



TOWN OF ST. ALBANS, VERMONT

FINANCIAL REPORT

JUNE 30, 2017



**TOWN OF ST. ALBANS, VERMONT
AUDIT REPORT AND FINANCIAL STATEMENTS
JUNE 30, 2017**

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**TOWN OF ST. ALBANS, VERMONT
AUDIT REPORT AND FINANCIAL STATEMENTS
JUNE 30, 2017**

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INDEPENDENT AUDITOR'S REPORT

To the Selectboard
Town of St. Albans
St. Albans, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of St. Albans, Vermont as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of St. Albans, Vermont as of June 30, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of the Town's proportionate share of net pension liability, the schedule of the Town's contributions and related notes, and the budgetary comparison information on pages 3–10 and 44–46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of St. Albans, Vermont's basic financial statements. The combining nonmajor governmental funds financial statements on pages 47 – 52 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 19, 2018, on our consideration of the Town 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* and should be considered in assessing the results of our audit.

St. Albans, Vermont
July 19, 2018
VT. Reg. No. 92-0000102

A. M. Pleisch & Company, LLP

Management's Discussion and Analysis

As management of the Town of St. Albans, we offer readers of the Town of St. Albans' financial statements this narrative overview and analysis of the financial activities of the Town of St. Albans for the fiscal year ended June 30, 2017.

Financial Highlights

- The assets of the Town of St. Albans exceeded its liabilities at the close of the most recent fiscal year by \$12,317,941 (*net position*). Of this amount, \$2,717,222 (*unrestricted net position*) may be used by the various funds of the Town to meet the Town's ongoing obligations to its citizens and creditors.
- The Town's total net position increased by \$1,282,887.
- As of the close of the current fiscal year, the Town of St. Albans' governmental funds reported combined ending fund balances of \$5,847,536, an increase of \$1,006,174 in comparison with the prior year. Of this total amount, \$845,490 is *available for spending* at the government's discretion.
- Capital assets, net of accumulated depreciation, increased during the fiscal year by \$172,341. Asset additions were \$784,280 (\$342,996 in equipment, \$424,764 in infrastructure assets and \$16,520 in buildings), while depreciation expense was \$529,217. Three assets were either sold or retired during the year.
- Bonds and notes payable have decreased by \$128,814. No new debt was incurred during the year, and payments against existing bonds and notes were \$25,000 and \$103,814 respectively.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of St. Albans' basic financial statements. The Town of St. Albans' basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The following table summarizes the major features of the basic financial statements with further explanations below:

Major Features of the Town's Government-Wide and Fund Financial Statements			
	Government-wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire Town government except fiduciary funds, and any applicable discretely presented component units	The activities of the Town that are not proprietary or fiduciary, such as General Government, Public Safety and Public Works	Instances in which the Town is the trustee or agent for someone else's resources
Required financial statements	Statement of Net Position; Statement of Activities	Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Fiduciary Net Position; Statement of Changes in Fiduciary Net Position (if applicable)
Measurement focus and basis of accounting	Economic resources measurement focus and accrual basis of accounting	Current financial resources measurement focus and modified accrual basis of accounting	Economic resources measurement focus and accrual basis of accounting
Type of asset / liability information presented	All assets and liabilities, both financial and capital, and both short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and both short-term and long-term
Type of inflow / outflow information presented	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of St. Albans' finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town of St. Albans' assets and deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two 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 Town of St. Albans is improving or deteriorating.

The *statement of activities* presents information showing how the government'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 vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of St. Albans that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of St. Albans include general government, public safety, public works, health and social services, recreation and parks, conservation and development, cultural, and public improvements. The Town of St. Albans has no business-type activities.

The government-wide financial statements are designed to include not only the Town of St. Albans itself (known as the *primary government*), but also any legally separate entities for which the Town of St. Albans is financially accountable (*known as component units*). The Town of St. Albans has no such 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 grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of St. Albans, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of St. Albans can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of St. Albans maintains eleven individual governmental funds, including the General Fund, five Special Revenue Funds, and five Capital Projects Funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Infrastructure Development Fund, the Fire Department Sinking Fund, and the Impact Fee Plant Fund, which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found in Exhibits C through E of this report.

Proprietary funds. The Town of St. Albans has no proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Proprietary funds financial statements provide the same type of information as the government-wide financial statements, only in more detail.

Fiduciary funds. Fiduciary funds are used to account for resources held 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 Town of St. Albans' own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The Town maintains one fiduciary fund, the Tax Sale Escrow Fund. The basic fiduciary fund financial statement (Statement of Fiduciary Net Position) can be found in Exhibit F. of this report. Because it is an Agency Fund, it has no net position held in trust for others, and no Statement of Changes in Fiduciary Net Position is required.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements in this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary* information and certain *supplementary information* to provide additional financial information not included in the basic financial statements. The required supplementary information includes additional disclosures regarding the Town's participation in the defined benefit pension plan and budgetary comparison schedules, and other supplementary information includes combining statements for various nonmajor funds. This information can be found immediately following the notes to the financial statements in this report.

Government-wide Financial Analysis

TOWN OF ST. ALBANS, VERMONT'S NET POSITION

	Governmental Activities	
	2017	2016
Assets		
Current and other assets	\$ 6,228,886	\$ 5,162,915
Capital assets	6,632,804	6,460,460
Total Assets	12,861,690	11,623,375
Deferred outflows of resources	253,820	159,792
Total Assets and Deferred Outflows of Resources	13,115,510	11,783,167
Liabilities		
Long-term liabilities outstanding	619,329	520,094
Other liabilities	170,823	228,022
Total Liabilities	790,152	748,116
Deferred inflows of resources	7,417	-
Total Liabilities and Deferred Inflows of Resources	797,569	748,116
Net Position		
Net investments in capital assets	6,371,050	6,069,892
Restricted	3,229,669	2,394,628
Unrestricted	2,717,222	2,570,531
Total Net Position	\$ 12,317,941	\$ 11,035,051

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of St. Albans, assets and deferred outflows exceeded liabilities and deferred inflows by \$12,317,941 at the close of the most recent fiscal year.

About one-half of the Town of St. Albans' net position (51.7%) reflects its investment in capital assets (e.g., land, buildings, equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town of St. Albans uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the Town of St. Albans' investment in its 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.

An additional portion of the Town of St. Albans' net position (26.2%) represents resources that are subject to external restriction on how they may be used. The remaining balance of *unrestricted net position* (\$2,717,222) may be used to meet the government's ongoing obligations to citizens and creditors. 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.

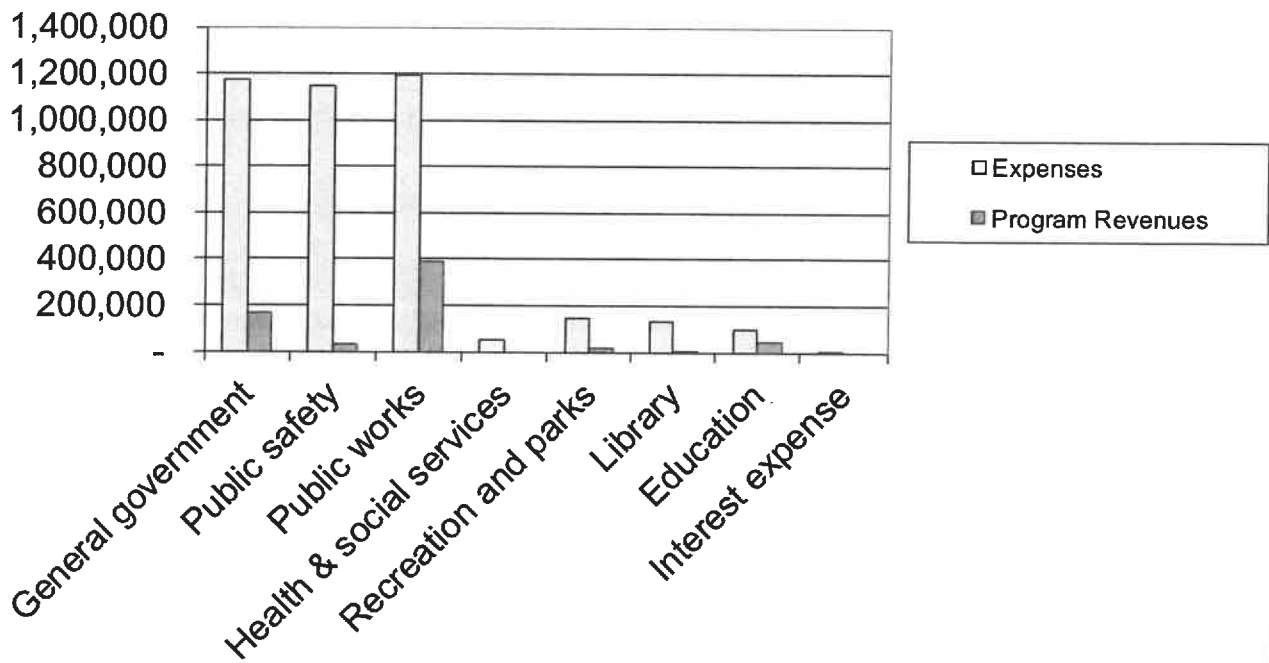
At the end of the current fiscal year, the Town of St. Albans is able to report positive balances in all three categories of net position.

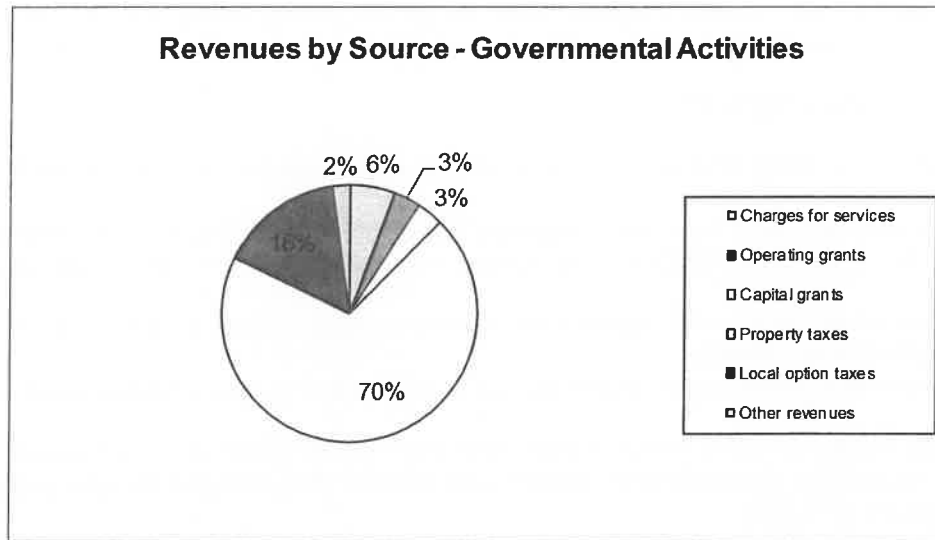
TOWN OF ST. ALBANS, VERMONT'S CHANGES IN NET POSITION

	Governmental Activities	
	2017	2016
Revenues		
Program revenues		
Charges for services	\$ 296,283	\$ 270,187
Operating grants and contributions	183,799	204,057
Capital grants and contributions	175,000	108,900
General revenues		
Property taxes	3,646,384	3,700,736
Local option taxes	818,340	742,624
Other revenues	111,340	73,513
Total Revenues	<u>5,231,146</u>	<u>5,100,017</u>
Expenses		
Governmental activities		
General government	1,170,658	957,897
Public safety	1,148,852	1,119,152
Public works	1,195,662	1,173,679
Health and social services	48,900	48,722
Parks and recreation	146,127	144,917
Library	131,765	127,309
Education	100,000	50,000
Interest on long-term debt	6,295	18,400
Total Expenses	<u>3,948,259</u>	<u>3,640,076</u>
Change in net position	1,282,887	1,459,941
Net position - beginning of year	<u>11,035,054</u>	<u>9,575,113</u>
Net position - end of year	<u>\$ 12,317,941</u>	<u>\$ 11,035,054</u>

Governmental activities. Governmental activities increased the Town of St. Albans' net assets by \$1,282,887 during the current fiscal year. Net investment in capital assets increased as a result of current year net additions to capital assets that exceeded depreciation expense (\$172,341), and as a result of principal payments on capital-related long-term bonds and notes (\$128,814). Restricted net position increased by \$835,041, primarily as a result of the revenues collected by the Infrastructure Development Fund, funded by local option taxes (\$818,340). Unrestricted net position increased by \$146,691, primarily as a result of an excess of revenues over expenditures in the general fund of \$176,888.

Expenses and Program Revenues - Governmental Activities





Financial Analysis of the Government's Funds

As noted earlier, the Town of St. Albans, Vermont, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the Town of St. Albans' *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of St. Albans' financing requirements. In particular, *unrestricted 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 Town of St. Albans' governmental funds reported combined ending fund balances of \$5,847,536, an increase of \$1,006,174 in comparison to the prior year. Of this total amount, \$11,180 is non-spendable (prepaid expenses) and \$3,229,669 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, \$1,710,077 has been committed by the Town's voters for various purposes, \$51,120 has been assigned by management for various purposes, and \$845,490 is unassigned and available for spending at the government's discretion.

The General Fund is the chief operating fund of the Town of St. Albans. At the end of the current fiscal year, unassigned fund balance was \$845,490, and nonspendable, restricted, committed and assigned fund balance was \$487,412. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total General Fund expenditures and operating transfers. Unassigned fund balance represents 22.8 percent of general fund expenditures and operating transfers, while total fund balance represents 36.0 percent of that same amount.

The fund balance of the Town of St. Albans' General Fund increased by \$177,389 during the current fiscal year, compared to an increase of \$166,810 in the prior fiscal year. Key factors in this change are as follows:

- Property tax revenues were less than the previous year by (\$95,240).
- General government expenses were greater than in the previous year primarily due to full staffing in the manager's office (\$65,885) and higher legal and engineering fees (\$66,231).
- Capital expenditures were less than last year due to a reduction in expenditures for paving, and that the reconstruction of the seawall occurred last year. Total decrease in capital expenditures was \$201,630.

Special revenue funds consist primarily of the Infrastructure Development Fund (\$2,296,333), Impact Fee Funds (\$496,549), and Reappraisal Funds (\$231,533). Use of Infrastructure Development Funds is determined by voter action, use of Impact Fee Funds is restricted by the impact fee statute, and the use of reappraisal funds is

restricted by State statutes. Capital projects funds consist primarily of amounts to be used in the purchase of capital assets for public safety (\$779,162), public works (\$460,981), and capital equipment (\$69,138).

General Fund Budgetary Highlights

Differences between budgeted amounts and actual amounts can be briefly summarized as follows:

- Property tax revenues were less than anticipated but revenues from interest and penalties were more than anticipated, due to slower collections. The budget anticipated using \$70,000 in fund balance to reduce the tax rate.
- Intergovernmental revenues were higher than expected due to a highway paving grant (\$175,000) and an aquatic nuisance grant (\$9,542).
- General government expenses exceeded budget primarily due to unanticipated legal and consulting fees (\$66,231).
- Public safety expenses were below budget primarily due to lower than anticipated payments for law enforcement (\$28,920), fire department salaries and benefits (\$12,329) and turn-out gear that was budgeted but not expended (\$10,000).
- Public works expenses were below budget primarily due to lower than anticipated salaries and benefits (\$62,015), savings in outlays for gas and oil (\$16,801) and permit fees (\$11,750); offset by additional expenses for equipment repair and maintenance (\$18,337).

Capital Asset and Debt Administration

Capital assets. The Town of St. Albans' investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$6,371,050 (net of accumulated depreciation and related debt). This investment in capital assets includes buildings and improvements, and vehicles and equipment. The investment in net assets increased by 11.5 percent for governmental activities.

Major capital asset events during the current fiscal year included the several purchases of equipment for the Public Works Department (\$338,010), paving in various locations (\$424,767), Airpacks (\$19,228), and HVAC system (\$16,520). Assets with a net asset value of \$82,721 were either sold or traded.

	Governmental activities	
	2017	2016
Buildings and improvements	\$ 652,057	\$ 662,873
Vehicles and equipment	2,177,266	2,149,879
Infrastructure	<u>3,803,481</u>	<u>3,647,708</u>
Total Assets	<u>\$ 6,632,804</u>	<u>\$ 6,460,460</u>

Additional information on the Town of St. Albans' net assets can be found in note IV.C. of the notes to financial statements.

Long-term debt. At the end of the current year, the Town of St. Albans had total long-term debt outstanding of \$261,754. Of this amount, \$245,000 represents bonded debt backed by the full faith and credit of the Town and \$16,754 represents notes payable for equipment. The use of the proceeds of this bond did not result in a capital asset of the Town, so this amount is not part of the calculation of the investment in capital assets net of related debt.

	Governmental activities	
	2017	2016
Bonds payable	\$ 245,000	\$ 270,000
Notes payable	16,754	120,568
Totals	\$ 261,754	\$ 390,568

The Town of St. Albans' total debt decreased by \$128,814 during the year, as a result of repayment of existing debt. No new bonds or loans were taken out in FY 2017.

State statutes limit the amount of bonded debt any governmental entity may issue to 10 times its total assessed valuation. The current debt limit for the Town of St. Albans is \$93,659,792, which is significantly in excess of the Town of St. Albans' outstanding bonded debt.

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

Additional information on the Town of St. Albans' long-term debt can be found in note IV.G. of the notes to financial statements.

Economic Factors and Next Year's Budgets and Rates

The Town of St. Albans approved a general fund budget for fiscal year 2018 in the amount of \$4,562,617. This represents an increase of \$475,395 or 11.6 percent over the approved budget for the previous year. Anticipated non-tax revenue is expected to be \$730,000, an increase of \$18,766 or 2.6 percent over the previous year. The Town will utilize \$300,000 in assigned funds for subsequent year expenditures to pay for expenditures included in this budget. The use of these funds was intended to keep any increase in taxes raised to a minimum. As a result, the amount to be collected in taxes increased by 7.8 percent.

Requests for Information

This financial report is designed to provide a general overview of the Town of St. Albans, Vermont's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Treasurer, Town of St. Albans, PO Box 37, St. Albans Bay, VT 05481.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

TOWN OF ST. ALBANS, VERMONT
STATEMENT OF NET POSITION
JUNE 30, 2017

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 5,721,108
Receivables (net of allowance for uncollectible accounts)	
Taxes receivable	375,722
Accounts receivable	4,248
Other current assets	127,808
Capital assets (net of accumulated depreciation)	
Buildings and improvements	652,057
Vehicles and equipment	2,177,266
Infrastructure	<u>3,803,481</u>
 Total Assets	 <u>12,861,690</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred for pension contributions made after measurement date	51,683
Deferred for changes in pension plan	<u>202,137</u>
 Total Deferred Outflows of Resources	 <u>253,820</u>
 Total Assets and Deferred Outflows of Resources	 <u>13,115,510</u>
LIABILITIES	
Accounts payable	67,152
Accrued payroll and benefits payable	22,475
Accrued interest payable	3,669
Noncurrent liabilities	
Due within one year	77,527
Due in more than one year	<u>619,329</u>
 Total Liabilities	 <u>790,152</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred from changes in proportionate share in pension plan	<u>7,417</u>
 Total Deferred Inflows of Resources	 <u>7,417</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>797,569</u>
NET POSITION	
Net investment in capital assets	6,371,050
Restricted for:	
Other Projects	104,544
Infrastructure	2,296,333
Impact fees	496,549
Reappraisal	231,533
Capital Projects	100,710
Unrestricted	<u>2,717,222</u>
 Total Net Position	 <u>\$ 12,317,941</u>

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

**TOWN OF ST. ALBANS, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense)/ Revenue and Changes in Net Position Governmental Activities
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities					
General government	\$ 1,170,658	\$ 135,574	\$ 31,937	\$ -	\$ (1,003,147)
Public safety	1,148,852	27,248	2,447	-	(1,119,157)
Public works	1,195,662	77,753	134,873	175,000	(808,036)
Health and social services	48,900	-	-	-	(48,900)
Parks and recreation	146,127	5,016	14,542	-	(126,569)
Library	131,765	4,422	-	-	(127,343)
Education	100,000	46,270	-	-	(53,730)
Interest on long-term debt	6,295	-	-	-	(6,295)
Total governmental activities	<u>\$ 3,948,259</u>	<u>\$ 296,283</u>	<u>\$ 183,799</u>	<u>\$ 175,000</u>	<u>(3,293,177)</u>
General Revenues					
Property taxes					3,646,384
Local option taxes					818,340
Unrestricted investment income					11,466
Gain on sale of capital assets					38,031
Other revenues					<u>61,843</u>
Total general revenues					<u>4,576,064</u>
Change in net position					1,282,887
Net position, July 1					<u>11,035,054</u>
Net position, June 30					<u>\$ 12,317,941</u>

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

FUND FINANCIAL STATEMENTS

TOWN OF ST. ALBANS, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Infrastructure Development Fund	Fire Department Sinking Fund	Impact Fee Plant Fund	Nonmajor Governmental Funds	Eliminations	Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 1,308,615	\$ 2,179,705	\$ 779,162	\$ 503,873	\$ 949,753	\$ -	\$ 5,721,108
Receivables							
Taxes, penalties and interest	375,722	-	-	-	-	-	375,722
Accounts receivable	4,248	-	-	-	-	-	4,248
Due from other governments	-	116,628	-	-	-	-	116,628
Due from other funds	14,487	-	-	-	5	(14,492)	-
Prepaid expenses	11,180	-	-	-	-	-	11,180
Total assets	\$ 1,714,252	\$ 2,296,333	\$ 779,162	\$ 503,873	\$ 949,758	\$ (14,492)	\$ 6,228,886
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ 67,152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,152
Accrued liabilities	22,475	-	-	-	-	-	22,475
Due to other funds	-	-	-	7,324	7,168	(14,492)	-
Total liabilities	89,627	-	-	7,324	7,168	(14,492)	89,627
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	291,723	-	-	-	-	-	291,723
Total deferred inflows of resources	291,723	-	-	-	-	-	291,723
FUND BALANCES							
Non-spendable							
Prepaid expenses	11,180	-	-	-	-	-	11,180
Restricted	24,316	2,296,333	-	496,549	412,471	-	3,229,669
Committed	400,796	-	779,162	-	530,119	-	1,710,077
Assigned	51,120	-	-	-	-	-	51,120
Unassigned	845,490	-	-	-	-	-	845,490
Total fund balances	1,332,902	2,296,333	779,162	496,549	942,590	-	5,847,536
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,714,252	\$ 2,296,333	\$ 779,162	\$ 503,873	\$ 949,758	\$ (14,492)	

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 reportable in the funds.	6,632,804
Certain revenues are not available to pay for current period expenditures and, therefore, are deferred in the funds.	291,723
Deferred outflows of resources relative to pensions are not financial resources and, therefore, are not reportable in the funds.	253,820
Deferred inflows of resources relative to pensions are not financial resources and, therefore, are not reportable in the funds.	(7,417)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(700,525)
Net position of governmental activities (Exhibit A)	\$ 12,317,941

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

TOWN OF ST. ALBANS, VERMONT
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Infrastructure Development Fund	Fire Department Sinking Fund	Impact Fee Plant Fund	Nonmajor Governmental Funds	Eliminations	Total Governmental Funds
REVENUES							
Property taxes	\$ 3,624,791	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,624,791
Local option taxes	-	818,340	-	-	-	-	818,340
Licenses and permits	48,133	-	-	-	-	-	48,133
Intergovernmental	327,007	-	-	-	26,792	-	353,799
Charges for services	189,864	-	-	-	30,746	-	220,610
Impact fees	-	-	-	75,673	-	-	75,673
Interest	1,349	5,252	2,209	1,051	6,605	-	16,466
Miscellaneous	13,707	-	-	-	-	-	13,707
Total revenues	4,204,851	823,592	2,209	76,724	64,143	-	5,171,519
EXPENDITURES							
General government	1,134,558	-	-	477	-	-	1,135,035
Public safety	1,054,462	-	-	-	-	-	1,054,462
Public works	743,688	-	-	-	26,740	-	770,428
Health and social services	48,900	-	-	-	-	-	48,900
Parks and recreation	126,321	-	-	-	-	-	126,321
Library	131,765	-	-	-	-	-	131,765
Education	-	-	-	100,000	-	-	100,000
Capital outlay	-	-	-	-	-	-	-
Public safety	-	-	-	-	35,747	-	35,747
Public works	424,764	-	-	-	286,184	-	710,948
Parks and recreation	-	-	-	-	23,000	-	23,000
Debt service	-	-	-	-	-	-	-
Principal	25,000	-	-	-	103,814	-	128,814
Interest	4,105	-	-	-	1,990	-	6,095
Total expenditures	3,693,563	-	-	100,477	477,475	-	4,271,515
Excess (Deficiency) of Revenues over (under) Expenditures	511,288	823,592	2,209	(23,753)	(413,332)	-	900,004
OTHER FINANCING SOURCES (USES)							
Transfers in	7,567	-	121,600	-	219,866	(349,033)	-
Transfers out	(341,466)	-	-	(7,567)	-	349,033	-
Proceeds from sale of equipment	-	-	106,170	-	-	-	106,170
Total other financing sources (uses)	(333,899)	-	227,770	(7,567)	219,866	-	106,170
Net changes in fund balances	177,389	823,592	229,979	(31,320)	(193,466)	-	1,006,174
Fund balances, July 1	1,155,513	1,472,741	549,183	527,869	1,136,056	-	4,841,362
Fund balances, June 30	\$ 1,332,902	\$ 2,296,333	\$ 779,162	\$ 496,549	\$ 942,590	\$ -	\$ 5,847,536

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

TOWN OF ST. ALBANS, VERMONT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

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

Net change in fund balance - total governmental funds (Exhibit D)	\$ 1,006,174
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.	172,341
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	21,593
The issuance of long-term debt (e.g., bonds and leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of those differences in the treatment of long-term debt and related items.	128,814
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>(46,035)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 1,282,887</u>

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

TOWN OF ST. ALBANS, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2017

	<u>Tax Sale Escrow</u>	<u>Total Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 35,450	\$ 35,450
Total assets	<u>\$ 35,450</u>	<u>\$ 35,450</u>
LIABILITIES		
Due to other individuals	\$ 35,450	\$ 35,450
Total liabilities	<u>\$ 35,450</u>	<u>\$ 35,450</u>

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

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017</p>

The Town of St. Albans, Vermont, operates under a Town Meeting form of government with an elected Board of Selectmen and an appointed Town Manager, and provides the following services: general administration, public safety, highways and streets, health and social services, culture and recreation, planning and zoning, and public improvements.

The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Town of St. Albans.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Town of St. Albans 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 Town of St. Albans, Vermont. 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 organizations 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. There are no agencies or entities that should be combined with the financial statements of the Town.

Based on the application of the criteria for evaluating potential component units, the Town evaluated the St. Albans Town School District and determined it does not meet the criteria and is excluded from this financial reporting entity.

B. Basis of Presentation

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

The basic financial statements of the Town of St. Albans 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 Town as a whole and presents a longer-term view of the Town'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 Town and presents a shorter-term view of how operations were financed and what remains available for future spending.

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017</p>

B. Basis of Presentation (continued)

Government-wide Statements: The statement of net position and the statement of activities display information about the Town. 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; however, interfund services provided and used are not eliminated. These statements distinguish between the *governmental* and *business-type* activities of the Town. 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 Town has no business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. 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 Town'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 and enterprise funds are aggregated and reported as nonmajor funds. Combining financial statements for nonmajor funds are included as other supplementary information.

Governmental fund types are used to reflect functions of government that are primarily funded through taxes and intergovernmental revenues, and whose services are available to any resident.

The Town reports on the following major governmental funds:

General Fund. This is the general operating fund of the Town. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Infrastructure Development Fund. This fund accounts for funds received under the local option tax approved by voters and other related donations to be set aside and used for future infrastructure improvements.

Fire Department Sinking Fund. This fund accounts for funds approved by voters to be set aside and used for the acquisition and replacement of Fire Department equipment.

Impact Fee Plant Fund. This fund accounts for proceeds from impact fees collected on new construction to help fund the additional maintenance and cost of capital improvements in anticipation of the new construction.

<p style="text-align: center;">TOWN OF ST ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017</p>
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B. Basis of Presentation (continued)

The Town reports on the following nonmajor governmental fund types:

Special Revenue Funds. These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes other than debt service or capital projects. Included in this fund type are Reappraisal Fund, Industrial Park Fund, and Highway Salvage Fund.

Capital Project Funds. These funds account for financial resources to be used for the acquisition or construction of major capital facilities which are not financed by Proprietary Funds. Included in this fund type are the DPW Capital Fund, Public Works Fund, Capital Equipment Reserve Fund, and Capital Projects Reserve Fund.

Proprietary fund types are used to reflect functions of government that are primarily funded through user fees and are only paid by residents who use the service.

The Town has no proprietary fund types.

Fiduciary fund types are used to account for resources held for the benefit of parties outside the government.

The Town reports on the following fiduciary fund type:

Agency Funds. These funds are used to account for assets held in a trustee capacity or as an agent for individuals, private organizations, or other governmental units. These funds report assets and liabilities and have no fund balance. Included in this fund type is the Tax Escrow Fund.

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. This means that all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds (whether current or noncurrent) are included on the statement of net position. Fund equity (i.e., net total assets) 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. 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.

**TOWN OF ST. ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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 and proprietary 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 Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the 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 Town considers all revenues reported in governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, other postemployment benefits, and compensated absences, which are recognized as expenditures to the extent they are expected to be liquidated with expendable available financial resources.

Property taxes, intergovernmental revenues and charges for current services associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town. The Town reports unavailable revenue on its balance sheet. Unavailable revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria.

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 Town funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there is both restricted and unrestricted net position available to finance the program. It is the Town'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.

**TOWN OF ST. ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

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. The most significant estimate used by the Town is the estimated useful lives used to calculate depreciation of property, plant and equipment.

F. Assets, Liabilities and Equity

1. Cash

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

2. Investments

State statutes do not restrict the types of investments the Town can make. All investments require the authorization of the Board of Selectmen. In accordance with GASB Statement No. 72, *Fair Value Application*, investments with readily determinable fair values are reported at their fair values on the balance sheet in accordance with an established hierarchy of inputs. Unrealized gains and losses are included in revenue.

3. Receivables

Accounts receivable 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.

Transactions between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as "due to/from other funds."

The Town is responsible for assessing and collecting its own property taxes, as well as taxes for the State for school purposes. Property taxes are assessed annually based on property valuations as of April 1. Taxes are collected four times a year, on August 15, November 15, February 15, and May 15. Taxes unpaid after the August, November, and February due dates are considered to be late, and are subject to monthly interest at 1%. Taxes unpaid after the May due date are delinquent, and are subject to an 8% penalty, and interest calculated at 1% per month for the first three months, and then 1.5% per month thereafter. Unpaid taxes become an enforceable lien on the property, and such properties are subject to tax sale by the delinquent tax collector.

The tax rate for 2017 is as follows:

	Homestead	Non-residential
Homestead education tax	\$ 1.4023	\$ -
Non-residential education tax	-	1.4536
Town general and highway fund appropriations	0.3530	0.3530
Local agreement tax	0.0017	0.0017
Total	\$ 1.7570	\$ 1.8083

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017</p>

F. Assets, Liabilities and Equity (continued)

4. Inventories and Prepaid Expenses

The Town does not record inventories of supplies as these amounts are not material in relation to the Town's results of operations. Accordingly, expenditures related to inventories are reported in governmental funds when purchased.

Certain payments to vendors reflect costs that are applicable to future accounting periods and are recorded as prepaid expenses. The Town had prepaid expenses of \$11,180 as of June 30, 2017.

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

5. 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 of proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of any interest earned on the invested proceeds during the same period. Interest is not capitalized during the construction phase of capital assets used in governmental activities. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. The Town 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, using the straight line method of calculating depreciation. Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Service Life</u>
Land improvements	\$ 10,000	10-50 years
Buildings and building improvements	15,000	10-75 years
Vehicles and equipment	5,000	3-25 years
Roads, bridges, and sidewalks	20,000	20-75 years

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

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017</p>

F. Assets, Liabilities and Equity (continued)

6. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick time. Unused vacation time must be used within the next succeeding fiscal year, and is paid to the employee upon termination of their employment if their term of employment has exceeded six months. One-half of unused sick time (up to 96 hours maximum) is paid to the employee upon termination of employment if the employee is in good standing. The accrual for unused vacation and sick time, based on current pay rates, is recorded in the government-wide and proprietary fund financial statements, with the general fund being used to liquidate amounts recorded in the government-wide statements. Liability for unused vacation time is not reported in the governmental fund type financial statements unless they have matured and will be paid using current financial resources. Payments for unused vacation time are recorded as expenditures in the year they are paid.

7. Long-term Liabilities

Long-term liabilities include bonds and notes payable. Long-term liabilities also include other obligations such as the non-current portion of compensated absences and postemployment benefits, and the Town's net pension liability. Long-term liabilities are reported in the government-wide and proprietary fund financial statements. Governmental fund type financial statements do not include any long-term liabilities as those funds use the current financial resources measurement focus and only include current assets and liabilities on their balance sheets.

8. Deferred Outflows/Inflows of Resources

The Town reports deferred outflows of resources on its statement of net position. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until the applicable period. Deferred outflows consist of (1) the Town's current year pension contributions subsequent to the measurement date, (2) the change in the Town's proportionate share of pension contributions, (3) the Town's proportionate share of the difference between projected and actual investment earnings, (4) the Town's proportionate share of change in the net pension liability due to changes in assumptions, and (5) the Town's proportionate share of differences between expected and actual experience.

The Town reports deferred inflows of resources on its statement of net position. Deferred inflows of resources represent 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 future period. Deferred inflows on the statement of net position consist of the change in the Town's proportional share of pension contributions. Deferred inflows on the governmental fund balance sheet consist of unavailable revenue - property taxes that were not collected within 60 days of year end.

9. Fund Equity

Fund balances and retained earnings 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 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. Net assets of governmental fund type financial statements are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017</p>

F. Assets, Liabilities and Equity (continued)

9. Fund Equity (continued)

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 at Town Meeting); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to be spent first. When an expenditure is incurred for purposes for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds as needed, unless the Selectboard has provided otherwise.

10. Implementation of new accounting principles

During the year ended June 30, 2017, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68*, establishes requirements for defined benefit pensions and related assets that are not within the scope of Statement No. 68, as well as establishing requirements for defined contribution pensions that are not within the scope of Statement No. 68. The Statement also clarifies the application of certain provisions of Statements No. 67 and 68. The implementation of this Statement had no impact on the Town of St. Albans.

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB. Implementation of this Statement had no impact on the Town of St. Albans.

GASB Statement No. 77, *Tax Abatement Disclosures*, requires governments that enter into tax abatement agreements to disclose certain information about those agreements, including the tax being abated, the gross dollar amount abated during the period, and any other commitments made by the government as a part of the agreement. Implementation of this Statement had no impact on the Town of St. Albans.

GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans* amends Statement No. 68, *Accounting and Financial Reporting for Pensions* to exclude pensions provided to employees of state or local government employers that is not managed by a state or local government. Implementation of this Statement had no impact on the Town of St. Albans.

GASB Statement No. 80, *Blending Requirements for Certain Component Units* amends blending requirements for the financial statement presentation of a component unit incorporated as a not-for-profit corporation under certain conditions. Implementation of this Statement had no impact on the Town of St. Albans.

**TOWN OF ST. ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

F. Assets, Liabilities and Equity (continued)

10. Implementation of new accounting principles (continued)

GASB Statement No. 82, *Pension Issues* addresses certain issues that had been raised with respect to Statements No 67, *Financial Reporting for Pension Plans*, and Statement No 68, *Accounting and Financial Reporting for Pensions*. The implementation of this Statement had no impact on the Town of St. Albans.

Management will review the following GASB Statements, which are effective in future years, for possible implementation.

GASB Statement No.75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
GASB Statement No. 81, *Irrevocable Split-Interest Agreements*
GASB Statement No. 83, *Certain Asset Retirement Obligations*
GASB Statement No. 84, *Fiduciary Activities*
GASB Statement No. 85, *Omnibus 2017*
GASB Statement No. 86, *Certain Debt Extinguishment Issues*
GASB Statement No. 87, *Leases*

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

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

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

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

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

TOWN OF ST. ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

A. Governmental Funds Balance Sheet and the Statement of Net position

Detailed explanation of the differences between governmental funds balance sheet and government-wide statement of net position are as follows:

	Total Governmental Funds	Long-term Revenues/ Expenses	Capital- Related Items	Long-term Debt Transactions	Statement of Net Position Total
ASSETS					
Cash and cash equivalents	5,721,108	\$ -	\$ -	\$ -	\$ 5,721,108
Receivables					
Taxes receivable	375,722	-	-	-	375,722
Accounts receivable	4,248	-	-	-	4,248
Due from other governments	116,628	-	-	-	116,628
Prepaid expenses	11,180	-	-	-	11,180
Capital assets	-	-	6,632,804	-	6,632,804
Total Assets	6,228,886	-	6,632,804	-	12,861,690
DEFERRED OUTFLOWS OF RESOURCES					
Deferred for pension contributions made after measurement date	-	51,683	-	-	51,683
Deferred for changes in pension plan	-	202,137	-	-	202,137
Total Deferred Outflows of Resources	-	253,820	-	-	253,820
LIABILITIES					
Accounts payable	67,152	-	-	-	67,152
Accrued payroll and benefits payable	22,475	-	-	-	22,475
Accrued interest payable	-	3,669	-	-	3,669
Noncurrent liabilities	-	435,102	-	261,754	696,856
Total Liabilities	89,627	438,771	-	261,754	790,152
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	291,723	(291,723)	-	-	-
Deferred from changes in proportionate share in pension plan	-	7,417	-	-	7,417
Total Deferred Inflows of Resources	291,723	(284,306)	-	-	7,417
NET POSITION					
Net investment in capital assets	-	-	6,632,804	(261,754)	6,371,050
Other	5,847,536	99,355	-	-	5,946,891
Total Net Position	\$ 5,847,536	\$ 99,355	\$ 6,632,804	\$ (261,754)	\$ 12,317,941

TOWN OF ST. ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

B. Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities

Detailed explanation of the differences between governmental funds statement of revenues, expenditures and changes in fund balances and government-wide statement of activities are as follows:

	Total Governmental Funds	Long-term Revenues/ Expenses	Capital- Related Items	Long-term Debt Transactions	Statement of Activities Total
REVENUES					
Taxes	\$ 3,624,791	\$ 21,593	\$ -	\$ -	\$ 3,646,384
Local option tax	818,340	-	-	-	818,340
Permits and licenses	48,133	-	-	-	48,133
Intergovernmental revenues	353,799	5,000	-	-	358,799
Charges for current services	220,610	75,673	-	-	296,283
Impact fees	75,673	(75,673)	-	-	-
Interest	16,466	(5,000)	-	-	11,466
Other revenues	13,707	3	-	-	13,710
Proceeds of sale of capital assets	106,170	-	(68,139)	-	38,031
Total Revenues	5,277,689	21,596	(68,139)	-	5,231,146
EXPENDITURES					
Current					
General government	1,135,035	33,103	2,520	-	1,170,658
Public safety	1,054,462	(342)	94,732	-	1,148,852
Public works	770,428	9,921	415,313	-	1,195,662
Health and social services	48,900	-	-	-	48,900
Parks and recreation	126,321	3,154	16,652	-	146,127
Library	131,765	-	-	-	131,765
Education	100,000	-	-	-	100,000
Capital improvements	784,278	-	(784,278)	-	-
Debt service					
Principal	128,814	-	-	(128,814)	-
Interest	6,095	-	-	200	6,295
Total Expenditures	4,286,098	45,836	(255,061)	(128,614)	3,948,259
Net change for the year	\$ 991,591	\$ (24,240)	\$ 186,922	\$ 128,614	\$ 1,282,887

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017</p>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

Prior to December 15, the Town Manager prepares and presents to the Selectboard a proposed budget for the ensuing budget year beginning July 1. The operating budget includes proposed expenditures and the means of financing them, and is prepared on the modified cash basis. Prior to January 31, the Selectboard prepares and approves a budget to be presented to the voters at Town Meeting.

The legal voters of the Town of St. Albans, Vermont, meet on the first Tuesday in March to review, discuss, and vote on the proposed budget. Any subsequent revisions to the budget must be approved by the Select Board. Formal budgetary integration is employed as a management control device during the year for the General Fund. The Budgetary Comparison Schedule - Budget and Actual (Non-GAAP) - Budgetary Basis) present comparisons of the legally adopted budgets with actual data on a cash basis.

Encumbrance accounting - under which purchase orders, contracts and other commitments for the expenditure of monies are recorded, in order to reserve that portion of the applicable appropriation - is used in government funds. The Town does not record encumbrances at the end of the year.

IV. DETAILED NOTES ON ALL FUNDS

A. Cash

At year end, the Town's carrying amount of deposits was \$5,721,108, and the bank balance was \$5,761,744. The difference between the book and bank balances 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 collateralized with securities held by the financial institution's trust department not in the Town's name were substantially higher than at year end.

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 Town does not have any policy to limit the exposure to custodial credit risk. The table below presents the custodial credit risk of the deposits with financial institutions.

Insured - FDIC/SIPC	\$ 500,000
Collateralized with securities held by pledging institution's trust department not in the government's name	<u>5,261,744</u>
Total	<u>\$ 5,761,744</u>

TOWN OF ST ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

B. Accounts receivable

Accounts receivable at year end, as reported in the statement of net position, including applicable allowances for uncollectible accounts, consists of amounts that are billed on a semi-annual basis to property owners who benefit from sewer-related improvements for the cost of bond principal and interest payments on said improvements. The uncollected balance of these assessments at June 30, 2017, is \$-. No allowance for uncollectible accounts is deemed necessary. There is also a balance due of \$4,248 for other receivable.

C. Capital assets

Capital asset activity for the year ended June 30, 2017, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities				
Capital assets, being depreciated:				
Buildings and building improvements	\$ 1,043,309	\$ 16,520	\$ -	\$ 1,059,829
Vehicles and equipment	3,617,017	342,996	250,020	3,709,993
Infrastructure	<u>4,905,073</u>	<u>424,764</u>	<u>-</u>	<u>5,329,837</u>
Totals	<u>9,565,399</u>	<u>784,280</u>	<u>250,020</u>	<u>10,099,659</u>
Less accumulated depreciation for:				
Buildings and building improvements	380,437	27,335	-	407,772
Vehicles and equipment	1,467,134	232,891	167,298	1,532,727
Infrastructure	<u>1,257,365</u>	<u>268,991</u>	<u>-</u>	<u>1,526,356</u>
Totals	<u>3,104,936</u>	<u>529,217</u>	<u>167,298</u>	<u>3,466,855</u>
Total capital assets, being depreciated, net	<u>6,460,463</u>	<u>255,063</u>	<u>82,722</u>	<u>6,632,804</u>
Governmental activity capital assets, net	<u>\$ 6,460,463</u>	<u>\$ 255,063</u>	<u>\$ 82,722</u>	<u>\$ 6,632,804</u>

Depreciation was charged to programs as follows:

Governmental activities	
General government	\$ 2,520
Public safety	94,731
Public works	415,314
Parks and recreation	<u>16,652</u>
Total depreciation expense	<u>\$ 529,217</u>

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017</p>

D. Interfund Balances and Activity

Interfund balances represent advances between funds which are intended to be liquidated by the payable fund within the next fiscal year. Interfund transfers represent advances to other funds that are intended to be of a permanent nature.

The composition of interfund balances at June 30, 2017, is as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 14,487	\$ -
Impact Fee Plant Fund	-	7,324
Reappraisal Fund	-	7,168
Capital Equipment Reserve Fund	5	-
TOTAL	\$ 14,492	\$ 14,492

Interfund transfers for the year ended June 30, 2017, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Capital Equipment Reserve Fund	\$ 30,000	Asset replacement
	Capital Equipment Reserve Fund	115,821	Debt service
	Fire Department Sinking Fund	121,600	Equipment replacement
	Public Works Fund	64,045	Equipment replacement
	Capital Projects Reserve Fund	10,000	Asset replacement
	DPW Capital Fund	-	Asset replacement
		341,466	
Impact Fee Fund	General Fund	7,567	Administrative fee
Total Interfund Transfers		\$ 349,033	

E. Unavailable Revenues

Unavailable revenues in the General Fund consists of \$291,723 of delinquent property taxes, penalties and interest not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

TOWN OF ST. ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

F. Accrued Compensated Absences

Changes in accrued compensated absences during the year were as follows:

	Governmental Activities
Beginning Balance	\$ 51,934
Additions	45,711
Reductions	(52,418)
Ending Balance	\$ 45,227
Due Within One Year	\$ 44,316

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

G. Long-term Liabilities

General Obligation Bonds. The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for general government activities. Bonds are reported in governmental activities if the debt is expected to be repaid from general governmental revenues.

General obligation bonds are direct obligations and pledge the full faith and credit of the Town. These bonds generally are issued as 15 to 25 year bonds. Bonds issued for general government activities generally are issued with equal amounts of principal maturing each year, and bonds issued for proprietary activities generally are issued with equal annual debt service amounts payable each year.

Notes Payable. The Town uses installment loans for the acquisition of equipment. Installment loans are issued for governmental activities. Notes are reported in governmental activities if the debt is expected to be repaid from general governmental revenues.

Notes payable are monthly installment obligations, and are issued in terms relative to the estimated useful life of the equipment being purchased. Notes payable are generally amortized using equal monthly payments applied to principal and interest.

TOWN OF ST. ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

G. Long-term Liabilities (continued)

General obligation bonds and revolving loans outstanding at June 30, 2017, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>	<u>Due within One Year</u>
NOTES AND BONDS PAYABLE			
<u>Governmental Activities - Notes</u>			
Fire Department Truck - original amount \$40,000 due 9/23/19, annual payments \$8,672	2.75%	\$ 16,754	\$ 8,211
Total notes payable		16,754	8,211
<u>Governmental Activities - Bonds</u>			
Sewer Improvements - original amount \$645,000 due 12/1/26, annual payments of \$25,000 and \$20,000 payments final year	4.344% to 5.774%	245,000	25,000
Total bonds payable		245,000	25,000
Total notes and bonds payable		\$ 261,754	\$ 33,211

Changes in all long-term liabilities (including notes and bonds) during the year were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Notes payable	\$ 120,568	\$ -	\$ 103,814	\$ 16,754	\$ 8,211
Bonds payable	270,000	-	25,000	245,000	25,000
Compensated absences	51,934	45,711	52,418	45,227	44,316
Net pension liability	250,722	243,377	104,224	389,875	-
Total Governmental Activities Long-term Liabilities	\$ 693,224	\$ 289,088	\$ 285,456	\$ 696,856	\$ 77,527

TOWN OF ST. ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

G. Long-term Liabilities (continued)

The annual requirements to amortize all bonds and notes outstanding as of June 30, 2017, including interest payments, are as follows:

Year Ending <u>June 30</u>	<u>Notes Payable</u>		<u>Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2018	\$ 8,211	\$ 461	\$ 25,000	\$ 2,482
2019	8,437	235	25,000	3,204
2020	106	3	25,000	1,561
2021	-	-	25,000	6,417
2022	-	-	25,000	7,651
2023-2027	-	-	120,000	16,745
Thereafter	-	-	-	-
Total	<u>\$ 16,754</u>	<u>\$ 699</u>	<u>\$ 245,000</u>	<u>\$ 38,060</u>

H. Net Position/Fund Balances

Net position in the governmental activities is restricted as follows:

Governmental Activities	
Stonehouse Revitalization - restricted by agreement	\$ 5,001
Public works - restricted by statute	23,796
Lister education - restricted by statute	520
Industrial Park Fund - restricted by agreement	63,176
Impact Fee Plant Trust Fund - restricted by statute	496,549
Highway Salvage Fund - restricted by agreement	12,051
Reappraisal Fund - restricted by statute	231,533
Capital Projects Reserve Fund - restricted by agreement	100,710
Infrastructure Development Fund - restricted by agreement	<u>2,296,333</u>
Total Governmental Activities	<u>\$ 3,229,669</u>

Fund balances in the following funds are composed of the following:

Nonspendable fund balance	
General Fund	
Prepays and inventories	<u>\$ 11,180</u>
Total Nonspendable fund balance	<u>11,180</u>

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017</p>

H. Net position/Fund Balances (continued)

Restricted fund balances	
General Fund	
Lister education	520
Public works	23,796
Total General Fund	24,316
Special Revenue Funds	
Industrial Park Fund	63,176
Impact Fee Plant Trust Fund	
General administration	258,100
Road equipment	38,411
Educational facilities	120,176
Library	23,388
Park fund	26,868
Fire District A	29,606
Stonehouse Revitalization	5,001
Highway Salvage Fund	12,051
Reappraisal Fund	231,533
Infrastructure Development Fund	2,296,333
Total Special Revenue Funds	3,104,643
Capital Projects Fund	
Capital Projects Reserve Fund	100,710
Total Capital Projects Funds	100,710
Total Restricted fund balances	3,229,669
Committed fund balances	
General Fund	
Emergency Reserve Funds	400,796
Total General Fund	400,796
Capital Projects Funds	
Capital Equipment Reserve Funds	69,138
DPW Capital Fund	105,920
Fire Department Sinking Fund	779,162
Public Works Sinking Fund	355,061
Total Capital Projects Funds	1,309,281
Total Committed fund balances	1,710,077
Assigned fund balances	
General Fund	
Capital Projects Reserve	51,120
Total Assigned fund balances	51,120
Unassigned fund balances	
General Fund	
	845,490
Total Fund Balances	\$ 5,847,536

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017</p>

V. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town 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 Town. Settled claims have not exceeded this coverage in any of the past three fiscal years. The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty 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 liability.

In addition, the Town is a member of Vermont League of Cities and Towns Employment Resource and Benefits Trust. The Trust is a non-profit corporation formed to provide health insurance consultation, various employee insurances, and unemployment insurance programs for Vermont municipalities and is owned by the participating members. Contributions to the Trust for unemployment coverage are based on payroll expense and previous unemployment compensation experience. The agreement does not permit the Health Trust to make additional assessments to its members.

B. Contingent Liabilities

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the State of Vermont or the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

C. Retirement Plan

The Vermont Municipal Employees Retirement System Defined Benefit Plan, which is a cost-sharing multiple employer plan, covers substantially all Town employees except employees hired in a temporary capacity. Membership in the plan is a condition of employment. Eligible employees of the Town are Group B and Group C members.

A. Defined Benefit Retirement Plan

In accordance with GASB Statement No. 68, *Accounting and Reporting for Pensions*, the Town reports its proportionate share of the retirement plan's net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense.

In order to provide the necessary disclosures that are required under the various GASB Statements, the disclosures below are separated into two sections. The first section (Disclosures about the Defined Benefit Retirement Plans) offers disclosures about the plan itself - descriptions of the plan and who is covered; an analysis of the membership of the various groups of the plan as of the end of the fiscal year; a discussion of benefits provided by each of the plans. The financial statements of the defined benefit plan are included in the State of Vermont Comprehensive Annual Financial Report (CAFR) and can be found on the Department of Finance and Management web page at www.finance.vermont.gov in the section reports and publications.

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017</p>

C. Retirement Plan (continued)

A. Defined Benefit Retirement Plan (continued)

The second section (Financial Reporting of Net Pension Liability and Pension Expense by the Employer as required by GASB Statement No. 68) provides additional information regarding the pension plan that are required by GASB Statement No. 68 - changes in net pension liability, balances of deferred pension outflows of resources and deferred pension inflows of resources (including prospective schedules of amortization of the deferred outflows and inflows), and the calculation of pension expense for the year.

GASB Statement No. 68 also requires that government units with stand-alone financial statements present a schedule presenting the employer's proportion and proportionate share of the net pension liability; the employer's covered-employee payroll; the employer's proportionate share of the net pension liability as a percentage of the employer's covered-employee payroll; and the Plan's fiduciary net position as a percentage of the total pension liability. In addition, GASB Statement No. 68 requires that if the contribution requirements are statutorily established, the employer present a schedule presenting the statutorily required contribution; the amount of contributions made; the difference between the two; the employer's covered payroll; and the amount of contributions as a percentage of covered payroll. These two schedules will ultimately display ten years of data, and are presented as Required Supplementary Information (see pages 45 and 46).

1. Disclosures about the Defined Benefit Retirement Plans

This first section provides the disclosures about the defined benefit retirement plan required by GASB Statement No. 68.

Plan Descriptions

The Vermont Municipal Employees' Retirement System (MERS) (24 V.S.A., Chapter 125) is a cost-sharing, multiple-employer public employees' retirement system that is administered by the State Treasurer and its Board of Trustees. It is designed for employees of school districts and other municipal employees, who work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirement is required to join the system.

Prior to July 1, 1987, the State was statutorily responsible for contributions to the MERS' pension accumulation fund. Effective July 1, 1987, and thereafter, all payments to the systems pension accumulation fund are supported entirely by employer (municipal) and employee contributions. Employers make quarterly payments into the pension accumulation fund. These payments are percentages of annual earnable compensation for each membership group, and consist of a "normal" and an "accrued liability" portion. The percentage rates of such contributions are fixed on the basis of the liabilities of the system pursuant to actuarial valuations.

**TOWN OF ST. ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

C. Retirement Plan (continued)

At June 30, 2017, MERS membership consisted of the following:

Vermont Municipal Employees Retirement System	Total
Total Active Members	7,302
Retirees and beneficiaries currently receiving benefits	2,942
Terminated employees entitled to benefits but not yet receiving them (vested)	797
Inactive members	2,221
Total Members	13,262

Benefits provided

Details of the pension benefits provided by the retirement plan are as follows:

Vermont Municipal Employees Retirement System	Group A	Group B	Group C	Group D
Benefit Formula	1.4% X creditable service X AFC	1.7% X creditable service X AFC + previous service: 1.4% X Group A X AFC	2.5% X creditable service X AFC + previous service: 1.4% X Group A X AFC; 1.7% X Group B X AFC	2.5% X creditable service X AFC + previous service: 1.4% X Group A X AFC; 1.7% X Group B X AFC; 2.5% X Group C X AFC
Maximum Benefit Payable	60% of AFC	60% of AFC	50% of AFC	50% of AFC
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years
Normal Retirement (no reduction)	Age 65 with 5 years of service or 55 with 35 years of service	Age 62 with 5 years of service or 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	N/A	Age 50 with 20 years of service
Early Retirement Reduction	6% per year from age 62 **	6% per year from age 65 **	N/A	No reduction
Post-Retirement COLA	50 % of CPI, up to 2% per year	50 % of CPI, up to 3% per year	50 % of CPI, up to 3% per year	50 % of CPI, up to 3% per year
Disability Benefit	Unreduced, accrued benefit	Unreduced, accrued benefit	Unreduced, accrued benefit	Unreduced, accrued benefit plus children's benefit representing 10% of AFC to maximum of three concurrently
Death-in-Service Benefit	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied	Disability benefit or early retirement benefit, whichever is greater, with 100% survivorship factor applied	70% of accrued benefit with no actuarial reduction applied, plus children's benefit

Benefit terms are established or amended in accordance with 24 V.S.A. Chapter 125.

**TOWN OF ST. ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017**

C. Retirement Plan (continued)

Contributions

Title 24 VSA Chapter 125 of Vermont Statutes grant the authority to the Retirement Board to review annually the amount of contribution recommended by the actuary of the retirement system as necessary to achieve and preserve the financial integrity of the fund, and to determine the percentage rates necessary to fund the required contributions. Contribution rates for the fiscal year ended June 30, 2017, for the various groups are as follows:

Vermont Municipal Employees Retirement System	Group A	Group B	Group C	Group D
Employee Contributions	2.5% of gross payroll	4.875% of gross payroll	10.00% of gross payroll	11.35% of gross payroll
Employer Contributions	4% of gross payroll	5.50% of gross payroll	7.25% of gross payroll	9.85% of gross payroll

2. Financial Reporting of Net Pension Liability and Pension Expense by the Employer as required by GASB Statement No. 68

This section includes the information that is required by GASB Statement No. 68. It reports information regarding the calculation of the net pension liability, including changes during the measurement period in both total pension liability and plan net position; balances in the various components of deferred pension outflows of resources and deferred pension inflows of resources and the amounts to be recognized in pension expense in future periods; and the calculation of pension expense.

The Town is an independent municipal entity in the State of Vermont, and information is presented in this section for the Town's proportionate share of the various components of the plan. The proportionate share was determined by dividing the Town's Employer Contribution by the total Employer Contributions by all of the State's funds and component units and other municipal entities. The Town's proportionate share of the collective net pension liability was 0.30295% on the reporting date, and was 0.32521% on the measurement date.

Reporting Date, Measurement Date, and Valuation Date

Net pension liabilities, deferred pension outflows of resources, deferred pension inflows of resources, and pension expense are all presented as of the Town's reporting date (June 30, 2017) and for the Town's reporting period (the year ended June 30, 2017). These amounts are measured as of the measurement date and for the measurement period (the period between the prior and current measurement dates). GASB Statement No. 68 requires that the current measurement date be no earlier than the end of the employer's prior fiscal year. For the reporting date of June 30, 2017, the State has chosen to use the end of the prior fiscal year (June 30, 2016) as the measurement date, and the year ended June 30, 2016 as the measurement period.

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017</p>

C. Retirement Plan (continued)

The total pension liability is determined by an actuarial valuation performed as of the measurement date, or by the use of update procedures to roll forward to the measurement date amounts from an actuarial valuation as of a date no more than 30 months and 1 day earlier than the employer's most recent fiscal year-end. The State has elected to apply update procedures to roll forward amounts from an actuarial valuation performed as of June 30, 2015, to the measurement date of June 30, 2016.

Net Pension Liability

The net pension liability (NPL) is measured as the portion of the actuarial present value of projected benefit payments that is attributable to past periods of employee service, net of the pension plan's fiduciary net position. The changes in the components for the measurement period are as follows:

Balances - June 30, 2015	\$ 250,722
Changes for the year:	
Service cost	76,537
Interest	150,698
Difference between expected and actual experience	3,296
Change in proportional share	(17,168)
Changes of assumptions	36,971
Contributions - employer	(46,043)
Contributions - employee	(46,129)
Net investment income	(20,530)
Administrative expenses	2,287
Other changes	(766)
Net changes	139,153
Balances - June 30, 2016	\$ 389,875

The following presents the net pension liability, calculated using the discount rate of 7.95%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.95%) or 1-percentage point higher (8.95%) than the current rate:

One-percent decrease		
Discount rate		6.95%
Net pension liability	\$	647,238
Net pension liability, as reported		
Discount rate		7.95%
Net pension liability	\$	389,880
One-percent increase		
Discount rate		8.95%
Net pension liability (asset)	\$	174,394

TOWN OF ST. ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

C. Retirement Plan (continued)

Deferred Pension Outflows of Resources and Deferred Pension Inflows of Resources

Most changes in the net pension liability are included in pension expense during the year of change. Changes resulting from current-period service cost, interest on the total pension liability, and changes in benefit terms are required to be included in pension expense immediately. Similarly, projected earnings on the pension plan's investments are also required to be included in the determination of pension expense immediately.

The effects of certain other changes in the net pension liability are required to be included in pension expense over the current and future periods. The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs, (2) differences between expected and actual experience and (3) changes in proportion and the effect of certain employee contributions on the employer's net pension liability are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), beginning with the current period. This treatment arises from the concept that pensions arise from an exchange between employer and employee of salaries and benefits for employee service each period and that these transactions and related pension measurements are viewed in the context of ongoing, career-long employment relationships.

The effect on the net pension liability of differences between the projected earnings on pension plan investments and actual experience with regard to those earnings is required to be included in pension expense in a systematic and rational manner over a closed period of five years, beginning with the current period. This treatment arises from the concept that these changes result from the use of estimates, where probabilities of events range from zero to 100 percent, while actual events either occur or do not occur. Therefore, differences between some estimates and actual experience will occur with every measurement that incorporates future events.

Changes in the net pension liability not included in pension expense are required to be reported as deferred outflows of resources or deferred inflows of resources related to pensions. Employer contributions subsequent to the measurement date of the net pension liability are required to be reported as deferred outflows of resources.

As of June 30, 2017, the Town reported the following deferred pension outflows of resources and deferred pension inflows of resources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net differences between projected and actual earnings on plan investments	\$ 126,416	\$ -
Changes in assumptions	62,613	-
Differences between expected and actual experience	8,009	-
Change in proportion and differences between employee contributions and proportionate share of contributions	5,099	7,417
Employer contributions made subsequent to the measurement date	51,683	-
Totals	<u>\$ 253,820</u>	<u>\$ 7,417</u>

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017</p>

C. Retirement Plan (continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	Year Ended June 30	
2018	\$	102,869
2019		51,187
2020		70,535
2021		<u>21,812</u>
Total	\$	<u>246,403</u>

Pension Expense

As discussed above, most changes in the net pension liability are included in pension expense in the year of change, including changes resulting from current-period service cost, interest on the total pension liability, changes in benefit terms, and projected earnings on the pension plan's investments. Other changes in net pension liability are recorded as deferred pension outflows of resources and deferred pension inflows of resources, and included in pension expense on a systematic and rational manner over current and future periods.

Pension expense for the year ended June 30, 2017, is as follows:

Pension Expense

Service cost	\$ 72,060
Interest on total pension liability	134,843
Employee contributions	(42,347)
Plan administrative costs and other changes	(4,676)
Projected earnings on plan investments	(93,335)
Recognition (amortization) of deferred pension outflows of resources:	
Changes in Proportional Share of Contributions	1,966
Recognition (amortization) of deferred pension inflows of resources	
Net difference between projected and actual investment earnings	<u>(22,514)</u>
Pension expense	<u><u>\$ 45,997</u></u>

TOWN OF ST. ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

C. Retirement Plan (continued)

The following is a summary of System participants as of June 30, 2016, the measurement date:

Active employees	6,966
Retirees and beneficiaries of deceased retirees currently receiving benefits	2,734
Terminated employees entitled to benefits but not yet receiving them (vested)	811
Inactive members	<u>2,099</u>
 Total participants	 <u>12,610</u>

Actuarial Methods and Assumptions

Methods and assumptions used to determine the annual pension cost and net pension obligation are based on a valuation date of June 30, 2015, including no changes to the assumptions from the June 30, 2014 valuation.

	MERS
Valuation date	7/1/2015
Inflation assumptions	3.00% - 3.25%
Investment rate of return	6.25% - 9.00%
Projected salary increases	5%
Cost of living adjustments	Group A - 1.5%; Groups B, C, & D - 1.8%
Post Retirement Adjustments	
Allowances in payment for at least one year adjusted for cost of living based on CPI but not in excess of percentage indicated	N/A
Allowances in payment for at least one year increased on January 1 by one-half of the percentage increase in the CPI but not in excess of percentage indicated	Group A - 2%, Groups B, C & D - 3%
Assumed annual rate of cost-of-living increases	3%

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2017</p>

D. Reconciliation of Budgetary Basis and GAAP

The accompanying Budgetary Comparison Schedule, Budget and Actual (Non-GAAP Budgetary Basis) for the General Fund presents comparisons of the legally adopted budget (more fully described in Note 1) with actual data on a budgetary basis. Because accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of resultant basis, timing, perspective, and entity differences in the excess (deficiency) of revenues and other sources of financial resources over expenditures and other uses of financial resources for the year ended June 30, 2017, is presented below:

Excess of revenues over expenditures - Budgetary Basis	\$ 244,770
Adjustments:	
To adjust other accounts receivable	4,248
To adjust revenues for delinquent taxes, penalties and interest	(67,389)
To adjust expenditures for salary and grant accruals and accounts payable	<u>(4,240)</u>
Excess of revenues and other sources of financial resources over expenditures and other uses of financial resources - Reporting Basis	<u>\$ 177,389</u>

E. Commitments

On August 24, 2015, the Town entered into an agreement with the City of St. Albans Police Department to provide law enforcement services, including fire dispatching for the period July 1, 2016 to June 30, 2019, with an option to extend the services for two years. The estimated commitments to the Town for all services for the fiscal years ending June 30, 2017, 2018, and 2019 are \$729,569, \$660,689, and \$693,354 respectively. There is a \$48,000 capital cost included in the first year of the contract. The option for the other two years would be \$827,095 for the fiscal year ending June 30, 2020, which includes an additional fee of \$50,000 for capital costs, and \$763,058 for the fiscal year ending June 30, 2021. The current year expense for these services is \$599,921.

F. Subsequent Events

The Town has evaluated all subsequent events through July 19, 2018, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF ST. ALBANS, VERMONT
BUDGETARY COMPARISON SCHEDULE
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 3,651,488	\$ 3,587,409	\$ (64,079)
Interest and penalties	55,000	104,771	49,771
Licenses and permits	24,700	48,133	23,433
Intergovernmental	130,400	322,759	192,359
Charges for services	146,634	189,864	43,230
Interest	500	1,349	849
Miscellaneous	8,500	13,707	5,207
Operating transfers in	-	7,567	7,567
	<u>4,017,222</u>	<u>4,275,559</u>	<u>258,337</u>
Total revenues	<u>4,017,222</u>	<u>4,275,559</u>	<u>258,337</u>
EXPENDITURES			
General government	1,059,341	1,131,539	(72,198)
Public safety	1,109,022	1,054,234	54,788
Public works	832,683	742,237	90,446
Health and social services	48,900	48,900	-
Parks and recreation	130,909	126,779	4,130
Library	131,765	131,765	-
Capital outlay	450,000	424,764	25,236
Debt service			
Principal	25,000	25,000	-
Interest	4,106	4,105	1
Operating transfers out	295,496	341,466	(45,970)
	<u>4,087,222</u>	<u>4,030,789</u>	<u>56,433</u>
Total expenditures	<u>4,087,222</u>	<u>4,030,789</u>	<u>56,433</u>
Excess of Revenues over Expenditures	<u>\$ (70,000)</u>	<u>\$ 244,770</u>	<u>\$ 314,770</u>

**TOWN OF ST. ALBANS, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
VERMONT MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Town's proportion of the net pension liability	0.303%	0.325%	0.320%	0.293%
Town's proportionate share of the net pension liability	\$ 389,875	\$ 250,722	\$ 29,204	\$ 106,673
Town's covered payroll	\$ 737,649	\$ 673,361	\$ 648,232	\$ 569,893
Town's proportionate share of the net pension liability as a percentage of its covered payroll	52.85%	37.23%	4.51%	18.72%
Plan fiduciary net position as a percentage of the total pension liability	80.95%	87.42%	98.30%	92.71%

Note: This schedule will eventually present 10 years of information; however it currently only provides information on fiscal years for which it is available.

**TOWN OF ST. ALBANS, VERMONT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE TOWN'S CONTRIBUTIONS AND
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PENSION
VERMONT MUNICIPAL EMPLOYEES RETIREMENT SYSTEM
LAST FOUR FISCAL YEARS**

Schedule of the Town's Contributions

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Statutorily required contribution	\$ 46,042	\$ 45,459	\$ 41,277	\$ 35,170
Contributions in relation to the statutorily required contribution	<u>46,042</u>	<u>45,459</u>	<u>41,277</u>	<u>35,170</u>
Contribution deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>\$ 737,649</u>	<u>\$ 673,361</u>	<u>\$ 648,232</u>	<u>\$ 569,893</u>
Contributions as a percentage of covered payroll	6.24%	6.75%	6.37%	6.17%

Notes to the Required Supplementary Information - Pension

Change in actuarial assumptions:

Deaths

Change in mortality tables

Actuarial Cost Method

Changed to projected benefit cost method

Inflation

Set to 3% per year

Long-term expected rates of return

Revised

Proportionate share of change in actuarial assumptions:

\$ 62,613

Benefit changes that affected measurement of the total pension liability during the period:

None

Note: This schedule will eventually present 10 years of information; however it currently only provides information on fiscal years for which it is available.

OTHER SUPPLEMENTARY INFORMATION

**TOWN OF ST. ALBANS, VERMONT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ 318,929	\$ 630,824	\$ 949,753
Due from other funds	<u>-</u>	<u>5</u>	<u>5</u>
Total Assets	<u>\$ 318,929</u>	<u>\$ 630,829</u>	<u>\$ 949,758</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds	\$ 7,168	\$ -	\$ 7,168
Total Liabilities	<u>7,168</u>	<u>-</u>	<u>7,168</u>
FUND BALANCES			
Restricted	311,761	100,710	412,471
Committed	<u>-</u>	<u>530,119</u>	<u>530,119</u>
Total Fund Balances	<u>311,761</u>	<u>630,829</u>	<u>942,590</u>
Total Liabilities and Fund Balances	<u>\$ 318,929</u>	<u>\$ 630,829</u>	<u>\$ 949,758</u>

TOWN OF ST. ALBANS, VERMONT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental revenues	\$ 26,792	\$ -	\$ 26,792
Charges for services	30,746	-	30,746
Interest income	5,738	867	6,605
Total revenues	<u>63,276</u>	<u>867</u>	<u>64,143</u>
EXPENDITURES			
Public works	26,740	-	26,740
Capital outlay expenditures			
Public safety	-	35,747	35,747
Public works	-	286,184	286,184
Parks and recreation	-	23,000	23,000
Debt service expenditures			
Principal	-	103,814	103,814
Interest	-	1,990	1,990
Total expenditures	<u>26,740</u>	<u>450,735</u>	<u>477,475</u>
Excess (deficiency) of revenues over expenditures	<u>36,536</u>	<u>(449,868)</u>	<u>(413,332)</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers in	-	219,866	219,866
Total other financing sources and (uses)	<u>-</u>	<u>219,866</u>	<u>219,866</u>
Net changes in fund balances	36,536	(230,002)	(193,466)
Fund balances, July 1	<u>275,225</u>	<u>860,831</u>	<u>1,136,056</u>
Fund balances, June 30	<u>\$ 311,761</u>	<u>\$ 630,829</u>	<u>\$ 942,590</u>

**TOWN OF ST. ALBANS, VERMONT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2017**

	Reappraisal Fund	Industrial Park Fund	Highway Salvage Fund	Stone House Revitalization Fund	Total Nonmajor Special Revenue Funds
ASSETS					
Cash	\$ 238,701	\$ 63,176	\$ 12,051	\$ 5,001	\$ 318,929
Total Assets	<u>\$ 238,701</u>	<u>\$ 63,176</u>	<u>\$ 12,051</u>	<u>\$ 5,001</u>	<u>\$ 318,929</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Due to other funds	\$ 7,168	\$ -	\$ -	\$ -	\$ 7,168
Total Liabilities	<u>7,168</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,168</u>
FUND BALANCES					
Restricted	231,533	63,176	12,051	5,001	311,761
Total Fund Balances	<u>231,533</u>	<u>63,176</u>	<u>12,051</u>	<u>5,001</u>	<u>311,761</u>
Total Liabilities and Fund Balances	<u>\$ 238,701</u>	<u>\$ 63,176</u>	<u>\$ 12,051</u>	<u>\$ 5,001</u>	<u>\$ 318,929</u>

TOWN OF ST. ALBANS, VERMONT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Reappraisal Fund	Industrial Park Fund	Highway Salvage Fund	Stone House Revitalization Fund	Total Nonmajor Special Revenue Funds
REVENUES					
Intergovernmental revenues					
State of Vermont	\$ 26,792	\$ -	\$ -	\$ -	\$ 26,792
Total intergovernmental revenues	26,792	-	-	-	26,792
Charges for services					
Water and wastewater charge	-	30,746	-	-	30,746
Total charges for services	-	30,746	-	-	30,746
Other Revenues					
Donations	-	-	-	5,000	5,000
Interest income	660	29	48	1	738
Total other revenues	660	29	48	5,001	5,738
Total revenues	27,452	30,775	48	5,001	63,276
EXPENDITURES					
Electricity for sewer pump	-	7,975	-	-	7,975
Streetlights	-	674	-	-	674
Repairs	695	17,396	-	-	18,091
Total public works	695	26,045	-	-	26,740
Total expenditures	695	26,045	-	-	26,740
Excess of revenues over expenditures	26,757	4,730	48	5,001	36,536
Net changes in fund balances	26,757	4,730	48	5,001	36,536
Fund balances, July 1	204,776	58,446	12,003	-	275,225
Fund balances, June 30	\$ 231,533	\$ 63,176	\$ 12,051	\$ 5,001	\$ 311,761

**TOWN OF ST. ALBANS, VERMONT
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2017**

	DPW Capital Fund	Public Works Fund	Capital Equipment Reserve Fund	Capital Projects Reserve Fund	Total Nonmajor Capital Projects Funds
ASSETS					
Cash	\$ 105,920	\$ 355,061	\$ 69,133	\$ 100,710	\$ 630,824
Due from other funds	-	-	5	-	5
Total Assets	<u>\$ 105,920</u>	<u>\$ 355,061</u>	<u>\$ 69,138</u>	<u>\$ 100,710</u>	<u>\$ 630,829</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	-	-	-	100,710	100,710
Committed	<u>105,920</u>	<u>355,061</u>	<u>69,138</u>	<u>-</u>	<u>530,119</u>
Total Fund Balances	<u>105,920</u>	<u>355,061</u>	<u>69,138</u>	<u>100,710</u>	<u>630,829</u>
Total Liabilities and Fund Balances	<u>\$ 105,920</u>	<u>\$ 355,061</u>	<u>\$ 69,138</u>	<u>\$ 100,710</u>	<u>\$ 630,829</u>

TOWN OF ST. ALBANS, VERMONT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	DPW Capital Fund	Public Works Fund	Capital Equipment Reserve Fund	Capital Projects Reserve Fund	Total Nonmajor Capital Projects Funds
REVENUES					
Interest income	\$ 250	\$ 318	\$ 109	\$ 190	\$ 867
Total Revenues	250	318	109	190	867
EXPENDITURES					
Capital outlay					
Public safety	-	-	35,747	-	35,747
Public works	187,000	-	99,184	-	286,184
Parks and recreation	-	-	23,000	-	23,000
Total public works	187,000	-	157,931	-	344,931
Debt service					
Public safety					
Principal	-	-	62,488	-	62,488
Interest	-	-	1,394	-	1,394
Public works					
Principal	-	-	41,326	-	41,326
Interest	-	-	596	-	596
Total debt service	-	-	105,804	-	105,804
Total Expenditures	187,000	-	263,735	-	450,735
Excess (deficiency) of revenues over expenditures	(186,750)	318	(263,626)	190	(449,868)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	-	64,045	145,821	10,000	219,866
Total Other Financing Sources (Uses)	-	64,045	145,821	10,000	219,866
Net change in fund balances	(186,750)	64,363	(117,805)	10,190	(230,002)
Fund balances, July 1	292,670	290,698	186,943	90,520	860,831
Fund balances, June 30	\$ 105,920	\$ 355,061	\$ 69,138	\$ 100,710	\$ 630,829