



TOWN OF ST. ALBANS, VERMONT

FINANCIAL REPORT

JUNE 30, 2018



**TOWN OF ST. ALBANS, VERMONT
AUDIT REPORT AND FINANCIAL STATEMENTS
JUNE 30, 2018**

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AUDIT REPORT AND FINANCIAL STATEMENTS
JUNE 30, 2018

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A.M. PEISCH & COMPANY, LLP

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CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Selectboard
Town of St. Albans, Vermont
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, 2018, and the related notes to the financial statements, which collectively comprise the Town of St. Albans, Vermont's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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, 2018, 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 January 31, 2019, 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 effectiveness of the Town of St. Albans, Vermont's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of St. Albans, Vermont's internal control over financial reporting and compliance.

St. Albans, Vermont
January 31, 2019
VT. Reg. No. 92-0000102

A.M. Peioch & 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, 2018.

Financial Highlights

- The assets of the Town of St. Albans exceeded its liabilities at the close of the most recent fiscal year by \$13,611,485 (*net position*). Of this amount, \$2,656,588 (*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 \$1,293,544.
- As of the close of the current fiscal year, the Town of St. Albans' governmental funds reported combined ending fund balances of \$6,862,346, an increase of \$1,014,810 in comparison with the prior year. Of this total amount, \$768,791 is *available for spending* at the government's discretion.
- Capital assets, net of accumulated depreciation, increased during the fiscal year by \$378,606. Asset additions were \$927,038 (\$100,284 in equipment, \$765,054 in infrastructure assets and \$61,700 in buildings), while depreciation expense was \$548,432. One asset was traded-in during the year.
- Bonds and notes payable have decreased by \$33,331. No new debt was incurred during the year, and payments against existing bonds and notes were \$25,000 and \$8,331 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	
	2018	2017
Assets		
Current and other assets	\$ 7,351,220	\$ 6,228,886
Capital assets	7,011,410	6,632,804
Total Assets	14,362,630	12,861,690
Deferred outflows of resources	213,569	253,820
Total Assets and Deferred Outflows of Resources	14,576,199	13,115,510
Liabilities		
Long-term liabilities outstanding	669,163	619,329
Other liabilities	281,115	170,823
Total Liabilities	950,278	790,152
Deferred inflows of resources	14,436	7,417
Total Liabilities and Deferred Inflows of Resources	964,714	797,569
Net Position		
Net investments in capital assets	7,002,867	6,371,050
Restricted	3,952,030	3,229,669
Unrestricted	2,656,588	2,717,222
Total Net Position	\$ 13,611,485	\$ 12,317,941

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 \$13,608,873 at the close of the most recent fiscal year.

About one-half of the Town of St. Albans' net position (49.8%) 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.

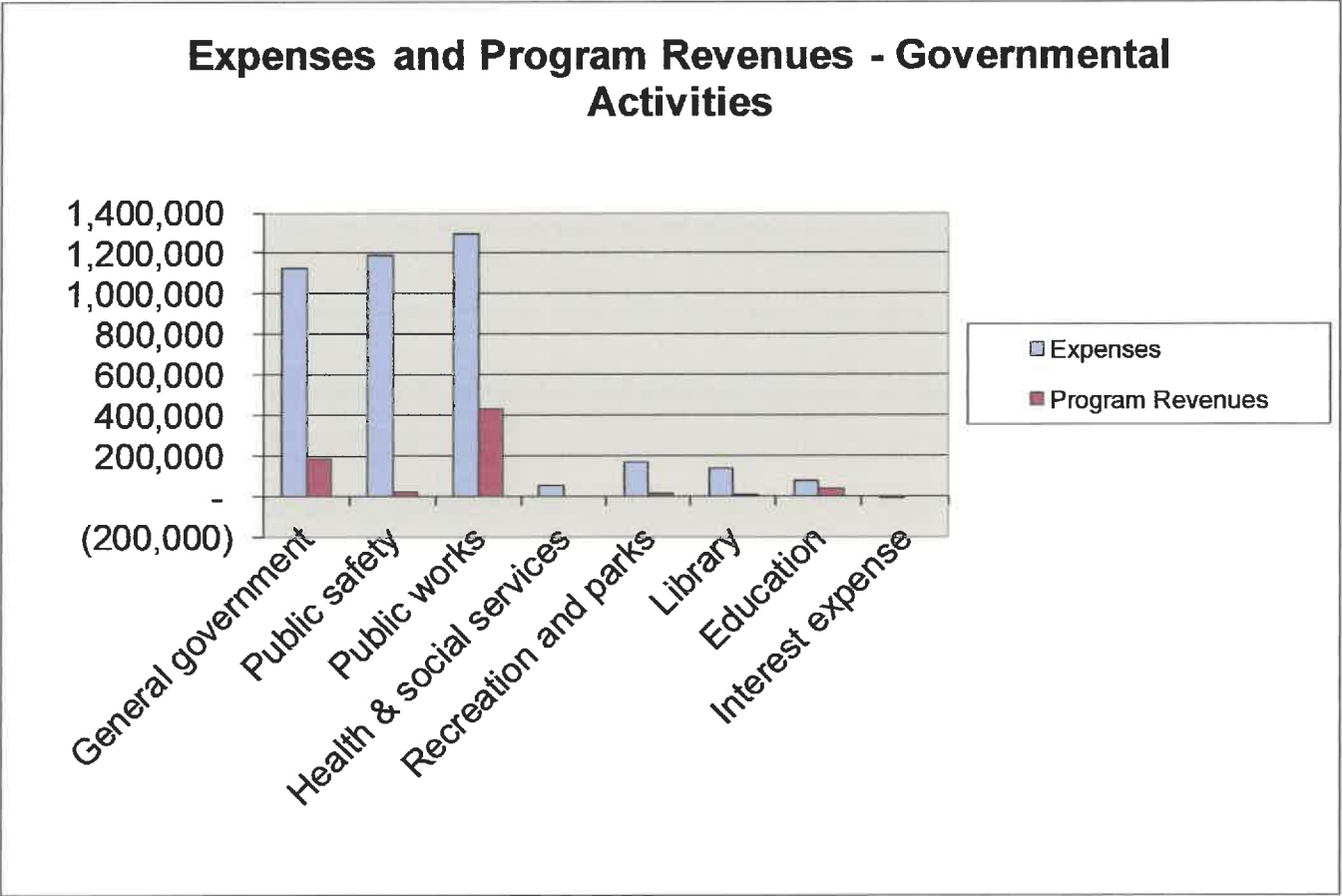
An additional portion of the Town of St. Albans' net position (29.0%) represents resources that are subject to external restriction on how they may be used. The remaining balance of *unrestricted net position* (\$2,656,588) may be used to meet the government's ongoing obligations to citizens and creditors. 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.

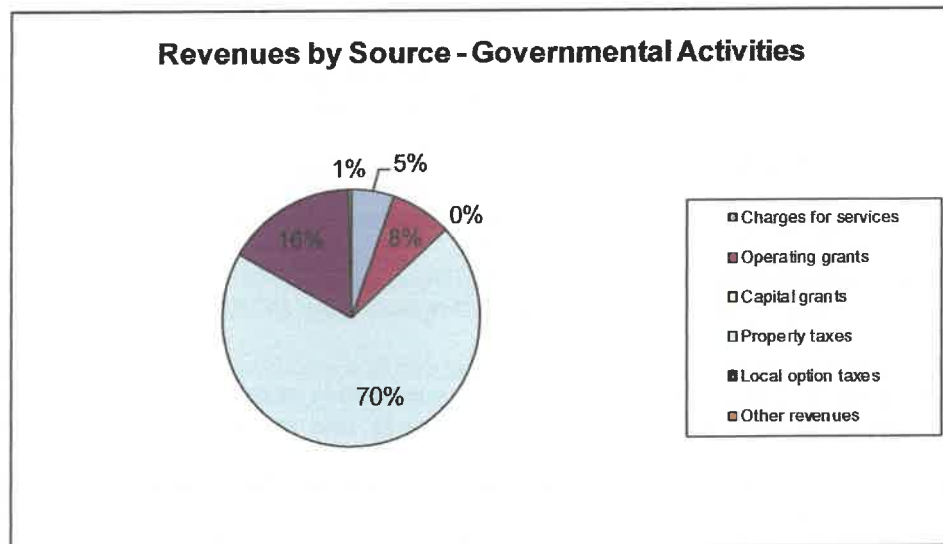
At the end of the current fiscal year, the Town of St. Albans is able to report positive balances in all three categories of net position.

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

	Governmental Activities	
	2018	2017
Revenues		
Program revenues		
Charges for services	\$ 283,355	\$ 296,283
Operating grants and contributions	410,436	183,799
Capital grants and contributions	-	175,000
General revenues		
Property taxes	3,740,125	3,646,384
Local option taxes	865,911	818,340
Other revenues	25,169	111,340
Total Revenues	<u>5,324,996</u>	<u>5,231,146</u>
Expenses		
Governmental activities		
General government	1,126,120	1,170,658
Public safety	1,184,861	1,148,852
Public works	1,295,362	1,195,662
Health and social services	47,583	48,900
Parks and recreation	167,206	146,127
Library	135,718	131,765
Education	75,000	100,000
Interest on long-term debt	(398)	6,295
Total Expenses	<u>4,031,452</u>	<u>3,948,259</u>
Change in net position	1,293,544	1,282,887
Net position - beginning of year	<u>12,317,941</u>	<u>11,035,054</u>
Net position - end of year	<u>\$ 13,611,485</u>	<u>\$ 12,317,941</u>

Governmental activities. Governmental activities increased the Town of St. Albans' net assets by \$1,293,544 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 (\$378,606), and as a result of principal payments on capital-related long-term bonds and notes (\$33,211). Restricted net position increased by \$722,361, primarily as a result of the revenues collected by the Infrastructure Development Fund, funded by local option taxes (\$865,911). Unrestricted net position increased by \$22,431, primarily as a result of an excess of revenues over expenditures in the general fund of \$27,630.





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 \$6,862,346, an increase of \$1,014,810 in comparison to the prior year. Of this total amount, \$14,387 is non-spendable (prepaid expenses) and \$3,952,030 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, \$1,940,969 has been committed by the Town's voters for various purposes, \$186,169 has been assigned by management for various purposes, and \$768,791 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 \$768,791, and nonspendable, restricted, committed and assigned fund balance was \$591,041. 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 18.5 percent of general fund expenditures and operating transfers, while total fund balance represents 32.7 percent of that same amount.

The fund balance of the Town of St. Albans' General Fund increased by \$26,930 during the current fiscal year, compared to an increase of \$177,389 in the prior fiscal year. Key factors in this change are as follows:

- Parks and recreation expenses were greater than in previous year primarily due to a plan for a fishing pier (\$22,983), Cohen Park plan (\$8,693) and Bay Park gate renovations (\$61,700).
- Capital expenditures were more than last year due to an increase in expenditures for paving, and the restoration of the Bay Park gate. Total increase in capital expenditures was \$131,665.

Special revenue funds consist primarily of the Infrastructure Development Fund (\$3,039,759), Impact Fee Funds (\$441,167), and Reappraisal Funds (\$259,251). 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 (\$903,336), public works (\$389,268), and capital equipment (\$90,879).

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 \$100,000 in fund balance to reduce the tax rate.
- Intergovernmental revenues were higher than expected due to a structure grant (\$162,158), Lake Champlain Basin Program grant (\$16,840) and a Better Connections grant (\$11,207).
- General government budget exceeded expenses primarily due to unspent legal and consulting fees (\$28,037).
- Public safety expenses were below budget primarily due to lower than anticipated payments for animal control department salaries (\$8,050).
- Public works expenses were over budget primarily due to higher than anticipated paving expenses (\$135,159).

Capital Asset and Debt Administration

Capital assets. The Town of St. Albans' investment in capital assets for its governmental activities as of June 30, 2018, amounts to \$7,002,867 (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 6.4 percent for governmental activities.

Major capital asset events during the current fiscal year included the several purchases of equipment for the Public Works Department (\$66,444), Parks and Recreation Department (\$20,840), Fire Department (\$13,000), paving in various locations (\$584,849), Box culvert (\$180,175), and upgrades to the stonewall at Bay Park (\$61,700). An asset with a net asset value of \$0 was traded.

	Governmental activities	
	2018	2017
Buildings and improvements	\$ 683,844	\$ 652,057
Vehicles and equipment	2,054,081	2,177,266
Infrastructure	<u>4,273,485</u>	<u>3,803,481</u>
Total Assets	<u>\$ 7,011,410</u>	<u>\$ 6,632,804</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 \$228,543. Of this amount, \$220,000 represents bonded debt backed by the full faith and credit of the Town and \$8,543 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	
	2018	2017
Bonds payable	\$ 220,000	\$ 245,000
Notes payable	8,423	16,754
Totals	<u>\$ 228,423</u>	<u>\$ 261,754</u>

The Town of St. Albans' total debt decreased by \$33,211 during the year, as a result of repayment of existing debt. No new bonds or loans were taken out in FY 2018.

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 2019 in the amount of \$4,562,617. This represents an increase of \$343,664 or 8.15 percent over the approved budget for the previous year. Anticipated non-tax revenue is expected to be \$730,000, an increase of \$18,990 or 2.67 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 12.46 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, 2018

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 6,763,760
Receivables (net of allowance for uncollectible accounts)	
Taxes receivable	447,462
Other current assets	139,998
Capital assets (net of accumulated depreciation)	
Buildings and improvements	683,844
Vehicles and equipment	2,054,081
Infrastructure	<u>4,273,485</u>
 Total Assets	 <u>14,362,630</u>
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred for pension contributions made after measurement date	54,226
Deferred for changes in pension plan	<u>159,343</u>
 Total Deferred Outflows of Resources	 <u>213,569</u>
 Total Assets and Deferred Outflows of Resources	 <u>14,576,199</u>
 LIABILITIES	
Accounts payable	215,314
Accrued payroll and benefits payable	65,353
Accrued interest payable	448
Noncurrent liabilities	
Due within one year	90,737
Due in more than one year	<u>578,426</u>
 Total Liabilities	 <u>950,278</u>
 DEFERRED INFLOWS OF RESOURCES	
Deferred from changes in proportionate share in pension plan	<u>14,436</u>
 Total Deferred Inflows of Resources	 <u>14,436</u>
 Total Liabilities and Deferred Inflows of Resources	 <u>964,714</u>
 NET POSITION	
Net investment in capital assets	7,002,867
Restricted for:	
Other Projects	100,937
Infrastructure	3,039,759
Impact fees	441,167
Reappraisal	259,251
Capital Projects	110,916
Unrestricted	<u>2,656,588</u>
 Total Net Position	 <u>\$ 13,611,485</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, 2018**

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	\$ 1,126,120	\$ 149,187	\$ 34,098	\$ -	\$ (942,835)
Public safety	1,184,861	20,767	1,170	-	(1,162,924)
Public works	1,295,362	67,055	364,878	-	(863,429)
Health and social services	47,583	-	-	-	(47,583)
Parks and recreation	167,206	4,256	10,290	-	(152,660)
Library	135,718	3,752	-	-	(131,966)
Education	75,000	38,338	-	-	(36,662)
Interest on long-term debt	(398)	-	-	-	398
Total governmental activities	<u>\$ 4,031,452</u>	<u>\$ 283,355</u>	<u>\$ 410,436</u>	<u>\$ -</u>	<u>(3,337,661)</u>
General Revenues					
Property taxes					3,740,125
Local option taxes					865,911
Unrestricted investment income					14,190
Gain on sale of capital assets					2,284
Other revenues					<u>8,695</u>
Total general revenues					<u>4,631,205</u>
Change in net position					1,293,544
Net position, July 1					<u>12,317,941</u>
Net position, June 30					<u>\$ 13,611,485</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, 2018

	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	\$ 1,366,041	\$ 2,914,148	\$ 903,336	\$ 454,820	\$ 1,125,415	\$ -	\$ 6,763,760
Receivables							
Taxes, penalties and interest	447,462	-	-	-	-	-	447,462
Due from other governments	-	125,611	-	-	-	-	125,611
Due from other funds	20,816	-	-	-	5	(20,821)	-
Prepaid expenses	14,387	-	-	-	-	-	14,387
Total assets	\$ 1,848,706	\$ 3,039,759	\$ 903,336	\$ 454,820	\$ 1,125,420	\$ (20,821)	\$ 7,351,220
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	\$ 215,314	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,314
Accrued liabilities	65,353	-	-	-	-	-	65,353
Due to other funds	-	-	-	13,653	7,168	(20,821)	-
Total liabilities	280,667	-	-	13,653	7,168	(20,821)	280,667
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	208,207	-	-	-	-	-	208,207
Total deferred inflows of resources	208,207	-	-	-	-	-	208,207
FUND BALANCES							
Non-spendable							
Prepaid expenses	14,387	-	-	-	-	-	14,387
Restricted	24,316	3,039,759	-	441,167	446,788	-	3,952,030
Committed	501,218	-	903,336	-	536,415	-	1,940,969
Assigned	51,120	-	-	-	135,049	-	186,169
Unassigned	768,791	-	-	-	-	-	768,791
Total fund balances	1,359,832	3,039,759	903,336	441,167	1,118,252	-	6,862,346
Total liabilities, deferred inflows of resources, and fund balances	\$ 1,848,706	\$ 3,039,759	\$ 903,336	\$ 454,820	\$ 1,125,420	\$ (20,821)	

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.	7,011,410
Certain revenues are not available to pay for current period expenditures and, therefore, are deferred in the funds.	208,207
Deferred outflows of resources relative to pensions are not financial resources and, therefore, are not reportable in the funds.	213,569
Deferred inflows of resources relative to pensions are not financial resources and, therefore, are not reportable in the funds.	(14,436)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(669,611)
Net position of governmental activities (Exhibit A)	\$ 13,611,485

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, 2018

	General Fund	Infrastructure Development Fund	Fire Department Sinking Fund	Impact Fee Plant Fund	Nonmajor Governmental Funds	Eliminations	Total Governmental Funds
REVENUES							
Property taxes	\$ 3,823,641	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,823,641
Local option taxes	-	865,911	-	-	-	-	865,911
Licenses and permits	31,096	-	-	-	-	-	31,096
Intergovernmental	378,448	-	-	-	31,988	-	410,436
Charges for services	156,157	-	-	-	32,816	-	188,973
Impact fees	-	-	-	63,286	-	-	63,286
Interest	1,493	7,515	2,574	1,050	1,557	-	14,189
Sale of assets	2,284	-	-	-	-	-	2,284
Miscellaneous	8,695	-	-	-	-	-	8,695
Total revenues	4,401,814	873,426	2,574	64,336	66,361	-	5,408,511
EXPENDITURES							
General government	1,078,524	-	-	12,899	-	-	1,091,423
Public safety	1,089,619	-	-	-	-	-	1,089,619
Public works	810,602	-	-	-	31,500	-	842,102
Health and social services	47,583	-	-	-	-	-	47,583
Parks and recreation	149,064	-	-	-	-	-	149,064
Library	135,718	-	-	-	-	-	135,718
Education	-	-	-	75,000	-	-	75,000
Capital outlay	-	-	-	13,000	-	-	13,000
Public safety	-	-	-	-	66,444	-	66,444
Public works	772,554	-	-	-	8,350	-	780,904
Parks and recreation	54,200	-	-	12,490	-	-	66,690
Debt service	-	-	-	-	8,211	-	8,211
Principal	25,000	-	-	-	461	-	25,461
Interest	2,482	-	-	-	-	-	2,482
Total expenditures	4,165,346	-	-	113,389	114,966	-	4,393,701
Excess (Deficiency) of Revenues over (under) Expenditures	236,468	873,426	2,574	(49,053)	(48,605)	-	1,014,810
OTHER FINANCING SOURCES (USES)							
Transfers in	6,329	-	121,600	-	224,267	(352,196)	-
Transfers out	(215,867)	(130,000)	-	(6,329)	-	352,196	-
Total other financing sources (uses)	(209,538)	(130,000)	121,600	(6,329)	224,267	-	-
Net changes in fund balances	26,930	743,426	124,174	(55,382)	175,662	-	1,014,810
Fund balances, July 1	1,332,902	2,296,333	779,162	496,549	942,590	-	5,847,536
Fund balances, June 30	\$ 1,359,832	\$ 3,039,759	\$ 903,336	\$ 441,167	\$ 1,118,252	\$ -	\$ 6,862,346

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, 2018

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)	\$ 1,014,810
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.	378,606
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(83,516)
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.	25,610
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>(41,966)</u>
Change in net position of governmental activities (Exhibit B)	<u>\$ 1,293,544</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, 2018

	<u>Tax Sale Escrow</u>	<u>Total Agency Funds</u>
ASSETS		
Cash and cash equivalents	\$ 3	\$ 3
Total assets	<u>\$ 3</u>	<u>\$ 3</u>
LIABILITIES AND NET POSITION		
LIABILITIES		
Due to other funds	\$ 3	\$ 3
Total liabilities	<u>3</u>	<u>3</u>
NET POSITION		
Restricted	<u>-</u>	<u>-</u>
Total net position	<u>-</u>	<u>-</u>
Total liabilities and Net Position	<u>\$ 3</u>	<u>\$ 3</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, 2018</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, 2018</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.

**TOWN OF ST ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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 position) is segregated into net investment in capital assets; restricted net position; and unrestricted net position. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in total net position.

Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets and current liabilities are generally reported on their balance sheets. Their reported fund balances (net current assets) are considered a measure of available spendable resources. 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, 2018**

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 are 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, 2018**

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 2018 is as follows:

	Homestead	Non-residential
Homestead education tax	\$ 1.3258	\$ -
Non-residential education tax	-	1.4780
Town general and highway fund appropriations	0.3577	0.3577
Local agreement tax	0.0014	0.0014
Total	\$ 1.6849	\$ 1.8371

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018</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 \$14,387 as of June 30, 2018.

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:

	Capitalization Threshold	Estimated Service Life
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, 2018</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

**TOWN OF ST. ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018**

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

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

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*

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

GASB Statement No. 90, *Majority Equity Interest - an amendment of GASB Statements No. 14 and No. 61*

**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.

TOWN OF ST. ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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

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.

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	\$ 6,763,760	\$ -	\$ -	\$ -	\$ 6,763,760
Receivables					
Taxes receivable	447,462	-	-	-	447,462
Accounts receivable	-	-	-	-	-
Due from other governments	125,611	-	-	-	125,611
Prepaid expenses	14,387	-	-	-	14,387
Capital assets	-	-	7,011,410	-	7,011,410
Total Assets	7,351,220	-	7,011,410	-	14,362,630
DEFERRED OUTFLOWS OF RESOURCES					
Deferred for pension contributions made after measurement date	-	54,226	-	-	54,226
Deferred for changes in pension plan	-	159,343	-	-	159,343
Total Deferred Outflows of Resources	-	213,569	-	-	213,569
LIABILITIES					
Accounts payable	215,314	-	-	-	215,314
Accrued payroll and benefits payable	65,353	-	-	-	65,353
Accrued interest payable	-	448	-	-	448
Noncurrent liabilities	-	440,740	-	228,423	669,163
Total Liabilities	280,667	441,188	-	228,423	950,278
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	208,207	(208,207)	-	-	-
Deferred from changes in proportionate share in pension plan	-	14,436	-	-	14,436
Total Deferred Inflows of Resources	208,207	(193,771)	-	-	14,436
NET POSITION					
Net investment in capital assets	-	-	7,011,410	(8,543)	7,002,867
Other	6,862,346	(33,728)	-	(220,000)	6,608,618
Total Net Position	\$ 6,862,346	\$ (33,728)	\$ 7,011,410	\$ (228,543)	\$ 13,611,485

TOWN OF ST. ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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	\$ 3,823,641	\$ (83,516)	\$ -	\$ -	\$ 3,740,125
Local option tax	865,911	-	-	-	865,911
Permits and licenses	31,096	-	-	-	31,096
Intergovernmental revenues	410,436	-	-	-	410,436
Charges for current services	188,973	63,286	-	-	252,259
Impact fees	63,286	(63,286)	-	-	-
Interest	14,190	-	-	-	14,190
Other revenues	8,695	-	-	-	8,695
Proceeds of sale of capital assets	2,284	-	-	-	2,284
Total Revenues	5,408,512	(83,516)	-	-	5,324,996
EXPENDITURES					
Current					
General government	1,091,423	32,177	2,520	-	1,126,120
Public safety	1,102,619	3,954	78,288	-	1,184,861
Public works	754,791	16,779	523,792	-	1,295,362
Health and social services	47,583	-	-	-	47,583
Parks and recreation	224,104	-	(56,898)	-	167,206
Library	135,718	-	-	-	135,718
Education	75,000	-	-	-	75,000
Capital improvements	927,038	-	(927,038)	-	-
Debt service					
Principal	33,211	-	-	(33,211)	-
Interest	(398)	-	-	-	(398)
Total Expenditures	4,391,089	52,910	(379,336)	(33,211)	4,031,452
Net change for the year	\$ 1,017,423	\$ (136,426)	\$ 379,336	\$ 33,211	\$ 1,293,544

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018</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 \$6,763,760, and the bank balance was \$6,710,798. 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	2,169,342
Uncollateralized	<u>4,041,456</u>
Total	<u>\$ 6,710,798</u>

TOWN OF ST ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

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, 2018, is \$-. No allowance for uncollectible accounts is deemed necessary. There is also a balance due of \$- for other receivable.

C. Capital assets

Capital asset activity for the year ended June 30, 2018, 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	\$ 1,059,829	\$ 61,700	\$ -	\$ 1,121,529
Vehicles and equipment	3,709,993	100,284	67,778	3,742,499
Infrastructure	5,329,837	765,054	-	6,094,891
Totals	<u>10,099,659</u>	<u>927,038</u>	<u>67,778</u>	<u>10,958,919</u>
Less accumulated depreciation for:				
Buildings and building improvements	407,772	29,913	-	437,685
Vehicles and equipment	1,532,727	223,469	67,778	1,688,418
Infrastructure	1,526,356	295,050	-	1,821,406
Totals	<u>3,466,855</u>	<u>548,432</u>	<u>67,778</u>	<u>3,947,509</u>
Total capital assets, being depreciated, net	<u>6,632,804</u>	<u>378,606</u>	<u>-</u>	<u>7,011,410</u>
Governmental activity capital assets, net	<u>\$ 6,632,804</u>	<u>\$ 378,606</u>	<u>\$ -</u>	<u>\$ 7,011,410</u>

Depreciation was charged to programs as follows:

Governmental activities	
General government	\$ 2,520
Public safety	91,288
Public works	436,481
Parks and recreation	18,143
Total depreciation expense	<u>\$ 548,432</u>

<p align="center">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018</p>
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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, 2018, is as follows:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 20,816	\$ -
Impact Fee Plant Fund	-	13,653
Reappraisal Fund	-	7,168
Capital Equipment Reserve Fund	5	-
TOTAL	\$ 20,821	\$ 20,821

Interfund transfers for the year ended June 30, 2018, 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	8,672	Debt service
	Fire Department Sinking Fund	121,600	Equipment replacement
	Public Works Fund	33,845	Equipment replacement
	Capital Projects Reserve Fund	10,000	Asset replacement
	DPW Capital Fund	11,750	Asset replacement
		<u>215,867</u>	
Impact Fee Fund	General Fund	<u>6,329</u>	Administrative fee
Infrastructure Development	Stone House Revitalization Fund	<u>130,000</u>	Revitalize the Stone House
Total Interfund Transfers		\$ 352,196	

E. Unavailable Revenues

Unavailable revenues in the General Fund consists of \$208,207 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, 2018

F. Accrued Compensated Absences

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

	Governmental Activities
Beginning Balance	\$ 45,227
Additions	72,696
Reductions	(60,609)
Ending Balance	\$ 57,314
Due Within One Year	\$ 57,314

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.

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018</p>

G. Long-term Liabilities (continued)

General obligation bonds and revolving loans outstanding at June 30, 2018, 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>			
Peoples Trust Company, commercial promissory note taken out on 9/23/13 due 9/23/18 secured by a 2014 Chevrolet Silverado with a net book value of \$0.	2.75%	\$ 8,423	\$ 8,423
Total notes payable		<u>8,423</u>	<u>8,423</u>
<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%	<u>220,000</u>	<u>25,000</u>
Total bonds payable		<u>220,000</u>	<u>25,000</u>

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	\$ 16,754	\$ -	\$ 8,331	\$ 8,423	\$ 8,423
Bonds payable	245,000	-	25,000	220,000	25,000
Compensated absences	45,227	72,696	60,609	57,314	57,314
Net pension liability	<u>389,875</u>	<u>251,285</u>	<u>257,734</u>	<u>383,426</u>	<u>-</u>
Total Governmental Activities					
Long-term Liabilities	<u>\$ 696,856</u>	<u>\$ 323,981</u>	<u>\$ 351,674</u>	<u>\$ 669,163</u>	<u>\$ 90,737</u>

TOWN OF ST. ALBANS, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2018

G. Long-term Liabilities (continued)

The annual requirements to amortize all bonds and notes outstanding as of June 30, 2018, including interest payments, are as follows:

Year Ending June 30	Notes Payable		Bonds Payable	
	Principal	Interest	Principal	Interest
2019	\$ 8,423	\$ 248	\$ 25,000	\$ 3,204
2020	-	-	25,000	1,561
2021	-	-	25,000	6,417
2022	-	-	25,000	7,651
2023	-	-	25,000	6,207
2024-2028	-	-	95,000	10,538
Thereafter	-	-	-	-
Total	\$ 8,423	\$ 248	\$ 220,000	\$ 35,578

H. Net Position/Fund Balances

Net position in the governmental activities is restricted as follows:

Governmental Activities	
Public works - restricted by statute	\$ 23,796
Lister education - restricted by statute	520
Industrial Park Fund - restricted by agreement	64,522
Impact Fee Plant Trust Fund - restricted by statute	441,167
Highway Salvage Fund - restricted by agreement	12,099
Reappraisal Fund - restricted by statute	259,251
Capital Projects Reserve Fund - restricted by agreement	110,916
Infrastructure Development Fund - restricted by agreement	3,039,759
Total Governmental Activities	<u>\$ 3,952,030</u>

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

Nonspendable fund balance	
General Fund	
Prepays and inventories	\$ 14,387
Total Nonspendable fund balance	<u>14,387</u>

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018</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	64,522
Impact Fee Plant Trust Fund	
General administration	252,194
Road equipment	41,053
Educational facilities	79,877
Library	26,829
Park fund	18,252
Fire District A	22,962
Highway Salvage Fund	12,099
Reappraisal Fund	259,251
Infrastructure Development Fund	3,039,759
Total Special Revenue Funds	3,816,798
Capital Projects Fund	
Capital Projects Reserve Fund	110,916
Total Capital Projects Funds	110,916
Total Restricted fund balances	3,952,030
Committed fund balances	
General Fund	
Emergency Reserve Funds	501,218
Total General Fund	501,218
Capital Projects Funds	
Capital Equipment Reserve Funds	90,879
DPW Capital Fund	56,268
Fire Department Sinking Fund	903,336
Public Works Sinking Fund	389,268
Total Capital Projects Funds	1,439,751
Total Committed fund balances	1,940,969
Assigned fund balances	
General Fund	
Capital Projects Reserve	51,120
Special Revenue Fund	
Stonehouse Revitalization	135,049
Total Assigned fund balances	186,169
Unassigned fund balances	
General Fund	
	768,791
Total Fund Balances	\$ 6,862,346

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018</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, 2018</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, 2018**

C. Retirement Plan (continued)

At June 30, 2018, VMERS 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, 2018**

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, 2018, 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 0.31647% on the reporting date, and was 0.30295% 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, 2018) and for the Town's reporting period (the year ended June 30, 2018). 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, 2018, the State has chosen to use the end of the prior fiscal year (June 30, 2017) as the measurement date, and the year ended June 30, 2017 as the measurement period.

<p align="center">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018</p>
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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, 2016, to the measurement date of June 30, 2017.

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, 2016	\$ 389,875
Changes for the year:	
Service cost	86,226
Interest	173,364
Difference between expected and actual experience	(11,865)
Change in proportional share	17,415
Changes of assumptions	45,829
Contributions - employer	(51,683)
Contributions - employee	(79,784)
Net investment income	(188,261)
Administrative expenses	2,769
Other changes	(459)
Net changes	<u>(6,449)</u>
Balances - June 30, 2017	\$ 383,426

The following presents the net pension liability, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.50%) or 1-percentage point higher (8.50%) than the current rate:

One-percent decrease		
Discount rate		6.50%
Net pension liability	\$	684,581
Net pension liability, as reported		
Discount rate		7.50%
Net pension liability	\$	383,426
One-percent increase		
Discount rate		8.50%
Net pension liability (asset)	\$	133,668

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018</p>

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, 2018, 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	\$ 63,862	\$ -
Changes in assumptions	80,269	-
Differences between expected and actual experience	5,578	9,492
Change in proportion and differences between employee contributions and proportionate share of contributions	9,634	4,944
Employer contributions made subsequent to the measurement date	54,226	-
Totals	\$ 213,569	\$ 14,436

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018</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	
2019	\$	106,421
2020		72,494
2021		21,501
2022		<u>(1,283)</u>
Total	\$	<u>199,133</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, 2018, is as follows:

Pension Expense	
Service cost	\$ 86,227
Interest on total pension liability	173,364
Employee contributions	(79,784)
Plan administrative costs and other changes	2,309
Projected earnings on plan investments	(139,264)
Recognition (amortization) of deferred pension outflows of resources:	
Difference between expected and actual experience	(2,373)
Change in assumptions	9,166
Net difference between projected and actual investment earnings	(9,799)
Changes in Proportional Share of Contributions	77,467
Recognition (amortization) of deferred pension inflows of resources	
Net difference between projected and actual investment earnings	<u>(22,266)</u>
Pension expense	<u>\$ 95,047</u>

<p align="center">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018</p>
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C. Retirement Plan (continued)

The following is a summary of System participants as of June 30, 2017, 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, 2016, including no changes to the assumptions from the June 30, 2015 valuation.

	MERS
Valuation date	7/1/2016
Inflation assumptions	2.50%
Investment rate of return	7.50%
Projected salary increases	5%
Cost of living adjustments	Group A - 1.15%; Groups B, C, & D - 1.3%
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	0.75%

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018</p>

C. Retirement Plan (continued)

Defined Contribution Plan

The Vermont Municipal Employee's Defined Contribution Plan (24 V.S.A. 5070), a multiple employer defined contribution plan, was implemented by the Vermont Municipal Employees' Retirement System's Board of Trustees on July 1, 2000, and is reported as a pension trust fund. The defined contribution plan was offered by municipal employers to one or more groups of their eligible employees. Once offered by the employer, each eligible employee was required to make an election to participate. Employees participating in one of the municipal defined benefit plans who elected to participate in the defined contribution plan had the July 1, 2001, actuarial value of their accrued defined contribution plan to their employees as of December 31, 1999, have an opportunity to do so no later than December 31 of any subsequent year with the transfer effective July 1 of the following year.

Participating municipal employees and their employers are required to contribute at the rate of 5% of earnable compensation. Effective July 1, 2008, employers began contributing 5.125% while employee contribution percentages remain unchanged. Employees become vested in the plan after 12 months of service. During the fiscal year ending June 30, 2018, member contributions totaled \$10,907 and employer contributions totaled \$11,179.

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, 2018, is presented below:

Deficiency of revenues over expenditures - Budgetary Basis	\$ (140,458)
Adjustments:	
To adjust revenues for delinquent taxes, penalties and interest	180,062
To adjust expenditures for salary and grant accruals and accounts payable	<u>(12,674)</u>
Excess of revenues and other sources of financial resources over expenditures and other uses of financial resources - Reporting Basis	<u>\$ 26,930</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

<p style="text-align: center;">TOWN OF ST. ALBANS, VERMONT NOTES TO FINANCIAL STATEMENTS JUNE 30, 2018</p>

E. Commitments (continued)

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 \$677,629.

F. Subsequent Events

The Town has evaluated all subsequent events through January 31, 2019, the date the financial statements were available to be issued.

On July 2, 2018 the Select Board approved the purchase of a Marine One rescue boat in the amount of \$110,000 from the Fire Department Reserve Fund.

The Town was awarded a grant in the amount of \$376,000 from the Vermont Department of Transportation for the construction of a new salt shed. Construction of this projection is expected to begin during 2019.

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, 2018

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES			
Taxes	\$ 3,760,543	\$ 3,546,721	\$ (213,822)
Interest and penalties	55,000	96,858	41,858
Licenses and permits	31,700	31,096	(604)
Intergovernmental	130,400	378,448	248,048
Charges for services	132,210	156,157	23,947
Interest	600	1,493	893
Miscellaneous	8,500	8,695	195
Sale of assets	-	2,284	2,284
Operating transfers in	-	6,329	6,329
Total revenues	<u>4,118,953</u>	<u>4,228,081</u>	<u>109,128</u>
EXPENDITURES			
General government	1,095,430	1,062,645	32,785
Public safety	1,095,871	1,089,618	6,253
Public works	992,394	997,997	(5,603)
Health and social services	49,583	47,583	2,000
Parks and recreation	159,210	206,469	(47,259)
Library	135,718	135,718	-
Capital outlay	450,000	585,159	(135,159)
Debt service			
Principal	25,000	25,000	-
Interest	2,500	2,482	18
Operating transfers out	213,247	215,868	(2,621)
Total expenditures	<u>4,218,953</u>	<u>4,368,539</u>	<u>(149,586)</u>
Deficiency of Revenues over Expenditures	<u>\$ (100,000)</u>	<u>\$ (140,458)</u>	<u>\$ (40,458)</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 FIVE FISCAL YEARS

	2017	2016	2015	2014	2013
Town's proportion of the net pension liability	0.316%	0.303%	0.325%	0.320%	0.293%
Town's proportionate share of the net pension liability	\$ 383,426	\$ 389,875	\$ 250,722	\$ 29,204	\$ 106,673
Town's covered payroll	\$ 772,457	\$ 737,649	\$ 673,361	\$ 648,232	\$ 569,893
Town's proportionate share of the net pension liability as a percentage of its covered payroll	49.64%	52.85%	37.23%	4.51%	18.72%
Plan fiduciary net position as a percentage of the total pension liability	83.64%	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 FIVE FISCAL YEARS**

Schedule of the Town's Contributions

	2017	2016	2015	2014	2013
Statutorily required contribution	\$ 51,683	\$ 46,042	\$ 45,459	\$ 41,277	\$ 35,170
Contributions in relation to the statutorily required contribution	51,683	46,042	45,459	41,277	35,170
Contribution deficiency	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	\$ 772,457	\$ 737,649	\$ 673,361	\$ 648,232	\$ 569,893
Contributions as a percentage of covered payroll	6.69%	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, 2018**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ 478,089	\$ 647,326	\$ 1,125,415
Due from other funds	<u>-</u>	<u>5</u>	<u>5</u>
Total Assets	<u>\$ 478,089</u>	<u>\$ 647,331</u>	<u>\$ 1,125,420</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES			
Due to other funds	<u>\$ 7,168</u>	<u>\$ -</u>	<u>\$ 7,168</u>
Total Liabilities	<u>7,168</u>	<u>-</u>	<u>7,168</u>
FUND BALANCES			
Restricted	335,872	110,916	446,788
Committed	-	536,415	536,415
Assigned	<u>135,049</u>	<u>-</u>	<u>135,049</u>
Total Fund Balances	<u>470,921</u>	<u>647,331</u>	<u>1,118,252</u>
Total Liabilities and Fund Balances	<u>\$ 478,089</u>	<u>\$ 647,331</u>	<u>\$ 1,125,420</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, 2018**

	Nonmajor Special Revenue Funds	Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES			
Intergovernmental revenues	\$ 26,988	\$ 5,000	\$ 31,988
Charges for services	32,816	-	32,816
Interest income	856	701	1,557
Total revenues	<u>60,660</u>	<u>5,701</u>	<u>66,361</u>
EXPENDITURES			
Public works	31,500	-	31,500
Capital outlay expenditures			
Public works	-	66,444	66,444
Parks and recreation	-	8,350	8,350
Debt service expenditures			
Principal	-	8,211	8,211
Interest	-	461	461
Total expenditures	<u>31,500</u>	<u>83,466</u>	<u>114,966</u>
Excess (deficiency) of revenues over expenditures	<u>29,160</u>	<u>(77,765)</u>	<u>(48,605)</u>
OTHER FINANCING SOURCES AND (USES)			
Transfers in	130,000	94,267	224,267
Total other financing sources and (uses)	<u>130,000</u>	<u>94,267</u>	<u>224,267</u>
Net changes in fund balances	159,160	16,502	175,662
Fund balances, July 1	<u>311,761</u>	<u>630,829</u>	<u>942,590</u>
Fund balances, June 30	<u>\$ 470,921</u>	<u>\$ 647,331</u>	<u>\$ 1,118,252</u>

**TOWN OF ST. ALBANS, VERMONT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2018**

	<u>Reappraisal Fund</u>	<u>Industrial Park Fund</u>	<u>Highway Salvage Fund</u>	<u>Stone House Revitalization Fund</u>	<u>Total Nonmajor Special Revenue Funds</u>
ASSETS					
Cash	\$ 266,419	\$ 64,522	\$ 12,099	\$ 135,049	\$ 478,089
Total Assets	<u>\$ 266,419</u>	<u>\$ 64,522</u>	<u>\$ 12,099</u>	<u>\$ 135,049</u>	<u>\$ 478,089</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	259,251	64,522	12,099	-	335,872
Assigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,049</u>	<u>135,049</u>
Total Fund Balances	<u>259,251</u>	<u>64,522</u>	<u>12,099</u>	<u>135,049</u>	<u>470,921</u>
Total Liabilities and Fund Balances	<u>\$ 266,419</u>	<u>\$ 64,522</u>	<u>\$ 12,099</u>	<u>\$ 135,049</u>	<u>\$ 478,089</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, 2018

	Reappraisal Fund	Industrial Park Fund	Highway Salvage Fund	Stone House Revitalization Fund	Total Nonmajor Special Revenue Funds
REVENUES					
Intergovernmental revenues					
State of Vermont	\$ 26,988	\$ -	\$ -	\$ -	\$ 26,988
Total intergovernmental revenues	26,988	-	-	-	26,988
Charges for services					
Water and wastewater charge	-	32,816	-	-	32,816
Total charges for services	-	32,816	-	-	32,816
Other Revenues					
Interest income	730	30	48	48	856
Total other revenues	730	30	48	48	856
Total revenues	27,718	32,846	48	48	60,660
EXPENDITURES					
Electricity for sewer pump	-	8,706	-	-	8,706
Streetlights	-	678	-	-	678
Repairs	-	22,116	-	-	22,116
Total public works	-	31,500	-	-	31,500
Total expenditures	-	31,500	-	-	31,500
Excess of revenues over expenditures	27,718	1,346	48	48	29,160
OTHER FINANCING SOURCES AND (USES)					
Transfers In	-	-	-	130,000	130,000
Total other financing sources and (uses)	-	-	-	130,000	130,000
Net changes in fund balances	27,718	1,346	48	130,048	159,160
Fund balances, July 1	231,533	63,176	12,051	5,001	311,761
Fund balances, June 30	\$ 259,251	\$ 64,522	\$ 12,099	\$ 135,049	\$ 470,921

TOWN OF ST. ALBANS, VERMONT
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2018

	DPW Capital Fund	Public Works Fund	Capital Equipment Reserve Fund	Capital Projects Reserve Fund	Total Nonmajor Capital Projects Funds
ASSETS					
Cash	\$ 56,268	\$ 389,268	\$ 90,874	\$ 110,916	\$ 647,326
Due from other funds	-	-	5	-	5
Total Assets	<u>\$ 56,268</u>	<u>\$ 389,268</u>	<u>\$ 90,879</u>	<u>\$ 110,916</u>	<u>\$ 647,331</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Restricted	-	-	-	110,916	110,916
Committed	56,268	389,268	90,879	-	536,415
Total Fund Balances	<u>56,268</u>	<u>389,268</u>	<u>90,879</u>	<u>110,916</u>	<u>647,331</u>
Total Liabilities and Fund Balances	<u>\$ 56,268</u>	<u>\$ 389,268</u>	<u>\$ 90,879</u>	<u>\$ 110,916</u>	<u>\$ 647,331</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, 2018

	<u>DPW Capital Fund</u>	<u>Public Works Fund</u>	<u>Capital Equipment Reserve Fund</u>	<u>Capital Projects Reserve Fund</u>	<u>Total Nonmajor Capital Projects Funds</u>
REVENUES					
Interest income	\$ 42	\$ 362	\$ 91	\$ 206	\$ 701
Intergovernmental revenue	5,000	-	-	-	5,000
Total Revenues	5,042	362	91	206	5,701
EXPENDITURES					
Capital outlay					
Public works	66,444	-	-	-	66,444
Parks and recreation	-	-	8,350	-	8,350
Total public works	66,444	-	8,350	-	74,794
Debt service					
Public safety					
Principal	-	-	8,211	-	8,211
Interest	-	-	461	-	461
Total debt service	-	-	8,672	-	8,672
Total Expenditures	66,444	-	17,022	-	83,466
Excess (deficiency) of revenues over expenditures	(61,402)	362	(16,931)	206	(77,765)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	11,750	33,845	38,672	10,000	94,267
Total Other Financing Sources (Uses)	11,750	33,845	38,672	10,000	94,267
Net change in fund balances	(49,652)	34,207	21,741	10,206	16,502
Fund balances, July 1	105,920	355,061	69,138	100,710	630,829
Fund balances, June 30	\$ 56,268	\$ 389,268	\$ 90,879	\$ 110,916	\$ 647,331