due August 17, 2032  | 0   | 1,200,000        | 34,323           | 1,165,677                                 |
| Capital Lease Payable – Sun Trust Equipment Financing and Leasing Corporation; Forty Percent (40%) of Backhoe Purchase; Interest at 2.99%; Due in Three (3) Payments of \$6,716; Due and Paid November 9, 2012 | <u>6,521</u>                                | <u>0</u>         | <u>6,521</u>     | <u>0</u>                                  |
| Total Water Fund   | <u>3,729,016</u>                            | <u>1,217,113</u> | <u>230,739</u>   | <u>4,715,390</u>                          |

Wastewater Fund:

|   |           |      |           |         |
|---|-----------|------|-----------|---------|
| Note Payable – Peoples Trust Company; Fifty Percent (50%) Water Meter Loan; Interest at 2.75%; Annual Principal and Interest Payments of \$94,582; Due and Paid September 1, 2012 | \$ 91,979 | \$ 0 | \$ 91,979 | \$ 0    |
| Note Payable – Peoples Trust Company; Wastewater Line of Credit Refinancing; Interest at 2.75%; Monthly Principal and Interest Payment of \$10,581; Due April, 2014               | 226,772   | 0    | 122,264   | 104,508 |

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|   | <u>Beginning<br/>Balance<br/>July 1, 2012</u> | <u>Additions</u> | <u>Deletions</u> | <u>Ending<br/>Balance<br/>June 30, 2013</u> |
|---|---|------------------|------------------|---|
| Bond Payable – State of Vermont<br>Special Environmental Revolving<br>Loan Fund; Wastewater Treatment<br>Facility Improvements; Interest at 0.00%<br>Administrative Fee of 2.00%; Annual<br>Principal and Administrative Fee<br>Payments of \$88,677 Beginning<br>September 2012; \$1,000,000 of the<br>Bond was Granted to the City<br>in 2011; Due<br>September 1, 2031 | \$1,419,221                                   | \$ 0             | \$ 58,410        | \$1,360,811                                 |
| Bond Payable – State of Vermont<br>Special Environmental Revolving<br>Loan Fund; Wastewater Treatment<br>Facility Improvements; Interest at 0.00%;<br>Administrative Fee of 2.00%; Annual<br>Principal and Administrative Fee<br>Payments of \$142,607 Beginning<br>July 1, 2012; \$79,588 of the Bond<br>was Granted to the City in 2012;<br>Due July 1, 2031            | 2,459,331                                     | 0                | 101,218          | 2,358,113                                   |
| Bond Payable – State of Vermont<br>Special Environmental Revolving<br>Loan Fund; Wastewater Treatment<br>Facility Improvements; \$276,000<br>Authorized; Interest at 0.00%;<br>Administrative Fee of 2.00%; Annual<br>Principal and Administrative Fee<br>Payments of \$9,851 Beginning<br>September 1, 2012; Due<br>September 1, 2031                                    | 161,082                                       | 0                | 6,630            | 154,452                                     |
| Note Payable – State of Vermont<br>Special Environmental Revolving<br>Loan Fund; Wastewater Planning<br>Loan; Interest at 0.00%; \$12,500<br>Authorized; Annual Payments of<br>\$2,500 Beginning October 1, 2014;<br>Due October 1, 2018  | 11,676  | 0                | 0                | 11,676                                      |

CITY OF ST. ALBANS, VERMONT  
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|  | Beginning<br>Balance<br><u>July 1, 2012</u> | <u>Additions</u>    | <u>Deletions</u>  | Ending<br>Balance<br><u>June 30, 2013</u> |
|--|---|---------------------|-------------------|---|
| Note Payable – Peoples Trust<br>Company; One Third (33.33%)<br>of Single Axle Truck; Interest at<br>3.00%; Monthly Principal<br>and Interest Payments of \$797;<br>Due June 30, 2016   | \$ 35,991                                   | \$ 0                | \$ 7,867          | \$ 28,124                                 |
| Note Payable – Peoples Trust<br>Company; One Third (33.34%)<br>of Mini-Excavator; Interest at<br>3.20%; Monthly Principal and<br>Interest Payments of \$501;<br>Due May 23, 2023   | 0   | 17,113              | 119               | 16,994                                    |
| Capital Lease Payable – Sun Trust<br>Equipment Financing and Leasing<br>Corporation; Forty Percent (40%) of<br>Backhoe Purchase; Interest at 2.99%;<br>Due in Three (3) Payments of<br>\$6,716; Due and Paid<br>November 9, 2012 | <u>6,521</u>                                | <u>0</u>            | <u>6,521</u>      | <u>0</u>                                  |
| Total Wastewater Fund  | <u>4,412,573</u>                            | <u>17,113</u>       | <u>395,008</u>    | <u>4,034,678</u>                          |
| Total Business-Type Activities   | <u>\$ 8,141,589</u>                         | <u>\$ 1,234,226</u> | <u>\$ 625,747</u> | <u>\$ 8,750,068</u>                       |

Changes in all long-term liabilities during the year were as follows:

|   | <u>Beginning<br/>Balance</u> | <u>Additions</u>    | <u>Reductions</u> | <u>Ending<br/>Balance</u> | <u>Due Within<br/>One Year</u> |
|---|------------------------------|---------------------|-------------------|---------------------------|--------------------------------|
| <b>Governmental Activities</b>                          |                              |                     |                   |                           |                                |
| Bonds Payable   | \$ 585,000                   | \$ 0                | \$ 155,000        | \$ 430,000                | \$ 155,000                     |
| Notes Payable   | 1,085,322                    | 3,117,713           | 145,423           | 4,057,612                 | 155,738                        |
| Capital Leases Payable                                  | 3,260                        | 30,753              | 8,248             | 25,765                    | 3,841                          |
| Compensated Absences                                    | 301,573                      | 43,895              | 0                 | 345,468                   | 0                              |
| Net Pension Obligation                                  | <u>0</u>                     | <u>71,529</u>       | <u>0</u>          | <u>71,529</u>             | <u>0</u>                       |
| Total Governmental Activities<br>Long-Term Liabilities  | <u>1,975,155</u>             | <u>3,263,890</u>    | <u>308,671</u>    | <u>4,930,374</u>          | <u>314,579</u>                 |
| <b>Business-type Activities</b>                         |                              |                     |                   |                           |                                |
| Bonds Payable   | 7,634,159                    | 0                   | 256,188           | 7,377,971                 | 263,048                        |
| Notes Payable   | 494,388                      | 1,234,226           | 356,517           | 1,372,097                 | 169,238                        |
| Capital Leases Payable                                  | 13,042                       | 0                   | 13,042            | 0                         | 0                              |
| Compensated Absences                                    | <u>162,810</u>               | <u>0</u>            | <u>2,790</u>      | <u>160,020</u>            | <u>0</u>                       |
| Total Business-type Activities<br>Long-Term Liabilities | <u>\$ 8,304,399</u>          | <u>\$ 1,234,226</u> | <u>\$ 628,537</u> | <u>\$ 8,910,088</u>       | <u>\$ 432,286</u>              |

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

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

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

| Year Ending<br>June 30 | Governmental Activities |                   |                  | Business-Type Activities |                     |
|------------------------|-------------------------|-------------------|------------------|--------------------------|---------------------|
|                        | Principal               | Interest          | Capital Leases   | Principal                | Interest            |
| 2014                   | \$ 310,738              | \$ 33,578         | \$ 4,987         | \$ 432,286               | \$ 259,686          |
| 2015                   | 270,381                 | 23,601            | 4,987            | 338,120                  | 248,845             |
| 2016                   | 120,188                 | 17,226            | 4,987            | 347,704                  | 238,901             |
| 2017                   | 98,523                  | 13,641            | 4,987            | 338,224                  | 229,466             |
| 2018                   | 77,669                  | 10,966            | 4,987            | 347,843                  | 219,766             |
| 2019-2023              | 279,471                 | 19,740            | 4,987            | 1,883,389                | 942,168             |
| 2024-2028              | 4,826                   | 25                | 0                | 2,151,257                | 650,377             |
| 2029-2033              | 0                       | 0                 | 0                | 2,169,720                | 310,906             |
| 2034-2038              | 0                       | 0                 | 0                | 741,525                  | 53,093              |
| Unknown                | 3,325,816               | 0                 | 0                | 0                        | 0                   |
| <b>Total</b>           | <b>4,487,612</b>        | <b>118,777</b>    | <b>29,922</b>    | <b>8,750,068</b>         | <b>3,153,208</b>    |
| Less: Imputed Interest | 0                       | 0                 | (4,157)          | 0                        | 0                   |
| <b>Total</b>           | <b>\$ 4,487,612</b>     | <b>\$ 118,777</b> | <b>\$ 25,765</b> | <b>\$ 8,750,068</b>      | <b>\$ 3,153,208</b> |

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

|   |                    |
|---|--------------------|
| Beginning Balance                             | \$ 0               |
| Proceeds of Line of Credit – Streetscape Fund | 495,514            |
| Proceeds of Line of Credit – TIF Fund         | 175,000            |
| Proceeds of Short Term Borrowing – TIF Fund   | 1,300,000          |
| Repayments of Line of Credit – TIF Fund       | (175,000)          |
| Repayments of Short Term Borrowing – TIF Fund | <u>(1,300,000)</u> |
| Ending Balance                                | <u>\$ 495,514</u>  |

The City has an available line of credit of \$1,000,000 with Peoples Trust Company. Interest is at 1.75% and matures February 1, 2014. The balance outstanding as of June 30, 2013 was \$495,514.

**I. Net Position/Fund Balances**

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

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

Governmental fund balances are to be classified as: nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the City Council’s intended use of the resources); and unassigned.

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

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

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

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

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

The restricted net position of the City as of June 30, 2013 consisted of the following:

Governmental Activities:

|   |                   |
|---|-------------------|
| Restricted for Revolving Loan Fund by Grant Agreement | \$ 213,407        |
| Restricted for Taylor Park by Donations               | <u>2,131</u>      |
| Total Governmental Activities                         | <u>\$ 215,538</u> |

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

General Fund:

|                                      |            |
|--------------------------------------|------------|
| Nonspendable Advances to Other Funds | \$ 191,687 |
| Nonspendable Inventories             | 9,951      |

TIF Fund:

|                                     |        |
|-------------------------------------|--------|
| Nonspendable Assets Held for Resale | 63,814 |
|-------------------------------------|--------|

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

Revolving Loan Fund:

|                                      |                          |
|--------------------------------------|--------------------------|
| Nonspendable Advances to Other Funds | \$ <u>50,476</u>         |
| Total Nonspendable Fund Balances     | \$ <u><u>315,928</u></u> |

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

Major Funds

General Fund:

|   |           |
|---|-----------|
| Restricted for Tennis Courts by Unspent Debt Proceeds | \$ 20,000 |
|---|-----------|

TIF Fund:

|  |                |
|--|----------------|
| Restricted for TIF Projects by Unspent Debt Proceeds | <u>930,124</u> |
|--|----------------|

|                   |                |
|-------------------|----------------|
| Total Major Funds | <u>950,124</u> |
|-------------------|----------------|

Non-Major Funds

|  |        |
|--|--------|
| Restricted for Community Development by Grant Agreements<br>(Source of Revenue is Grant Revenue) | 61,352 |
|--|--------|

|   |              |
|---|--------------|
| Restricted for Taylor Park Expenses by Donation<br>(Source of Revenue is Donations) | <u>2,131</u> |
|---|--------------|

|                       |               |
|-----------------------|---------------|
| Total Non-Major Funds | <u>63,483</u> |
|-----------------------|---------------|

|                                |                            |
|--------------------------------|----------------------------|
| Total Restricted Fund Balances | \$ <u><u>1,013,607</u></u> |
|--------------------------------|----------------------------|

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

Major Funds

General Fund:

|  |                 |
|--|-----------------|
| Assigned for Downtown Redevelopment (JLD Proceeds)   | \$ 450,498      |
| Assigned for Stormwater Permitting (Lemnah Proceeds) | 62,849          |
| Assigned for Tennis Court Rehabilitation             | 5,000           |
| Assigned for General Parking Improvements            | 25,017          |
| Assigned for Fire Department Reserves                | 16,042          |
| Assigned for Public Health and Safety Ordinances     | 31,200          |
| Assigned for Sidewalks                               | 50,000          |
| Assigned for Public Works Reserves                   | 18,850          |
| Assigned for Record Preservation                     | 67,609          |
| Assigned for Reappraisal                             | 44,434          |
| Assigned for Police Department Expenses              | 1,088           |
| Amounts Assigned in Excess of Available Fund Balance | <u>(62,690)</u> |

|                              |                          |
|------------------------------|--------------------------|
| Total Assigned Fund Balances | \$ <u><u>709,897</u></u> |
|------------------------------|--------------------------|

CITY OF ST. ALBANS, VERMONT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2013

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

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

**J. Designated Net Position**

The designated net position of the City as of June 30, 2013 consisted of the following:

|  |                     |
|--|---------------------|
| Proprietary Funds:                     |                     |
| Water Fund:                            |                     |
| Designated for Water Capital           | \$ <u>830,201</u>   |
| Wastewater Fund:                       |                     |
| Designated for Wastewater Capital      | 527,425             |
| Designated for Wastewater Debt Service | <u>134,709</u>      |
| Total Wastewater Fund                  | <u>662,134</u>      |
| Total Designated Net Position          | <u>\$ 1,492,335</u> |

**V. OTHER INFORMATION**

**A. PENSION PLANS**

All applicable employees of the City of St. Albans are covered under the State of Vermont Municipal Employees' Retirement Plan. Certain other employees who were participants prior to January 1, 2010 are members of the City of St. Albans defined benefit pension plan, as discussed in Note V.B. Employees in Plan B contribute 4.5% of their gross salary and the City contributes 5%. Employees in Plan C contribute 9.25% of their gross salary and the City contributes 6.5%. Employees in Group C are limited to police officers and certain firefighters. All other employees must be in Group B.

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

Total payroll for the year was \$4,240,714 while covered payroll was \$2,882,919. Pension expense for the year ended June 30, 2013 was \$169,923.

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

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

The City also offers its employees a deferred compensation plan through the International City/County Management Association's Retirement Corporation (ICMA-RC) in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City has no liability for losses under this plan but does have the duty of due care that would be required of an ordinary prudent investor. All of the investments are self-directed by each employee. For each employee not currently participating in the City's defined benefit plan or VMERS, the City will match the employee's contribution to the plan up to 5%. The City also provides the City Manager a 2.1% contribution of base pay without a required employee contribution amount. Employees remaining in the City's defined benefit plan may open a 457 account without a City match. Total employer contributions to the 457 Plan for the year were \$11,912.

**B. DEFINED BENEFIT PENSION PLAN**

Plan Description

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

Funding Policy

The Plan requires members to contribute either 2.5% or 7.5% of Annual Base Earnings, excluding overtime and any other additional compensation, depending on the benefit level elected. The total annual required contribution (ARC) to the system for 2013 was \$220,713 which was computed through an actuarial valuation performed as of June 30, 2012.

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

|                          |  |
|--------------------------|--|
| Valuation Method         | Five year expected average market value method |
| Actuarial Cost Method    | Frozen Entry Age                               |
| Asset Valuation          | Market Value                                   |
| Remaining Amortization   |  |
| Period: Initial Unfunded | .5 Years                                       |
| Interest rate of Return  | 7.5%   |
| Salary increases         | 5%   |
| COLA Adjustment          | None   |

There are 30 active members and 50 retirees and beneficiaries. Additionally, there are 7 former employees with vested rights.

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

The balance in the investment account maintained at Prudential Investments is \$3,916,318.

**SCHEDULE OF EMPLOYER CONTRIBUTION**

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

**NET PENSION OBLIGATION**

|                                      | <u>2013</u>      |
|--------------------------------------|------------------|
| Annual Required Contribution (ARC)   | \$ 220,713       |
| Interest on NPO                      | <u>3,545</u>     |
| Annual Pension Cost (APC)            | 224,258          |
| Employer/Employee Contributions Made | <u>200,000</u>   |
| Increase/(Decrease) in NPO           | 24,258           |
| NPO - June 30, 2012                  | <u>47,271</u>    |
| NPO - June 30, 2013                  | <u>\$ 71,529</u> |
| Percentage of APC Contributed        | <u>89%</u>       |

**C. RISK MANAGEMENT**

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

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

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

**D. PROPERTY TAXES**

The City is responsible for assessing and collecting its own property taxes, as well as education taxes for the State of Vermont. Property taxes are assessed based on property valuation as of April 1, the approved budgets and the State education property tax liability. Taxes are due and payable on August 30, November 30, February 28 and May 30, and become delinquent on June 1. The City assesses an 8% penalty on delinquent taxes and interest is assessed at 1% per month after each installment date for the first twelve months and 1.5% per month thereafter. Unpaid taxes become an enforceable lien on the property, and such properties are subject to tax sale. The tax rates for 2013 are as follows:

|   | <u>Residential</u> | <u>Non-Residential</u> |
|---|--------------------|------------------------|
| Education                                     | 1.3173             | 1.4027                 |
| General City                                  | .7881              | .7881                  |
| Library                                       | .0414              | .0414                  |
| Library Bond                                  | .0098              | .0098                  |
| Veteran's Exemption                           | .0017              | .0017                  |
| Total Tax Rate per \$100 of<br>Assessed Value | 2.1583             | 2.2437                 |

**E. POLLUTION REMEDIATION**

On August 2, 2010, a Corrective Action Plan was prepared for the City of St. Albans, Vermont. Remedial actions were necessary at a property owned (Fonda/Solo Building) by the City. The remedial actions were undertaken by the City voluntarily. The clean-up was completed in December of 2012 at a total cost of \$813,787, of which \$755,892 was funded through federal grants.

**F. CONTINGENT LIABILITIES**

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

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

CITY OF ST. ALBANS, VERMONT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2013

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

#### **G. SUBSEQUENT EVENTS**

Subsequent to year end, the City secured a \$500,000 note from Peoples Trust Company for Streetscape related water and wastewater utility work. Interest is at 3.9% and the note will be repaid over 20 (twenty) years with monthly principal and interest payments of \$3,004. The City also secured a \$2,000,000 bond anticipation note from People's Trust Company for TIF District capital projects. Interest is at 1.5% and the note is due February 1, 2014 at which time permanent financing will be secured. Additionally, the City entered into a capital lease agreement for \$26,626 with Gorham Savings Bank for a pickup truck to be used by the Fire Department. Interest is at 3.97% and the lease will be repaid over 7 (seven) years with quarterly principal and interest payments of \$1,397.

#### **H. TAX INCREMENT FINANCING DISTRICT**

The City Council approved the establishment of a Tax Increment Financing (TIF) District on April 30, 2012 which was later approved by the Vermont Economic Progress Council (VEPC) in August, 2012. The TIF District will allow the City to undertake and pay for infrastructure improvements that will allow for increased economic and community development. The City cannot incur any new TIF District debt until the voters authorize an overall debt level. This level of \$43 million was approved on November 6, 2012. With a TIF District, the value of properties within the District are frozen at the time the District is created. All property taxes generated by the original base continue to go to the municipal General Fund and the State Education Fund. For twenty (20) years, the municipal and education property taxes generated by any "new" development 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 \$3 million in general obligation bonds or notes to finance brownfield remediation, professional services, streetscape improvements, and parking garage design and site improvements. In September 2013, voters authorized \$13 million in general obligation bonds for the purpose of financing the costs associated with constructing the parking garage, acquisition of land and interests for development, and public street, water and sewer system improvements. A portion of the approved \$13 million bonds will be used to refinance the previously issued \$3 million debt.

CITY OF ST. ALBANS, VERMONT  
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2013

|  | Budget           | Actual            | Variance<br>Favorable<br>(Unfavorable) |
|--|------------------|-------------------|--|
| <b>REVENUES</b>                            |                  |                   |  |
| Property Taxes                             | \$ 3,766,448     | \$ 3,753,707      | \$ (12,741)                            |
| Payments on Prior Year Taxes               | 324,200          | 0                 | (324,200)                              |
| Penalty on Taxes                           | 28,500           | 19,924            | (8,576)                                |
| Interest on Taxes                          | 40,000           | 35,782            | (4,218)                                |
| State Payments/RR Taxes                    | 8,500            | 8,385             | (115)                                  |
| Interest on Savings                        | 6,500            | 2,378             | (4,122)                                |
| Public Works Garage Lease                  | 30,750           | 30,750            | 0                                      |
| City Hall Lease                            | 44,075           | 44,075            | 0                                      |
| Barlow Street School Rents                 | 37,200           | 21,354            | (15,846)                               |
| PILOT                                      | 75,000           | 87,031            | 12,031                                 |
| Insurance Reimbursements and Miscellaneous | 35,000           | 54,202            | 19,202                                 |
| City Clerk                                 | 89,000           | 106,830           | 17,830                                 |
| Planning and Development                   | 44,500           | 381,028           | 336,528                                |
| Assessing                                  | 27,500           | 23,846            | (3,654)                                |
| Fire Department                            | 71,000           | 75,610            | 4,610                                  |
| Police, Dispatch and Animal Control        | 1,431,461        | 1,363,254         | (68,207)                               |
| Community Justice Center                   | 453,394          | 412,791           | (40,603)                               |
| Public Works and Parks                     | 120,500          | 194,048           | 73,548                                 |
| Recreation Programs                        | 351,680          | 504,392           | 152,712                                |
|  | <u>6,985,208</u> | <u>7,119,387</u>  | <u>134,179</u>                         |
| Total Revenue                              |                  |                   |  |
|  | <u>6,985,208</u> | <u>7,119,387</u>  | <u>134,179</u>                         |
| <b>EXPENDITURES</b>                        |                  |                   |  |
| Administration                             | 407,701          | 236,117           | 171,584                                |
| City Clerk                                 | 66,125           | 65,671            | 454                                    |
| Finance                                    | 47,292           | 42,010            | 5,282                                  |
| Planning and Development                   | 245,031          | 257,807           | (12,776)                               |
| Planning and Development Capital           | 37,500           | 48,388            | (10,888)                               |
| County and District Functions              | 158,569          | 147,686           | 10,883                                 |
| Audit and Audit Consultants                | 10,000           | 6,427             | 3,573                                  |
| Assessing                                  | 43,846           | 48,180            | (4,334)                                |
| Debt Service - Principal                   | 179,998          | 228,230           | (48,232)                               |
| Debt Service - Interest                    | 32,761           | 38,044            | (5,283)                                |
| Professional Services - Legal              | 70,000           | 71,391            | (1,391)                                |
| Information Management                     | 6,500            | 10,541            | (4,041)                                |
| Fire Department                            | 546,417          | 593,415           | (46,998)                               |
| Fire Department Capital                    | 78,018           | 0                 | 78,018                                 |
| Police, Dispatch and Animal Control        | 3,212,803        | 2,998,658         | 214,145                                |
| Police Department Capital                  | 86,250           | 69,596            | 16,654                                 |
| Community Justice Center                   | 438,549          | 408,024           | 30,525                                 |
| Public Works, Highway, Parks               | 613,427          | 588,977           | 24,450                                 |
| Public Works Capital                       | 279,441          | 196,423           | 83,018                                 |
| Recreation Programs                        | 386,730          | 443,830           | (57,100)                               |
| Recreation Capital                         | 0                | 147,582           | (147,582)                              |
| Library Bond and Expenses                  | 38,250           | 72,703            | (34,453)                               |
|  | <u>6,985,208</u> | <u>6,719,700</u>  | <u>265,508</u>                         |
| Total Expenditures                         |                  |                   |  |
|  | <u>6,985,208</u> | <u>6,719,700</u>  | <u>265,508</u>                         |
| Excess of Revenue Over Expenditures        | \$ <u>0</u>      | 399,687           | \$ <u>399,687</u>                      |
| Fund Balance - July 1, 2012                |                  | <u>531,848</u>    |  |
| Fund Balance - June 30, 2013               |                  | <u>\$ 931,535</u> |  |

See Disclaimer in Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 PENSION TRUST FUND  
 JUNE 30, 2013

| Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>(b) | Excess/<br>(Deficiency)<br>of Assets<br>Over AAL<br>(UAAL)<br>(a-b) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | Excess/<br>(Deficiency)<br>as a<br>Percentage<br>of Covered<br>Payroll<br>(a-b/c) |
|-------------------|--|---|---|--------------------------|---------------------------|---|
| 1/1/2009          | 3,661,826                              | 4,962,749   | (1,300,923)   | 74%                      | 1,290,469                 | -101%   |
| 1/1/2010          | 3,861,404                              | 5,000,719   | (1,139,315)   | 77%                      | 628,509                   | -181%   |
| 1/1/2011          | 3,933,672                              | 5,168,463   | (1,234,791)   | 76%                      | 571,413                   | -216%   |
| 1/1/2012          | 3,807,325                              | 5,210,067   | (1,402,742)   | 73%                      | 571,413                   | -245%   |
| 6/30/2012         | 3,877,443                              | 5,441,160   | (1,563,717)   | 71%                      | 714,519                   | -219%   |
| 6/30/2013         | 4,005,712                              | 5,625,776   | (1,620,064)   | 71%                      | 647,286                   | -250%   |

See Disclaimer in Accompanying Independent Auditor's Report.

CITY OF ST. ALBANS, VERMONT  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2013

|   | Special<br>Revenue<br>Funds | Capital Projects<br>Fund -<br>Federal Street<br>Bypass<br>Fund | Total             |
|---|-----------------------------|--|-------------------|
| <b>ASSETS</b>   |                             |  |                   |
| Cash  | \$ 65,271                   | \$ 0   | \$ 65,271         |
| Receivables   | 28,071                      | 185,295  | 213,366           |
| Due from Other Funds  | 6,787                       | 9,209  | 15,996            |
| Advances to Other Funds   | 50,476                      | 0  | 50,476            |
| Loans Receivable (Net of<br>Allowance for Doubtful Accounts)          | <u>101,579</u>              | <u>0</u>   | <u>101,579</u>    |
| Total Assets  | <u>\$ 252,184</u>           | <u>\$ 194,504</u>  | <u>\$ 446,688</u> |
| <b>LIABILITIES</b>  |                             |  |                   |
| Accounts Payable  | \$ 15,449                   | \$ 28,136  | \$ 43,585         |
| Accrued Payroll   | 1,001                       | 0  | 1,001             |
| Due to Other Funds  | 10,588                      | 0  | 10,588            |
| Advances from Other Funds   | 80,457                      | 161,706  | 242,163           |
| Unearned Revenue  | <u>9,608</u>                | <u>0</u>   | <u>9,608</u>      |
| Total Liabilities   | <u>117,103</u>              | <u>189,842</u>   | <u>306,945</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                  |                             |  |                   |
| Unavailable Revenue   | <u>101,579</u>              | <u>185,295</u>   | <u>286,874</u>    |
| Total Deferred Inflows of Resources                                   | <u>101,579</u>              | <u>185,295</u>   | <u>286,874</u>    |
| <b>FUND BALANCES (DEFICIT)</b>  |                             |  |                   |
| Nonspendable  | 50,476                      | 0  | 50,476            |
| Restricted  | 63,483                      | 0  | 63,483            |
| Unassigned  | <u>(80,457)</u>             | <u>(180,633)</u>   | <u>(261,090)</u>  |
| Total Fund Balances/(Deficits)  | <u>33,502</u>               | <u>(180,633)</u>   | <u>(147,131)</u>  |
| Total Liabilities, Deferred Inflows<br>of Resources and Fund Balances | <u>\$ 252,184</u>           | <u>\$ 194,504</u>  | <u>\$ 446,688</u> |

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CITY OF ST. ALBANS, VERMONT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND  
 CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

|  | Special<br>Revenue<br>Funds | Capital Projects<br>Fund -<br>Federal Street<br>Bypass<br>Fund | Total               |
|--|-----------------------------|--|---------------------|
| <b>REVENUES</b>                                      |                             |  |                     |
| Intergovernmental                                    | \$ 302,346                  | \$ 72,158  | \$ 374,504          |
| Investment Income                                    | 127                         | 0  | 127                 |
| Donations  | <u>3,240</u>                | <u>0</u>   | <u>3,240</u>        |
| Total Revenues                                       | <u>305,713</u>              | <u>72,158</u>  | <u>377,871</u>      |
| <b>EXPENDITURES</b>                                  |                             |  |                     |
| General Government                                   | 24,717                      | 0  | 24,717              |
| Public Safety  | 124,820                     | 0  | 124,820             |
| Culture and Recreation                               | 2,552                       | 0  | 2,552               |
| Community Development                                | 154,058                     | 0  | 154,058             |
| Capital Outlay - Public Works                        | <u>0</u>                    | <u>91,085</u>  | <u>91,085</u>       |
| Total Expenditures                                   | <u>306,147</u>              | <u>91,085</u>  | <u>397,232</u>      |
| Excess/(Deficiency) of Revenues<br>Over Expenditures | <u>(434)</u>                | <u>(18,927)</u>  | <u>(19,361)</u>     |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                             |  |                     |
| Transfers In   | <u>3,500</u>                | <u>0</u>   | <u>3,500</u>        |
| Total Other Financing Sources                        | <u>3,500</u>                | <u>0</u>   | <u>3,500</u>        |
| Net Change in Fund Balances                          | 3,066                       | (18,927)   | (15,861)            |
| Fund Balances/(Deficit) - July 1, 2012               | <u>30,436</u>               | <u>(161,706)</u>   | <u>(131,270)</u>    |
| Fund Balances/(Deficit) - June 30, 2013              | <u>\$ 33,502</u>            | <u>\$ (180,633)</u>  | <u>\$ (147,131)</u> |

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CITY OF ST. ALBANS, VERMONT  
COMBINING BALANCE SHEET  
SPECIAL REVENUE FUNDS  
JUNE 30, 2013

|   | Revolving<br>Loan<br>Fund | OJP and<br>Police Grants<br>Fund | VCDP<br>Grants<br>Fund | SOLO<br>Building<br>Fund | EPA<br>Grant<br>Fund | Fonda<br>Remediation<br>Fund | Taylor Park<br>Trust<br>Fund | Reconstitution<br>Donations<br>Fund | Total             |
|---|---------------------------|----------------------------------|------------------------|--------------------------|----------------------|------------------------------|------------------------------|-------------------------------------|-------------------|
| <b>ASSETS</b>   |                           |                                  |                        |                          |                      |                              |                              |                                     |                   |
| Cash  | \$ 63,977                 | \$ 3                             | \$ 0                   | \$ 0                     | \$ 0                 | \$ 0                         | \$ 1,291                     | \$ 0                                | \$ 65,271         |
| Receivables   | 0                         | 23,571                           | 4,500                  | 0                        | 0                    | 0                            | 0                            | 0                                   | 28,071            |
| Due from Other Funds  | 0                         | 0                                | 847                    | 0                        | 0                    | 0                            | 840                          | 5,100                               | 6,787             |
| Advances to Other Funds   | 50,476                    | 0                                | 0                      | 0                        | 0                    | 0                            | 0                            | 0                                   | 50,476            |
| Loans Receivable (Net of<br>Allowance for Doubtful<br>Accounts) | <u>101,579</u>            | <u>0</u>                         | <u>0</u>               | <u>0</u>                 | <u>0</u>             | <u>0</u>                     | <u>0</u>                     | <u>0</u>                            | <u>101,579</u>    |
| Total Assets  | <u>\$ 216,032</u>         | <u>\$ 23,574</u>                 | <u>\$ 5,347</u>        | <u>\$ 0</u>              | <u>\$ 0</u>          | <u>\$ 0</u>                  | <u>\$ 2,131</u>              | <u>\$ 5,100</u>                     | <u>\$ 252,184</u> |
| <b>LIABILITIES</b>  |                           |                                  |                        |                          |                      |                              |                              |                                     |                   |
| Accounts Payable  | \$ 0                      | \$ 14,610                        | \$ 839                 | \$ 0                     | \$ 0                 | \$ 0                         | \$ 0                         | \$ 0                                | \$ 15,449         |
| Accrued Payroll   | 0                         | 1,001                            | 0                      | 0                        | 0                    | 0                            | 0                            | 0                                   | 1,001             |
| Due to Other Funds  | 2,625                     | 7,963                            | 0                      | 0                        | 0                    | 0                            | 0                            | 0                                   | 10,588            |
| Advances from Other Funds                                       | 0                         | 0                                | 0                      | 54,548                   | 0                    | 25,909                       | 0                            | 0                                   | 80,457            |
| Unearned Revenue  | <u>0</u>                  | <u>0</u>                         | <u>4,508</u>           | <u>0</u>                 | <u>0</u>             | <u>0</u>                     | <u>0</u>                     | <u>5,100</u>                        | <u>9,608</u>      |
| Total Liabilities   | <u>2,625</u>              | <u>23,574</u>                    | <u>5,347</u>           | <u>54,548</u>            | <u>0</u>             | <u>25,909</u>                | <u>0</u>                     | <u>5,100</u>                        | <u>117,103</u>    |
| <b>DEFERRED INFLOWS OF<br/>RESOURCES</b>                        |                           |                                  |                        |                          |                      |                              |                              |                                     |                   |
| Unavailable Revenue   | <u>101,579</u>            | <u>0</u>                         | <u>0</u>               | <u>0</u>                 | <u>0</u>             | <u>0</u>                     | <u>0</u>                     | <u>0</u>                            | <u>101,579</u>    |
| Total Deferred Inflows of<br>Resources                          | <u>101,579</u>            | <u>0</u>                         | <u>0</u>               | <u>0</u>                 | <u>0</u>             | <u>0</u>                     | <u>0</u>                     | <u>0</u>                            | <u>101,579</u>    |
| <b>FUND BALANCES (DEFICIT)</b>                                  |                           |                                  |                        |                          |                      |                              |                              |                                     |                   |
| Nonspendable  | 50,476                    | 0                                | 0                      | 0                        | 0                    | 0                            | 0                            | 0                                   | 50,476            |
| Restricted  | 61,352                    | 0                                | 0                      | 0                        | 0                    | 0                            | 2,131                        | 0                                   | 63,483            |
| Unassigned  | <u>0</u>                  | <u>0</u>                         | <u>0</u>               | <u>(54,548)</u>          | <u>0</u>             | <u>(25,909)</u>              | <u>0</u>                     | <u>0</u>                            | <u>(80,457)</u>   |
| Total Fund Balances/(Deficit)                                   | <u>111,828</u>            | <u>0</u>                         | <u>0</u>               | <u>(54,548)</u>          | <u>0</u>             | <u>(25,909)</u>              | <u>2,131</u>                 | <u>0</u>                            | <u>33,502</u>     |
| Total Liabilities and<br>Fund Balances                          | <u>\$ 216,032</u>         | <u>\$ 23,574</u>                 | <u>\$ 5,347</u>        | <u>\$ 0</u>              | <u>\$ 0</u>          | <u>\$ 0</u>                  | <u>\$ 2,131</u>              | <u>\$ 5,100</u>                     | <u>\$ 252,184</u> |

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CITY OF ST. ALBANS, VERMONT  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 SPECIAL REVENUE FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2013

|   | Revolving<br>Loan<br>Fund | OJP and<br>Police Grants<br>Fund | VCDP<br>Grants<br>Fund | SOLO<br>Building<br>Fund | EPA<br>Grant<br>Fund | Fonda<br>Remediation<br>Fund | Taylor Park<br>Trust<br>Fund | Reconstitution<br>Donations<br>Fund | Total      |
|---|---------------------------|----------------------------------|------------------------|--------------------------|----------------------|------------------------------|------------------------------|-------------------------------------|------------|
| <b>REVENUES</b>                                     |                           |                                  |                        |                          |                      |                              |                              |                                     |            |
| Intergovernmental                                   | \$ 0                      | \$ 124,820                       | \$ 169,397             | \$ 0                     | \$ 8,129             | \$ 0                         | \$ 0                         | \$ 0                                | \$ 302,346 |
| Investment Income                                   | 127                       | 0                                | 0                      | 0                        | 0                    | 0                            | 0                            | 0                                   | 127        |
| Donations   | 0                         | 0                                | 0                      | 0                        | 0                    | 0                            | 2,840                        | 400                                 | 3,240      |
| Total Revenues                                      | 127                       | 124,820                          | 169,397                | 0                        | 8,129                | 0                            | 2,840                        | 400                                 | 305,713    |
| <b>EXPENDITURES</b>                                 |                           |                                  |                        |                          |                      |                              |                              |                                     |            |
| General Government                                  | 0                         | 0                                | 19,339                 | 0                        | 4,978                | 0                            | 0                            | 400                                 | 24,717     |
| Public Safety                                       | 0                         | 124,820                          | 0                      | 0                        | 0                    | 0                            | 0                            | 0                                   | 124,820    |
| Culture and Recreation                              | 0                         | 0                                | 0                      | 0                        | 0                    | 0                            | 2,552                        | 0                                   | 2,552      |
| Community Development                               | 500                       | 0                                | 153,558                | 0                        | 0                    | 0                            | 0                            | 0                                   | 154,058    |
| Total Expenditures                                  | 500                       | 124,820                          | 172,897                | 0                        | 4,978                | 0                            | 2,552                        | 400                                 | 306,147    |
| Excess/(Deficiency) of Revenue<br>Over Expenditures | (373)                     | 0                                | (3,500)                | 0                        | 3,151                | 0                            | 288                          | 0                                   | (434)      |
| <b>OTHER FINANCING SOURCES</b>                      |                           |                                  |                        |                          |                      |                              |                              |                                     |            |
| Transfer In   | 0                         | 0                                | 3,500                  | 0                        | 0                    | 0                            | 0                            | 0                                   | 3,500      |
| Total Other Financing<br>Sources                    | 0                         | 0                                | 3,500                  | 0                        | 0                    | 0                            | 0                            | 0                                   | 3,500      |
| Net Change in Fund Balances                         | (373)                     | 0                                | 0                      | 0                        | 3,151                | 0                            | 288                          | 0                                   | 3,066      |
| Fund Balances/(Deficit) - July 1, 2012              | 112,201                   | 0                                | 0                      | (54,548)                 | (3,151)              | (25,909)                     | 1,843                        | 0                                   | 30,436     |
| Fund Balances/(Deficit) - June 30, 2013             | \$ 111,828                | \$ 0                             | \$ 0                   | \$ (54,548)              | \$ 0                 | \$ (25,909)                  | \$ 2,131                     | \$ 0                                | \$ 33,502  |

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# STATISTICAL SECTION



SAINT ALBANS  
*Vermont*

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

|  | 2013          | 2012          | 2011          | 2010 (restated) | 2010          | 2009          | 2008          | 2007          | 2006          | 2005          | 2004          |
|--|---------------|---------------|---------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>Governmental Activities</b>                 |               |               |               |                 |               |               |               |               |               |               |               |
| Net Investment in Capital Assets               | \$ 7,119,924  | \$ 5,687,628  | \$ 4,094,397  | \$ 1,828,246    | \$ 1,994,677  | \$ 1,726,179  | \$ 2,484,655  | \$ 2,174,146  | \$ 1,901,247  | \$ 1,493,316  | \$ 1,392,057  |
| Restricted                                     | 215,538       | 214,623       | 264,656       | 555,570         | 345,682       | 210,527       | 94,116        | 94,116        | 133,896       | 175,000       | 0             |
| Unrestricted                                   | (1,742,334)   | (334,422)     | (226,679)     | 696,496         | 666,509       | 242,004       | (307,414)     | (182,941)     | (42,118)      | 257,730       | 612,566       |
| Total Governmental<br>Activities Net Position  | 5,593,128     | 5,567,829     | 4,132,374     | 3,080,312       | 3,006,868     | 2,178,710     | 2,271,357     | 2,085,321     | 1,993,025     | 1,926,046     | 2,004,623     |
| <b>Business-type Activities</b>                |               |               |               |                 |               |               |               |               |               |               |               |
| Net Investment in Capital Assets               | 12,009,592    | 11,583,644    | 12,053,482    | 10,891,827      | 10,947,222    | 11,045,813    | 11,545,938    | 11,519,323    | 11,487,899    | 12,233,567    | 12,451,171    |
| Unrestricted                                   | 2,450,449     | 2,252,046     | 1,198,191     | 1,138,845       | 1,191,575     | 730,207       | (181,539)     | (148,221)     | 355,393       | (25,546)      | 169,652       |
| Total Business-type<br>Activities Net Position | 14,460,041    | 13,835,690    | 13,251,673    | 12,030,672      | 12,138,797    | 11,776,020    | 11,364,399    | 11,371,102    | 11,843,292    | 12,208,021    | 12,620,823    |
| <b>Primary Government</b>                      |               |               |               |                 |               |               |               |               |               |               |               |
| Net Investment in Capital Assets               | 19,129,516    | 17,271,272    | 16,147,879    | 12,720,073      | 12,941,899    | 12,771,995    | 14,030,593    | 13,693,469    | 13,389,146    | 13,726,883    | 13,843,228    |
| Restricted                                     | 215,538       | 214,623       | 264,656       | 555,570         | 345,682       | 210,527       | 94,116        | 94,116        | 133,896       | 175,000       | 0             |
| Unrestricted                                   | 708,115       | 1,917,624     | 971,512       | 1,835,341       | 1,858,084     | 972,211       | (488,953)     | (331,162)     | 313,275       | 232,184       | 782,218       |
| Total Primary Government<br>Net Position       | \$ 20,053,169 | \$ 19,403,519 | \$ 17,384,047 | \$ 15,110,984   | \$ 15,145,665 | \$ 13,954,733 | \$ 13,635,756 | \$ 13,456,423 | \$ 13,836,317 | \$ 14,134,067 | \$ 14,625,446 |

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

|                                    | 2013                  | 2012                  | 2011                  | 2010                  | 2009                  | 2008                  | 2007                  | 2006                  | 2005                  | 2004                  |
|------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Expenses</b>                    |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental Activities:           |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| General Government                 | \$ 760,536            | \$ 1,387,110          | \$ 947,435            | \$ 1,144,117          | \$ 951,130            | \$ 617,719            | \$ 756,379            | \$ 681,717            | \$ 609,126            | \$ 548,965            |
| Public Safety                      | 4,504,074             | 4,682,229             | 4,190,064             | 3,558,949             | 3,192,272             | 2,828,788             | 2,749,792             | 2,875,416             | 2,830,791             | 2,127,636             |
| Public Works                       | 610,692               | 581,886               | 571,072               | 520,534               | 470,066               | 467,661               | 434,770               | 489,674               | 614,371               | 531,022               |
| Culture and Recreation             | 540,147               | 472,500               | 485,389               | 419,147               | 507,323               | 403,011               | 417,362               | 507,006               | 448,228               | 444,159               |
| Community Development              | 2,005,440             | 498,887               | 2,356                 | 284,619               | 748,394               | 1,023,587             | 999,195               | 536,858               | 399,211               | 44,648                |
| Depreciation, Unallocated          | 0                     | 0                     | 0                     | 206,832               | 165,288               | 135,906               | 132,526               | 132,881               | 130,412               | 111,066               |
| Interest on Long-term Debt         | 74,998                | 50,438                | 62,959                | 76,276                | 25,592                | 48,237                | 47,594                | 44,954                | 54,328                | 61,798                |
| Total Governmental Activities      | <u>8,495,887</u>      | <u>7,673,050</u>      | <u>6,259,275</u>      | <u>6,210,474</u>      | <u>6,060,065</u>      | <u>5,524,909</u>      | <u>5,537,618</u>      | <u>5,268,506</u>      | <u>5,086,467</u>      | <u>3,869,294</u>      |
| Business-type Activities:          |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Water                              | 1,885,455             | 1,807,120             | 1,714,023             | 1,652,883             | 1,511,804             | 1,504,356             | 1,640,767             | 1,508,809             | 1,442,208             | 1,377,312             |
| Sewer                              | 2,842,362             | 2,505,130             | 2,365,686             | 2,268,216             | 2,125,398             | 2,201,700             | 2,100,465             | 1,975,846             | 1,770,562             | 1,674,132             |
| Total Business-Type Activities     | <u>4,727,817</u>      | <u>4,312,250</u>      | <u>4,079,709</u>      | <u>3,921,099</u>      | <u>3,637,202</u>      | <u>3,706,056</u>      | <u>3,741,232</u>      | <u>3,484,655</u>      | <u>3,212,770</u>      | <u>3,051,444</u>      |
| Total Expenses                     | <u>\$ 13,223,704</u>  | <u>\$ 11,985,300</u>  | <u>\$ 10,338,984</u>  | <u>\$ 10,131,573</u>  | <u>\$ 9,697,267</u>   | <u>\$ 9,230,965</u>   | <u>\$ 9,278,850</u>   | <u>\$ 8,753,161</u>   | <u>\$ 8,299,237</u>   | <u>\$ 6,920,738</u>   |
| <b>Program Revenues</b>            |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental Activities:           |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Charges for Services               |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| General Government                 | \$ 492,848            | \$ 237,930            | \$ 136,402            | \$ 245,471            | \$ 129,977            | \$ 133,800            | \$ 150,052            | \$ 99,276             | \$ 114,956            | \$ 159,357            |
| Public Safety                      | 1,197,101             | 1,172,465             | 684,202               | 712,195               | 506,101               | 266,931               | 273,181               | 203,044               | 210,637               | 231,624               |
| Public Works                       | 86,756                | 42,756                | 28,111                | 240,765               | 358,985               | 330,638               | 307,699               | 234,046               | 313,674               | 391,926               |
| Culture and Recreation             | 436,241               | 325,041               | 414,298               | 272,733               | 216,324               | 191,550               | 166,297               | 149,111               | 152,664               | 148,367               |
| Community Development              | 1,000                 | 579                   | 85,608                | 0                     | 0                     | 0                     | 0                     | 23,279                | 47,971                | 42,520                |
| Operating Grants and Contributions | 1,106,294             | 2,377,447             | 1,050,574             | 1,285,243             | 1,458,740             | 1,421,720             | 1,551,299             | 1,509,669             | 1,387,749             | 473,611               |
| Capital Grants and Contributions   | 1,264,603             | 933,940               | 920,671               | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| Total Governmental Activities      | <u>4,584,843</u>      | <u>5,090,158</u>      | <u>3,319,866</u>      | <u>2,756,407</u>      | <u>2,670,127</u>      | <u>2,344,639</u>      | <u>2,448,528</u>      | <u>2,218,425</u>      | <u>2,227,651</u>      | <u>1,447,405</u>      |
| Business-type Activities:          |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Charges for Services               |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Water                              | 2,102,458             | 2,085,442             | 1,988,380             | 1,900,576             | 1,892,135             | 1,775,887             | 1,529,324             | 1,438,227             | 1,316,179             | 1,257,357             |
| Sewer                              | 2,745,270             | 2,680,843             | 2,267,927             | 2,350,434             | 2,303,097             | 1,910,123             | 1,688,736             | 1,641,642             | 1,508,743             | 1,380,485             |
| Operating Grants and Contributions | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 50,982                | 40,057                | 31,674                | 38,423                |
| Capital Grants and Contributions   | 452,696               | 79,587                | 1,000,000             | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     | 0                     |
| Total Business-type Activities     | <u>5,300,424</u>      | <u>4,845,872</u>      | <u>5,256,307</u>      | <u>4,251,010</u>      | <u>4,195,232</u>      | <u>3,686,010</u>      | <u>3,269,042</u>      | <u>3,119,926</u>      | <u>2,856,596</u>      | <u>2,676,265</u>      |
| Total Program Revenues             | <u>\$ 9,885,267</u>   | <u>\$ 9,936,030</u>   | <u>\$ 8,576,173</u>   | <u>\$ 7,007,417</u>   | <u>\$ 6,865,359</u>   | <u>\$ 6,030,649</u>   | <u>\$ 5,717,570</u>   | <u>\$ 5,338,351</u>   | <u>\$ 5,084,247</u>   | <u>\$ 4,123,670</u>   |
| <b>Net (Expense)/Revenue</b>       |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Governmental Activities            | \$ (3,911,044)        | \$ (2,582,892)        | \$ (2,939,409)        | \$ (3,454,067)        | \$ (3,389,938)        | \$ (3,180,270)        | \$ (3,089,090)        | \$ (3,050,081)        | \$ (2,858,816)        | \$ (2,421,889)        |
| Business-type Activities           | 572,607               | 533,622               | 1,176,598             | 329,911               | 558,030               | (20,046)              | (472,190)             | (364,729)             | (356,174)             | (375,179)             |
| Total Net Expense                  | <u>\$ (3,338,437)</u> | <u>\$ (2,049,270)</u> | <u>\$ (1,762,811)</u> | <u>\$ (3,124,156)</u> | <u>\$ (2,831,908)</u> | <u>\$ (3,200,316)</u> | <u>\$ (3,561,280)</u> | <u>\$ (3,414,810)</u> | <u>\$ (3,214,990)</u> | <u>\$ (2,797,068)</u> |

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

|  | 2013                | 2012                | 2011                | 2010                | 2009                | 2008                | 2007                | 2006                | 2005                | 2004                |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>General Revenues</b>                    |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| <b>Governmental Activities:</b>            |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Property Taxes                             | \$ 3,763,707        | \$ 3,780,436        | \$ 3,765,017        | \$ 3,810,002        | \$ 3,597,523        | \$ 3,377,979        | \$ 3,188,435        | \$ 2,903,027        | \$ 2,807,088        | \$ 2,665,491        |
| Interest and Penalties on Delinquent Taxes | 55,706              | 96,792              | 95,793              | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Unrestricted Investment Earnings           | 2,994               | 4,884               | 7,934               | 5,931               | 11,766              | 13,329              | 22,951              | 16,620              | 12,137              | 23,440              |
| General State Grants                       | 95,416              | 89,834              | 85,435              | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Other Revenues                             | 17,670              | 23,140              | 34,005              | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Gain/(Loss) on Capital Assets              | 850                 | 23,261              | 0                   | 498,680             | (312,000)           | 0                   | 0                   | 258,579             | 0                   | 0                   |
| Transfers                                  | 0                   | 0                   | 3,287               | 0                   | 0                   | (25,001)            | (30,000)            | (25,000)            | (19,175)            | 0                   |
| Prior Period Adjustment                    | 0                   | 0                   | 0                   | (32,388)            | 0                   | 0                   | 0                   | 0                   | (19,811)            | 0                   |
| <b>Total Governmental Activities</b>       | <b>3,936,343</b>    | <b>4,018,347</b>    | <b>3,991,471</b>    | <b>4,282,225</b>    | <b>3,297,289</b>    | <b>3,366,307</b>    | <b>3,181,386</b>    | <b>3,153,226</b>    | <b>2,780,239</b>    | <b>2,688,931</b>    |
| <b>Business-type Activities:</b>           |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Unrestricted Investment Earnings           | 51,744              | 50,395              | 42,313              | 32,861              | 13,040              | 13,324              | 0                   | 0                   | 0                   | 0                   |
| Other Revenues                             | 0                   | 0                   | 5,377               | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   | 0                   |
| Transfers                                  | 0                   | 0                   | (3,287)             | 0                   | 0                   | 0                   | 0                   | 0                   | 19,175              | 0                   |
| Prior Period Adjustment                    | 0                   | 0                   | 0                   | 0                   | (159,446)           | 0                   | 0                   | 0                   | (75,803)            | 643,680             |
| <b>Total Business-type Activities</b>      | <b>51,744</b>       | <b>50,395</b>       | <b>44,403</b>       | <b>32,861</b>       | <b>(146,406)</b>    | <b>13,324</b>       | <b>0</b>            | <b>0</b>            | <b>(56,628)</b>     | <b>643,680</b>      |
| <b>Total Primary Government</b>            | <b>\$ 3,988,087</b> | <b>\$ 4,068,742</b> | <b>\$ 4,035,874</b> | <b>\$ 4,315,086</b> | <b>\$ 3,150,883</b> | <b>\$ 3,379,631</b> | <b>\$ 3,181,386</b> | <b>\$ 3,153,226</b> | <b>\$ 2,723,611</b> | <b>\$ 3,332,611</b> |
| <b>Change in Net Position</b>              |                     |                     |                     |                     |                     |                     |                     |                     |                     |                     |
| Governmental Activities                    | \$ 25,299           | \$ 1,435,455        | \$ 1,052,062        | \$ 828,158          | \$ (92,649)         | \$ 186,037          | \$ 92,296           | \$ 103,145          | \$ (78,577)         | \$ 267,042          |
| Business-type Activities                   | 624,351             | 584,017             | 1,221,001           | 362,772             | 411,624             | (6,722)             | (472,190)           | (364,729)           | (412,802)           | 268,501             |
| <b>Total Change in Net Position</b>        | <b>\$ 649,650</b>   | <b>\$ 2,019,472</b> | <b>\$ 2,273,063</b> | <b>\$ 1,190,930</b> | <b>\$ 318,975</b>   | <b>\$ 179,315</b>   | <b>\$ (379,894)</b> | <b>\$ (261,584)</b> | <b>\$ (491,379)</b> | <b>\$ 535,543</b>   |

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

|                                     | 2013 (1)       | 2012 (1)         | 2011 (1)         | 2010           | 2009           | 2008             | 2007             | 2006             | 2005           | 2004           |
|-------------------------------------|----------------|------------------|------------------|----------------|----------------|------------------|------------------|------------------|----------------|----------------|
| <b>General Fund</b>                 |                |                  |                  |                |                |                  |                  |                  |                |                |
| Nonspendable                        | 201,638        | 193,645          | 200,523          | -              | -              | -                | -                | -                | -              | -              |
| Restricted                          | 20,000         | 20,000           | 15,919           | -              | -              | -                | -                | -                | -              | -              |
| Assigned                            | 709,897        | 318,203          | 517,393          | -              | -              | -                | -                | -                | -              | -              |
| Unassigned                          | 0              | 0                | 6,687            | -              | -              | -                | -                | -                | -              | -              |
| Reserved                            | -              | -                | -                | 345,683        | 210,527        | 94,116           | 94,116           | 133,896          | 175,000        | 0              |
| Unreserved                          | -              | -                | -                | 584,645        | 302,423        | (461,856)        | (487,132)        | (332,973)        | (23,400)       | 186,342        |
| Total General Fund                  | <u>931,535</u> | <u>531,848</u>   | <u>740,522</u>   | <u>930,328</u> | <u>512,950</u> | <u>(367,740)</u> | <u>(393,016)</u> | <u>(199,077)</u> | <u>151,600</u> | <u>186,342</u> |
| <b>All Other Governmental Funds</b> |                |                  |                  |                |                |                  |                  |                  |                |                |
| Nonspendable                        | 114,290        | 50,476           | 50,476           | -              | -              | -                | -                | -                | -              | -              |
| Restricted                          | 993,607        | 63,568           | 115,293          | -              | -              | -                | -                | -                | -              | -              |
| Assigned                            | 0              | 0                | 0                | -              | -              | -                | -                | -                | -              | -              |
| Unassigned                          | (750,224)      | (269,158)        | (275,378)        | -              | -              | -                | -                | -                | -              | -              |
| Reserved                            | -              | -                | -                | 0              | 0              | 0                | 0                | 0                | 0              | 0              |
| Unreserved                          | -              | -                | -                | 88,704         | 35,367         | 82,749           | 177,775          | 216,005          | 140,899        | 188,887        |
| Total All Other Governmental Funds  | <u>357,673</u> | <u>(155,114)</u> | <u>(109,609)</u> | <u>88,704</u>  | <u>35,367</u>  | <u>82,749</u>    | <u>177,775</u>   | <u>216,005</u>   | <u>140,899</u> | <u>188,887</u> |

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

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

|  | 2013              | 2012                | 2011                | 2010              | 2009              | 2008               | 2007                | 2006                | 2005               | 2004              |
|--|-------------------|---------------------|---------------------|-------------------|-------------------|--------------------|---------------------|---------------------|--------------------|-------------------|
| <b>Revenues</b>  |                   |                     |                     |                   |                   |                    |                     |                     |                    |                   |
| Property Taxes   | \$ 3,753,707      | \$ 3,850,436        | \$ 3,707,017        | \$ 4,059,977      | \$ 3,958,175      | \$ 3,710,830       | \$ 3,416,794        | \$ 3,063,408        | \$ 2,966,382       | \$ 2,817,723      |
| Penalties and Interest   | 55,706            | 96,791              | 95,793              | 31,351            | 17,917            | 12,241             | 36,930              | 23,365              | 42,191             | 29,286            |
| Intergovernmental Revenues   | 2,074,187         | 2,931,608           | 1,947,208           | 515,519           | 442,030           | 155,242            | 1,066,891           | 1,060,877           | 577,232            | 363,037           |
| Charges for Services   | 1,610,276         | 1,583,855           | 1,311,588           | 545,033           | 440,798           | 318,783            | 330,593             | 359,579             | 402,956            | 494,905           |
| Investment Income  | 2,994             | 4,884               | 7,934               | 8,683             | 11,729            | 15,117             | 25,073              | 13,235              | 12,137             | 11,765            |
| Loan Repayments  | 0                 | 98,887              | 3,662               | 17,691            | 112,845           | 34,421             | 33,786              | 125,794             | 48,618             | 55,354            |
| Licenses and Permits   | 468,198           | 202,758             | 113,486             | 79,778            | 80,058            | 87,658             | 50,187              | 48,721              | 53,192             | 46,684            |
| Recreation Department  | 0                 | 0                   | 0                   | 306,433           | 248,862           | 218,550            | 193,297             | 156,566             | 162,358            | 149,877           |
| Grant Revenue  | 0                 | 0                   | 0                   | 751,317           | 585,531           | 1,072,848          | 177,533             | 170,935             | 292,701            | 109,008           |
| Other Revenue  | 97,463            | 95,333              | 63,112              | 270,030           | 440,652           | 61,476             | 185,729             | 124,009             | 135,918            | 160,435           |
| <b>Total Revenues</b>  | <b>8,062,531</b>  | <b>8,864,552</b>    | <b>7,249,800</b>    | <b>6,585,812</b>  | <b>6,338,597</b>  | <b>5,687,166</b>   | <b>5,516,813</b>    | <b>5,146,489</b>    | <b>4,693,685</b>   | <b>4,238,074</b>  |
| <b>Expenditures</b>  |                   |                     |                     |                   |                   |                    |                     |                     |                    |                   |
| Current:   |                   |                     |                     |                   |                   |                    |                     |                     |                    |                   |
| General Government   | 813,050           | 1,514,761           | 1,238,677           | 943,532           | 713,239           | 472,400            | 566,927             | 440,544             | 393,592            | 366,975           |
| Public Safety  | 4,140,795         | 4,481,489           | 4,055,873           | 3,690,738         | 3,330,406         | 2,991,708          | 2,863,852           | 2,582,319           | 2,294,671          | 2,145,343         |
| Public Works   | 546,484           | 513,179             | 535,024             | 550,784           | 565,061           | 542,425            | 548,732             | 592,078             | 555,715            | 616,621           |
| Culture and Recreation   | 435,924           | 453,683             | 465,542             | 375,124           | 308,766           | 281,430            | 255,474             | 264,591             | 265,787            | 296,525           |
| Community Development  | 2,005,440         | 598,887             | 2,356               | 119,102           | 369,927           | 525,593            | 1,064,346           | 1,053,621           | 598,765            | 291,070           |
| Grant Expenditures   | 0                 | 0                   | 0                   | 479,654           | 615,498           | 1,071,568          | 177,533             | 162,631             | 293,284            | 55,927            |
| Miscellaneous  | 0                 | 0                   | 0                   | 212,624           | 263,492           | 170,653            | 224,502             | 242,552             | 216,519            | 201,439           |
| Capital Outlay   | 1,978,708         | 1,357,999           | 1,599,721           | 87,500            | 225,000           | 0                  | 0                   | 155,000             | 0                  | 3,326             |
| Debt Service:  |                   |                     |                     |                   |                   |                    |                     |                     |                    |                   |
| Principal  | 308,671           | 291,468             | 483,187             | 155,961           | 103,223           | 44,199             | 48,943              | 264,372             | 84,377             | 82,952            |
| Interest   | 69,451            | 54,006              | 65,292              | 55,861            | 61,708            | 48,965             | 16,673              | 16,725              | 44,664             | 40,481            |
| <b>Total Expenditures</b>  | <b>10,298,523</b> | <b>9,265,472</b>    | <b>8,445,672</b>    | <b>6,670,880</b>  | <b>6,556,320</b>  | <b>6,148,941</b>   | <b>5,766,982</b>    | <b>5,774,433</b>    | <b>4,747,374</b>   | <b>4,100,659</b>  |
| Excess (Deficiency) of Revenues<br>over Expenditures               | (2,235,992)       | (400,920)           | (1,195,872)         | (85,068)          | (217,723)         | (461,775)          | (250,169)           | (627,944)           | (53,689)           | 137,415           |
| <b>Other Financing Sources (Uses)</b>                              |                   |                     |                     |                   |                   |                    |                     |                     |                    |                   |
| Proceeds of Long-Term Debt   | 3,148,466         | 123,480             | 529,118             | 87,500            | 1,051,028         | 393,026            | 0                   | 155,000             | 0                  | 0                 |
| Proceeds from Sale of Land/Buildings                               | 0                 | 23,261              | 4,350               | 500,671           | 0                 | 24,000             | 48,000              | 258,579             | 0                  | 0                 |
| Transfers In   | 3,500             | 132,672             | 94,045              | 0                 | 50,114            | 104,896            | 15,000              | 5,000               | 0                  | 0                 |
| Transfers Out  | (3,500)           | (132,672)           | (90,758)            | 0                 | (50,114)          | (129,897)          | (45,000)            | (30,000)            | (19,175)           | (19,171)          |
| <b>Total Other Financing Sources (Uses)</b>                        | <b>3,148,466</b>  | <b>146,741</b>      | <b>536,755</b>      | <b>588,171</b>    | <b>1,051,028</b>  | <b>392,025</b>     | <b>18,000</b>       | <b>388,579</b>      | <b>(19,175)</b>    | <b>(19,171)</b>   |
| <b>Net Change in Fund Balances</b>                                 | <b>\$ 912,474</b> | <b>\$ (254,179)</b> | <b>\$ (659,117)</b> | <b>\$ 503,103</b> | <b>\$ 833,305</b> | <b>\$ (69,750)</b> | <b>\$ (232,169)</b> | <b>\$ (239,365)</b> | <b>\$ (72,864)</b> | <b>\$ 118,244</b> |
| <b>Debt Service as a Percentage<br/>of Noncapital Expenditures</b> | 4.54%             | 4.37%               | 8.01%               | 3.22%             | 2.61%             | 1.52%              | 1.14%               | 5.00%               | 2.72%              | 3.01%             |

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<br>Actual Value | Total Direct Tax<br>Rate | Education Grand List |                |
|-------------|----------------|---------------------------|--------------------------|----------------------|----------------|
|             |                |                           |                          | Residential          | Nonresidential |
| 2013        | \$ 4,721,660   | \$ 4,752,073              | \$ 0.8400                | \$ 2,318,092         | \$ 2,188,360   |
| 2012        | 4,730,704      | 4,808,603                 | 0.8410                   | 2,261,360            | 2,242,897      |
| 2011        | 3,833,296      | 5,146,055                 | 1.0341                   | 1,755,837            | 1,855,401      |
| 2010        | 3,835,249      | 5,339,342                 | 1.0139                   | 1,742,725            | 1,870,482      |
| 2009        | 3,845,371      | 5,397,012                 | 0.9806                   | 1,761,073            | 1,852,464      |
| 2008        | 3,837,823      | 5,163,222                 | 0.9083                   | 1,757,688            | 1,848,427      |
| 2007        | 3,846,550      | 4,795,001                 | 0.8476                   | 1,705,435            | 1,891,063      |
| 2006        | 3,773,200      | 4,309,274                 | 0.8040                   | 1,786,073            | 1,790,708      |
| 2005        | 3,688,077      | 3,791,977                 | 0.7890                   | 1,755,888            | 1,761,771      |
| 2004        | 3,706,890      | 3,487,853                 | 0.7470                   | 0                    | 0              |

**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 and June 30, 2004

Effective with the year ended June 30, 2005, the State of Vermont established a state-wide property tax for education, assessed and collected by each municipality using tax rates set by the state, and based on an education grand list allocated between residential and non-residential real property. Municipalities still set their own tax rates for municipal property taxes based on their municipal grand list.

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

| Fiscal Year | City of St.<br>Albans | Before Act 68   |        | After Act 68               |                |             |                |
|-------------|-----------------------|-----------------|--------|----------------------------|----------------|-------------|----------------|
|             |                       | Local Education | Total  | State-wide Education Taxes |                | Total Taxes |                |
|             |                       |                 |        | Residential                | Nonresidential | Residential | Nonresidential |
| 2013        | 0.8400                | -               | -      | 1.3173                     | 1.4027         | 2.1573      | 2.2427         |
| 2012        | 0.8410                | -               | -      | 1.3330                     | 1.4688         | 2.1740      | 2.3098         |
| 2011        | 1.0341                | -               | -      | 1.6464                     | 1.8794         | 2.6805      | 2.9135         |
| 2010        | 1.0139                | -               | -      | 1.6525                     | 1.8947         | 2.6664      | 2.9086         |
| 2009        | 0.9806                | -               | -      | 1.5475                     | 1.8297         | 2.5281      | 2.8103         |
| 2008        | 0.9083                | -               | -      | 1.4565                     | 1.6953         | 2.3648      | 2.6036         |
| 2007        | 0.8476                | -               | -      | 1.4447                     | 1.6446         | 2.2923      | 2.4922         |
| 2006        | 0.8040                | -               | -      | 1.3957                     | 1.5525         | 2.1997      | 2.3565         |
| 2005        | 0.7890                | -               | -      | 1.2489                     | 1.4490         | 2.0379      | 2.2380         |
| 2004        | 0.7470                | 1.4790          | 2.2260 | -                          | -              | -           | -              |

**Notes:**

Tax rates are per \$100 of assessed value.

A City-wide reappraisal was completed and effective for the year ended June 30, 2012 and June 30, 2004

Effective with the year ended June 30, 2005, the State of Vermont established a state-wide property tax for education, assessed and collected by each municipality using tax rates set by the state, and based on an education grand list allocated between residential and non-residential real property. Municipalities still set their own tax rates for municipal property taxes based on their municipal grand list.

Table 7

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

| Taxpayer                       | 2013                   |      |                                    | 2004                   |      |                                    |
|--------------------------------|------------------------|------|------------------------------------|------------------------|------|------------------------------------|
|                                | Taxable Assessed Value | Rank | Percentage of Total Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Assessed value |
| Elman Vermont Investors        | 143,852                | 1    | 3.05%                              |                        |      |                                    |
| Mylan Technologies Inc.        | 132,369                | 2    | 2.80%                              | 49,294                 | 2    | 1.33%                              |
| Mylan Technologies Inc.        | 87,898                 | 3    | 1.86%                              |                        |      |                                    |
| Central Vermont Public Service | 67,478                 | 4    | 1.43%                              | 31,194                 | 5    | 0.84%                              |
| St. Albans Shopping Center     | 39,563                 | 5    | 0.84%                              | 24,060                 | 6    | 0.65%                              |
| St. Albans Coop Creamery       | 37,663                 | 6    | 0.80%                              | 31,425                 | 4    | 0.85%                              |
| Housing Foundation             | 23,868                 | 7    | 0.51%                              |                        |      |                                    |
| Willard Mill Housing           | 18,787                 | 8    | 0.40%                              |                        |      |                                    |
| Peoples Trust Company          | 18,581                 | 9    | 0.39%                              |                        |      |                                    |
| Rail City Housing              | 17,375                 | 10   | 0.37%                              |                        |      |                                    |
| Pizzagalli Property Co         |                        |      |                                    | 95,139                 | 1    | 2.57%                              |
| MLI Acquisition Corp           |                        |      |                                    | 41,660                 | 3    | 1.12%                              |
| Emile Legere                   |                        |      |                                    | 21,059                 | 7    | 0.57%                              |
| Fonda Group Inc.               |                        |      |                                    | 16,882                 | 8    | 0.46%                              |
| Poquette & Bruley Inc.         |                        |      |                                    | 16,566                 | 9    | 0.45%                              |
| Switchyard Assoc.              |                        |      |                                    | 15,286                 | 10   | 0.41%                              |
|                                | <u>587,434</u>         |      | <u>12.45%</u>                      | <u>342,565</u>         |      | <u>9.25%</u>                       |

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

| Fiscal Year<br>Ended June 30 | Original Tax<br>Levy for Fiscal<br>Year | Adjustments | Adjusted Levy | Collected within the Fiscal Year of<br>the Levy |                                | Collections in<br>Subsequent<br>Years | Total Collections to Date |                                |
|------------------------------|---|-------------|---------------|---|--------------------------------|---------------------------------------|---------------------------|--------------------------------|
|                              |   |             |               | Amount<br>Collected                             | Percentage<br>Original of Levy |                                       | Amount<br>Collected       | Percentage of<br>Adjusted Levy |
| 2013                         | 10,078,467                              | 0           | 10,078,467    | 9,841,255                                       | 97.65%                         | 0                                     | 9,841,255                 | 97.65%                         |
| 2012                         | 10,288,177                              | (74)        | 10,288,103    | 9,983,848                                       | 97.04%                         | 255,546                               | 10,239,394                | 99.53%                         |
| 2011                         | 10,338,270                              | 0           | 10,338,270    | 10,000,762                                      | 96.74%                         | 324,500                               | 10,325,262                | 99.87%                         |
| 2010                         | 10,314,587                              | (5,637)     | 10,308,950    | 10,036,219                                      | 97.30%                         | 270,064                               | 10,306,283                | 99.97%                         |
| 2009                         | 9,887,398                               | (6,832)     | 9,880,566     | 9,602,732                                       | 97.12%                         | 275,212                               | 9,877,944                 | 99.97%                         |
| 2008                         | 9,186,970                               | (1,156)     | 9,185,814     | 8,920,116                                       | 97.10%                         | 264,293                               | 9,184,409                 | 99.98%                         |
| 2007                         | 8,837,561                               | (1,107)     | 8,836,454     | 8,596,949                                       | 97.28%                         | 239,010                               | 8,835,959                 | 99.99%                         |
| 2006                         | 8,332,680                               | (6,985)     | 8,325,695     | 8,102,070                                       | 97.23%                         | 223,547                               | 8,325,617                 | 100.00%                        |
| 2005                         | 7,656,610                               | (787)       | 7,655,823     | 7,428,088                                       | 97.02%                         | 227,735                               | 7,655,823                 | 100.00%                        |
| 2004                         | 7,993,992                               | (988)       | 7,993,004     | 7,731,123                                       | 96.71%                         | 261,881                               | 7,993,004                 | 100.00%                        |

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

| Fiscal Year | Governmental Activities |              |                | Business-type Activities |              |                | Total Debt Outstanding | Estimated Population (1) | Debt per Capita | Percentage of Personal Income (2) |
|-------------|-------------------------|--------------|----------------|--------------------------|--------------|----------------|------------------------|--------------------------|-----------------|-----------------------------------|
|             | Bonds                   | Notes        | Capital Leases | Bonds                    | Notes        | Capital Leases |                        |                          |                 |                                   |
| 2013        | \$ 430,000              | \$ 4,057,612 | \$ 25,765      | \$ 7,377,971             | \$ 1,372,097 | \$ -           | \$ 13,263,445          | 6,971                    | \$ 1,903        | 4.31%                             |
| 2012        | 585,000                 | 1,085,322    | 3,260          | 7,634,159                | 494,388      | 13,042         | 9,815,171              | 6,894                    | 1,424           | 3.31%                             |
| 2011        | 750,000                 | 1,085,144    | 6,426          | 7,481,794                | 809,051      | 25,704         | 10,158,119             | 6,916                    | 1,469           | 3.53%                             |
| 2010        | 670,000                 | 1,086,898    | 38,741         | 7,486,635                | 1,092,762    | 0              | 10,375,036             | 6,918                    | 1,500           | 3.77%                             |
| 2009        | 704,482                 | 1,119,759    | 75,873         | 4,007,069                | 1,430,453    | 0              | 7,337,636              | 7,243                    | 1,013           | 2.63%                             |
| 2008        | 265,000                 | 662,847      | 78,020         | 3,818,344                | 1,225,391    | 12,834         | 6,062,436              | 7,256                    | 836             | 2.12%                             |
| 2007        | 305,000                 | 366,400      | 25,640         | 3,871,391                | 1,582,783    | 25,640         | 6,176,854              | 7,301                    | 846             | 2.24%                             |
| 2006        | 345,000                 | 400,513      | 40,470         | 3,931,776                | 1,962,903    | 40,470         | 6,721,132              | 7,339                    | 916             | 2.55%                             |
| 2005        | 385,000                 | 495,055      | 0              | 3,992,036                | 517,426      | 0              | 5,389,517              | 7,406                    | 728             | 2.18%                             |
| 2004        | 425,000                 | 579,431      | 0              | 4,113,052                | 655,436      | 0              | 5,772,919              | 7,488                    | 771             | 2.36%                             |

**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

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

| Fiscal Year<br>Ended June 30 | Total Debt    | Less: Debt<br>Payable from<br>Enterprise Fund<br>Revenues | Net General<br>Obligation Debt | Estimated<br>Population (1) | Debt per Capita | Assessed Value | Ratio of Debt to<br>Assessed Value |
|------------------------------|---------------|---|--------------------------------|-----------------------------|-----------------|----------------|------------------------------------|
| 2013                         | \$ 13,263,445 | \$ 8,750,068  | \$ 4,513,377                   | 6,971                       | \$ 647          | \$ 472,166,000 | 0.96%                              |
| 2012                         | 9,815,171     | 8,141,589   | 1,673,582                      | 6,894                       | 243             | 473,070,400    | 0.35%                              |
| 2011                         | 10,158,119    | 8,316,549   | 1,841,570                      | 6,916                       | 266             | 383,329,600    | 0.48%                              |
| 2010                         | 10,375,036    | 8,579,397   | 1,795,639                      | 6,918                       | 260             | 383,524,900    | 0.47%                              |
| 2009                         | 7,337,636     | 5,437,522   | 1,900,114                      | 7,243                       | 262             | 384,537,100    | 0.49%                              |
| 2008                         | 6,062,436     | 5,056,569   | 1,005,867                      | 7,256                       | 139             | 383,782,300    | 0.26%                              |
| 2007                         | 6,176,854     | 5,479,814   | 697,040                        | 7,301                       | 95              | 384,655,000    | 0.18%                              |
| 2006                         | 6,721,132     | 5,935,149   | 785,983                        | 7,339                       | 107             | 377,320,000    | 0.21%                              |
| 2005                         | 5,389,517     | 4,509,462   | 880,055                        | 7,406                       | 119             | 368,807,700    | 0.24%                              |
| 2004                         | 5,772,919     | 4,768,488   | 1,004,431                      | 7,488                       | 134             | 370,689,000    | 0.27%                              |

**Sources:**

(1) United States Census Bureau

CITY OF ST. ALBANS, VERMONT  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 JUNE 30, 2013

| Jurisdiction                               | Net General<br>Obligation Debt<br>Outstanding | Percentage<br>Applicable to<br>the City | Amount<br>Applicable to<br>the City of St.<br>Albans |
|--|---|---|--|
| Direct:                                    |   |   |  |
| City of St. Albans                         | \$ 4,513,377                                  | 100.0%                                  | \$ 4,513,377   |
| Overlapping:                               |   |   |  |
| Bellows Free Academy Union High School (1) | 4,685,000                                     | 51.4%                                   | 2,408,090  |
| St. Albans City School (1)                 | <u>5,922,066</u>                              | 100.0%                                  | <u>5,922,066</u>                                     |
| <br>Total                                  | <br><u>\$ 15,120,443</u>                      |   | <br><u>\$ 12,843,533</u>                             |

**Sources:**

(1) Franklin County Supervisory Union

CITY OF ST. ALBANS  
LEGAL DEBT MARGIN INFORMATION  
JUNE 30, 2013

|   |               |
|---|---------------|
| Grand List Valuation                        | \$ 4,721,660  |
| <hr/>                                       |               |
| Legal Debt Margin                           |               |
| Debt Limitation - Ten Times Last Grant List | 47,216,600    |
| Debt Applicable to Limitation               | 4,513,377     |
| <hr/>                                       |               |
| Legal Debt Margin                           | \$ 42,703,223 |
| <hr/>                                       |               |
| Debt as Percentage of Debt Limit            | 9.56%         |
| <hr/>                                       |               |

LEGAL DEBT MARGIN  
PRECEDING NINE YEARS

| Fiscal Year | Debt Limit | Applicable Debt | Legal Debt<br>Margin | Debt as<br>Percentage of<br>Debt Limit |
|-------------|------------|-----------------|----------------------|--|
| 2012        | 47,307,040 | 1,673,582       | 45,633,458           | 3.54%                                  |
| 2011        | 38,332,960 | 1,841,570       | 36,491,390           | 4.80%                                  |
| 2010        | 38,352,490 | 1,795,639       | 36,556,851           | 4.68%                                  |
| 2009        | 38,453,710 | 1,900,114       | 36,553,596           | 4.94%                                  |
| 2008        | 38,378,230 | 1,005,867       | 37,372,363           | 2.62%                                  |
| 2007        | 38,465,500 | 697,040         | 37,768,460           | 1.81%                                  |
| 2006        | 37,732,000 | 785,983         | 36,946,017           | 2.08%                                  |
| 2005        | 36,880,770 | 880,055         | 36,000,715           | 2.39%                                  |
| 2004        | 37,068,900 | 1,004,431       | 36,064,469           | 2.71%                                  |

**Notes:**

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

A city-wide reappraisal was completed and effective with the year ended June 30, 2012 and June 30, 2004

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   |          |
| 2013        | 2,102,458      | 1,743,027          | 359,431                                | 230,739                   | 142,428  | 373,167 | 96.32%   |
| 2012        | 2,085,442      | 1,644,221          | 441,221                                | 104,181                   | 162,899  | 267,080 | 165.20%  |
| 2011        | 1,988,380      | 1,542,120          | 446,260                                | 211,595                   | 171,903  | 383,498 | 116.37%  |
| 2010        | 1,900,576      | 1,457,632          | 442,944                                | 461,271                   | 195,251  | 656,522 | 67.47%   |
| 2009        | 1,892,135      | 1,312,940          | 579,195                                | 256,233                   | 198,864  | 455,097 | 127.27%  |
| 2008        | 1,775,887      | 1,286,292          | 489,595                                | 245,506                   | 218,064  | 463,570 | 105.61%  |
| 2007        | 1,529,324      | 1,426,995          | 102,329                                | 256,698                   | 213,772  | 470,470 | 21.75%   |
| 2006        | 1,438,227      | 1,304,114          | 134,113                                | 131,867                   | 204,695  | 336,562 | 39.85%   |
| 2005        | 1,316,179      | 1,253,599          | 62,580                                 | 123,115                   | 188,609  | 311,724 | 20.08%   |
| 2004        | 1,257,357      | 1,184,704          | 72,653                                 | 87,253                    | 192,608  | 279,861 | 25.96%   |

WASTEWATER FUND

| Fiscal Year | Gross Revenues | Operating Expenses | Net Revenue Available for Debt Service | Debt Service Requirements |          |         | Coverage |
|-------------|----------------|--------------------|--|---------------------------|----------|---------|----------|
|             |                |                    |  | Principal                 | Interest | Total   |          |
| 2013        | 2,730,270      | 2,690,840          | 39,430                                 | 395,008                   | 151,522  | 546,530 | 7.21%    |
| 2012        | 2,680,843      | 2,490,705          | 190,138                                | 302,732                   | 14,425   | 317,157 | 59.95%   |
| 2011        | 2,267,927      | 2,344,320          | (76,393)                               | 250,739                   | 21,366   | 272,105 | -28.07%  |
| 2010        | 2,350,434      | 2,223,855          | 126,579                                | 615,551                   | 44,361   | 659,912 | 19.18%   |
| 2009        | 2,303,097      | 2,078,639          | 224,458                                | 217,905                   | 46,759   | 264,664 | 84.81%   |
| 2008        | 1,910,123      | 2,142,976          | (232,853)                              | 191,502                   | 58,724   | 250,226 | -93.06%  |
| 2007        | 1,688,736      | 2,057,882          | (369,146)                              | 202,299                   | 42,583   | 244,882 | -150.74% |
| 2006        | 1,641,642      | 1,945,840          | (304,198)                              | 97,747                    | 30,006   | 127,753 | -238.12% |
| 2005        | 1,508,743      | 1,759,404          | (250,661)                              | 135,911                   | 11,158   | 147,069 | -170.44% |
| 2004        | 1,380,485      | 1,671,239          | (290,754)                              | 104,265                   | 2,893    | 107,158 | -271.33% |

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

| Year | Population (1, 2) | Per Capita<br>Income (2) | Personal Income | State-wide Per<br>Capita Income (3) | State-wide<br>Median Family<br>Income (1) | Unemployment Rate      |                      | Enrollment<br>Grades 9-12 (2) | High School<br>Graduation Rate (2) |
|------|-------------------|--------------------------|-----------------|-------------------------------------|---|------------------------|----------------------|-------------------------------|------------------------------------|
|      |                   |                          |                 |                                     |   | St. Albans<br>City (3) | State-wide<br>(2, 3) |                               |                                    |
| 2013 | 6,971             | 44,108                   | 307,476,868     | n/a                                 | n/a                                       | 6.80%                  | 5.60%                | 1,069                         | 88%                                |
| 2012 | 6,894             | 42,994                   | 296,400,636     | 44,545                              | 55,582                                    | 7.60%                  | 5.00%                | 1,069                         | 90%                                |
| 2011 | 6,916             | 41,572                   | 287,511,952     | 42,911                              | 51,862                                    | 9.20%                  | 5.60%                | 1,083                         | 87%                                |
| 2010 | 6,918             | 39,736                   | 274,893,648     | 40,126                              | 55,928                                    | 10.90%                 | 6.30%                | 1,119                         | 86%                                |
| 2009 | 7,243             | 38,530                   | 279,072,790     | 38,527                              | 52,318                                    | 11.20%                 | 6.40%                | 1,129                         | 86%                                |
| 2008 | 7,256             | 39,433                   | 286,125,848     | 40,148                              | 50,706                                    | 6.90%                  | 5.50%                | 1,175                         | 92%                                |
| 2007 | 7,301             | 37,820                   | 276,123,820     | 38,675                              | 47,390                                    | 5.90%                  | 3.70%                | 1,199                         | 91%                                |
| 2006 | 7,339             | 35,867                   | 263,227,913     | 36,768                              | 51,981                                    | 6.00%                  | 3.00%                | 1,207                         | 85%                                |
| 2005 | 7,406             | 33,317                   | 246,745,702     | 34,530                              | 50,704                                    | 4.10%                  | 3.40%                | 1,100                         | 85%                                |
| 2004 | 7,488             | 32,640                   | 244,408,320     | 33,742                              | 47,329                                    | 3.00%                  | 2.70%                | 1,172                         | 86%                                |

**Sources:**

- (1) United States Census Bureau
- (2) Vermont Economic-Demographic Profile, report years 2004-2013
- (3) Vermont Department of Labor and Industry

**Notes:**

Fields marked "n/a" indicate that data is not available. Current year data is reported as of June 30, 2013 when available.

The 2004 and 2005 Vermont Economic-Demographic Profiles incorrectly listed the enrollment for Bellows Free Academy by mixing it up with Bellows Free Academy - Fairfax. The numbers listed on this table are the correct enrollment figures for Bellows Free Academy - St. Albans.

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

| Employer                               | 2013                   |      |  | 2004                |      |  |
|--|------------------------|------|--|---------------------|------|--|
|  | Employees<br>(1, 2, 3) | Rank | Percentage of<br>Total City<br>Employment<br>(4) | Employees<br>(2, 3) | Rank | Percentage of<br>Total City<br>Employment<br>(4) |
| Department of Homeland Security, USCIS | 1,445                  | 1    | 21.76%   | 1,334               | 1    | 17.63%   |
| Mylan Technologies                     | 650                    | 2    | 9.79%  | 319                 | 4    | 4.22%  |
| Northwestern Medical Center            | 495                    | 3    | 7.45%  | 600                 | 2    | 7.93%  |
| Northwest Supervisory Union            | 446                    | 4    | 6.72%  | 335                 | 3    | 4.43%  |
| Peoples Trust Company                  | 110                    | 5    | 1.66%  | 80                  | 7    | 1.06%  |
| A. N. Deringer, Inc.                   | 90                     | 6    | 1.36%  | 130                 | 6    | 1.72%  |
| St. Albans Coop Creamery               | 70                     | 7    | 1.05%  | 67                  | 9    | 0.89%  |
| City of St. Albans                     | 70                     | 8    | 1.05%  | 65                  | 10   | 0.86%  |
| SB Collins                             | 60                     | 9    | 0.90%  |                     |      |  |
| Sticks & Stuff                         | 65                     | 10   | 0.98%  | 75                  | 8    | 0.99%  |
| Solo Cup Company                       |                        |      |  | 230                 | 5    | 3.04%  |
|  | 3,501                  |      | 52.72%   | 3,235               |      | 42.77%   |

**Sources:**

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

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                             | 2013         | 2012         | 2011         | 2010         | 2009         | 2008         | 2007         | 2006         | 2005         | 2004         |
| General Government:                          |              |              |              |              |              |              |              |              |              |              |
| Administration                               | 3.00         | 3.00         | 3.00         | 3.00         | 3.00         | 2.00         | 3.00         | 3.00         | 3.00         | 3.00         |
| Finance                                      | 2.00         | 2.00         | 2.00         | 2.00         | 2.00         | 2.00         | 2.00         | 2.00         | 2.00         | 2.00         |
| Clerk  | 2.00         | 2.00         | 2.00         | 2.00         | 1.50         | 2.00         | 1.50         | 1.50         | 1.50         | 1.50         |
| Planning and Zoning                          | 3.50         | 2.50         | 3.50         | 3.00         | 2.50         | 3.00         | 3.50         | 4.50         | 2.50         | 3.50         |
| Assessing                                    | 0.50         | 0.50         | 1.00         | 1.00         | 1.00         | 1.00         | 1.00         | 1.00         | 1.00         | 1.00         |
| Community Justice Center                     | 4.50         | 4.50         | 4.50         | 2.00         | 0.00         | 0.00         | 1.00         | 1.00         | 0.00         | 0.00         |
| Public Safety:                               |              |              |              |              |              |              |              |              |              |              |
| Police                                       | 23.00        | 23.00        | 25.00        | 24.00        | 23.00        | 20.00        | 20.00        | 22.00        | 20.00        | 22.00        |
| Fire   | 3.00         | 4.00         | 5.00         | 6.00         | 11.00        | 12.00        | 10.00        | 11.00        | 11.00        | 11.00        |
| Dispatch                                     | 10.00        | 9.50         | 10.00        | 11.50        | 9.00         | 8.00         | 7.00         | 7.00         | 7.00         | 6.00         |
| Public Works:                                |              |              |              |              |              |              |              |              |              |              |
| Highways                                     | 11.00        | 9.00         | 10.00        | 8.50         | 7.50         | 9.00         | 8.00         | 9.00         | 8.00         | 8.00         |
| Public Works Administration                  | 1.50         | 1.50         | 1.50         | 1.50         | 1.50         | 1.50         | 1.50         | 1.50         | 1.50         | 1.50         |
| Culture and Recreation, Admin.               | 1.50         | 1.00         | 1.00         | 2.50         | 3.00         | 3.00         | 3.50         | 2.50         | 2.50         | 2.00         |
| Water  | 2.50         | 2.50         | 2.00         | 2.00         | 3.00         | 2.00         | 4.00         | 3.00         | 5.00         | 5.00         |
| Wastewater                                   | 4.50         | 4.50         | 5.00         | 5.00         | 5.00         | 5.00         | 5.00         | 5.00         | 5.00         | 5.00         |
| Total Employees                              | <u>72.50</u> | <u>69.50</u> | <u>75.50</u> | <u>74.00</u> | <u>73.00</u> | <u>70.50</u> | <u>71.00</u> | <u>74.00</u> | <u>70.00</u> | <u>71.50</u> |

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

| Function/Program                     | Fiscal Year |           |           |           |           |           |           |           |           |           |
|--------------------------------------|-------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
|                                      | 2013        | 2012      | 2011      | 2010      | 2009      | 2008      | 2007      | 2006      | 2005      | 2004      |
| General Government:                  |             |           |           |           |           |           |           |           |           |           |
| Full-time positions filled           | 72.50       | 69.50     | 75.50     | 74.00     | 73.00     | 70.50     | 71.00     | 74.00     | 70.00     | 71.50     |
| Tax bills mailed                     | 2,474       | 2,475     | 2,363     | 2,360     | 2,427     | 2,543     | 2,543     | 2,514     | 2,510     | 2,506     |
| Active Recreation Programs           | 551         | 564       | 500       | n/a       |
| Recreation Participants              | 3,498       | 3,578     | 2,983     | n/a       |
| Birth Certificates Recorded*         | 494         | 507       | 507       | 553       | 465       | 510       | 544       | 535       | 574       | 537       |
| Marriage Licenses Recorded*          | 59          | 69        | 47        | 58        | 72        | 53        | 74        | 92        | 89        | 79        |
| Death Certificates Recorded*         | 141         | 156       | 160       | 161       | 114       | 170       | 158       | 165       | 186       | 174       |
| Public Safety (1):                   |             |           |           |           |           |           |           |           |           |           |
| Total Cases*                         | 9,992       | 6,858     | 6,558     | 5,433     | 5,556     | 6,192     | 5,703     | 4,880     | 4,446     | 4,590     |
| Number of Offenses*                  | 760         | 632       | 939       | 628       | 839       | 664       | 758       | 653       | 591       | 742       |
| Number of Traffic Tickets*           | 645         | 721       | 1,104     | 1,791     | 873       | 1,047     | 1,209     | 964       | 906       | 1,101     |
| Number of Traffic Warnings*          | 1,774       | 1,225     | 1,944     | 2,689     | 1,177     | 643       | 624       | 399       | 111       | n/a       |
| Water System:                        |             |           |           |           |           |           |           |           |           |           |
| Average Daily Consumption (gallons)* | 2,114,809   | 2,022,000 | 2,057,940 | 1,961,707 | 1,906,400 | 1,851,277 | 1,959,466 | 2,087,858 | 2,152,392 | 2,042,646 |
| Wastewater System:                   |             |           |           |           |           |           |           |           |           |           |
| Average Daily Treatment (gallons)*   | 2,693,151   | 2,273,973 | 3,013,699 | 2,739,726 | 2,350,685 | 2,484,932 | 2,646,575 | 2,739,726 | n/a       | n/a       |
| Sludge Disposed (tons)*              | 1,131       | 2,346     | 1,518     | 1,854     | 342       | 274       | 363       | 632       | n/a       | n/a       |

**Notes:**

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

Categories marked "\*" are reported on a calendar year basis, current year information is extrapolated based on partial data.

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

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

| Function/Program                            | Fiscal Year |      |      |      |      |      |      |      |      |      |
|---|-------------|------|------|------|------|------|------|------|------|------|
|   | 2013        | 2012 | 2011 | 2010 | 2009 | 2008 | 2007 | 2006 | 2005 | 2004 |
| 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                   | 13          | 12   | 12   | 12   | 12   | 11   | 10   | 10   | 10   | 10   |
| Number of fire stations                     | 1           | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Number of fire vehicles                     | 4           | 4    | 6    | 6    | 6    | 6    | 6    | 6    | 6    | 6    |
| Public Works:                               |             |      |      |      |      |      |      |      |      |      |
| Number of public works buildings            | 3           | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    | 3    |
| Miles of streets                            | 24.4        | 24.4 | 24.4 | 24.4 | 24.4 | 24.4 | 24.4 | 24.4 | 24.4 | 24.4 |
| Miles of sidewalks                          | 45          | 45   | 45   | 45   | 45   | 45   | 45   | 45   | 45   | 45   |
| Culture and Recreation:                     |             |      |      |      |      |      |      |      |      |      |
| Number of culture and recreation facilities | 4           | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    | 4    |
| Acres of parks                              | 12          | 12   | 12   | 12   | 12   | 12   | 12   | 12   | 12   | 12   |
| Water:                                      |             |      |      |      |      |      |      |      |      |      |
| Number of water treatment facilities        | 2           | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    | 2    |
| Miles of water mains                        | 50          | 50   | 50   | 50   | 50   | 50   | 50   | 50   | 50   | 50   |
| Wastewater:                                 |             |      |      |      |      |      |      |      |      |      |
| Number of wastewater facilities             | 1           | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    | 1    |
| Miles of sanitary sewers                    | 50          | 50   | 50   | 50   | 50   | 50   | 50   | 50   | 50   | 50   |