

TOWN OF ST. JOHNSBURY, VERMONT

AUDIT REPORT

DECEMBER 31, 2013

TOWN OF ST. JOHNSBURY, VERMONT

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Batchelder Associates, PC

INDEPENDENT AUDITOR'S REPORT

To the Board of Selectmen
Town of St. Johnsbury, Vermont
St. Johnsbury, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of St. Johnsbury, Vermont, ("Town") as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Bonnie K. Batchelder • Certified Public Accountant

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3-10 and 42 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's basic financial statements. The combining and individual non-major fund financial statements, and schedules of revenue and expenses-budget (non-GAAP budgetary basis) are presented for purposes of additional analysis and are not a required part of the basic financial statements. A separate report has been issued for the schedule of expenditures of federal awards. The report has been issued separately and issued as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund 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 and individual non-major fund financial statements and the schedule of expenditures of federal awards 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 March 28, 2014, on our consideration of the Town'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 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's internal control over financial reporting and compliance.

Batchelder Associates, P.C.

Batchelder Associates, PC
Barre, Vermont
March 28, 2014
VT License #945

TOWN OF ST. JOHNSBURY, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2013

As management of the Town of St. Johnsbury, Vermont, ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the beginning of this report.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$29,928,902 (*net assets*). Of this amount, \$2,548,580 (*unrestricted net assets*) 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 assets increased by \$3,266,056. Of this amount, net assets attributable to governmental activities increased by \$2,655,956, and net assets attributable to business-type activities increased by \$610,100.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$1,539,344, an increase \$827,459 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was a deficit of \$59,439.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town's basic financial statements. The Town's 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.

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

The *statement of net assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets 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 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 include general government, public safety, public works, health and social services, recreation and parks, conservation and development, and cultural. The business-type activities of the Town include the solid waste, water, and wastewater operations.

The government-wide financial statements are designed to include not only the Town itself (*known as the primary government*), but also any legally separate entities for which the Town is financially accountable (*known as component units*). The Town has no such entities that qualify as component units.

TOWN OF ST. JOHNSBURY, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2013

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, 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 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 maintains seven individual governmental funds, including the General Fund, four Special Revenue Funds, one Capital Projects Fund, and one Permanent Fund. 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 and the Capital Projects 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 non-major 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 maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for its Water Fund and Waste Water Fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Fund and the Wastewater Fund, all of which are considered to be major funds of the Town of St Johnsbury.

The basic proprietary fund financial statements can be found in Exhibits F through H of this report.

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's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The Town has two fiduciary funds, the Employee Retirement Fund and the Escheat Property Fund (an agency fund).

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 supplementary information to provide additional financial information not included in the basic financial statements. This supplementary information includes combining statements for various funds, and budgetary comparison statements. The supplementary information can be found immediately following the notes to the financial statements in this report.

**TOWN OF ST. JOHNSBURY, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2013**

Government-wide Financial Analysis

TOWN OF ST. JOHNSBURY, VERMONT'S NET ASSETS						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Current and other assets	\$ 3,033,385	\$ 3,467,942	\$ 1,700,431	\$ 1,632,497	\$ 4,733,816	\$ 5,100,439
Capital assets, non-depreciable	269,255	269,255	185,592	185,592	454,847	454,847
Capital assets, depreciable	16,007,147	12,535,587	23,447,961	22,231,363	39,455,108	34,766,950
Total Assets	19,309,787	16,272,784	25,333,984	24,049,452	44,643,771	40,322,236
Long-term liabilities outstanding	5,433,785	4,135,675	8,250,999	8,311,041	13,684,784	12,446,716
Other liabilities	213,371	1,129,612	816,714	82,240	1,030,085	1,211,852
Total Liabilities	5,647,156	5,265,287	9,067,713	8,393,281	14,714,869	13,658,568
Net Assets						
Invested in capital assets, net of related debt	11,053,210	8,669,167	16,382,554	14,105,914	26,435,764	22,775,081
Restricted	944,559	1,034,344			944,559	1,034,344
Unrestricted	1,664,862	1,303,886	883,717	1,550,257	2,548,579	2,854,243
Total Net Assets	\$ 13,662,631	\$ 11,007,497	\$ 16,266,271	\$ 15,656,171	\$ 29,928,902	\$ 26,663,668

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$29,928,902 at the close of the most recent fiscal year.

By far the largest portion of the Town's net assets (88%) 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 uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the Town's 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's net assets (3.0%) represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net assets of \$2,548,579 may be used to meet the government's ongoing obligations to citizens and creditors. Included in unrestricted net assets 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 is able to report positive balances in all three categories of net assets for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

TOWN OF ST. JOHNSBURY, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2013

Governmental activities - Governmental activities increased the Town's net assets by \$2,655,956 during the current fiscal year. Investment in capital assets, net of related debt, increased by \$2,384,043. This increase resulted from the net effect of an increase as a result of continued construction in progress, lease of new fire and vacuum truck and various other capital purchases. Restricted net assets decreased by \$89,785. Unrestricted net assets increased by \$360,876, primarily as a result of released assets from the restricted category.

TOWN OF ST. JOHNSBURY, VERMONT'S CHANGES IN NET ASSETS						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
REVENUES						
Program revenues						
Charges for services	\$ 509,845	\$ 283,880	\$ 2,568,341	\$ 2,601,821	\$ 3,078,186	\$ 2,885,701
Operating grants and contributions	991,510	901,904	-	-	991,510	901,904
Capital grants and contributions	3,442,325	1,442,864	893,996	1,001,828	4,336,321	2,444,692
General revenues						
Property taxes	4,059,290	4,896,333	-	-	4,059,290	4,896,333
Unrestricted investment earnings	12,212	13,585	20,046	-	32,258	13,585
Other revenues	82,325	148,431	8,499	26,266	90,824	174,697
Total Revenues	9,097,507	7,686,997	3,490,882	3,629,915	12,588,389	11,316,912
EXPENSES						
Governmental activities						
General government	1,135,093	890,232	-	-	1,135,093	890,232
Public safety	2,583,295	2,289,641	-	-	2,583,295	2,289,641
Public works	2,280,476	2,016,040	-	-	2,280,476	2,016,040
Health and social services	364,084	310,180	-	-	364,084	310,180
Recreation and parks	21,815	73,143	-	-	21,815	73,143
Conservation and development	276,170	78,893	-	-	276,170	78,893
Cultural	-	-	-	-	-	-
Interest on long-term debt	118,988	132,676	-	-	118,988	132,676
Business-type activities						
Water and wastewater	-	-	2,562,412	2,380,803	2,562,412	2,380,803
Total Expenses	6,759,921	5,790,805	2,562,412	2,380,803	9,322,333	8,171,608
Change in net assets before transfers	2,337,586	1,896,192	928,470	1,249,112	3,266,056	3,145,304
Special Item Adjustments						
Transfers	318,370	317,870	(318,370)	(317,870)	-	-
Change in net assets	2,655,956	2,214,062	610,100	931,242	3,266,056	3,145,304
Net assets-beginning of year	11,006,675	8,793,435	15,656,171	14,724,929	26,662,846	23,518,354
Net assets - end of year	\$ 13,662,631	\$ 11,007,497	\$ 16,266,271	\$ 15,656,171	\$ 29,928,902	\$ 26,663,658

TOWN OF ST. JOHNSBURY, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2013

Financial Analysis of the Government's Funds

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

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

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$1,539,344, an increase of \$827,459 in comparison to the prior year. Of this total amount, \$4,710 is non-spendable (permanent fund principal and equipment deposit) and \$160,107 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, \$1,591,458 has been assigned by the Town for various purposes, and \$216,931 is an unassigned deficit balance to be addressed by the government.

The general fund is the chief operating fund of the Town. At the end of the current fiscal year unassigned fund balance was a deficit of \$59,439, and assigned fund balances were \$1,398,005. 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 can be measured as a percentage of the general fund expenditures and operating transfers, while total fund balance represents 22 percent of that same amount.

The fund balance of the Town's general fund increased by \$549,578 during the current fiscal year. Key factors in this change are as follows:

- Revenues deferred in the prior year were earned totaling \$391,115.

Special revenue funds consist primarily of community development funds. These funds include the Parking Meter Fund, Recreation Fund, Downtown Fund, JayLyn Fund, and Cemetery Fund. Total Special fund balances are \$146,838 of which \$160,107 is attributable to the JayLyn Fund and a deficit balance of (\$54,407) for the Downtown Fund.

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

Unrestricted net assets of the Water Fund amounted to \$218,854 and those of the Wastewater Fund \$664,862. Other factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

General Fund Budgetary Highlights

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

- Intergovernmental revenue was \$339,683 higher than budgeted.
- Public works under spent the budget by \$372,903
- Overall budgeted revenue was less than actual revenue received
- Overall budgeted expenses was greater than actual expenses

TOWN OF ST. JOHNSBURY, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2013

Capital Asset and Debt Administration

Capital assets - The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2013 amount to \$26,456,456 (net of accumulated depreciation and related debt). This investment in capital assets includes land, buildings and improvements, vehicles and equipment, roads and bridges, and water and wastewater distribution and collection systems.

During 2013 and 2012, the Town invested in the restoration and extensive maintenance of the Town fountain and Arnold Park. These costs were expensed to various funds and accounts over the course of this two year period. Total costs expended for the project total \$148,133.

Major capital asset events during the current fiscal year included the following: Water and Wastewater projects. A portion of the Water and Wastewater Projects are allocable to roads and storm water. This amount is represented in construction in progress for governmental activities of \$6,801,739.

TOWN OF ST. JOHNSBURY, VERMONT'S NET ASSETS						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land	\$ 289,256	\$ 289,255	\$ 185,592	\$ 185,592	\$ 454,847	\$ 454,847
Capital assets						
Land and land improvements	55,825	-	-	-	55,825	-
Buildings and improvements	2,155,399	2,215,764	5,722,837	6,315,811	7,878,236	8,531,575
Vehicles and equipment	1,875,075	992,434	16,645	23,930	1,891,720	1,016,364
Roads, bridges and sidewalks	5,119,109	5,313,555			5,119,109	5,313,555
Distribution and collection systems			2,701,210	2,827,233	2,701,210	2,827,233
Construction in progress	6,801,739	4,013,834	15,007,269	13,064,389	21,809,008	17,078,223
Total Assets	\$ 16,276,402	\$ 12,804,842	\$ 23,533,553	\$ 22,416,955	\$ 39,809,955	\$ 35,221,797

Additional information on the Town's net assets can be found in note VI of the notes to financial statements.

Long-term debt - At the end of the current year, the Town had total long-term debt outstanding of \$13,474,191. Of this amount, \$10,531,936 represents bonded debt backed by the full faith and credit of the Town, \$937,599 represents revolving loans issued by the State of Vermont, \$1,135,039 represents a line of credit and \$869,617 represents capital lease agreements.

TOWN OF ST. JOHNSBURY, VERMONT'S NET ASSETS						
	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Bonds payable	\$ 4,021,214	\$ 4,120,981	\$ 6,510,722	\$ 7,314,593	\$ 10,531,936	\$ 11,435,574
Capital lease payable	869,617	14,694			869,617	14,694
Line of credit			1,135,039		1,135,039	-
Revolving loans payable	332,361	-	605,238	996,448	937,599	996,448
Totals	\$ 5,223,192	\$ 4,135,675	\$ 8,250,999	\$ 8,311,041	\$ 13,474,191	\$ 12,446,716

TOWN OF ST. JOHNSBURY, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2013

The Town's total debt increased by \$1,027,475 during the year, reflecting repayments on existing debt of the same.

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 is \$116,051,840 which is significantly in excess of the Town's 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's long-term debt can be found in note IX of the notes to financial statements.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the Town is currently 3.3 percent, down from 3.7 percent one year ago. This compares with a 4.6 percent rate state-wide, down from 5.6 percent statewide one year ago.

Health insurance rates have increased significantly as a result of several factors affecting the healthcare industry.

Recent data on Vermont economic conditions indicate that the performance of the Vermont economy has generally outperformed the developments in the U.S. economy overall during the past 12 to 18 months.

All of these factors were considered in preparing the Town's budget for the 2014 fiscal year.

The Town approved a general fund budget for fiscal year 2014 in the amount of \$6,851,097. This represents an increase of two percent over the approved budget for the previous year.

Requests for Information

This financial report is designed to provide a general overview of the Town'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 Finance Director, Town Offices, 51 Depot Square, Suite 3, St. Johnsbury, VT 05819.

TOWN OF ST. JOHNSBURY, VERMONT
STATEMENT OF NET POSITION
DECEMBER 31, 2013

Exhibit A

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 2,311,635	\$ -	\$ 2,311,635
Receivables (net of allowance for uncollectible accounts)			
Taxes receivable	509,177		509,177
Accounts receivable	39,590	445,157	484,747
Due from other governments	129,547	354,151	483,698
Prepaid expenses	-	-	-
Internal balances	(901,123)	901,123	-
Total Current Assets	2,088,826	1,700,431	3,789,257
Notes Receivable	944,559		944,559
Capital Assets (net of accumulated depreciation)			
Land, non depreciable	269,255	185,592	454,847
Land and land improvements	55,825	-	55,825
Building and building improvements	2,155,399	-	2,155,399
Vehicles and equipment	1,875,075	16,645	1,891,720
Roads, bridges, sidewalks and bike path	5,119,109		5,119,109
Distribution and collection systems	-	8,424,047	8,424,047
Construction in progress	6,801,739	15,007,269	21,809,008
Total Noncurrent Assets	17,220,961	23,633,553	40,854,514
Total Assets	19,309,787	25,333,984	44,643,771
LIABILITIES			
Accounts payable	75,646	740,741	816,387
Accrued payroll and benefits payable	71,943	1,787	73,730
Accrued expenses	51,369	39,766	91,135
Accrued interest payable	5,461	34,420	39,881
Deferred revenue	8,952	-	8,952
Non-current liabilities			
Compensated absences payable	46,413	-	46,413
Pension liabilities	164,180	-	164,180
Due within one year	302,186	1,528,948	1,831,134
Due in more than one year	4,921,006	6,722,051	11,643,057
Total Liabilities	5,647,156	9,067,713	14,714,869
NET POSITION			
Invested in capital assets, net of related debt	11,053,210	15,382,554	26,435,764
Restricted for:			
Notes and mortgages receivables	944,559	-	944,559
Unrestricted	1,664,862	883,717	2,548,579
Total Net Position	\$ 13,662,631	\$ 16,266,271	\$ 29,928,902

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

TOWN OF ST. JOHNSBURY, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit B

Functions/Programs	Program Revenues			Net (Expense) Revenue & Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities							
General government	\$ 1,135,093	\$ 196,294	\$ 638,451	\$ 200,000	\$ (100,348)	\$ -	\$ (100,348)
Public safety	2,583,295	296,883	58,664	1,107,541	(1,120,207)	-	(1,120,207)
Public works	2,260,476	16,668	294,395	1,897,464	(51,949)	-	(51,949)
Health and social services	364,084	-	-	-	(364,084)	-	(364,084)
Recreation and parks	21,815	-	-	2,752	(19,063)	-	(19,063)
Conservation and development	276,170	-	-	234,568	(41,602)	-	(41,602)
Interest on long-term debt	118,988	-	-	-	(118,988)	-	(118,988)
Total governmental activities	6,759,921	509,845	991,510	3,442,325	(1,816,241)	-	(1,816,241)
Business-type activities							
Water	996,869	1,459,474	-	893,996	-	1,356,601	1,356,601
Sewer	1,565,543	1,108,867	-	-	-	(456,676)	(456,676)
	2,562,412	2,568,341		893,996	-	899,925	899,925
Total Government and Business-type Activities	\$ 9,322,333	\$ 3,078,186	\$ 991,510	\$ 4,336,321	(1,816,241)	\$ 899,925	\$ (916,316)
General revenues:							
Property taxes					4,059,290	-	4,059,290
Unrestricted investment earnings					12,212	20,046	32,258
Other revenues					82,325	8,499	90,824
Transfers					318,370	(318,370)	-
Total general revenues and transfers					4,472,197	(289,825)	4,182,372
Change in net assets					2,655,956	610,100	3,266,056
Net position, January 1, 2013					11,006,675	15,656,171	26,662,846
Net position, December 31, 2013					\$ 13,662,631	\$ 16,266,271	\$ 29,928,902

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

TOWN OF ST. JOHNSBURY, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2013

Exhibit C

	General Fund	Capital Projects Fund	Non-Major Governmental Funds	Total Governmental Funds
ASSETS				
Cash and equivalents	\$ 2,166,126	\$ 15,189	\$ 130,320	\$ 2,311,635
Receivable (net of allowance for uncollectible accounts)				
Taxes receivable	509,177	-	-	509,177
Accounts receivable	39,485	-	105	39,590
Due from other governments	68,829	60,718	-	129,547
Due from other funds	-	36,595	70,845	107,440
Prepaid expenses	-	-	-	-
Total Assets	\$ 2,783,617	\$ 112,502	\$ 201,270	\$ 3,097,389
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 25,459	\$ 50,162	\$ 25	\$ 75,646
Accrued payroll and benefits payable	71,943	-	-	71,943
Other accrued expenses	42,969	8,400	-	51,369
Due to other funds	954,156	-	54,407	1,008,563
Deferred revenue - grants	8,952	-	-	8,952
Deferred revenue - property taxes	341,572	-	-	341,572
Total Liabilities	1,445,051	58,562	54,432	1,558,045
Fund Balances				
Non-spendable				
Permanent fund principal	-	-	4,710	4,710
Prepaid expense	-	-	-	-
Restricted for				
Community development	-	-	160,107	160,107
Assigned for				
General government	372,202	-	-	372,202
Public safety	254,718	-	8,500	263,218
Public works	611,078	-	-	611,078
Park and recreation	-	-	9,953	9,953
Capital project funds	160,007	175,000	-	335,007
Unassigned				
General government	(59,439)	-	16,913	(42,526)
Special revenue funds	-	-	(54,407)	(54,407)
Capital projects funds	-	(121,060)	-	(121,060)
Permanent fund	-	-	1,062	1,062
Total Fund Balances	1,338,566	53,940	146,838	1,539,344
Total Liabilities and Fund Balances	\$ 2,783,617	\$ 112,502	\$ 201,270	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds	\$ 16,276,402
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,286,131
Long-term liabilities, including bonds payable are not due and payable in the current period and, therefore, are not reported in the funds.	(5,439,246)
Net assets of governmental activities	\$ 13,662,631

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

TOWN OF ST. JOHNSBURY, VERMONT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit D

	General Fund	Capital Projects Fund	Other Non-Major Governmental Funds	Total Governmental Funds
REVENUES				
Taxes	\$ 4,165,072	\$ -	\$ -	\$ 4,165,072
Tax penalties and interest	78,284	-	-	78,284
Intergovernmental revenues	1,333,493	1,340,066	-	2,673,559
Charges for current services	448,733	-	61,112	509,845
Interest	10,820	-	1,392	12,212
Other revenues	73,170	-	9,155	82,325
Total Revenues	<u>6,109,572</u>	<u>1,340,066</u>	<u>71,659</u>	<u>7,521,297</u>
EXPENDITURES				
Current expenditures				
General government				
Administration	761,504	937	-	762,441
Elections and vital statistics	184,813	-	-	184,813
Finance	58,472	-	-	58,472
Valuation	37,621	-	-	37,621
Public safety				
Police	990,047	-	-	990,047
Fire	926,959	11,507	-	938,466
Dispatch	364,899	-	-	364,899
Public works	1,947,935	3,938	-	1,951,873
Health and social services	364,084	-	-	364,084
Recreation and parks	8,888	2,752	10,175	21,815
Conservation and development	23,513	150,685	5,864	180,062
Debt service expenditures				
Principal	138,102	-	-	138,102
Interest	113,527	-	-	113,527
Capital expenditures				
General government				
Administration	-	-	-	-
Public safety				
Fire	-	905,986	-	905,986
Police	-	-	-	-
Total expenditures	<u>5,920,364</u>	<u>1,075,805</u>	<u>16,039</u>	<u>7,012,208</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>189,208</u>	<u>264,261</u>	<u>55,620</u>	<u>509,089</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	540,370	-	10,000	550,370
Transfers out	(180,000)	-	(52,000)	(232,000)
Total Other Financing Sources (Uses)	<u>360,370</u>	<u>-</u>	<u>(42,000)</u>	<u>318,370</u>
Net Change in Fund Balances	<u>549,578</u>	<u>264,261</u>	<u>13,620</u>	<u>827,459</u>
Fund Balances, January 1	<u>788,988</u>	<u>(210,321)</u>	<u>133,218</u>	<u>711,885</u>
Fund Balances, December 31	<u>\$ 1,338,566</u>	<u>\$ 53,940</u>	<u>\$ 146,838</u>	<u>\$ 1,539,344</u>

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

TOWN OF ST. JOHNSBURY, VERMONT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO
THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit E

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

Net change in fund balance - total government funds (Exhibit D)	<u>\$ 827,459</u>
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Government 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 depreciation exceeded capital outlays in the current period.

	\$ 420,024
--	------------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

	\$ 1,486,425
--	--------------

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to government 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 these differences in the treatment of long-term debt and related items.

	\$ 138,102
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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>\$ (216,054)</u>
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Change in net assets of governmental activities (Exhibit B)	<u><u>\$ 2,655,956</u></u>
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TOWN OF ST. JOHNSBURY, VERMONT
STATEMENT OF NET ASSETS
PROPRIETARY FUND - ENTERPRISE FUND
DECEMBER 31, 2013

Exhibit F

	Major Funds		Total Proprietary Funds
	Water Fund	Wastewater Fund	
ASSETS			
Current Assets			
Cash and cash equivalents	\$ -	\$ -	\$ -
Accounts receivable (net of allowance for uncollectible accounts)	213,619	231,538	445,157
Due from other governments	220,141	134,011	354,152
Due from other funds	213,447	687,675	901,122
Total Current Assets	647,207	\$ 1,053,224	1,700,431
Non-current Assets			
Capital assets:			
Land and land improvements	135,894	49,698	185,592
Buildings and building improvements	10,463,110	16,617,095	27,080,205
Machinery and equipment	835,990	578,031	1,414,021
Construction in progress	9,181,147	5,826,122	15,007,269
Less accumulated depreciation	(6,533,446)	(13,520,088)	(20,053,534)
Total Noncurrent Assets	14,082,695	9,550,858	23,633,553
Total Assets	\$ 14,729,902	\$ 10,604,082	\$ 25,333,984
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	\$ 352,379	\$ 388,361	\$ 740,740
Accrued payroll and benefits payable	1,787	-	1,787
Accrued interest payable	34,421	-	34,421
Accrued expenses	39,766	-	39,766
Bonds and notes payable - current portion	962,064	566,884	1,528,948
Total Current Liabilities	1,390,417	955,245	2,345,662
Noncurrent Liabilities			
Bonds and notes payable	4,095,981	2,626,070	6,722,051
Total Noncurrent Liabilities	4,095,981	2,626,070	6,722,051
Total Liabilities	5,486,398	3,581,315	9,067,713
Net Assets			
Invested in capital assets, net of related debt	9,024,650	6,357,904	15,382,554
Unrestricted	218,854	664,862	883,717
Total Net Assets	9,243,504	7,022,766	16,266,271
Total Liabilities and Net Assets	\$ 14,729,902	\$ 10,604,082	\$ 25,333,984

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

TOWN OF ST. JOHNSBURY, VERMONT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN NET ASSETS
PROPRIETARY FUND - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit G

	Major Funds		Total Proprietary Funds
	Water Fund	Wastewater Fund	
OPERATING REVENUES			
Charges for services	\$ 1,459,474	\$ 1,108,867	\$ 2,568,341
Interest and penalties	10,023	10,023	20,046
Miscellaneous income	4,250	4,249	8,499
Total Operating Revenues	1,473,747	1,123,139	2,596,886
OPERATING EXPENSES			
Personal services	115,601	-	115,601
Administration expenses	68,772	4,792	73,564
Utilities	101,685	119,064	220,749
Contract services	239,020	653,910	892,930
Equipment operation	-	-	-
Repairs and maintenance	31,277	4,472	35,749
Materials and supplies	128,691	19,737	148,428
Insurance expense	24,080	24,080	48,160
Small equipment	5,530	19,348	24,878
Depreciation	247,665	478,618	726,283
Total Operating Expenses	962,321	1,324,021	2,286,342
Operating Income (Loss)	511,426	(200,882)	310,544
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental revenues	555,708	338,288	893,996
Interest expense	(143,309)	(132,761)	(276,070)
Total Nonoperating Revenues (Expenses)	412,399	205,527	617,926
Income (Loss) Before Transfers	923,824	4,645	928,470
TRANSFERS			
Transfers in	-	-	-
Transfers out	(159,185)	(159,185)	(318,370)
Total Transfers	(159,185)	(159,185)	(318,370)
Change in Net Assets	764,639	(154,540)	610,100
Total Net Assets - January 1, 2013	8,478,865	7,177,306	15,656,171
Total Net Assets - December 31, 2013	\$ 9,243,504	\$ 7,022,766	\$ 16,266,271

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

TOWN OF ST. JOHNSBURY, VERMONT
STATEMENT OF CASH FLOWS - PROPRIETARY FUND - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit H

	Major Funds		Total Proprietary Funds
	Water Fund	Wastewater Fund	
Cash Flows from Operating Activities			
Cash received for services	\$ 1,508,930	\$ 1,128,993	\$ 2,637,923
Other operating revenues	14,273	14,273	28,546
Cash payments to employees	(141,212)	-	(141,212)
Cash payments for operating services	(212,953)	(467,610)	(680,563)
Net Cash Provided (Used) by Operating Activities	<u>1,169,038</u>	<u>675,656</u>	<u>1,844,694</u>
Cash Flows from Noncapital Financing Activities			
Transfers to other funds	(159,185)	(159,185)	(318,370)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(159,185)</u>	<u>(159,185)</u>	<u>(318,370)</u>
Cash Flows from Capital and Related Financing Activities			
Cash received from capital grants	555,708	338,288	893,996
Cash paid for interest	(143,309)	(132,761)	(276,070)
Cash paid for construction in progress	(1,060,322)	(882,558)	(1,942,880)
Cash Paid to Debt Principal	(361,930)	156,804	(205,126)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,009,853)</u>	<u>(520,227)</u>	<u>(1,530,080)</u>
Net Increase in Cash and Cash Equivalents	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash equivalents, January 1, 2013	<u>-</u>	<u>-</u>	<u>-</u>
Cash and Cash equivalents, December 31, 2013	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities			
Operating Income	\$ 511,426	(200,882)	\$ 310,544
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	247,665	478,618	726,283
Changes in Assets and Liabilities:			
(Increase) in accounts receivable	49,456	20,126	69,582
(Increase) in grants receivable	442,118	269,140	711,258
Increase in accounts payable	339,806	388,361	728,167
Increase in accrued expenses	24,723	(18,421)	6,302
Decrease in interfund receivables	(446,156)	(261,286)	(707,442)
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,169,038</u>	<u>\$ 675,656</u>	<u>\$ 1,844,694</u>

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

TOWN OF ST. JOHNSBURY, VERMONT
STATEMENT OF
FIDUCIARY NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit I

	<u>Trust Funds</u>
	<u>Employee Retirement Fund</u>
ASSETS	
Cash and cash equivalents	\$ 333,346
Prior year plan receivable	-
Investments	<u>8,884,134</u>
Total Assets	<u>9,217,480</u>
NET ASSETS	
Held in trust for pension benefits and other purposes	<u>9,217,480</u>
Total Net Assets	<u><u>\$ 9,217,480</u></u>

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

TOWN OF ST. JOHNSBURY, VERMONT
STATEMENT OF CHANGES IN
FIDUCIARY NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2013

Exhibit J

	<u>Trust Funds</u>
	<u>Employee Retirement Fund</u>
ADDITIONS	
Contributions	
Employer contributions	\$ 280,984
Employee contributions	15,032
Investment earnings	
Net investment earnings (realized and unrealized)	1,007,576
Gain (loss) on disposition of investments	63,377
Interest and dividends	<u>204,374</u>
Total Investments Earnings	<u>1,275,327</u>
Total Additions	<u>1,571,343</u>
DEDUCTIONS	
Retirement benefits	(460,647)
Administrative expenses	<u>(101,437)</u>
Total Deductions	<u>(562,084)</u>
Changes in Net Assets	<u>1,009,259</u>
Net Assets - December 31, 2012	<u>8,208,221</u>
Nets Assets - December 31, 2013	<u><u>\$ 9,217,480</u></u>

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

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Town of St. Johnsbury, Vermont ("Town") 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. 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.

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, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

The basic financial statements of the Town 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 present 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 present a shorter-term view of how operations were financed and what remains available for future spending.

Government-wide Statements - The statement of net assets 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 non-exchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities and for each segment of the Town's business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. 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 non-major funds.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's various enterprise funds are charges to customers for sales and

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation (continued)

services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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 not accounted for in another fund.

Capital Projects Fund - This fund is a capital project fund used to track all revenue and expenditures related to capital expenditures and associated grants. Expenditures consist of various projects to restore, improve and create Town improvements.

The Town reports on the following major enterprise funds:

Water Fund - This fund accounts for the activities of the Town's water supply systems.

Wastewater Fund - This fund accounts for the activities of the Town's wastewater treatment plants and collection systems.

The Town reports on the following non-major governmental fund types:

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trust or major capital projects) that are legally restricted to expenditures for specified purposes. The Town has four special revenue funds: the Parking Meter Fund used to record and report the income and expenses associated with the metered parking spaces throughout the Town; the Recreational Fund used to record and report the recreational activities the Town provides largely to youth sports programs; and the Downtown District Fund used to record and report the collection of taxes and payment of debt related to the construction of a parking lot located near Pearl Street, and the JayLyn Fund which accounts for notes receivable due under federal lending programs.

Permanent Fund - This fund accounts for financial resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that are for the benefit of the Town or its citizens. Included in this fund type is the Cemetery Fund.

The Town reports on the following fiduciary fund:

Employee Retirement Fund - These funds are used to account for assets held by the Town in trustee capacity for the Employee Retirement Fund. The fund accounts for annual contributions, retiree benefit costs and changes in fair value of account investments.

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

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (continued)

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 have matured. 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.

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.

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 are both restricted and unrestricted net assets 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.

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

All governmental business-type activities and enterprise funds of the Town follow Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board (APB) Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. As permitted under Statement of Governmental Accounting Standards No. 20, the Town has elected not to apply FASB Standards issued after November 30, 1989.

D. 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 and liabilities associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net assets). Fund equity (i.e., net total assets) is segregated into investment in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

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.

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 estimates used by the Town are the estimated useful lives used to calculate depreciation of property, plant and equipment and the estimated costs of other postemployment benefits.

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 statute does not restrict the types of investments the Town can make. All investments require the authorization of the Board of Selectmen. Investments in the Permanent Fund (Town Trust Fund) are valued at fair value. The investments are registered securities held by the Town or by its agent in the Town's name.

In accordance with GASB 31, "Accounting and Financial Reporting for Certain Investments," investments with readily determinable fair values are reported at their fair values on the balance sheet. Unrealized gains and losses are included in revenue.

3. Receivables

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 either "interfund receivables/payables" (for the current portion of the interfund loans) or "advances to/from other funds" (for the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

Accounts receivable from other governments represent amounts due from the State of Vermont for grants reimbursements. Based on experience and because the receivables are in accordance with formal agreements, the Town has not established an allowance for uncollectible receivables.

The Town has long-term receivables accounted for in the JayLyn and Capital Project Funds.

These are secured by real or personal property. The Town does not actively enforce collection efforts. For the year ended December 31, 2013 the Town has established a present value for all notes receivable and reduced the recognized value of receivables to a realizable amount.

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 based on property valuations as of April 1 annually. Taxes are levied during September and are due and payable during November each year.

During the tax year ended December 31, 2013, taxes became due and payable during November, 2013. Taxes paid after due date are subject to an 8% penalty and 1% interest per month. Unpaid taxes become an enforceable lien on the property, and such properties are subject to tax sale by the delinquent tax collector.

As of December 31, 2013, delinquent taxes receivable were \$509,177, inclusive of interest and penalties of \$42,774, with no allowance for uncollectible taxes.

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Equity (continued)

3. Receivables (continued)

The tax rate for 2013 is as follows:

	<u>Homestead</u>	<u>Non-Residential</u>
Homestead education tax	\$ 1.1098	\$ -
Non-residential education tax	-	1.3473
Town general fund appropriations	0.3321	0.3321
Special service	0.4119	0.4119
Highway	0.3004	0.3004
Local agreement tax	0.0014	0.0014
Total	\$ <u>2.1556</u>	\$ <u>2.3931</u>

4. Inventories

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.

5. Restricted Assets

Certain assets are classified as restricted assets because of bond and government restrictions. Restricted cash represents bond proceeds unspent restricted for the construction improvements of the Pomerleau Building. Restricted notes and mortgage receivables are receivables due under the Federal Revolving Loan program which are restricted in use once proceeds are received under the rules and regulations of the USDA Revolving Loan Fund.

6. Capital Assets

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated fair value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. Interest incurred during the construction phase 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.

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Assets, Liabilities and Equity (continued)

6. Capital Assets (continued)

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	\$ 20,000	10-75 years
Vehicles and equipment	\$ 5,000	3-25 years
Roads, bridges, and sidewalks	\$ 20,000	20-75 years
Distribution and collection systems	\$ 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.

7. Compensated Balances

It is the Town's policy to permit employees to accumulate earned but unused vacation and sick time. The accrual for unused vacation 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. Payments for unused vacation time are recorded as expenditures in the year they are paid. No liability is reported for earned but unused sick time because it is not a vested benefit.

8. Long-term Liabilities

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

9. Fund Equity

Fund balances and net assets 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 assets 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 non-spendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters at town meeting); assigned (reflecting the select board's intended use of the resources); and unassigned.

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

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

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

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

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

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

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

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

	Total Governmental Funds	Long-term Revenues/ Expenses	Capital- Related Items	Long-term Debt Transactions	Elimination of Due To/From	Statement of Net Position Total
ASSETS						
Cash	\$ 2,311,635	\$ -	\$ -	\$ -	\$ -	\$ 2,311,635
Receivable (net of allowance for uncollectible accounts):	-	-	-	-	-	-
Taxes receivable	509,177	-	-	-	-	509,177
Accounts Receivable	39,590	-	-	-	-	39,590
Due from Other Governments	129,547	-	-	-	-	129,547
Due from Other Town Funds	107,440	-	-	-	(107,440)	-
Prepaid Expenses	-	-	-	-	-	-
Restricted assets:	-	-	-	-	-	-
Notes and mortgages receivable	-	944,559	-	-	-	944,559
Capital assets	-	-	16,276,402	-	-	16,276,402
Total Assets	3,097,389	944,559	16,276,402	-	(107,440)	20,210,910
LIABILITIES						
Accounts Payable	75,646	-	-	-	-	75,646
Accrued Payroll	71,943	-	-	-	-	71,943
Accrued expenses	51,369	-	-	5,461	-	56,830
Due to Other Funds	1,008,563	-	-	-	(107,440)	901,123
Deferred Revenue	350,524	(341,572)	-	-	-	8,952
Noncurrent liabilities	-	-	-	5,433,785	-	5,433,785
Total Liabilities	1,558,045	(341,572)	-	5,439,246	(107,440)	6,548,279
NET ASSETS						
Invested in capital assets	-	-	16,276,402	(5,223,192)	-	11,053,210
Other	1,539,344	1,286,131	-	(216,054)	-	2,609,421
Total Net assets	\$ 1,539,344	\$ 1,286,131	\$ 16,276,402	\$ (5,439,246)	\$ -	\$ 13,662,631

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE II. EXPLANATION OF DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND GOVERNMENT-WIDE STATEMENTS (continued)

B. Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and 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 Net Assets Total
REVENUES					
Taxes	\$ 4,165,072	\$ (184,066)	\$ -	\$ -	\$ 3,981,006
Tax penalties and interest	78,284	-	-	-	78,284
Intergovernmental	2,673,559	1,760,277	-	-	4,433,836
Charges for current services	509,845	(89,785)	-	-	420,060
Interest	12,212	-	-	-	12,212
Other revenues	82,325	-	-	-	82,325
Total Revenues	7,521,297	1,486,426	-	-	9,007,723
EXPENDITURES					
Current expenditures					
General government					
Administration	762,441	5,722	82,292		850,455
Elections and vital statistics	184,813	3,732			188,545
Finance	58,472	-			58,472
Valuation	37,621	-			37,621
Public safety					
Police	990,047	47,849	66,121		1,104,017
Fire	938,466	73,473	80,104		1,092,043
Dispatch	364,899	22,336			387,235
Public works	1,951,873	57,481	251,122		2,260,476
Health and social services	364,084	-			364,084
Recreation and parks	21,816	-			21,816
Conservation and development	180,082	-	6,323		186,385
Debt service expenditures					
Principal	138,102	-		(138,102)	-
Interest	113,527	5,461			118,988
Capital expenditures					
General government					
Administration		-		-	-
Public safety	905,986	-		(905,986)	-
Police		-		-	-
Total expenditures	7,012,209	216,054	485,962	(1,044,088)	6,670,137
Excess (Deficiency) of Revenues Over (Under) Expenditures	509,088	1,270,372	(485,962)	1,044,088	2,337,586
OTHER FINANCING SOURCES (USES)					
Transfers in	550,370	-	-		550,370
Transfers out	(232,000)	-	-		(232,000)
Total Other Financing Sources (Uses)	318,370	-	-	-	318,370
Net Change in Fund Balances	\$ 827,458	\$ 1,270,372	\$ (485,962)	\$ 1,044,088	\$ 2,655,956

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE III. Cash, Cash Equivalents, and Investments

At December 31, 2013, the carrying amount of the Town's deposits with financial institutions was \$1,588,350 and the bank balances were \$1,328,458. These deposits are held in checking accounts, saving accounts, certificates of deposits, and money market accounts. Of the funds on deposit, \$400,704 was covered by the Federal Deposit Insurance Corporation (FDIC), \$1,187,646 was collateralized or insured. The Town has two Irrevocable Letters of Credit with the Federal Home Loan Bank to collateralize its deposits with Passumpsic Savings Bank to \$8,500,000 and with TD Bank to \$3,000,000. \$914,906 held in money market investments is included in this classification in 2013. At December 31, 2013, these money market investments were insured.

None of the Town's cash deposits at year end are subject to credit risk, concentration of credit risk, interest rate risk, or foreign currency risk. The Town does not have policies regarding custodial credit risk, credit risk, concentration of credit risk, interest risk, or foreign currency risk.

The Agent for the Town's retirement fund is authorized to invest funds to be held in the name of the Town's retirement fund in savings banks or trust departments in the State of Vermont; in building and loan or cooperative banks incorporated under State of Vermont laws; in federal savings and loan associations located in the State of Vermont; in bonds, notes, or other obligations of the United States government or legal obligations of any state political subdivision; and in stocks and bonds. All trust fund investments are stated at market value.

At December 31, 2013, trust fund investments were valued at \$9,217,480. Market value of trust fund investments, determined by quoted market prices at December 31, 2013, are as follows:

Corporate bonds	\$ 3,334,256
Corporate stocks	<u>5,549,878</u>
Total pension investments	8,884,134
Money market funds	<u>333,346</u>
Total pension investments and cash	<u>\$ 9,217,480</u>

The investments have not been rated as to credit risk.

GASB Statement No. 40 requires the Town's investments be categorized indicating the level of risk assumed by the Town at year end. Category 1 includes investments that are insured or registered or securities that are held by the Town or its agent in the Town's name. Category 2 includes uninsured and unregistered investments which are held by a trust department or agent in the Town's name. At December 31, 2013, all the Town's investments were in Category 1.

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE IV. Interfund Balances and Transfers

A. Interfund Balances:

Interfund balances at December 31, 2013 were as follows:

	Receivables	Payables
General fund	\$ -	\$ 1,952,881
Special services	126,885	-
Highway	871,840	-
Parking meter fund	25,333	-
Capital project fund	36,594	-
Recreation fund	9,953	-
Downtown district fund	-	54,407
JayLyn fund	35,560	-
Water and sewer fund	901,123	-
Total	<u>\$ 2,007,288</u>	<u>\$ 2,007,288</u>

The Special Services and Highway activity presented in the schedule above are components of the General Fund. Town voters approve each activity's budget distinctly and the Town records transactions of each activity distinctly; however, these are included in the General Fund in the Financial Statements.

At December 31, 2013 the Town has plans for resolving the interfund balance between the General Fund and Enterprise Fund by adjusting Water/Sewer rates but has not developed plans for resolving the remaining interfund activity. Governmental fund, interfund receivable and payable balances are eliminated in the government-wide Statement of Net Assets.

Operating Interfund Transfers: The detail of interfund operating transfers recorded during the year ended December 31, 2013 is as follows:

	Transfers In			
	General Fund	Special Services Fund	Highway Fund	Recreation Department
Transfers out:				
General	\$ -	\$ -	\$ -	\$ 10,000
Special services	170,000	-	-	-
Highway	-	-	-	-
Parking meter	12,000	40,000	-	-
Recreation	-	-	-	-
Water/sewer	113,000	-	205,370	-
Total	<u>\$ 295,000</u>	<u>\$ 40,000</u>	<u>\$ 205,370</u>	<u>\$ 10,000</u>

Transfers are used to 1) reimburse the General Fund, Special Services, and Water/Sewer Fund for activity expensed in support of the sourcing funds and 2) to resolve deficits of the Recreation Fund.

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE V. Mortgages and Notes Receivable

For the year ended December 31, 2013, the Town adjusted the value of its notes receivable. Notes receivable are segregated in to three categories: 1) for notes past their maturity date with no payments made during the year, the present value is zero; 2) for notes where payments are being made and has reached its maturity date, these notes are stated at face value; and 3) for notes whose payments are deferred, the Town has used an inflation index to calculate a present value. The two columns below present the note receivable face value balance and the Town's expected realizable value at December 31, 2013.

DESCRIPTION	2013 Note Balance	Realizable Amount
JayLyn Fund receivables:		
5% Silver Mtn Graphics note receivable with monthly principal and interest payments of \$283 with a balloon payment of \$12,274 due February 2012. No payments were made during FY2013.	\$ 19,592	\$ -
8.25% New Beginnings note receivable with second security interests on business assets with monthly principal and interest payments of \$204 with final balloon payment of \$8,530 due November, 2009. Balance paid in full and loan discharged in 2013.	\$ 2,019	\$ -
7.5 % Vinny's Restaurant note receivable with monthly principal and interest payments of \$401. In 2010, the JayLyn Committee forgave the debt but the Town has taken no action. No payments were made in FY2013.	\$ 11,148	\$ -
4% Surf & Sirloin note receivable with monthly principal and interest payments of \$276 with final payment due November, 2009. JayLyn Committee approved debt forgiveness but the Town has taken no action. No payments were made during FY2013.	\$ 825	\$ -
6.25% Carmel's Tanning note receivable with a balloon payment due September, 2009 of the total accrued interest and principal. No payments were made during FY2013.	\$ 2,888	\$ -
6% Caledonia County Fair note receivable with annual principal and interest payments of \$5,000 with final balloon payment of \$77,380 due October, 2011. A payment of \$23,000 was made in 2011. This payment included interest as well as principal. No payments were made during FY2013.	\$ 54,930	\$ -
7.75% Myrick note receivable with a full payment due January, 2016. No payments were made in FY2013.	\$ 9,998	\$ -
5% Lee Anthony note receivable with monthly principal and interest payments of \$138 with final payment due February, 2013. No payments were made in FY2013.	\$ 6,000	\$ -
4% Larocque note receivable with monthly principal and interest payments of \$130 with final payment due March, 2011. No payments were made in FY2013.	\$ 1,404	\$ -
4% of St. J. Stitching note receivable with monthly principal and interest payments of \$452 with final payment due March, 2013. No payments were made in FY2013.	\$ 16,540	\$ -

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note V. Mortgages and Notes Receivable (continued)

DESCRIPTION	2013 Note Balance	Realizable Amount
JayLyn Fund receivables (continued):		
4% Express Fleet Service note receivable with monthly principal and interest payments of \$553 with final payment due June, 2014. Payments were made in 2013, with expected payoff in 2014.	\$ 9,636	\$ 3,276
4% Jerelyn note receivable with 3 monthly interest only payments of \$50 then 60 payments of principal and interest payments of \$276 with final payment due October 2014. One payment of \$276 was made in FY2013.	\$ 6,400	\$ 6,184
Total JayLyn fund receivable	<u>\$ 141,380</u>	<u>\$ 9,460</u>
Capital Projects Fund Receivables:		
2% 1990 St. Johnsbury Housing Partnership mortgage receivable, assumed by Gilman Housing Trust, with interest and principal payments deferred during the loan term due August, 2030. On July 25, 2013, \$280,099 was transferred to Hilltop Family Housing and \$89,501 was forgiven.	\$ 280,099	\$ 280,099
2% 2013 Hilltop Family Housing mortgage receivable, with interest and principal payments deferred during the loan term due July, 2044.	\$ 300,000	\$ -
3% 1992 Caledonia Housing Partnership mortgage receivable with interest and principal payments deferred during the loan term due December, 2032.	\$ 650,000	\$ 355,000
0% Mountain View St. Jay Housing, Limited Partnership with interest and principal payments deferred during the term of the loan, collateralized by the real estate and personal property	\$ 322,000	\$ -
4% 2001 Dean Hale, LLC mortgage receivable, with interest and principal payments deferred during the loan term due December, 2043	\$ 41,000	\$ -
0% 2002 Passumpsic View, Inc. mortgage receivable, with interest and principal payments deferred during the loan term due December, 2042	\$ 447,000	\$ -
0% 2004 Passumpsic View Commercial mortgage receivable, with interest and principal payments deferred during the loan term due December, 2047	\$ 250,000	\$ -
0% Passumpsic Housing, Limited Partnership with interest and principal payments deferred during the term of the loan, collateralized by the real estate and personal property	\$ 55,000	\$ -
0% Northern Senior Housing, LP mortgage receivable with annual payments of principal and interest commencing in 2001. Principal payments are based on a formula due 2031. No principal payments were made in FY2012.	\$ 480,000	\$ 300,000
1% Boxcar and Caboose Bookshop and Café note receivable with monthly principal and interest payments of \$526 with final payment due May, 2013, secured by second security interest in all business property. One payment of interest was made in FY2013.	\$ 60,000	\$ -
6% Elizabeth Enterprise note receivable with monthly principal and interest payments of \$587 with final payment due October, 2006. Note in default with no Town action. No payments were made in FY2012.	\$ 25,000	\$ -
6% Party Central note receivable with monthly principal and interest payments of \$155 with final payment due November, 2007. Note in default with no Town action. No payments were made in FY2012.	\$ 6,947	\$ -
Total capital project funds receivables	<u>\$2,917,046</u>	<u>\$ 935,099</u>
Total long-term mortgages and notes receivable	<u>\$3,058,426</u>	<u>\$ 944,559</u>

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE VI. Capital Asset Activity

Capital asset activity of the Town for the year ended December 31, 2013 is as follows:

Governmental Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 269,255	\$ -	\$ -	\$ 269,255
Capital assets being depreciated:				
Highway equipment	2,327,810	-	-	2,327,810
General equipment	144,532	-	-	144,532
Fire equipment	1,743,709	1,169,817	-	2,913,526
Police equipment	607,201	-	-	607,201
Rec equipment	66,708	-	-	66,708
Parking meter	52,272	-	-	52,272
Land improvements	468,172	-	-	468,172
Infrastructure	5,580,470	-	-	5,580,470
Buildings/improvements	2,759,612	-	-	2,759,612
Construction in progress	4,013,834	2,787,905	-	6,801,739
Total capital assets, being depreciated	<u>\$ 17,764,320</u>	<u>\$ 3,957,522</u>	<u>\$ -</u>	<u>\$ 21,721,842</u>
Less Accumulated Depreciation:				
Highway Equipment	\$ 1,778,088	\$ 123,712	\$ -	\$ 1,901,800
General Equipment	56,529	10,716	-	67,245
Fire Equipment	1,617,493	80,104	-	1,697,597
Police Equipment	418,751	66,121	-	484,872
Rec Equipment	26,665	6,323	-	32,988
Parking Meters	52,272	-	-	52,272
Land Improvements	401,136	11,211	-	412,347
Infrastructure	333,951	127,410	-	461,361
Buildings/improvements	543,848	60,365	-	604,213
Total accumulated depreciation	<u>5,228,733</u>	<u>485,962</u>	<u>-</u>	<u>5,714,695</u>
Being Depreciated, Net	<u>12,535,587</u>	<u>3,471,560</u>	<u>-</u>	<u>16,007,147</u>
Net Assets	<u>\$ 12,804,842</u>	<u>\$ 3,471,560</u>	<u>\$ -</u>	<u>\$ 16,276,402</u>
Depreciation expense was charged to governmental functions as follows:				
General		\$ 82,292		
Highway		251,122		
Public safety		146,226		
Culture and recreation		6,323		
Total 2013 governmental depreciation expense		<u>\$ 485,962</u>		

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE VI. Capital Assets Activity (continued)

Business-type Activities	Beginning Balances	Increases	Decreases	Ending Balances
Capital assets, not being depreciated:				
Land	\$ 185,592	\$ -	\$ -	\$ 185,592
Capital assets being depreciated:				
Buildings	19,485,212	-	-	19,485,212
Improvements other than buildings	7,594,993	-	-	7,594,993
Machinery and equipment	1,414,021	-	-	1,414,021
Construction in progress	13,064,389	1,942,880	-	15,007,269
Total assets, being depreciated	41,558,615	1,942,880	-	43,501,495
Total accumulated depreciation	19,327,252	726,283	-	20,053,535
Total assets being depreciated, net	22,231,363	1,216,597	-	23,447,960
Business-type activities capital assets, net	\$ 22,416,956	\$ 1,216,597	\$ -	\$ 23,633,553

Total business-type activities/Water/Wastewater Fund depreciation expense for 2013 is \$726,283, \$247,665 for Water and \$478,618 for Wastewater.

The Town accounts for its general long-term construction contracts by expensing activity in the year in which it occurs and for its proprietary fund long-term construction contracts by capitalizing expenses during the year and reporting that activity as construction in progress until projects are complete.

NOTE VII. Lease Agreements

A. Lease Revenue

During 2013, the Town entered into a ten year lease with NCIC for an annual rent of \$46,368. Total rental income for 2013 was \$27,048.

B. Capital Leases

In 2006 the Town entered into joint ownership agreement with the Town of Danville, Vermont for the purchase of a tractor. The Town of Danville has joint and equal ownership, usage, and decision-making regarding this equipment. Each municipality is to pay 50% of the lease expense and all operating expenses of the equipment. The tractor acquired through this capital lease has an original cost of \$76,744, accumulated depreciation of \$46,686, and a net value of \$30,056, 50% of which is reported at year end, attributable to the Highway Department of the General Fund. During 2013 the Town paid \$4,878 for their share of the payments relating to lease expense.

In 2008 the Town entered in a capital lease agreement with Kansas State Bank of Manhattan for the lease-purchase of five Town Highway trucks. The contract amount of \$695,094 is to be paid in annual installments of \$151,140 over 5 years, final payment to be made in FY2013. The trucks acquired through this capital lease have an original cost of \$696,143, accumulated depreciation

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE VII. Lease Agreements (continued)

B. Capital Leases (continued)

of \$290,059 and a net value of \$406,084 as reported at year end, all of which is attributable to the Highway Department of the General Fund. Total lease payment made this year under this agreement was \$151,140 with \$5,265 of this payment applied to interest and the remainder to principal.

New capital assets were purchased during 2013 and included in the long-term debt schedule with annual payments included in the debt service requirement section of Note IX.

The following is a schedule of future minimum lease payments under these leases and the present value of the minimum lease payments as of December 31, 2013.

During the year ended December 31, 2013	\$	4,898
2014		4,898
2015		4,898
		<hr/>
Total minimum lease payments		14,694
Lease amount representing interest		(8,389)
		<hr/>
Future minimum of lease payments	\$	6,305

The gross amount of assets in the government-wide statement of net assets recorded under capital leases as of December 31, 2013 is \$1,604,132 and the total accumulated amortization of these assets is recorded as depreciation of \$313,402. All assets are included in the general capital assets of the government and the amortization is fully reported in the Highways and Streets expense on the government-wide Statement of Activities.

C. Operating Leases

The Town has leased office equipment in the form of a postage meter and three photocopiers. The monthly payments for the copiers are \$176, \$130, and \$221 for a period of 36 months, 48 months and 48 months respectively. The quarterly payment for the postage meter is \$281 for 21 quarters.

Total lease payments made this year under these agreements was \$5,880.

Subsequent to year end the Town entered into a lease agreement for the use of a mobile office. The monthly payments for this mobile office are \$238 for a minimum of six months.

The following is a schedule of future lease payments under these leases:

During the year ended December 31, 2013	\$	1,554
2014		<u>1,056</u>
		<hr/>
Total	\$	<u>2,610</u>

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE VIII. Short-Term Debt

During the year ended December 31, 2013, the select board authorized tax anticipation notes and a line of credit with Passumpsic Savings Bank to finance General and Water/Sewer fund expenses as follows:

<u>Date Authorized</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Due Date</u>
April 23, 2013	\$1,500,000	.93%	12/16/2016

A \$1,400,000 line of credit was established with Passumpsic Savings to finance the Bike Path Project. The line of credit is dated August 22, 2013, bearing interest at 1.27%, payable and due in full on July 31, 2014. The outstanding balance at December 31, 2013 was \$517,335 and was paid in full in 2013.

Short-term debt activity for all funds of the Town, for the year ended December 31, 2013, was as follows:

<u>December 31, 2012</u>	<u>Proceeds</u>	<u>Payments</u>	<u>December 31, 2013</u>
<u>\$ 517,335</u>	<u>\$ -</u>	<u>\$ 517,335</u>	<u>\$ -</u>

NOTE IX. Long-term Debt

Water/Wastewater Fund long-term debt activity for the year ended December 31, 2013 is as follows:

	<u>12/31/12 Balance</u>	<u>Decreases</u>	<u>Increases</u>	<u>12/31/13 Balance</u>	<u>Due within one year</u>
Bonds payable	\$ 10,075,807	\$ 176,705	\$ -	\$ 9,899,102	\$ 334,969
Loans payables	996,448	71,189	-	925,259	58,940
Total	<u>\$ 11,072,255</u>	<u>\$ 247,894</u>	<u>\$ -</u>	<u>\$ 10,824,361</u>	<u>\$ 393,909</u>

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE IX. Long-term Debt (continued)

Proprietary Fund long-term debt is in the form of long-term notes and bonds. The proceeds of such debt are for improvement of the Town's water and wastewater systems including related streets and sidewalk improvements.

4.125% USDA loan payable for sewer system improvements with semi-annual principal and interest payments of \$2,924 each September and March through 2037, with a final payment due March, 2037.	\$ 87,453
0% State of Vermont loan payable for water system improvements with principal only annual payments of \$56,676 beginning in 2009 with final payment in 2028.	850,146
3.65% Vermont Municipal Board Bank bond payable for water and sewer improvements with semi-annual principal payments of between \$265,000 and \$160,000 plus interest with final payment December, 2024.	2,495,000
4.25% USDA \$1,813,000 bond payable for water system improvements with semi-annual principal and interest payments of \$47,338 each in May and November, beginning May 2010 with a final payment due November, 2049.	1,736,265
4.25% USDA \$427,000 bond payable for water system improvements with semi-annual principal and interest payments of \$11,149 each in May and November, beginning May 2010 with a final payment due November, 2049.	408,928
2.50% USDA \$775,000 bond payable for water improvements with semi-annual principal and interest payments of \$15,384 each June and December, with a final payment due December, 2049.	727,381
CWSRF Loan	59,900
CWRLF Loan	204,092
Line of Credit, 3.84% Interest, maturing September, 2014	1,135,039
2.50% USDA \$4,469,000 bond payable for water improvements with semi-annual principal and interest payments of \$102,832 each June and December 15th, commencing June 15, 2012 with a final payment due December, 2042. A portion of this bond is attributable to street and sidewalk improvements and is removed below to be reported with the General Fund long-term debt.	4,255,196
Total long-term notes and bonds payable-Water/Sewer Fund	11,959,400
Less current portion	(393,909)
Less line of credit	(1,135,039)
Attributable to general fund	(3,708,401)
Long-term portion	<u>\$ 6,722,051</u>

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE IX. Long-term Debt (continued)

General Fund long-term debt is in the form of a long-term bond. The proceeds of such debt are for improvement of the Town's Welcome Center.

3.84% Vermont Municipal Board Bank bond payable for the Welcome Center improvements with semi-annual interest payments, and annual \$70,000 principal payment. Final payment November, 2031.	\$1,260,000
2.50% USDA \$4,469,000 bond payable for water improvements with semi-annual principal and interest payments of \$102,832 each June and December 15th, commencing June 15, 2012 with a final payment due December, 2042. A portion of this bond is attributable to street and sidewalk improvements and reported with the General Fund long-term debt.	2,680,773
CWRLF Loan, a portion of this revolving loan is attributable to the general fund and considered part of the General Fund long-term debt.	123,476
CSO Loan, a portion of this revolving loan is attributable to the general fund and considered part of the General Fund long-term debt.	595,896
May, 2013 Capital lease, Fire Truck, \$605,986, with annual lease payments, principal and interest of \$127,746, payable and due annually, January 15 th . Lease matures with final payment, January 15, 2018.	605,986
May, 2013 Capital lease, Vacuum Truck, \$263,631, with annual lease payments, principal and interest of \$27,927, payable and due semi-annually, January and July 15 th . Lease matures with final payment, July 15, 2018	263,631
Total long-term notes and bonds payable-General Fund	5,529,762
General fund obligation calculated based on capital asset calculations of which debt was not incurred at December 31, 2013	(306,570)
Less current portion	(302,186)
Long-term portion	<u>\$4,921,006</u>

The following is a summary of annual principal and interest debt service requirements to maturity:

	Principal	Interest	Total
2014	\$ 534,260	\$ 382,113	\$ 916,373
2015	533,179	359,594	892,773
2016	537,212	337,942	875,154
2017	541,361	320,960	862,321
2018	540,633	303,852	844,485
2019-2023	2,676,834	1,247,557	3,924,391
2014-2028	1,943,495	964,307	2,907,802
2029-2033	1,544,181	665,626	2,209,807
2034-2038	1,300,468	462,753	1,763,221
2039-2043	1,049,672	268,759	1,318,431
2044-2048	228,739	121,565	350,304
2049-2051	213,023	13,564	226,587
Total	<u>\$ 11,643,057</u>	<u>\$ 5,448,592</u>	<u>\$ 17,091,649</u>

For the year ended December 31, 2013, combined short-term and long-term debt interest expense for all funds was \$382,113.

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE X. Fund Deficits

The Downtown District Fund has a fund deficit of \$54,407. This deficit is a result of accumulated losses in these funds. The deficit is to be resolved over a number of years through a combination of operating transfers from other funds and operating revenues and are part of the unassigned deficit balance of \$216,931.

The General Fund has a fund surplus of \$1,338,566; however, of this, \$1,398,005 is assigned, resulting in an unassigned general fund deficit balance of \$59,439.

NOTE XI. Fund Balances Assigned

At December 31, 2013 the Town had assigned fund balances for the following purposes:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Non-Major Governmental Funds</u>
General Government			
Record Restoration	\$93,741	-	-
Economic Development	30,033	-	-
Fountain Fund	26,674	-	-
Special Services	99,714	-	-
Downtown District	54,407		
Revaluation	67,633	-	-
	<u>\$372,202</u>	-	-
Public Safety			
Police Equipment	\$26,700	-	-
K9 Unit	4,573	-	-
Fire Equipment	190,622	\$175,000	-
Fire Donations	7,823		
Fire Dept.- Catastrophic OT	25,000	-	-
	<u>\$254,718</u>	<u>\$175,000</u>	-
Public Works			
Highway Construction	\$408,000	-	-
Highway Equipment	203,078	-	-
Capital Project - Bike Path	160,007	-	-
	<u>\$771,085</u>	-	-
Recreation		-	\$9,953
Parking Meter		-	<u>\$25,413</u>

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

At December 31, 2013 the Town had Non-spendable and Restricted fund balances for the following purposes:

Permanent Fund	\$ 4,710
Community Development-Jaylyn Fund	\$ 160,107

NOTE XII. Pension Plan

A. Vermont Municipal Employee Retirement System (VMERS)

Beginning in 2010, new Town employees were eligible to participate in the Vermont Municipal Employees Retirement Systems (VMERS). Requirements for participation are weekly work hours of more than 24 hours per week and 1,040 hours per year.

There are four levels in the System: Group A, Group B, Group C, and Group D. The Town participates in Group B and C. Normal retirement for Group B members is age 62 and the completion of 5 years of creditable service. A member may receive reduced benefits at age 55 if they have 5 years of service and have made contributions for at least 2.5 years. The system is an actuarial service, joint-contributory program. Both the members and the Town make contributions to the fund according to the following schedule:

	Group A	Group B	Group C	Group D
Employees' contributions (% of gross wages)	2.5%	4.5%	9.0%	11.0%
Town's contributions (% of gross wages)	4.0%	5.0%	6.0%	9.5%

Employee contributions are withheld pre-income tax and are remitted to the State of Vermont. The Town's total payroll during the year was \$2,249,227 with \$278,352 of this amount related to employees covered by VMERS. The Town's contribution to VMERS for fiscal year 2013 on behalf of employees was \$1,000 and employee contributions total \$900.

Additional information and ten-year historical trend information is available from the separately issued VMERS Comprehensive Annual Financial Report.

B. Town's Pension Plan

For employees vested prior to January 1, 2010, the Town participates in a single-employer, employee retirement system. The Retirement Plan is administered by People's United Bank. The Retirement Plan does not issue separate financial reports. Assets are held separately and may be used only for the payment of benefits to the members of the Plan. Plan provisions are established by the Town's Board of Selectmen. The Plan covers substantially all of the Town's employees who have completed one year of service and work at least 1,000 hours. Normal retirement date is the employee's 60th birthday and the completion of 25 years of service with a maximum of 65 years and five years of participation. Normal retirement benefits are 1/50th of employees average monthly salary multiplied by years of credited service up to maximum of 35 years.

Beginning January 1, 2010, Town employees from the Police and Dispatch Departments who are eligible to participate in the Plan do not contribute to the plan. All other Town employees and Fire Department are required to contribute 2% of base salary to the Plan.

Effective February 1, 2010, employees who customarily work less than twenty (20) hours per week or less than five (5) months per year are not eligible to participate in the Plan.

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE XII. Pension Plan (continued)

B. Town's Pension Plan (continued)

Each year the Board of Selectmen decides the amount of contribution to be made based on the actuarially determined "recommended contribution level" provided by the Town's consulting actuaries. For 2013 the actuarially determined recommended contribution level was \$168,300; the Board of Selectmen authorized a contribution of \$171,300, which was paid April 2014.

During 2014, the assets of the plan realized a gain of 14.82% as compared to 10.25% gain in the prior year. The plan is currently 89.39% funded as compared to 81.47% in 2013. Valuation of the plan is based on the applicable provisions of the Employee Retirement Income Security Act and the Pension Protection Act of 2006, as those provisions apply to governmental plans.

During 2014, there were 100 participants of which thirty-two were active, thirty-one retired, seven beneficiaries and twenty-seven were term vested. The annual contribution is comprised of a normal cost of \$25,783 and an amortization payment of \$142,517 on the frozen liability for a total of \$168,300. Current year projected contribution is calculated at 11.03% of compensation.

The following is the required supplementary information for the pension plan:

Valuation date	2013 01/01/2014	2012 01/01/2013	2011 01/01/2012
Actuarial Cost Method	Frozen initial liability	Frozen initial liability	Frozen initial liability
Actuarial asset valuation method	Fair market value	Fair market value	Fair market value
Actuarial assumptions:			
Inflation rate	0.0%	0.0%	0.0%
Investment return	7.0%	7.0%	7.0%
Project salary increases	3.75%	3.75%	4.0%
Post-retirement benefit increases	None	None	None
Amortization method	Percent of Payroll	Percent of Payroll	Percent of Payroll
Actuarial value of assets	\$ 9,217,480	\$ 8,208,221	\$ 7,473,245
Actuarial accrued liability	\$ 10,311,956	\$ 10,075,608	\$ 7,899,588
Unfunded liability	\$ 0	\$ 409,095	\$ 1,716
Unfunded rates	0.6%	0.6%	0.6%
Covered payroll	\$ 1,525,618	\$ 1,593,018	\$ 1,969,862
Unfunded liability - percent of covered payroll	.09%	.09%	.09%
Annual contribution	\$ 171,300	\$ 280,984	\$ 405,212
Recommended contribution	\$ 168,300	\$ 280,984	\$ 405,211
Percent of contribution to recommended contribution	100.0%	100.0%	100.0%

Beginning January 1, 2009, the Town changed the retirement funding method. The prior funding method was adopted in 2003 and was intended for a short period. The new funding method amortized the unfunded liability over 30 years, representing a stronger funding method resulting in a lower risk of past service liabilities remaining unfunded at the end of the 30-year amortization period.

TOWN OF ST. JOHNSBURY, VT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

NOTE XIV. Long-Term Contracts/Commitments

The Town has entered into grant and loan agreements to conduct substantial water and sewer system improvements intended to separate storm water runoff from Town sewage. It is anticipated to take several years to complete these projects. The Town records the activity as construction in progress and plans to depreciate these assets once the major sewer and storm water projects are completed.

TOWN OF ST. JOHNSBURY, VERMONT
GENERAL FUNDS - UNASSIGNED
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - BUDGETARY BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES			
Taxes	\$ 4,151,339	\$ 4,165,072	\$ 13,733
Tax penalties and interest	80,000	78,284	(1,716)
Intergovernmental	993,810	1,333,493	339,683
Charges for current services	351,951	448,733	96,782
Interest	9,000	10,820	1,820
Other revenues	57,168	73,170	16,002
Total Revenues	<u>5,643,268</u>	<u>6,109,572</u>	<u>466,304</u>
EXPENDITURES			
Current expenditures			
General government			
Administration	604,151	761,504	(157,353)
Elections and vital statistics	206,618	184,813	21,805
Finance	76,771	58,472	18,299
Valuation	60,143	37,621	22,522
Public safety			
Police	958,726	990,047	(31,321)
Fire and ambulance	930,172	926,959	3,213
Dispatch	411,622	364,899	46,723
Public works	2,320,838	1,947,935	372,903
Health and social services	363,100	364,084	(984)
Recreation and parks	13,400	8,888	4,512
Conservation and development	56,600	23,513	33,087
Debt service expenditures			
Principal	121,090	138,102	(17,012)
Interest	112,257	113,527	(1,270)
Capital expenditures			
General government			
Administration	-	-	-
Public safety			
Police and fire	300,000	-	300,000
Public works			
	-	-	-
Total Expenditures	<u>6,535,488</u>	<u>5,920,364</u>	<u>615,124</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	1,072,120	540,370	(531,750)
Transfers out	(180,000)	(180,000)	-
Total other financing sources (uses)	<u>892,120</u>	<u>360,370</u>	<u>(531,750)</u>
Net change in fund balances	<u>\$ (100)</u>	<u>\$ 549,578</u>	<u>\$ 549,678</u>

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

TOWN OF ST. JOHNSBURY, VERMONT
COMBINING BALANCE SHEET NON-MAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2013

	Special Revenue Funds				Permanent Fund	Total Non- Major Governmental Funds
	Parking Meter Fund	Recreation Fund	Downtown District Fund	JayLyn Fund	Cemetery Fund	
ASSETS						
Cash	\$ -	\$ -	\$ -	\$ 124,548	\$ 5,772	\$ 130,320
Receivables (net of allowances for uncollectible accounts)						
Accounts receivable	\$ 105					105
Due from other funds	25,333	9,953	-	35,559	-	70,845
Total Assets	<u>25,438</u>	<u>9,953</u>	<u>-</u>	<u>160,107</u>	<u>5,772</u>	<u>201,270</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Notes payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	25	-	-	-	-	25
Due to other funds	-	-	54,407	-	-	54,407
Total Liabilities	<u>25</u>	<u>-</u>	<u>54,407</u>	<u>-</u>	<u>-</u>	<u>54,432</u>
Fund balances						
Non-spendable						
Permanent	-	-	-	-	4,710	4,710
Restricted for						
community development				160,107		160,107
Assigned	-		-		-	-
Public safety	8,500					8,500
Recreation and parks		9,953				9,953
Unassigned	16,913	-	(54,407)	-	1,062	(36,432)
Total Fund Balances	<u>25,413</u>	<u>9,953</u>	<u>(54,407)</u>	<u>160,107</u>	<u>5,772</u>	<u>146,838</u>
Total Liabilities and Fund Balances	<u>\$ 25,438</u>	<u>\$ 9,953</u>	<u>\$ -</u>	<u>\$ 160,107</u>	<u>\$ 5,772</u>	<u>\$ 201,270</u>

TOWN OF ST. JOHNSBURY, VERMONT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, NON-MAJOR
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2013

	Special Revenue Funds				Permanent Fund	Total Non-Major Governmental Funds
	Parking Meter Fund	Recreation Fund	Downtown District Fund	JayLyn Fund	Cemetery Fund	
REVENUES						
Charges for services	\$ 61,112	\$ -	\$ -	\$ -	\$ -	\$ 61,112
Interest Income	-	-	-	1,386	6	1,392
Repayment on long-term receivable	-	-	-	9,155	-	9,155
Total Revenues	<u>61,112</u>	<u>-</u>	<u>-</u>	<u>10,541</u>	<u>6</u>	<u>71,659</u>
EXPENDITURES						
Current expenditures						
Public safety - police	-	-	-	-	-	-
Recreation and parks	-	10,175	-	-	-	10,175
Conservation and development	5,771	-	-	93	-	5,864
Total Expenditures	<u>5,771</u>	<u>10,175</u>	<u>-</u>	<u>93</u>	<u>-</u>	<u>16,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>55,341</u>	<u>(10,175)</u>	<u>-</u>	<u>10,448</u>	<u>6</u>	<u>55,620</u>
Other financing sources (uses)						
Transfers in (out)	<u>(52,000)</u>	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,000)</u>
Total other financing sources (uses)	<u>(52,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(42,000)</u>
Net change in fund balances	<u>3,341</u>	<u>(175)</u>	<u>-</u>	<u>10,448</u>	<u>6</u>	<u>13,620</u>
Fund balances, beginning	<u>22,072</u>	<u>10,128</u>	<u>(54,407)</u>	<u>149,659</u>	<u>5,766</u>	<u>133,218</u>
Fund balances, ending	<u>\$ 25,413</u>	<u>\$ 9,953</u>	<u>\$ (54,407)</u>	<u>\$ 160,107</u>	<u>\$ 5,772</u>	<u>\$ 146,838</u>