

Federal Compliance Audit

City of South Burlington, Vermont

June 30, 2012



Proven Expertise and Integrity

CITY OF SOUTH BURLINGTON, VERMONT

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JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

November 16, 2012

City Council
City of South Burlington
South Burlington, Vermont

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of South Burlington, Vermont, as of and for the year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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 information of the City of South Burlington, Vermont as of June 30, 2012, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

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In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2012 on our consideration of the City of South Burlington, Vermont's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants 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* and should be read in conjunction with this report in considering the results of our audit.

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 through 12 and 54 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of South Burlington, Vermont's financial statements as a whole. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for the purposes of additional analysis as required by the 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 financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are the responsibility of management and are derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RHR Smith & Company

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012**

(UNAUDITED)

The following management's discussion and analysis of the City of South Burlington, Vermont's financial performance provides an overview of the City's financial activities for the fiscal year ended June 30, 2012. Please read it in conjunction with the City's financial statements.

Financial Statement Overview

The City of South Burlington's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government - Wide Financial Statements

The government-wide financial statements provide a broad view of the City's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regards to the City's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Assets – this statement presents *all* of the government's assets and liabilities with the difference being reported as net assets.

The Statement of Activities – this statement presents information that shows how the government's net assets changed during the period. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have separate columns for the two different types of City activities. The types of activities presented for the City of South Burlington are:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the City's basic services are reported in governmental activities, which include general government, public safety, public works, education, social services, recreation and culture and other unclassified.
- *Business-type activities* – These activities are normally intended to recover all or a significant portion of their costs through user fees and/or charges to external users for goods and / or services. These activities for the City of South Burlington include the recreation program, water department, water pollution, ambulance services and storm water utilities.

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 City of South Burlington, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the City of South Burlington can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: Most of the basic services provided by the City are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the City's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the City.

Because the focus of governmental funds is narrower than that of 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. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The City of South Burlington presents three columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The City's major governmental funds are the general fund and airport parkway expansion. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund is the only fund for which the City legally adopted a budget. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Proprietary Funds: The City of South Burlington maintains five proprietary funds: the recreation programs, water department, water pollution, ambulance services and storm water utilities. These funds are used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

Fiduciary Funds: These funds are used to account for resources held for the benefit of parties outside the City of South Burlington. These funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds are much like that of proprietary funds. They use the accrual basis of accounting. These funds for the City are for the pension

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 the Fund Financial Statements. The Notes to Financial Statements can be found following the Fiduciary Fund Financial Statements.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net assets, and changes in net assets of the City's governmental activities. The City's total net assets for governmental funds is \$19.64 million compared to \$17.78 million in the prior year, an increase of 10.44%. For the business-type activities total net assets are \$8.65 million as compared to \$7.88 million in the prior year, an increase of 9.74 %.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – is \$5.88 million at the end of this year for governmental activities and \$3.89 million for the business-type activities.

Table 1
City of South Burlington, Vermont
Net Assets
June 30,

	2012		2011	
	Governmental Activities	Business-type Activities	Governmental Activities	Business-type Activities
Assets:				
Current and Other Assets	\$ 8,996,709	\$ 3,422,814	\$ 8,522,491	\$ 2,259,829
Capital Assets	51,773,741	9,430,604	52,950,257	10,079,918
Total Assets	\$ 60,770,450	\$ 12,853,418	\$ 61,472,748	\$ 12,339,747
Liabilities:				
Current Liabilities	\$ 2,886,279	\$ 1,183,278	\$ 3,648,229	\$ 1,072,405
Long-term Debt Outstanding	38,244,783	3,024,008	40,041,948	3,388,144
Total Liabilities	\$ 41,131,062	\$ 4,207,286	\$ 43,690,177	\$ 4,460,549
Net Assets:				
Invested in Capital Assets, Net of Related Debt	\$ 12,685,664	\$ 6,042,460	\$ 12,112,301	\$ 6,330,363
Restricted for: Special revenues	358,477	-	977,574	-
Permanent funds	467,933	-	407,851	-
Capital projects	249,153	-	394,471	-
Storm water	-	-	-	5,000
Unrestricted Net Assets	5,878,161	2,603,672	3,890,374	1,543,835
Total Net Assets	\$ 19,639,388	\$ 8,646,132	\$ 17,782,571	\$ 7,879,198

Table 2
City of South Burlington, Vermont
Change in Net Assets
For the Years Ended June 30,

	<u>2012</u>		<u>2011</u>	
	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Revenues				
General tax revenue (City)	\$ 14,281,144	\$ -	\$ 13,301,819	\$ -
Intergovernmental revenue	1,202,062	-	2,512,422	89,640
Charges for services	4,799,291	7,142,227	1,577,690	6,709,727
Investment income	115,338	-	161,859	4,946
Bond proceeds	2,200,000	-	24,876	-
Pension - net earnings	-	-	-	-
Other revenue	302,894	407,138	498,511	197,664
Total Revenues	<u>22,900,729</u>	<u>7,549,365</u>	<u>18,077,177</u>	<u>7,001,977</u>
Expenses				
General government	3,342,863	-	2,947,013	-
Public safety	8,643,255	-	7,915,580	-
Public works	3,055,306	-	2,661,337	-
Social services	566,321	-	597,084	-
Recreation and culture	1,178,834	-	994,460	-
Program expenditures	16,102	-	7,283	-
Capital outlay	3,527,264	-	449,829	-
Interest expense	785,201	-	1,180,029	-
Education	90,232	-	125,000	-
Enterprise fund	-	6,620,965	-	6,838,510
Total Expenses	<u>21,205,378</u>	<u>6,620,965</u>	<u>16,877,615</u>	<u>6,838,510</u>
Total transfers	<u>161,466</u>	<u>(161,466)</u>	<u>207,878</u>	<u>(207,878)</u>
Change in Net Assets	1,856,817	766,934	1,407,440	(44,411)
Net Assets - July 1	<u>17,782,571</u>	<u>7,879,198</u>	<u>16,375,131</u>	<u>7,923,609</u>
Net Assets - June 30	<u>\$ 19,639,388</u>	<u>\$ 8,646,132</u>	<u>\$ 17,782,571</u>	<u>\$ 7,879,198</u>

Revenues and Expenses

Revenues for the City's governmental activities increased by 26.68%, while total expenses increased by 25.64%. Most of the City's expenses had increased from the prior year.

The expenses and revenues for the proprietary fund were consistent with the prior year. The proprietary fund has five enterprise funds with all of them having positive net assets with the exception of ambulance services.

The proprietary funds had net income for the current year of \$766,934. The increase was mainly caused by transfers of funds from the general fund.

Financial Analysis of the City's Fund Statements

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

Table 3
City of South Burlington, Vermont
Fund Balances - Governmental Funds
June 30,

	<u>2012</u>	<u>2011</u>
Major Funds:		
General fund:		
Nonspendable	\$ 244,188	\$ 412,638
Unassigned	1,743,982	1,226,972
Airport parkway expansion:		
Unassigned	<u>2,231,099</u>	<u>(4,163,267)</u>
Subtotal Major Funds	<u>4,219,269</u>	<u>(2,523,657)</u>
Non-Major Funds:		
Special revenue funds:		
Restricted	358,477	977,574
Committed	1,468,032	4,599,381
Assigned	95,080	81,464
Unassigned	(10,016)	(428,986)
Capital projects fund:		
Restricted	249,153	394,471
Committed	1,137,924	1,184,615
Unassigned	(144,096)	(1,228,082)
Permanent funds:		
Restricted	467,933	407,851
Committed	6,092	3,557
Unassigned	<u>(811)</u>	<u>(1,486)</u>
Subtotal Non-Major Funds	<u>3,627,768</u>	<u>5,990,359</u>
Total Governmental Funds	<u>\$ 7,847,037</u>	<u>\$ 3,466,702</u>

The general fund total fund balance increased by \$348,560 from the prior fiscal year. Other major funds fund balance increased by \$6,394,366 and the non-major fund balances decreased by \$2,362,591 from the prior fiscal year. The increase in the airport parkway expansion fund is due to bond proceeds and a transfer from the general fund. The decrease in the non-major funds is due to transfers to the general fund to write-off inactive funds.

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

Budgetary Highlights

There were no significant differences between the original and final budget for the general fund.

The general fund actual revenues exceeded the budgeted amount by \$6,011,753. This was mainly a result of charges for services and tax revenues and transferring certain balances from other funds to the general fund.

The general fund actual expenditures exceeded budget by \$5,413,193. All expenditures were under budget with the exception of general government, public works and debt service. Several transfers were made to close out funds with deficit balances.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2012, the net book value of capital assets recorded by the City decreased by \$1,825,830 from the prior fiscal year. This decrease was a result of current year depreciation less capital additions.

Table 4
City of South Burlington, Vermont
Capital Assets (Net of Depreciation)
June 30,

	<u>2012</u>	<u>2011</u>
Land and improvements	\$ 7,837,632	\$ 8,049,192
Buildings and improvements	10,293,482	10,795,851
Machinery and equipment	5,512,977	5,787,536
Vehicles	1,654,356	2,021,784
Infrastructure	7,334,647	7,804,561
Construction in progress	28,571,251	28,571,251
Total	<u>\$ 61,204,345</u>	<u>\$ 63,030,175</u>

Debt

At June 30, 2012, the City had \$33.265 million in bonds outstanding versus \$34.365 million last year, a decrease of 3.20%, as shown in Note 5 of Notes to Financial Statements. Other liabilities include notes payable and accrued vacation and sick time.

Economic Factors and Future Year's Budgets and Rates

As required by the City Charter, I am presenting the City Manager's proposed budget for FY 2013 for City Council consideration. This proposed budget does much to restore service and staff cuts instituted in FY 2011 and FY 2012.

The FY 2012 General Fund ran an excess and we project the FY 2013 budget will be balanced or in surplus. Many changes in how our budgets are constructed and monitored – including sound revenue and expenditure projections and greater accountability – have accounted for this turnaround from previous years. We also expect all the Enterprise Funds to be balanced or run a surplus in FY 2013.

Considering all the services residents and taxpayers receive from the City of South Burlington (roads, plowing, recreation, library, police, fire, ambulance, vital records, planning and water, wastewater and stormwater utilities), the City is providing a relative bargain. Many households have higher cable and internet or wireless phone bills than the cost of municipal services they are asked to contribute to.

The FY 2013 General Fund budget expenditures are proposed at \$18,970,660, an increase of \$1,300,108, or 7.36%. General Fund non-property tax revenues are estimated to increase by \$840,895, a 12.15% increase over the current year. The property tax rate needed is estimated to be \$0.4036, an increase of \$0.0210 (2.10 cents), or 5.49%.

Special Funds (200, 300 and 600) continue to be consolidated into the General Fund. The FY 2013 Special Funds budget expenditure is proposed at \$790,284, a decrease of \$169,594 from the FY 2012 figure of \$959,878.

The Water Fund budget for FY 2013 is proposed at \$2,370,308, an increase of \$32,873, or 1.4% over the FY 2012 budget. Water user fees are proposed to increase 2.8%.

The Water Pollution Control Fund budget for FY 2013 is proposed at \$2,668,971. This is a decrease of \$38,439 or 1.42% from the current year's budget. A rate increase of 1.5% is proposed.

The Stormwater Fund budget is proposed at \$3,621,856, an increase of \$1,884,238 which is offset by \$1,786,114 in additional revenues related to capital expenditures. No rate increase is proposed for FY 2013.

The total of all funds for FY 2013 is \$ 28,422,079, compared to \$25,412,893 for FY 2012, an increase of \$3,009,186. A large portion of this increase, \$1,670,650, is due to Stormwater capital projects expenditures and will be offset by revenues in the Stormwater Fund.

A spreadsheet, entitled, "FY13 - Summary, All Funds, Expenses and Revenues" provides a quick overview and is attached to this Executive Summary.

Copies of the FY 2013 proposed budget, including this Executive Summary and the full Budget Message are available for inspection at the following locations: the South Burlington Community Library, the City Manager's Office, the City Clerk's Office and on the City's website at www.sburl.com.

Acknowledgements:

I extend my thanks to all our City employees for their continued dedication and hard work. I also extend the administration's appreciation to the many volunteers who serve on the City's boards, committees, commissions and who aid us in many other ways year round.

Special thanks to all division and department heads who participated in the development of the budget and have continually found ways to avoid waste and produce innovative solutions. I want to single out the contribution of Justin Rabidoux in assisting in the development of the Enterprise Fund budgets. Kudos to Deputy Finance Officer, Sue Dorey, who participated in all budget meetings and provided assistance in many facets of this process and to Janice Ladd, Human Resources Coordinator, who helped with compensation and benefits calculations.

Last, but not least, I acknowledge the extremely capable work performed by Deputy City Manager Bob Rusten. Bob, working with department and division heads and other staff, has developed a budget process which will serve South Burlington well for many years to come. It is based on accuracy, trends and collaboration among team members, all of which are essential to achieve the level of transparency we are striving for.

Responsibility for reviewing, revising and finalizing the budget to go to voters now shifts to City Council whose assistance during the past year is also greatly appreciated. Councilors, with assistance from City Staff, will hold a number of meetings over the next several weeks in accordance with the attached schedule.

Contacting the City's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Bob Rusten, Assistant City Manager at 575 Dorset Street, South Burlington, Vermont 05403-0808. Bob can also be reached by phone at 802-846-4107 or by email brusten@sburl.com.

CITY OF SOUTH BURLINGTON, VERMONT

STATEMENT OF NET ASSETS
JUNE 30, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,198,672	\$ 1,241,294	\$ 8,439,966
Investments	368,393	-	368,393
Taxes receivable (net of allowance for uncollectibles)	197,003	-	197,003
Due from other governments	485,025	-	485,025
Due from water - billed	-	493,276	493,276
Due from water - unbilled	-	1,156,469	1,156,469
Other	368,953	601,524	970,477
Due from agencies	75	-	75
Prepaid expenses	244,188	515	244,703
Inventory	-	64,136	64,136
Internal balances	134,400	(134,400)	-
Total current assets	<u>8,996,709</u>	<u>3,422,814</u>	<u>12,419,523</u>
Noncurrent assets:			
Capital assets:			
Land,	34,601,514	518,000	35,119,514
Buildings	<u>17,172,227</u>	<u>8,912,604</u>	<u>26,084,831</u>
Total noncurrent assets	<u>51,773,741</u>	<u>9,430,604</u>	<u>61,204,345</u>
TOTAL ASSETS	<u><u>\$ 60,770,450</u></u>	<u><u>\$ 12,853,418</u></u>	<u><u>\$ 73,623,868</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 811,644	\$ 192,114	\$ 1,003,758
Accrued expenses	216,778	-	216,778
Due to taxpayers	35,795	-	35,795
Due to agencies	6,188	-	6,188
Due to other governments	14,043	627,028	641,071
Other liabilities	12,936	-	12,936
Post retirement benefits	246,696	-	246,696
Current portion of long-term obligations	<u>1,542,199</u>	<u>364,136</u>	<u>1,906,335</u>
Total current liabilities	<u>2,886,279</u>	<u>1,183,278</u>	<u>4,069,557</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	29,140,992	3,024,008	32,165,000
Notes payable	8,404,886	-	8,404,886
Accrued compensated absences	<u>698,905</u>	<u>-</u>	<u>698,905</u>
Total noncurrent liabilities	<u>38,244,783</u>	<u>3,024,008</u>	<u>41,268,791</u>
TOTAL LIABILITIES	<u><u>41,131,062</u></u>	<u><u>4,207,286</u></u>	<u><u>45,338,348</u></u>
NET ASSETS			
Invested in capital assets, net of related debt	12,685,664	6,042,460	18,728,124
Restricted for: Special revenues	358,477	-	358,477
Permanent funds	467,933	-	467,933
Capital projects	249,153	-	249,153
Unrestricted	<u>5,878,161</u>	<u>2,603,672</u>	<u>8,481,833</u>
TOTAL NET ASSETS	<u><u>19,639,388</u></u>	<u><u>8,646,132</u></u>	<u><u>28,285,520</u></u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 60,770,450</u></u>	<u><u>\$ 12,853,418</u></u>	<u><u>\$ 73,623,868</u></u>

See accompanying independent auditors' report and notes to financial statements.

CITY OF SOUTH BURLINGTON, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 3,342,863	\$ 1,428,426	\$ -	\$ -	\$ (1,914,437)	\$ -	\$ (1,914,437)
Public safety	8,643,255	803,615	-	-	(7,839,640)	-	(7,839,640)
Public works	3,055,306	961,912	-	-	(2,093,394)	-	(2,093,394)
Social services	566,321	107,185	-	-	(459,136)	-	(459,136)
Recreation and culture	1,178,834	187,728	-	-	(991,106)	-	(991,106)
Education	31,387,976	-	-	-	(31,387,976)	-	(31,387,976)
Program expenditures	16,102	1,310,425	-	-	1,294,323	-	1,294,323
Capital outlay	3,527,264	-	-	-	(3,527,264)	-	(3,527,264)
Interest expense	785,201	-	-	-	(785,201)	-	(785,201)
Total governmental activities	<u>52,503,122</u>	<u>4,799,291</u>	<u>-</u>	<u>-</u>	<u>(47,703,831)</u>	<u>-</u>	<u>(47,703,831)</u>
Business-type activities:							
Recreation programs	160,957	191,425	-	-	-	30,468	30,468
Water department	2,107,305	2,052,901	-	-	-	(54,404)	(54,404)
Water pollution	3,059,709	3,172,341	-	-	-	112,632	112,632
Ambulance services	-	-	-	-	-	-	-
Storm water utilities	1,292,994	1,725,560	-	-	-	432,566	432,566
Total business-type activities	<u>6,620,965</u>	<u>7,142,227</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>521,262</u>	<u>521,262</u>
Total government	<u>\$ 59,124,087</u>	<u>\$ 11,941,518</u>	<u>\$ -</u>	<u>\$ -</u>	<u>(47,703,831)</u>	<u>521,262</u>	<u>(47,182,569)</u>

STATEMENT B (CONTINUED)
CITY OF SOUTH BURLINGTON, VERMONT

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Changes in net assets:			
Net (expense) revenue	<u>(47,703,831)</u>	<u>521,262</u>	<u>(47,182,569)</u>
General revenues:			
Property taxes, levied for general purposes			
Education	31,297,744	-	31,297,744
Municipal	14,281,144	-	14,281,144
Grants and contributions not restricted to specific programs	1,202,062	-	1,202,062
Investment income	115,338	-	115,338
Capital projects funding	2,200,000	-	2,200,000
Miscellaneous	302,894	407,138	710,032
Transfers	<u>161,466</u>	<u>(161,466)</u>	<u>-</u>
Total revenues and transfers	<u>49,560,648</u>	<u>245,672</u>	<u>18,508,576</u>
Change in net assets	1,856,817	766,934	2,623,751
NET ASSETS - JULY 1, 2011	<u>17,782,571</u>	<u>7,879,198</u>	<u>25,661,769</u>
NET ASSETS - JUNE 30, 2012	<u>\$ 19,639,388</u>	<u>\$ 8,646,132</u>	<u>\$ 28,285,520</u>

See accompanying independent auditors' report and notes to financial statements.

CITY OF SOUTH BURLINGTON, VERMONT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	311 Airport Parkway Expansion	Other Governmental Funds	Totals Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 6,644,960	\$ -	\$ 553,712	\$ 7,198,672
Investments	-	-	368,393	368,393
Receivables (net of allowance for uncollectibles):				
Taxes/liens	197,003	-	-	197,003
Other	368,953	-	-	368,953
Due from other governments	485,025	-	-	485,025
Due from agencies	-	-	75	75
Prepaid expenses	244,188	-	-	244,188
Due from other funds	366,966	2,231,099	2,934,754	5,532,819
TOTAL ASSETS	\$ 8,307,095	\$ 2,231,099	\$ 3,856,934	\$ 14,395,128
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable	\$ 793,192	\$ -	\$ 18,452	\$ 811,644
Accrued payroll	155,456	-	-	155,456
Accrued expenses	61,322	-	-	61,322
Due to other funds	5,196,321	-	202,098	5,398,419
Due to taxpayers	35,795	-	-	35,795
Due to agencies	-	-	6,188	6,188
Due to other governments	11,615	-	2,428	14,043
Deferred tax revenues	52,288	-	-	52,288
Other liabilities	12,936	-	-	12,936
TOTAL LIABILITIES	6,318,925	-	229,166	6,548,091
FUND BALANCES:				
Nonspendable	244,188	-	-	244,188
Restricted	-	-	1,075,563	1,075,563
Committed	-	-	2,612,048	2,612,048
Assigned	-	-	95,080	95,080
Unassigned	1,743,982	2,231,099	(154,923)	3,820,158
TOTAL FUND BALANCES	1,988,170	2,231,099	3,627,768	7,847,037
TOTAL LIABILITIES AND FUND BALANCES	\$ 8,307,095	\$ 2,231,099	\$ 3,856,934	\$ 14,395,128

See accompanying independent auditors' report and notes to financial statements.

CITY OF SOUTH BURLINGTON, VERMONT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

	Total Governmental Funds
Total Fund Balances	\$ 7,847,037
Amounts reported for governmental activities in the statement are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	51,773,741
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	52,288
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(29,876,856)
Notes payable	(9,211,221)
Accrued compensated absences	(698,905)
Post retirement benefits	(246,696)
Net assets of governmental activities	\$ 19,639,388

See accompanying independent auditors' report and notes to financial statements.

STATEMENT E

CITY OF SOUTH BURLINGTON, VERMONT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	General Fund	311 Airport Parkway Expansion	Other Governmental Funds	Totals Governmental Funds
REVENUES				
General tax revenue - municipal and education	\$ 45,614,174	\$ -	\$ -	\$ 45,614,174
Intergovernmental revenue	49,821	-	1,152,241	1,202,062
Charges for services	3,488,866	-	1,310,425	4,799,291
Investment income	106,838	-	8,500	115,338
Other revenue	-	65,755	237,139	302,894
TOTAL REVENUES	49,259,699	65,755	2,708,305	52,033,759
EXPENDITURES				
Current:				
General government	3,131,702	-	169,050	3,300,752
Public safety	8,103,701	-	6,695	8,110,396
Public works	2,503,255	-	-	2,503,255
Social services	562,711	-	-	562,711
Recreation and culture	1,094,136	-	-	1,094,136
Debt service	1,786,764	-	-	1,786,764
Education	31,297,744	-	90,232	31,387,976
Program expenditures	-	-	16,102	16,102
Capital outlay	-	3,057,438	1,218,142	4,275,580
TOTAL EXPENDITURES	48,480,013	3,057,438	1,500,221	53,037,672
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	779,686	(2,991,683)	1,208,084	(1,003,913)
OTHER FINANCING SOURCES (USES)				
Bond proceeds	-	5,222,782	-	5,222,782
Operating transfers in	5,470,350	4,163,267	2,050,772	11,684,389
Operating transfers (out)	(5,901,476)	-	(5,621,447)	(11,522,923)
TOTAL OTHER FINANCING SOURCES (USES)	(431,126)	9,386,049	(3,570,675)	5,384,248
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	348,560	6,394,366	(2,362,591)	4,380,335
FUND BALANCES - JULY 1	1,639,610	(4,163,267)	5,990,359	3,466,702
FUND BALANCES - JUNE 30	\$ 1,988,170	\$ 2,231,099	\$ 3,627,768	\$ 7,847,037

See accompanying independent auditors' report and notes to financial statements.

CITY OF SOUTH BURLINGTON, VERMONT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2012

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 4,380,335</u>
<p>Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:</p>	
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense allocated to those expenditures over the life of the assets:</p>	
Capital asset purchases capitalized	-
Reclassification of fixed assets	-
Depreciation expense	(1,176,516)
	<u>(1,176,516)</u>
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported.</p>	
Taxes and liens receivable	(35,286)
	<u>(35,286)</u>
<p>Debt proceeds provide current financial resources to governmental funds, but long-term liabilities in the Statement of Net Assets.</p>	
	<u>(3,022,782)</u>
<p>Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.</p>	
	<u>1,749,879</u>
<p>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:</p>	
Post retirement benefits	-
Funding of pension liability	-
Accrued compensated absences	(38,813)
	<u>(38,813)</u>
Change in net assets of governmental activities (Statement B)	<u><u>\$ 1,856,817</u></u>

See accompanying independent auditors' report and notes to financial statements.

CITY OF SOUTH BURLINGTON, VERMONT

BALANCE SHEET – PROPRIETARY FUNDS
JUNE 30, 2012

	Enterprise Funds					Totals
	Recreation Programs	Water Department	Water Pollution	Ambulance Services	Storm Water Utilities	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ -	\$ 771,400	\$ -	\$ -	\$ 469,894	\$ 1,241,294
Accounts receivable (net of allowance for uncollectibles):						
Other	-	601,524	-	-	-	601,524
Due from water - billed	-	-	293,994	-	199,282	493,276
Due from water - unbilled	-	358,634	554,240	-	243,595	1,156,469
Inventory	-	64,136	-	-	-	64,136
Prepaid expenses	-	515	-	-	-	515
Due from other funds	30,468	-	-	-	-	30,468
Total current assets	<u>30,468</u>	<u>1,796,209</u>	<u>848,234</u>	<u>-</u>	<u>912,771</u>	<u>3,587,682</u>
Noncurrent assets:						
Net capital assets	-	3,906,295	4,639,014	-	885,295	9,430,604
Total noncurrent assets	<u>-</u>	<u>3,906,295</u>	<u>4,639,014</u>	<u>-</u>	<u>885,295</u>	<u>9,430,604</u>
TOTAL ASSETS	<u>\$ 30,468</u>	<u>\$ 5,702,504</u>	<u>\$ 5,487,248</u>	<u>\$ -</u>	<u>\$ 1,798,066</u>	<u>\$ 13,018,286</u>

CITY OF SOUTH BURLINGTON, VERMONT

BALANCE SHEET – PROPRIETARY FUNDS
JUNE 30, 2012

	Enterprise Funds					Totals
	Recreation Programs	Water Department	Water Pollution	Ambulance Services	Storm Water Utilities	
LIABILITIES AND NET ASSETS						
Current liabilities:						
Accounts payable	\$ -	\$ 192,114	\$ -	\$ -	\$ -	\$ 192,114
Due to other governments	-	627,028	-	-	-	627,028
Due to other funds	-	-	-	-	164,868	164,868
Current portion of long-term debt	-	119,136	245,000	-	-	364,136
Total current liabilities	-	938,278	245,000	-	164,868	1,348,146
Noncurrent liabilities:						
Bonds payable	-	1,309,008	1,715,000	-	-	3,024,008
Notes payable	-	-	-	-	-	-
Total noncurrent liabilities	-	1,309,008	1,715,000	-	-	3,024,008
TOTAL LIABILITIES	-	2,247,286	1,960,000	-	164,868	4,372,154
NET ASSETS						
Invested in capital assets, net of related debt	-	2,478,151	2,679,014	-	885,295	6,042,460
Restricted	-	-	-	-	-	-
Unrestricted (deficit)	30,468	977,067	848,234	-	747,903	2,603,672
TOTAL NET ASSETS	30,468	3,455,218	3,527,248	-	1,633,198	8,646,132
TOTAL LIABILITIES AND NET ASSETS	\$ 30,468	\$ 5,702,504	\$ 5,487,248	\$ -	\$ 1,798,066	\$ 13,018,286

See accompanying independent auditors' report and notes to financial statements.

CITY OF SOUTH BURLINGTON, VERMONT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Enterprise Funds					Totals
	Recreation Programs	Water Department	Water Pollution	Ambulance Services	Storm Water Utilities	
OPERATING REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water sales	-	1,996,812	-	-	-	1,996,812
Charges for services	191,425	56,089	3,172,341	-	1,725,560	5,145,415
Other	-	206,637	170,946	-	29,555	407,138
TOTAL OPERATING REVENUES	191,425	2,259,538	3,343,287	-	1,755,115	7,549,365
OPERATING EXPENSES						
Salaries and benefits	94,281	411,722	815,177	-	360,952	1,682,132
Professional and contracted services	47,008	78,860	837,166	-	-	963,034
Supplies, materials and fuel	6,200	-	291,151	-	29,006	326,357
Water purchases	-	1,114,122	-	-	-	1,114,122
Capital outlays	-	-	-	-	459,169	459,169
Utilities	-	-	344,738	-	465	345,203
Depreciation	-	210,190	452,730	-	87,644	750,564
City admin fee	-	49,600	-	-	-	49,600
Liability insurance	-	31,500	137,758	-	22,167	191,425
Miscellaneous	13,468	141,316	180,989	-	333,591	669,364
TOTAL OPERATING EXPENSES	160,957	2,037,310	3,059,709	-	1,292,994	6,550,970
OPERATING INCOME (LOSS)	30,468	222,228	283,578	-	462,121	998,395

CITY OF SOUTH BURLINGTON, VERMONT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Enterprise Funds					Totals
	Recreation Programs	Water Department	Water Pollution	Ambulance Services	Storm Water Utilities	
NON-OPERATING INCOME (EXPENSE)						
Operating transfers in	-	-	1,294,433	471,436	132,382	1,898,251
Operating transfers (out)	(169,349)	-	(616,927)	-	(1,273,441)	(2,059,717)
Interest income	-	-	-	-	-	-
Interest expense	-	(69,995)	-	-	-	(69,995)
TOTAL NON-OPERATING INCOME (EXPENSE)	<u>(169,349)</u>	<u>(69,995)</u>	<u>677,506</u>	<u>471,436</u>	<u>(1,141,059)</u>	<u>(231,461)</u>
NET INCOME	(138,881)	152,233	961,084	471,436	(678,938)	766,934
NET ASSETS - JULY 1	<u>169,349</u>	<u>3,302,985</u>	<u>2,566,164</u>	<u>(471,436)</u>	<u>2,312,136</u>	<u>7,879,198</u>
NET ASSETS - JUNE 30	<u>\$ 30,468</u>	<u>\$ 3,455,218</u>	<u>\$ 3,527,248</u>	<u>\$ -</u>	<u>\$ 1,633,198</u>	<u>\$ 8,646,132</u>

See accompanying independent auditors' report and notes to financial statements.

CITY OF SOUTH BURLINGTON, VERMONT

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Enterprise Funds					Totals
	Recreation Programs	Water Department	Water Pollution	Ambulance Services	Storm Water Utilities	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 330,306	\$ 1,925,510	\$ 3,123,418	\$ 229,286	\$ 2,621,880	\$ 8,230,400
Intergovernmental receipts	-	-	-	-	-	-
Other receipts	-	206,637	170,946	-	29,555	407,138
Payments to employees	(94,281)	(411,722)	(815,177)	-	(360,952)	(1,682,132)
Payments to suppliers	(66,676)	(1,307,250)	(2,911,693)	(700,722)	(679,530)	(5,665,871)
Net cash provided (used) by operating activities	<u>169,349</u>	<u>413,175</u>	<u>(432,506)</u>	<u>(471,436)</u>	<u>1,610,953</u>	<u>1,289,535</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers	(169,349)	-	677,506	471,436	(1,141,059)	(161,466)
Net cash provided (used) by non-capital financing activities	<u>(169,349)</u>	<u>-</u>	<u>677,506</u>	<u>471,436</u>	<u>(1,141,059)</u>	<u>(161,466)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
(Purchase) sale of fixed assets	-	(101,250)	-	-	-	(101,250)
Interest payments on bond payable	-	(69,995)	-	-	-	(69,995)
Principal payments on bond/note payable	-	(116,411)	(245,000)	-	-	(361,411)
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>(287,656)</u>	<u>(245,000)</u>	<u>-</u>	<u>-</u>	<u>(532,656)</u>
NET INCREASE (DECREASE) IN CASH	-	125,519	-	-	469,894	595,413
CASH - JULY 1	-	645,881	-	-	-	645,881
CASH - JUNE 30	<u>\$ -</u>	<u>\$ 771,400</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 469,894</u>	<u>\$ 1,241,294</u>

CITY OF SOUTH BURLINGTON, VERMONT

STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Enterprise Funds					Totals
	Recreation Programs	Water Department	Water Pollution	Ambulance Services	Storm Water Utilities	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:						
Operating income (loss)	\$ 30,468	\$ 222,228	\$ 283,578	\$ -	\$ 462,121	\$ 998,395
Adjustments to reconcile operating income to net cash provided (used) by operating activities:						
Depreciation expense	-	210,190	452,730	-	87,644	750,564
Changes in operating assets and liabilities:						
(Increase) decrease in due from water - billed	-	-	(48,923)	-	(5,607)	(54,530)
(Increase) decrease in due from water - unbilled	-	(16,114)	-	-	-	(16,114)
(Increase) decrease in accounts receivable	-	(81,203)	-	229,286	-	148,083
(Increase) decrease in inventory	-	(30,071)	-	-	-	(30,071)
(Increase) decrease in prepaid expenses	-	(3)	-	-	-	(3)
(Increase) decrease in due from other funds	138,881	-	-	-	901,927	1,040,808
(Decrease) increase in accounts payable	-	54,812	-	-	-	54,812
(Decrease) increase in due to other governments	-	53,336	-	-	-	53,336
(Decrease) increase in due to other funds	-	-	(1,119,891)	(700,722)	164,868	(1,655,745)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>\$ 169,349</u>	<u>\$ 413,175</u>	<u>\$ (432,506)</u>	<u>\$ (471,436)</u>	<u>\$ 1,610,953</u>	<u>\$ 1,289,535</u>

See accompanying independent auditors' report and notes to financial statements.

CITY OF SOUTH BURLINGTON, VERMONT

STATEMENT OF NET ASSETS – FIDUCIARY FUNDS
JUNE 30, 2012

	Pension Trust
ASSETS	
Investments, at fair value	\$ 27,828,248
Due from city unfunded pension	-
TOTAL ASSETS	<u>\$ 27,828,248</u>
LIABILITIES	
Accrued benefits	\$ 5,473,703
Due to employees/retirees	-
TOTAL LIABILITIES	<u>5,473,703</u>
NET ASSETS	
Held in trust for pension benefits	<u>22,354,545</u>
TOTAL NET ASSETS	<u>22,354,545</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 27,828,248</u>

See accompanying independent auditors' report and notes to financial statements.

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of South Burlington was incorporated under the laws of the State of Vermont. The City operates under City Council-Manager form of government and provides the following services: general government services, public safety, public works, health and welfare, education, and recreation.

The City's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the City has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the City has chosen not to do so.

The City's combined financial statements include all accounts and all operations of the City. We have determined that the City has no component units as described in GASB Statement No. 14 and amended by GASB Statement No. 39.

Government –Wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's recreation program, water department, water pollution, ambulance services; and storm water utilities are categorized as business-type activities. All other activities of the City are categorized as governmental.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The City first utilizes restricted resources to finance qualifying activities.

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (general government, public safety, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The City does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the City as an entity and the change in the City's net assets resulting from the current year's activities.

Measurement Focus - Basic Financial Statements & Fund Financial Statements

The financial transactions of the City are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the City:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the City:

- a. The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- d. Permanent Funds are used to account for assets held by the City in trust for specific purposes.

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Non-operating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the City:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third-party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

3. Fiduciary Funds:

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support City programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

The City's fiduciary funds are presented in the fiduciary fund financial statements by type (pension trust). Since by definition these assets are being held for the benefit of a third-party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide financial statements.

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

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.

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget

The City's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the City prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the City Council was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the Voters.
4. The City did not adopt budgets for Special Revenue Funds.

Deposits and Investments

The City'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.

It is the City's policy to value investments at fair value. None of the City's investments are reported at amortized cost. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be a cash equivalent. The City Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

The City of South Burlington has no formal investment policy but instead follows the State of Vermont Statutes. They are in the process of adopting a more detailed investment policy.

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet. The enterprise fund inventory consists of water department supplies on hand at the end of the year, valued at cost. The cost value is determined using the first-in, first-out (FIFO) method.

Interfund Receivables and Payables

Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances". Interfund balances and transactions have been eliminated in the government-wide financial statements.

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts is estimated to be \$244,167 as of June 30, 2012. The allowance is for ambulance receivables in the enterprise funds.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City.

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated useful lives are as follows:

Buildings	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of notes or bonds payable and compensated absences.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The City's policies regarding vacation and sick time do permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred. As of June 30, 2012 the City's liability for compensated absences is \$660,092.

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets / Fund Balance

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the City. The inhabitants of the City through City meetings are the highest level of decision-making authority of the City. Commitments may be established, modified, or rescinded only through a City meeting vote.

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the City Council.

Unassigned – This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City meeting vote has provided otherwise in its commitment or assignment actions.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The City's property tax for the current year was levied July 2, 2011 on the assessed value listed as of April 1, 2011, for all real and personal property located in the City. Taxes were due on August 15, 2011, November 15, 2011 and March 15, 2012. Interest on unpaid taxes commenced on August 16, 2011, November 16, 2011 and March 16, 2012, at 8% penalties and 1% interest per installment.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

Tax liens are placed on real property within twelve months following the tax commitment date if taxes are delinquent. The City has the authority to foreclose on property eighteen months after the filing of the lien if tax liens and associated costs remain unpaid.

The City's property tax collection rate for the current year was 97.75%.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (grant income/expenses).

Operating/Non-operating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund.

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The City does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the City's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - CASH AND INVESTMENTS

The City's policies, which follow state statutes, authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all City funds.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the City will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The City does not have a policy covering custodial credit risk.

At June 30, 2012, the City's cash balance of \$8,439,966 was comprised of bank deposits amounting to \$8,942,871. This amount was comprised of \$250,000 which was insured by federal depository insurance and consequently was not exposed to custodial credit risk and \$8,692,871 that was in excess of federal depository insurance, but collateralized with securities held by financial institutions in the City's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	<u>\$ 8,942,871</u>
	<u><u>\$ 8,942,871</u></u>

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

At June 30, 2012, all of the City's investments of \$28,196,641 were not collateralized.

<u>Investment Type</u>	<u>Current</u>	<u>1 Year</u>	<u>2 - 5 Years</u>	<u>Thereafter</u>
Prudential:				
U.S. Stocks	\$ -	\$ -	\$ -	\$ 7,726,571
International Stocks	-	-	-	3,269,680
U.S. Bonds	-	-	-	1,905,659
Short term	-	-	-	8,656,507
Real estate	-	-	-	796,129
ICMA:				
Money market funds	-	-	-	1,671,143
Bond funds	-	-	-	507,870
Asset allocation funds	-	-	-	1,352,275
U.S. Stocks	-	-	-	1,639,209
International Stocks	-	-	-	303,205
Wells Fargo:				
Cash equivalent	14	-	-	-
Asset backed securities	-	-	-	24,587
Mutual funds	280,987	-	-	-
Fixed rate cap securities	62,805	-	-	-
	<u>\$ 343,806</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,852,835</u>

Credit risk – Statutes for the State of Vermont authorize the City to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The City does not have an investment policy on credit risk. Generally, the Vermont invests excess funds in savings and money market accounts.

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The City does not have a policy related to interest rate risk.

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2012 consisted of the following individual fund receivables and payables.

	Receivables (Due from)	Payables (Due to)
General fund	\$ 366,966	\$ 5,196,321
Airport parkway expansion fund	2,231,099	-
Special revenue fund	1,433,270	56,957
Capital project fund	1,389,505	144,096
Permanent fund	111,979	1,045
Enterprise fund	30,468	164,868
	<u>\$ 5,563,287</u>	<u>\$ 5,563,287</u>

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2012:

	Balance, 7/1/11	Additions	Disposals	Balance, 6/30/12
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 6,030,263	\$ -	\$ -	\$ 6,030,263
Construction in progress	28,571,251	-	-	28,571,251
	<u>34,601,514</u>	<u>-</u>	<u>-</u>	<u>34,601,514</u>
Depreciated assets:				
Land Improvements	71,703	-	-	71,703
Buildings	16,206,462	-	-	16,206,462
Building improvements	559,798	-	-	559,798
Machinery & equipment	1,882,010	-	-	1,882,010
Vehicles	4,415,644	-	-	4,415,644
Infrastructure	38,956,490	-	-	38,956,490
	62,092,107	-	-	62,092,107
Less: accumulated depreciation	<u>(43,743,364)</u>	<u>(1,176,516)</u>	<u>-</u>	<u>(44,919,880)</u>
	18,348,743	(1,176,516)	-	17,172,227
Net capital assets	<u>\$ 52,950,257</u>	<u>\$ (1,176,516)</u>	<u>\$ -</u>	<u>\$ 51,773,741</u>

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	Balance, 7/1/11	Additions	Disposals	Balance, 6/30/12
<u>Business-type activities</u>				
Non-depreciated assets:				
Land / construction in progress	\$ 518,000	\$ -	\$ -	\$ 518,000
	<u>518,000</u>	<u>-</u>	<u>-</u>	<u>518,000</u>
Depreciated assets:				
Buildings	5,952,242	-	-	5,952,242
Building improvements	11,130	-	-	11,130
Land improvements	7,362,506	-	-	7,362,506
Vehicles	811,164	-	-	811,164
Machinery & equipment	6,849,653	101,250	-	6,950,903
Storm water utilities	1,290,352	-	-	1,290,352
	22,277,047	101,250	-	22,378,297
Less: accumulated depreciation	(12,715,129)	(750,564)	-	(13,465,693)
	<u>9,561,918</u>	<u>(649,314)</u>	<u>-</u>	<u>8,912,604</u>
Net capital assets	<u>\$ 10,079,918</u>	<u>\$ (649,314)</u>	<u>\$ -</u>	<u>\$ 9,430,604</u>
 <u>Current year depreciation</u>				
Fire				\$ 148,516
Public works				363,707
General government				3,298
Health				3,610
Police				384,343
Recreation				84,360
Highway				188,344
Library				338
Subtotal governmental				<u>1,176,516</u>
Water department				210,190
Water pollution control				452,730
Storm water utilities				87,644
Subtotal busness-type				<u>750,564</u>
Total depreciation expense				<u>\$ 1,927,080</u>

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 - LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2012:

	Balance, 7/1/11	Additions	Deletions	Balance, 6/30/12	Due Within One Year
Governmental Activities					
Bonds payable	\$ 30,615,445	\$ -	\$ (738,589)	\$ 29,876,856	\$ 735,864
Notes payable	10,222,511	-	(1,011,290)	9,211,221	806,335
Accrued compensated absences	660,092	38,813	-	698,905	-
Total Governmental Activities	\$ 41,498,048	\$ 38,813	\$ (1,749,879)	\$ 39,786,982	\$ 1,542,199
Business-type Activities					
Bonds payable	\$ 3,749,555	\$ -	\$ (361,411)	\$ 3,388,144	\$ 364,136
Total Business-type Activities	\$ 3,749,555	\$ -	\$ (361,411)	\$ 3,388,144	\$ 364,136

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 - LONG TERM DEBT (CONTINUED)

The following is a summary of outstanding bonds payable:

<u>Bonds</u>	<u>Governmental</u>	<u>Business-type</u>
\$700,000, 1992 General Obligation Bond due in annual installments and semiannual interest installments through December 2012. Interest is charged at a rate of 6.21% per annum. Annual installments are \$35,000.	\$ 35,000	\$ -
\$800,000, 1993 General Obligation Bond due in annual installments and semiannual interest installments through December 2013. Interest is charged at a rate of 5.27% per annum. Annual installments are \$40,000.	80,000	-
\$2,435,000, 2000 General Obligation Bond due in annual installments and semiannual interest installments through December 2020. Interest is charged at a rate of 5.23% per annum. Annual installments are \$120,000.	887,003	192,997
\$4,900,000, 1998 General Obligation Bond due in annual installments and semiannual interest installments through April 2020. Interest is not charged. Annual installments are \$245,000.	-	1,960,000
\$1,300,000, 2003 General Obligation Bond due in annual installments and semiannual interest installments through December 2013. Interest is charged at a rate of 2.978% per annum. Annual installments are \$130,000.	260,000	-
\$3,400,000, 2004 General Obligation Bond due in annual installments and semiannual interest installments through December 2024. Interest is charged at a rate of 4.455% per annum. Annual installments are \$170,000.	974,853	1,235,147
\$7,200,000, 2010 General Obligation Bond due in annual installments and semiannual interest installments through December 2030. Interest is charged at a rate of 4.34% per annum. Annual installments are \$360,000.	6,840,000	-
\$2,000,000, 2010 General Obligation Bond due in annual installments and semiannual interest installments through December 2022. Interest is charged at a rate from 3.25% to 4.75% per annum. \$1,000,000 was paid by ARRA funding.	1,000,000	-
\$19,800,000, 2010 General Obligation Bond due in annual installments and semiannual interest installments through April 2030. Interest is charged at 1.00% per annum. Annual Installments vary.	19,800,000	-
	<u>\$ 29,876,856</u>	<u>\$ 3,388,144</u>

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 – LONG TERM DEBT (CONTINUED)

The following is a summary of outstanding notes payable:

Notes

	<u>Governmental</u>	<u>Business-type</u>
\$587,000 Note payable to Northfield Savings Bank for a fire truck with interest at 2.40%. Note matures on July 15, 2015 with annual principal installments of \$146,750 .	\$ 587,000	\$ -
\$104,000, General Obligation Note from the Pollution Control Revolving Loan Fund due in annual principal installments with interest being forgiven. \$52,000 was paid by ARRA funding.	42,008	-
\$676,500 Note payable to Citizens Bank for 2 fire trucks with interest at 3.05%. Note matures on September 16, 2012 with annual installments of \$169,125.	169,125	-
\$90,310, General Obligation Note from the Pollution Control Revolving Loan Fund due in annual principal installments with interest being forgiven. \$45,155 was paid by ARRA funding.	36,478	-
\$74,000, General Obligation Note from the Pollution Control Revolving Loan Fund due in annual principal installments with interest being forgiven. \$37,000 was paid by ARRA funding.	37,000	-
\$213,316, General Obligation Note from the Pollution Control Revolving Loan Fund due in annual principal installments with interest being forgiven. \$106,658 was paid by ARRA funding.	86,163	-
\$198,281, General Obligation Note from the Pollution Control Revolving Loan Fund due in annual principal installments with interest being forgiven. \$99,140 was paid by ARRA funding.	80,090	-
\$54,304 Note payable to Chittenden Bank for a trackless sidewalk plow with interest at 2.40%. Note matures on December 14, 2011 at which time it may be refinanced.	18,100	-
\$83,422 Note payable to Chittenden Bank for a highway loader with interest at 2.40%. Note matures on December 14, 2011 at which time it may be refinanced.	27,807	-
\$66,798 Note payable to Chittenden Bank for a dump truck with interest at 2.40%. Note matures on December 14, 2011 at which time it may be refinanced.	22,266	-

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 - LONG TERM DEBT (CONTINUED)

Notes

	Governmental	Business-type
\$300,000 Note payable to TD Bank for storm water mitigation with interest at 1.84%. Note matures on January 21, 2012 at which time it may be refinanced.	200,000	-
\$8,168,158 Note payable to Merchants Bank for Pension Financing with interest at 5.125%. Note matures on June 30, 2031 with annual installments of \$660,948.	7,905,184	-
	<u>\$ 9,211,221</u>	<u>\$ -</u>

The following is a summary of outstanding bond principal and interest requirements for the following fiscal years ending June 30:

Bonds Payable

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2013	\$ 1,100,000	\$ 429,558	\$ 1,529,558
2014	1,879,903	818,600	2,698,503
2015	1,726,201	775,213	2,501,414
2016	1,783,982	734,549	2,518,531
2017	1,801,762	691,833	2,493,595
2018-2022	8,678,198	2,767,980	11,446,178
2023-2027	7,624,161	1,640,291	9,264,452
2028-2032	7,307,263	625,737	7,933,000
2033-2037	1,363,530	24,942	1,388,472
	<u>\$ 33,265,000</u>	<u>\$ 8,508,703</u>	<u>\$ 41,773,703</u>

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 5 - LONG TERM DEBT (CONTINUED)

The following is a summary of outstanding note principal and interest requirements for the following fiscal years ending June 30:

Notes Payable

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2013	\$ 806,335	\$ 435,203	\$ 1,241,538
2014	583,496	408,777	992,273
2015	498,626	388,340	886,966
2016	513,500	369,893	883,393
2017	320,064	348,734	668,798
2018-2022	2,239,677	1,486,618	3,726,295
2023-2027	1,912,934	970,251	2,883,185
2028-2032	2,336,589	307,205	2,643,794
	<u>\$ 9,211,221</u>	<u>\$ 4,715,021</u>	<u>\$ 13,926,242</u>

NOTE 6 - NONSPENDABLE FUND BALANCES

At June 30, 2012, the City had the following nonspendable fund balance:

Prepaid expenses	<u>\$ 244,188</u>
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NOTE 7 - RESTRICTED FUND BALANCES

At June 30, 2012, the City had the following restricted fund balances:

Nonmajor special revenue funds (Schedule D)	\$ 915,306
Nonmajor capital project funds (Schedule F)	393,199
Nonmajor permanent funds (Schedule H)	467,933
	<u>\$ 1,776,438</u>

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 8 - COMMITTED FUND BALANCES

At June 30, 2012, the City had the following committed fund balances:

Nonmajor special revenue funds (Schedule D)	\$ 3,277,238
Nonmajor capital project funds (Schedule F)	1,626,900
Nonmajor permanent funds (Schedule H)	<u>6,092</u>
	<u>\$ 4,910,230</u>

NOTE 9 - ASSIGNED FUND BALANCES

At June 30, 2012, the City had the following assigned fund balances:

Nonmajor special revenue funds (Schedule D)	<u>\$ 95,080</u>
---	------------------

NOTE 10 - RISK MANAGEMENT – PARTICIPATION IN A PUBLIC ENTITY RISK POOL

The City of South Burlington, Vermont is a member of Vermont League of Cities and Towns (VLCT). The VLCT has established three insurance trusts: the Property and Casualty Intermunicipal Fund, Inc. (PACIF) for multi-line insurance; The Vermont League of Cities and Towns Health Trust (VLCTHT) for health, life and disability coverage; and the Vermont league of Cities and Towns Unemployment Trust, Inc. (VLCTUT) for unemployment compensation. PACIF, VLCTHT and VLCTUT are nonprofit corporations formed to provide insurance and risk management programs for Vermont cities and towns and is owned by the participating members. The Trusts are not licensed insurance carriers and members are not protected by the Vermont Insurance Guaranty Association.

To provide insurance coverage, PACIF has established a self-funded insurance trust. It provides extensive coverage for losses to member municipalities for property damage, auto accidents, injured employees, public official liability and employment practices liability. Members gain additional benefits from PACIF's unique public safety and risk management programs as well as dedicated in-house claims adjusters. In the event that total contributions assessed to and made by all members result in a actual or projected financial deficit and PACIF is unable to meet its required obligations, the program will be terminated with each member assessed their proportionate share of the deficit.

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 10 - RISK MANAGEMENT – PARTICIPATION IN A PUBLIC ENTITY RISK POOL
(CONTINUED)

To provide health insurance coverage, VLCTHT has established a self-funded fully insured program in conjunction with Connecticut General (CIGNA). A portion of member contributions is used to purchase reinsurance and to fund a reserve required by the reinsurance. Other health related benefits available include dental insurance, flexible spending accounts, life insurance, disability insurance and long-term care insurance. Contributions in excess of claims requirements, reserve fund requirements, reinsurance and administrative costs are returned to participants. The pooling agreement does not permit the pool to make additional assessments to its members.

To provide unemployment coverage, VLCTUT has established a separate trust of funds from member contributions to pay administrative costs, unemployment claims and provide excess reinsurance protection. Contributions are based on payroll expense and the previous two year unemployment compensation experience. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VLCTUT is unable to meet its required obligations, the program will be terminated with each members assessed their proportionate share of the deficit.

NOTE 11 - RETIREMENT INCENTIVES

The City will permit any employee with 15 years or more of service to exchange 160 hours of sick leave plus 16 additional sick leave hours per year of service beyond 15 years towards early retirement in the year of retirement.

Life insurance is offered to all retirees for the rest of their lives. The present cost is different for each person. There are 32 people presently receiving life insurance benefits with a cost to the city of \$480. The liability will change from year to year based on the cost of the insurance and the number of people receiving the insurance benefit.

Pursuant to employment contracts with the employees of the police and fire departments, the City offers a plan that uses accumulated unused sick time to pay for the loss of health insurance upon their retirement. The amount of unused sick time hours multiplied by the employee's hourly rate is the amount credited to a sick leave bank to pay the cost of insurance. The amount is actually unfunded and treated as a "pay as you go" plan. As of June 30, 2012, this amount has been estimated at \$3,058,913.

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 12 - DEFINED BENEFIT PENSION PLAN

The City of South Burlington, Vermont, sponsors one defined benefit pension plan with two components that cover all eligible employees. One component is for public safety employees (fire and police) and the other component is for all other City employees. The City of South Burlington, Vermont, provides the authority under which benefit provisions are established and the City's obligation to contribute is established. The plan calls for benefits to be paid to eligible employees at retirement based primarily upon years of service with the City and compensation rates near retirement.

Non-public safety employees earn 1.75 percent of average monthly compensation per year of service. Average monthly compensation means the monthly compensation of a participant averaged over the three (3) consecutive plan years for the date of employment, including periods prior to the effective date of the plan, which produce the highest monthly average. If a participant has less than three (3) consecutive plan years of service between the date of employment to the date of termination, the average monthly compensation will be based on the monthly compensation during the months of service from the date of employment to the date of termination.

Public safety employees earn 2.5 percent of average monthly compensation per year of service limited to 25 years. Average monthly compensation means the monthly compensation of a participant average over the three (3) highest consecutive years of the last ten (10) years from the date of employment, including periods prior to the effective date of the plan, which produce the highest monthly average. If a participant has less than three (3) consecutive plan years of service from the date of employment to the date of termination, the average monthly compensation will be based on the monthly compensation during the months of service from the date of employment to the date of termination. Public safety employees contribute 6.5% of their base salary in the plan.

The Plan provides death and disability benefits. Employees become eligible after three years of service. Benefits vest 20 percent per year upon eligibility. Employees are 100 percent vested after five years of participation that occurs at the end of the seventh year. Normal retirement for the non-public safety employees is age 65 with early retirement at age 60. Normal retirement for public safety employees is age 53 with early retirement at age 50. Contributions to the plan reflect benefits attributed to employees' services to date, as well as services expected to be earned in the future.

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

At June 30, 2012, the number of participants consisted of:

	<u>Public Safety</u>	<u>Non-Public Safety Group</u>
Retired participants currently receiving benefits	23	32
Terminated vested or inactive but still employed	8	30
Participants currently employed:	<u>70</u>	<u>35</u>
Total participants	<u>101</u>	<u>97</u>
Ineligible employees	<u>0</u>	<u>11</u>

The City of South Burlington, Vermont's current year aggregate compensation of active participants in the pension plan equaled \$5,299,232.

The following sets forth the determination of normal cost of the plan for the year ended June 30, 2012:

	<u>Public Safety</u>	<u>Non-Public Safety Group</u>
1. Actual present value of future benefits:		
A. Inactive participants	\$ 8,220,273	\$ 3,705,748
B. Active participants	11,975,289	4,518,371
C. Total	20,195,562	8,224,119
2. Actuarial asset value:	16,322,208	6,032,342
3. Present value of future employee contributions:	1,651,784	-
4. Unfunded entry age accrued liability:	252,369	779,045
5. Present value of future normal cost (1C-2-3-4):	1,969,201	1,412,732
6. Present value of future payroll:	25,412,056	15,299,527
7. Normal cost accrual rate (5/6):	7.7491%	9.2338%
8. Current payroll:	3,611,303	1,687,929
9. Normal cost (7*8):	279,843	155,860

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

The following sets forth the actuarial present value of accumulated plan benefits as for June 30, 2012:

	<u>Public Safety</u>	<u>Non-Public Safety Group</u>
Actuarial present value of vested accumulated plan benefits		
Inactive participants (retirees, term vested):	\$ 8,220,273	\$ 3,705,748
Actively employed participants	8,005,060	2,028,424
Present value of vested accumulated benefits	16,225,333	5,734,172
Present value of non-vested accumulated benefits	152,059	42,192
Total present value of future benefits	16,377,392	5,776,364
Actuarially computed value of accrued vested		
Plan assets available to provide benefits	16,322,209	6,032,341
Unfunded pension benefit obligation	-	-
Funded ratio	99.7%	104.4%

The following sets forth the asset fair market value of accumulated plan benefits as for June 30, 2012:

	<u>Public Safety</u>	<u>Non-Public Safety Group</u>
Asset fair market value at July 1, 2011:	\$ 16,224,502	\$ 5,916,216
Additional bond proceeds	578	122
Employer contributions:	245,628	354,372
Mandatory employee contributions:	282,608	-
Benefit payments to participants:	(700,529)	(336,144)
Share of investment earnings (net of expenses):	269,421	97,776
Asset fair market value at June 30, 2012	16,322,208	6,032,342
Employer contribution receivable:	-	-
Employee contribution receivable:	-	-
Asset fair market value at June 30, 2012	16,322,208	6,032,342

Approximate annual rate of return for the plan year
(net of expenses): 1.66%

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 12 - DEFINED BENEFIT PENSION PLAN (CONTINUED)

Significant actuarial assumptions used to compute the pension benefit obligations and the actuarial present value of accumulated plan benefits are as follows:

Current actuarial valuation date	July 1, 2012
Actuarial present value interest rate	7.50%
Projected salary increase:	4.00%
Employee contribution rate (Public Safety Only)	6.50%
Actuarial cost method	Frozen initial liability cost method
Mortality table used in determining actuarial present values	IRC Section 430-2009 Optional Combined Table

NOTE 13 - DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseen emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) to be held in a trust for the exclusive benefit of the participants and their beneficiaries.

It is the opinion of the City's management that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor.

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 14 - DEFICIT FUND BALANCES

At June 30, 2012 the City had the following deficit fund balances / net assets:

Non-major funds:	
MPG 10 Natural Resources (210)	\$ 3,510
MPG FY 08 Growth Center (219)	515
Mobile data terminals (245)	2,616
Market street federal (280)	3,375
Kennedy drive reconstruction (303)	9,754
Exit 14B Staples 3rd lane (318)	130,017
Hayes ave. stormwater (328)	4,325
Fire department donations	811
Total non-major funds	<u>\$ 154,923</u>

The City is currently reviewing the condition of these overdrafts and a plan to fund them.

NOTE 15 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the City's financial position.

The City participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 16 - OPERATING LEASE

On June 25, 2007, the City of South Burlington, Vermont entered into a lease agreement with Delage Landen for the lease of a copier. The total amount due is \$9,025.80, to be paid in monthly installment of \$150.43 over 5 years. The following is a schedule of future minimum lease payments under this lease.

During the year ended June 30, 2012 \$1,806

CITY OF SOUTH BURLINGTON, VERMONT

NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 17 - LESSOR LEASE

Commencing May 1, 2005, the National Gardening Association (NGA) has entered into an agreement with the City for the lease of a building and a portion of the City's property located on Dorset Street. The lease is for 20 years with an option to extend an additional 20 years. The NGA agrees to pay the City \$1 per year.

NOTE 18 - COMMITMENTS

The City of South Burlington, Vermont contracts for management, water purchases and other services from the Champlain Water District (CWD). The water department has contracted with CWD to manage and maintain the water facility. This contract is renewed annually. The terms of the management contract provide for hourly wages for the CWD employees.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Government Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues

CITY OF SOUTH BURLINGTON, VERMONT

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual Amounts	Variance
	Original	Final		Positive (Negative)
Budgetary Fund Balance, July 1	\$ 1,639,610	\$ 1,639,610	\$ 1,639,610	\$ -
Resources (Inflows):				
General tax revenue - municipal and education	45,500,012	45,500,012	45,614,174	114,162
Intergovernmental revenue	89,590	89,590	49,821	(39,769)
Charges for services	3,044,005	3,044,005	3,488,866	444,861
Investment income	76,189	76,189	106,838	30,649
Transfers from other funds	8,500	8,500	5,470,350	5,461,850
Amounts Available for Appropriation	<u>50,357,906</u>	<u>50,357,906</u>	<u>56,369,659</u>	<u>6,011,753</u>
Charges to Appropriations (Outflows):				
General government	2,482,723	2,482,723	3,131,702	(648,979)
Public safety	9,180,133	9,180,133	8,103,701	1,076,432
Public works	2,429,110	2,429,110	2,503,255	(74,145)
Social services	567,955	567,955	562,711	5,244
Recreation and culture	1,189,281	1,189,281	1,094,136	95,145
Debt service	1,125,650	1,125,650	1,786,764	(661,114)
Education	31,297,744	31,297,744	31,297,744	-
Transfers to other funds	695,700	695,700	5,901,476	(5,205,776)
Total Charges to Appropriations	<u>48,968,296</u>	<u>48,968,296</u>	<u>54,381,489</u>	<u>(5,413,193)</u>
Budgetary Fund Balance, June 30	<u>\$ 1,389,610</u>	<u>\$ 1,389,610</u>	<u>\$ 1,988,170</u>	<u>\$ 598,560</u>
Utilization of unassigned fund balance	\$ 250,000	\$ 250,000	\$ -	\$ (250,000)
Utilization of assigned fund balance	-	-	-	-
	<u>\$ 250,000</u>	<u>\$ 250,000</u>	<u>\$ -</u>	<u>\$ (250,000)</u>

See accompanying independent auditors' report.

CITY OF SOUTH BURLINGTON, VERMONT

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2012

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES				
General tax revenues:				
Property taxes	\$ 10,501,268	\$ 10,501,268	\$ 10,641,540	\$ 140,272
Property taxes (education)	31,297,744	31,297,744	31,297,744	-
Local options tax	3,220,000	3,220,000	3,446,252	226,252
Interest and penalties	481,000	481,000	228,638	(252,362)
Intergovernmental revenues:				
Fire safer grant	75,990	75,990	37,995	(37,995)
Pager grant	13,600	13,600	11,826	(1,774)
Charges for services:				
Administrative services	315,976	315,976	734,319	418,343
Fire department	88,980	88,980	103,029	14,049
Other Town Clerk fees	217,350	217,350	220,572	3,222
Building & sign permits	167,100	167,100	276,175	109,075
Other planning fees	80,487	80,487	94,331	13,844
Vermont district court	120,000	120,000	107,185	(12,815)
Police department	120,500	120,500	129,414	8,914
Highway department	892,861	892,861	961,912	69,051
Recreation	19,476	19,476	19,419	(57)
Facilities	500	500	480	(20)
Park maintenance	300	300	-	(300)
Special activities	105,350	105,350	156,301	50,951
Ambulance	904,815	904,815	674,201	(230,614)
Library	10,310	10,310	11,528	1,218
Investment income	76,189	76,189	106,838	30,649
Transfers from other funds:				
Poice bequeath fund	-	-	15,000	15,000
Blanchette library	8,500	8,500	8,500	-
Road opening impact fees	-	-	92,568	92,568
MPG FY 08 growth center	-	-	2,000	2,000
W rite-offs	-	-	5,352,282	5,352,282
Use of unassigned	250,000	250,000	-	(250,000)
Total revenues	<u>\$ 48,968,296</u>	<u>\$ 48,968,296</u>	<u>\$ 54,730,049</u>	<u>\$ 5,761,753</u>

See accompanying independent auditors' report.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Schedule of Departmental Operations
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet – Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds
- Combining Balance Sheet – Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

CITY OF SOUTH BURLINGTON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual	Balance Positive (Negative)
General government:					
City council	\$ 117,203	\$ -	\$ 117,203	\$ 114,934	\$ 2,269
Administrative insurance	555,031	-	555,031	997,181	(442,150)
City manager	385,547	-	385,547	405,777	(20,230)
City clerk	189,012	-	189,012	190,904	(1,892)
Legal/accounting/actuary	192,000	-	192,000	326,268	(134,268)
Administrative services	559,500	-	559,500	658,265	(98,765)
General ledger/payroll	69,715	-	69,715	68,949	766
Assessing/tax	162,386	-	162,386	124,161	38,225
Planning/design review	249,429	-	249,429	244,066	5,363
Natural resources	2,900	-	2,900	1,197	1,703
	<u>2,482,723</u>	<u>-</u>	<u>2,482,723</u>	<u>3,131,702</u>	<u>(648,979)</u>
Public safety:					
Fire department	2,741,419	-	2,741,419	2,527,483	213,936
Ambulance	1,155,064	-	1,155,064	1,118,803	36,261
Police department	5,283,650	-	5,283,650	4,457,415	826,235
	<u>9,180,133</u>	<u>-</u>	<u>9,180,133</u>	<u>8,103,701</u>	<u>1,076,432</u>
Public works:					
Highway department	2,429,110	-	2,429,110	2,503,255	(74,145)
	<u>2,429,110</u>	<u>-</u>	<u>2,429,110</u>	<u>2,503,255</u>	<u>(74,145)</u>
Social services:					
County court	103,044	-	103,044	97,893	5,151
Winooski Valley Park	54,000	-	54,000	54,000	-
C.C.T.A	375,594	-	375,594	375,344	250
Regional planning	18,165	-	18,165	18,322	(157)
Metropolitan planning	17,152	-	17,152	17,152	-
	<u>567,955</u>	<u>-</u>	<u>567,955</u>	<u>562,711</u>	<u>5,244</u>

SCHEDULE A (CONTINUED)

CITY OF SOUTH BURLINGTON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual	Balances Positive (Negative)
Recreation and culture:					
Recreation administration	261,720	-	261,720	254,379	7,341
Programs	33,838	-	33,838	16,419	17,419
Red Rocks park	13,800	-	13,800	15,000	(1,200)
Facilities	29,348	-	29,348	30,168	(820)
Leisure arts	16,652	-	16,652	17,373	(721)
Contracted programs	51,236	-	51,236	71,162	(19,926)
Great escape	15,000	-	15,000	18,511	(3,511)
Special activities	13,686	-	13,686	16,179	(2,493)
Skiing programs	9,800	-	9,800	12,120	(2,320)
Community library	403,991	-	403,991	368,101	35,890
Park maintenance	340,210	-	340,210	274,724	65,486
	<u>1,189,281</u>	<u>-</u>	<u>1,189,281</u>	<u>1,094,136</u>	<u>95,145</u>
Debt service:					
Principal public works facility	98,500	-	98,500	98,568	(68)
Principal Kennedy drive recon.	22,440	-	22,440	22,508	(68)
Principal Lime Kiln bridge	22,440	-	22,440	22,508	(68)
Principal F/D building improvements	30,090	-	30,090	30,005	85
Principal emergency center	130,000	-	130,000	130,000	-
Principal police headquarters	360,000	-	360,000	360,000	-
Principal Parkland, 1992	35,000	-	35,000	35,000	-
Principal Parkland/Brand farm	40,000	-	40,000	40,000	-
Principal pension liability	-	-	-	262,974	(262,974)
Principal storm water	-	-	-	-	-
Interest public works facility	50,783	-	50,783	50,825	(42)
Interest Kennedy drive recon.	13,930	-	13,930	13,968	(38)
Interest Lime Kiln bridge	13,930	-	13,930	13,968	(38)
Interest F/E building improvements	18,680	-	18,680	18,621	59
Interest emergency center	11,654	-	11,654	11,654	-
Interest police headquarters	269,082	-	269,082	269,082	-
Interest Parkland, 1992	4,571	-	4,571	3,443	1,128
Interest Parkland/Brand farm	4,550	-	4,550	5,666	(1,116)
Interest pension liability	-	-	-	397,974	(397,974)
	<u>1,125,650</u>	<u>-</u>	<u>1,125,650</u>	<u>1,786,764</u>	<u>(263,140)</u>

CITY OF SOUTH BURLINGTON, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS
FOR THE YEAR ENDED JUNE 30, 2012

	Original Budget	Budget Adjustments	Final Budget	Actual	Balances Positive (Negative)
Education	31,297,744	-	31,297,744	31,297,744	-
Transfers:					
Open space	273,000	-	273,000	273,000	-
Interim zoning	75,000	-	75,000	75,000	-
Fuel pump reserve	8,200	-	8,200	8,200	-
Ambulance services	155,000	-	155,000	-	155,000
EMTP training	10,000	-	10,000	10,000	-
Fire department building impr.	40,000	-	40,000	40,000	-
Fire department fund	64,000	-	64,000	64,000	-
Reappraisal	70,500	-	70,500	70,500	-
W rite-offs	-	-	-	5,360,776	(5,360,776)
	695,700	-	695,700	5,901,476	(5,205,776)
Total Expenditures	\$ 48,968,296	\$ -	\$ 48,968,296	\$ 54,381,489	\$ (5,015,219)

See accompanying independent auditors' report.

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 553,712	\$ -	\$ -	\$ 553,712
Investments	-	-	368,393	368,393
Due from agencies	-	-	75	75
Due from other funds	1,433,270	1,389,505	111,979	2,934,754
TOTAL ASSETS	\$ 1,986,982	\$ 1,389,505	\$ 480,447	\$ 3,856,934
LIABILITIES				
Accounts payable	\$ 18,452	\$ -	\$ -	\$ 18,452
Due to agencies	-	-	6,188	6,188
Due to other governments	-	2,428	-	2,428
Due to other funds	56,957	144,096	1,045	202,098
TOTAL LIABILITIES	75,409	146,524	7,233	229,166
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	358,477	249,153	467,933	1,075,563
Committed	1,468,032	1,137,924	6,092	2,612,048
Assigned	95,080	-	-	95,080
Unassigned	(10,016)	(144,096)	(811)	(154,923)
TOTAL FUND BALANCES	1,911,573	1,242,981	473,214	3,627,768
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,986,982	\$ 1,389,505	\$ 480,447	\$ 3,856,934

See accompanying independent auditors' report.

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental revenue	\$ 218,368	\$ 933,873	\$ -	\$ 1,152,241
Charges for service	1,308,425	-	2,000	1,310,425
Other income	79,202	80,774	77,163	237,139
Investment income	-	-	8,500	8,500
TOTAL REVENUES	<u>1,605,995</u>	<u>1,014,647</u>	<u>87,663</u>	<u>2,708,305</u>
EXPENDITURES				
Administration	169,050	-	-	169,050
Public safety	5,449	-	1,246	6,695
Capital outlay	358,565	859,577	-	1,218,142
Other	-	-	16,102	16,102
TOTAL EXPENDITURES	<u>623,296</u>	<u>859,577</u>	<u>17,348</u>	<u>1,500,221</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>982,699</u>	<u>155,070</u>	<u>70,315</u>	<u>1,208,084</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	612,907	1,436,379	1,486	2,050,772
Operating Transfers (Out)	<u>(4,913,466)</u>	<u>(699,472)</u>	<u>(8,509)</u>	<u>(5,621,447)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(4,300,559)</u>	<u>736,907</u>	<u>(7,023)</u>	<u>(3,570,675)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>(3,317,860)</u>	<u>891,977</u>	<u>63,292</u>	<u>(2,362,591)</u>
FUND BALANCES, JULY 1	<u>5,229,433</u>	<u>351,004</u>	<u>409,922</u>	<u>5,990,359</u>
FUND BALANCES, JUNE 30	<u>\$ 1,911,573</u>	<u>\$ 1,242,981</u>	<u>\$ 473,214</u>	<u>\$ 3,627,768</u>

See accompanying independent auditors' report.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	269 MPO/Traffic Overlay Grant	203 Fire Impact Fees	204 Sewer Impact Fees	205 Project Dare	206 Police Off-Duty Work	207 Police Forfeiture Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	4,163	161,479	-	809	-	45,649
TOTAL ASSETS	<u>\$ 4,163</u>	<u>\$ 161,479</u>	<u>\$ -</u>	<u>\$ 809</u>	<u>\$ -</u>	<u>\$ 45,649</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	-
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	4,163	-	-	809	-	45,649
Committed	-	161,479	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>4,163</u>	<u>161,479</u>	<u>-</u>	<u>809</u>	<u>-</u>	<u>45,649</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,163</u>	<u>\$ 161,479</u>	<u>\$ -</u>	<u>\$ 809</u>	<u>\$ -</u>	<u>\$ 45,649</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	210	211	212	213	214	215	216	218
	MPG 10	EMTP	Fueling	Bianchi	Interim	Fire Dept.	Clerk	Williston
	Natural	EMTP	Fueling	Bianchi	Interim	Fire Dept.	Clerk	Williston
	Resources	Training	Station	Ruling	Zoning	Off-Duty	Computerization	Road S/W
						Work		Study
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	10,000	8,200	-	75,000	-	129,645	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 8,200</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ 129,645</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES								
LIABILITIES								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	3,510	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>3,510</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	10,000	8,200	-	75,000	-	-	-
Committed	-	-	-	-	-	-	129,645	-
Assigned	-	-	-	-	-	-	-	-
Unassigned	(3,510)	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>(3,510)</u>	<u>10,000</u>	<u>8,200</u>	<u>-</u>	<u>75,000</u>	<u>-</u>	<u>129,645</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 10,000</u>	<u>\$ 8,200</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ 129,645</u>	<u>\$ -</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2012

	219 MPG FY 08 Growth Center	220 Recreation Impact Fees	221 Highway Impact Fees	222 School Impact Fees	223 AREH Bike Path Repaving	224 S/W Disconnection Program	225 Special Needs Assessment
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ 478,712	\$ -	\$ -	\$ -	\$ -
Due from other funds	17,937	358,086	307,351	-	-	-	-
TOTAL ASSETS	<u>\$ 17,937</u>	<u>\$ 358,086</u>	<u>\$ 786,063</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	\$ 18,452	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>18,452</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	-	358,086	786,063	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	(515)	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>(515)</u>	<u>358,086</u>	<u>786,063</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 17,937</u>	<u>\$ 358,086</u>	<u>\$ 786,063</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2012

	289 Better Roads Grant	227 Records Preservation	228 Reparative Board	611 Senior Citizens	230 Dorset Street H2O Miltot
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	94,771	1,633	309	24,682
TOTAL ASSETS	\$ -	\$ 94,771	\$ 1,633	\$ 309	\$ 24,682
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	24,682
Committed	-	-	1,633	-	-
Assigned	-	94,771	-	309	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	-	94,771	1,633	309	24,682
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 94,771	\$ 1,633	\$ 309	\$ 24,682

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	234 Road Opening <u>Impact Fees</u>	235 FEMA Mimic <u>Grant</u>	237 City Center - Potash <u>Restoration</u>	296 Potash Brook <u>Culvert</u>	242 Healthy Homes <u>Grant</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	69,482	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 69,482</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	69,482	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>69,482</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 69,482</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	243 South Village <u>Rec. Impact</u>	244 Public Art City <u>Center</u>	245 Mobile Data <u>Terminals</u>	246 Butler Farms <u>S/W Pond</u>	248 MPG - City Center <u>Design</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	<u>34,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 34,089</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>2,616</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>2,616</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	34,089	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>(2,616)</u>	<u>-</u>	<u>-</u>
TOTAL FUND BALANCES	<u><u>34,089</u></u>	<u><u>-</u></u>	<u><u>(2,616)</u></u>	<u><u>-</u></u>	<u><u>-</u></u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 34,089</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	620 Police Bequeath Fund	251 Fields Use Impact Fees	252 Storm Water Utilities	254 Freeman Foundation Grant	255 S/W Monitoring Equipment
ASSETS					
Cash and cash equivalents	\$ 75,000	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	1,987	-	-	-
TOTAL ASSETS	<u>\$ 75,000</u>	<u>\$ 1,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	47,456	-	-	-	-
TOTAL LIABILITIES	<u>47,456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	27,544	-	-	-	-
Committed	-	1,987	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>27,544</u>	<u>1,987</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 75,000</u>	<u>\$ 1,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2012

	261 CL Specific Outlays	262 Jewish Writers Grant	264 C/L Arts Council Grant	265 Tree Maintenance/ Replacement	267 Fire Act Grant (FEMA)	270 Homeland Security
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	3,484	-	-	20,555	-	-
TOTAL ASSETS	<u>\$ 3,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,555</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	3,484	-	-	20,555	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>3,484</u>	<u>-</u>	<u>-</u>	<u>20,555</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,555</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	271 Great Escape	272 Youth Baseball	273 EPA Demonstration Grant	274 Skiing Program	275 Transportation Action
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	20
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ -	\$ 20
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	20
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	-	-	-	-	20
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ -	\$ -	\$ 20

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	277 Stag EPA Grant	278 BYFAE Jag Grant	280 Market Street (Federal)	283 LED Signage/ Crosswalks	284 Homeland Security Tech. Rescue
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	6,244	-	-	28,147	-
TOTAL ASSETS	\$ 6,244	\$ -	\$ -	\$ 28,147	\$ -
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	3,375	-	-
TOTAL LIABILITIES	-	-	3,375	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	6,244	-	-	28,147	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	(3,375)	-	-
TOTAL FUND BALANCES	6,244	-	(3,375)	28,147	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 6,244	\$ -	\$ -	\$ 28,147	\$ -

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2012

	286 San Remo Drive Project	287 C/L Summer Program	288 A/P A/Guard Environmental	290 Highway Safety Grant	293 Fire Act 2004
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	512	100	15,964	7,972	-
TOTAL ASSETS	<u>\$ 512</u>	<u>\$ 100</u>	<u>\$ 15,964</u>	<u>\$ 7,972</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	512	-	15,964	7,972	-
Committed	-	100	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>512</u>	<u>100</u>	<u>15,964</u>	<u>7,972</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 512</u>	<u>\$ 100</u>	<u>\$ 15,964</u>	<u>\$ 7,972</u>	<u>\$ -</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	298 Local Options/ Rooms/Meals Tax	299 Fire Dept. Safer Grant	615 Community Development	617 Canine Unit	Totals
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 553,712
Due from other funds	-	-	-	5,000	1,433,270
TOTAL ASSETS	\$ -	\$ -	\$ -	\$ 5,000	\$ 1,986,982
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 18,452
Due to other funds	-	-	-	-	56,957
TOTAL LIABILITIES	-	-	-	-	75,409
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	358,477
Committed	-	-	-	5,000	1,468,032
Assigned	-	-	-	-	95,080
Unassigned	-	-	-	-	(10,016)
TOTAL FUND BALANCES	-	-	-	5,000	1,911,573
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ -	\$ -	\$ 5,000	\$ 1,986,982

See accompanying independent auditors' report.

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	269 MPO/Traffic Overlay Grant	203 Fire Impact Fees	204 Sewer Impact Fees	205 Project Dare	206 Police Off-Duty Work	207 Police Forfeiture Fund
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	-	43,027	361,704	-	-	28,181
Other income	-	-	-	809	-	-
TOTAL REVENUES	<u>-</u>	<u>43,027</u>	<u>361,704</u>	<u>809</u>	<u>-</u>	<u>28,181</u>
EXPENDITURES						
Administration	-	-	-	-	-	-
Public safety	-	-	-	-	-	5,449
Education	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,449</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>43,027</u>	<u>361,704</u>	<u>809</u>	<u>-</u>	<u>22,732</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers (Out)	-	-	(2,170,910)	(2,896)	(12,774)	(90,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(2,170,910)</u>	<u>(2,896)</u>	<u>(12,774)</u>	<u>(90,000)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>-</u>	<u>43,027</u>	<u>(1,809,206)</u>	<u>(2,087)</u>	<u>(12,774)</u>	<u>(67,268)</u>
FUND BALANCES, JULY 1	<u>4,163</u>	<u>118,452</u>	<u>1,809,206</u>	<u>2,896</u>	<u>12,774</u>	<u>112,917</u>
FUND BALANCES, JUNE 30	<u>\$ 4,163</u>	<u>\$ 161,479</u>	<u>\$ -</u>	<u>\$ 809</u>	<u>\$ -</u>	<u>\$ 45,649</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	210 MPG 10 Natural Resources	211 EMTP Training	212 Fueling Station	213 Bianchi Ruling	214 Interim Zoning	215 Fire Dept. Off-Duty Work	216 Clerk Computerization	218 Williston Road S/W Study
REVENUES								
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,403
Charges for service	664	-	-	-	-	-	-	-
Other income	-	-	-	-	-	-	78,393	-
TOTAL REVENUES	<u>664</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,393</u>	<u>1,403</u>
EXPENDITURES								
Administration	-	-	-	-	-	-	32,188	-
Public safety	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Capital outlay	7,684	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>7,684</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,188</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,020)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,205</u>	<u>1,403</u>
OTHER FINANCING SOURCES (USES)								
Operating Transfers In	-	10,000	8,200	-	75,000	1,637	-	-
Operating Transfers (Out)	-	-	-	(46,861)	-	-	-	(8,235)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>10,000</u>	<u>8,200</u>	<u>(46,861)</u>	<u>75,000</u>	<u>1,637</u>	<u>-</u>	<u>(8,235)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>(7,020)</u>	<u>10,000</u>	<u>8,200</u>	<u>(46,861)</u>	<u>75,000</u>	<u>1,637</u>	<u>46,205</u>	<u>(6,832)</u>
FUND BALANCES, JULY 1	<u>3,510</u>	<u>-</u>	<u>-</u>	<u>46,861</u>	<u>-</u>	<u>(1,637)</u>	<u>83,440</u>	<u>6,832</u>
FUND BALANCES, JUNE 30	<u>\$ (3,510)</u>	<u>\$ 10,000</u>	<u>\$ 8,200</u>	<u>\$ -</u>	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ 129,645</u>	<u>\$ -</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	219 MPG FY 08 Growth Center	220 Recreation Impact Fees	221 Highway Impact Fees	222 School Impact Fees	223 AREH Bike Path Repaving	224 S/W Disconnection Program	225 Special Needs Assessment
REVENUES							
Intergovernmental revenue	\$ 80,000	\$ -	\$ -	\$ -	\$ -		\$ -
Charges for service	-	209,162	291,618	-	-	-	-
Other income	-	-	-	-	-	-	-
TOTAL REVENUES	<u>80,000</u>	<u>209,162</u>	<u>291,618</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES							
Administration	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Education	-	-	-	90,232	-	-	-
Capital outlay	96,310	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>96,310</u>	<u>-</u>	<u>-</u>	<u>90,232</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(16,310)</u>	<u>209,162</u>	<u>291,618</u>	<u>(90,232)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	7,269	2,620	-
Operating Transfers (Out)	(2,000)	-	-	-	-	-	(1,204)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(2,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,269</u>	<u>2,620</u>	<u>(1,204)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(18,310)	209,162	291,618	(90,232)	7,269	2,620	(1,204)
FUND BALANCES, JULY 1	<u>17,795</u>	<u>148,924</u>	<u>494,445</u>	<u>90,232</u>	<u>(7,269)</u>	<u>(2,620)</u>	<u>1,204</u>
FUND BALANCES, JUNE 30	<u>\$ (515)</u>	<u>\$ 358,086</u>	<u>\$ 786,063</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	289 Better Roads Grant	227 Records Preservation	228 Reparative Board	611 Senior Citizens	230 Dorset Street H2O Milot
REVENUES					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	-	27,717	-	-	3,530
Other income	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>27,717</u>	<u>-</u>	<u>-</u>	<u>3,530</u>
EXPENDITURES					
Administration	-	1,327	975	-	-
Public safety	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>1,327</u>	<u>975</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>26,390</u>	<u>(975)</u>	<u>-</u>	<u>3,530</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	4,003	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>4,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	4,003	26,390	(975)	-	3,530
FUND BALANCES, JULY 1	<u>(4,003)</u>	<u>68,381</u>	<u>2,608</u>	<u>309</u>	<u>21,152</u>
FUND BALANCES, JUNE 30	<u>\$ -</u>	<u>\$ 94,771</u>	<u>\$ 1,633</u>	<u>\$ 309</u>	<u>\$ 24,682</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	234 Road Opening Impact Fees	235 FEMA Mimic Grant	237 City Center - Potash Restoration	296 Potash Brook Culvert	242 Healthy Homes Grant
REVENUES					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ 6,900	\$ -
Charges for service	93,828	187,825	-	-	-
Other income	-	-	-	-	-
TOTAL REVENUES	93,828	187,825	-	6,900	-
EXPENDITURES					
Administration	-	-	57,966	-	-
Public safety	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	97,731	-	-	-
TOTAL EXPENDITURES	-	97,731	57,966	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	93,828	90,094	(57,966)	6,900	-
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	57,966	-	-
Operating Transfers (Out)	(388,479)	-	(389,055)	-	(38)
TOTAL OTHER FINANCING SOURCES (USES)	(388,479)	-	(331,089)	-	(38)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(294,651)	90,094	(389,055)	6,900	(38)
FUND BALANCES, JULY 1	294,651	(20,612)	389,055	(6,900)	38
FUND BALANCES, JUNE 30	\$ -	\$ 69,482	\$ -	\$ -	\$ -

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	243 South Village <u>Rec. Impact</u>	244 Public Art City Center	245 Mobile Data Terminals	246 Butler Farms S/W Pond	248 MPG - City Center Design
REVENUES					
Intergovernmental revenue	\$ -	\$ -	\$ 30,886	\$ -	\$ 10,500
Charges for service	10,943	-	-	-	-
Other income	-	-	-	-	-
TOTAL REVENUES	<u>10,943</u>	<u>-</u>	<u>30,886</u>	<u>-</u>	<u>10,500</u>
EXPENDITURES					
Administration	-	-	-	32,093	-
Public safety	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	33,502	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>33,502</u>	<u>32,093</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>10,943</u>	<u>-</u>	<u>(2,616)</u>	<u>(32,093)</u>	<u>10,500</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	99,404	4,817	32,093	15,615
Operating Transfers (Out)	-	-	-	(82,317)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>99,404</u>	<u>4,817</u>	<u>(50,224)</u>	<u>15,615</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	10,943	99,404	2,201	(82,317)	26,115
FUND BALANCES, JULY 1	<u>23,146</u>	<u>(99,404)</u>	<u>(4,817)</u>	<u>82,317</u>	<u>(26,115)</u>
FUND BALANCES, JUNE 30	<u>\$ 34,089</u>	<u>\$ -</u>	<u>\$ (2,616)</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	620 Police Bequeath Fund	251 Fields Use Impact Fees	252 Storm Water Utilities	254 Freeman Foundation Grant	255 S/W Monitoring Equipment
REVENUES					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	-	33,539	-	-	-
Other income	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>33,539</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Administration	2,456	42,045	-	-	-
Public safety	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>2,456</u>	<u>42,045</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(2,456)</u>	<u>(8,506)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	70,799	-	1,713
Operating Transfers (Out)	(45,000)	-	-	(1)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(45,000)</u>	<u>-</u>	<u>70,799</u>	<u>(1)</u>	<u>1,713</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(47,456)	(8,506)	70,799	(1)	1,713
FUND BALANCES, JULY 1	<u>75,000</u>	<u>10,493</u>	<u>(70,799)</u>	<u>1</u>	<u>(1,713)</u>
FUND BALANCES, JUNE 30	<u>\$ 27,544</u>	<u>\$ 1,987</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	261 C/L Specific Outlays	262 Jewish Writers Grant	264 C/L Arts Council Grant	265 Tree Maintenance/ Replacement	267 Fire Act Grant (FEMA)	270 Homeland Security
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for service	723	-	-	-	-	-
Other income	-	-	-	-	-	-
TOTAL REVENUES	<u>723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES						
Administration	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlay	478	-	-	-	-	-
TOTAL EXPENDITURES	<u>478</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	-	-	-	-	24,247	3,619
Operating Transfers (Out)	-	(123)	(155)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(123)</u>	<u>(155)</u>	<u>-</u>	<u>24,247</u>	<u>3,619</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	245	(123)	(155)	-	24,247	3,619
FUND BALANCES, JULY 1	<u>3,239</u>	<u>123</u>	<u>155</u>	<u>20,555</u>	<u>(24,247)</u>	<u>(3,619)</u>
FUND BALANCES, JUNE 30	<u>\$ 3,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,555</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	271 Great Escape	272 Youth Baseball	273 EPA Demonstration Grant	274 Skiing Program	275 Transportation Action
REVENUES					
Intergovernmental revenue	\$ -	\$ -	\$ 63,361	\$ -	\$ -
Charges for service	-	-	-	-	-
Other income	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>63,361</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Administration	-	-	-	-	-
Public safety	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	116,183	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>116,183</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(52,822)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	53	52,822	-	-
Operating Transfers (Out)	(25)	-	(78,625)	(6,514)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(25)</u>	<u>53</u>	<u>(25,803)</u>	<u>(6,514)</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(25)	53	(78,625)	(6,514)	-
FUND BALANCES, JULY 1	<u>25</u>	<u>(53)</u>	<u>78,625</u>	<u>6,514</u>	<u>20</u>
FUND BALANCES, JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	277 Stag EPA Grant	278 BYFAE Jag Grant	280 Market Street (Federal)	283 LED Signage/ Crosswalks	284 Homeland Security Tech. Rescue
REVENUES					
Intergovernmental revenue	\$ -	\$ 10,410	\$ -	\$ -	\$ -
Charges for service	-	-	-	-	-
Other income	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>10,410</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Administration	-	-	-	-	-
Public safety	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	2,686	3,375	616	-
TOTAL EXPENDITURES	<u>-</u>	<u>2,686</u>	<u>3,375</u>	<u>616</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>7,724</u>	<u>(3,375)</u>	<u>(616)</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	1,291	68,258	-	6,017
Operating Transfers (Out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>1,291</u>	<u>68,258</u>	<u>-</u>	<u>6,017</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	-	9,015	64,883	(616)	6,017
FUND BALANCES, JULY 1	<u>6,244</u>	<u>(9,015)</u>	<u>(68,258)</u>	<u>28,763</u>	<u>(6,017)</u>
FUND BALANCES, JUNE 30	<u>\$ 6,244</u>	<u>\$ -</u>	<u>\$ (3,375)</u>	<u>\$ 28,147</u>	<u>\$ -</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	286 San Remo Drive Project	287 C/L Summer Program	288 A/P A/Guard Enviromental	290 Highway Safety Grant	293 Fire Act 2004
REVENUES					
Intergovernmental revenue	\$ 512	\$ -	\$ -	\$ 14,396	\$ -
Charges for service	-	-	15,964	-	-
Other income	-	-	-	-	-
TOTAL REVENUES	<u>512</u>	<u>-</u>	<u>15,964</u>	<u>14,396</u>	<u>-</u>
EXPENDITURES					
Administration	-	-	-	-	-
Public safety	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>512</u>	<u>-</u>	<u>15,964</u>	<u>14,396</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	-	-	34,308
Operating Transfers (Out)	-	-	(77,936)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(77,936)</u>	<u>-</u>	<u>34,308</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	512	-	(61,972)	14,396	34,308
FUND BALANCES, JULY 1	<u>-</u>	<u>100</u>	<u>77,936</u>	<u>(6,424)</u>	<u>(34,308)</u>
FUND BALANCES, JUNE 30	<u>\$ 512</u>	<u>\$ 100</u>	<u>\$ 15,964</u>	<u>\$ 7,972</u>	<u>\$ -</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	298 Local Options/ Rooms/Meals Tax	299 Fire Dept. Safer Grant	615 Community Development	617 Canine Unit	Totals
REVENUES					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ 218,368
Charges for service					1,308,425
Other income	-	-	-	-	79,202
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,605,995</u>
EXPENDITURES					
Administration	-	-	-	-	169,050
Public safety	-	-	-	-	5,449
Education	-	-	-	-	90,232
Capital outlay	-	-	-	-	358,565
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>623,296</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>982,699</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	30,397	759	-	612,907
Operating Transfers (Out)	(1,510,318)	-	-	-	(4,913,466)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,510,318)</u>	<u>30,397</u>	<u>759</u>	<u>-</u>	<u>(4,300,559)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(1,510,318)	30,397	759	-	(3,317,860)
FUND BALANCES, JULY 1	<u>1,510,318</u>	<u>(30,397)</u>	<u>(759)</u>	<u>5,000</u>	<u>5,229,433</u>
FUND BALANCES, JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>	<u>\$ 1,911,573</u>

See accompanying independent auditors' report.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust fund.

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2012

	208 Spear Street Sewer	258 City Center Planning & Design	285 San Remo Drive Project	295 S/W Oakcreek	301 Reappraisal Fund	302 Police Headquarters
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	2,428	-	-	-	70,145	-
TOTAL ASSETS	<u>\$ 2,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,145</u>	<u>\$ -</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	-
Due to other governments	2,428	-	-	-	-	-
TOTAL LIABILITIES	<u>2,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	70,145	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70,145</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 2,428</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,145</u>	<u>\$ -</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2012

	303 Kennedy Drive <u>Reconstruction</u>	306 Fire Department <u>Fund</u>	307 Ambulance Equipment <u>Replacement</u>	308 Open Space <u>Fund</u>	309 Open Space Special <u>Assessment</u>
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	129,000	105,000	-	793,779
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 129,000</u>	<u>\$ 105,000</u>	<u>\$ -</u>	<u>\$ 793,779</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	9,754	-	-	-	-
Due to other governments	-	-	-	-	-
TOTAL LIABILITIES	<u>9,754</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	129,000	105,000	-	793,779
Assigned	-	-	-	-	-
Unassigned	(9,754)	-	-	-	-
TOTAL FUND BALANCES	<u>(9,754)</u>	<u>129,000</u>	<u>105,000</u>	<u>-</u>	<u>793,779</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ 129,000</u>	<u>\$ 105,000</u>	<u>\$ -</u>	<u>\$ 793,779</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2012

	310 ACOE BBN	312 Tilley Recreation Path	313 ACOE BBS	314 Spear Street/ Pinnacle	315 Fire Dept. Building Improvements
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	-	40,000
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	40,000
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,000</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2012

	316 WPC Equip. Replacement Fund	317 Vactor SMMG 0054	318 Exit 14B Staples 3rd Lane	323 ARRA Quarry Ridge S/W	324 ARRA Twin Oaks
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	-	-	37,327	106,248
TOTAL ASSETS	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,327</u>	<u>\$ 106,248</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	130,017	-	-
Due to other governments	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>130,017</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	37,327	106,248
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	(130,017)	-	-
TOTAL FUND BALANCES	<u>-</u>	<u>-</u>	<u>(130,017)</u>	<u>37,327</u>	<u>106,248</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,327</u>	<u>\$ 106,248</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2012

	325 ARRA Ridgewood	326 ARRA Winding Brook	327 ARRA Harbor Heights	328 Hayes Avenue Stormwater	Totals
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other funds	60,517	45,061	-	-	1,389,505
TOTAL ASSETS	\$ 60,517	\$ 45,061	\$ -	\$ -	\$ 1,389,505
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	4,325	144,096
Due to other governments	-	-	-	-	2,428
TOTAL LIABILITIES	-	-	-	4,325	146,524
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	60,517	45,061	-	-	249,153
Committed	-	-	-	-	1,137,924
Assigned	-	-	-	-	-
Unassigned	-	-	-	(4,325)	(144,096)
TOTAL FUND BALANCES	60,517	45,061	-	(4,325)	1,242,981
TOTAL LIABILITIES AND FUND BALANCES	\$ 60,517	\$ 45,061	\$ -	\$ -	\$ 1,389,505

See accompanying independent auditors' report.

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	208 Spear Street Sewer	258 City Center Planning & Design	285 San Remo Drive Project	295 S/W Oakcreek	301 Reappraisal Fund	302 Police Headquarters
REVENUES						
Intergovernmental revenue	\$ -	\$ -	\$ 188,124		\$ -	\$ -
Investment income	-	-	-	-	-	-
Other income	-	-	-	-	44,500	-
TOTAL REVENUES	-	-	188,124	-	44,500	-
EXPENDITURES						
Administration	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Capital outlay	-	-	2,451	-	-	-
TOTAL EXPENDITURES	-	-	2,451	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	185,673	-	44,500	-
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	-	76,183	21,529	-	70,500	164,872
Operating Transfers (Out)	(9,375)	-	-	(629)	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(9,375)	76,183	21,529	(629)	70,500	164,872
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(9,375)	76,183	207,202	(629)	115,000	164,872
FUND BALANCES, JULY 1	9,375	(76,183)	(207,202)	629	(44,855)	(164,872)
FUND BALANCES, JUNE 30	\$ -	\$ -	\$ -	\$ -	\$ 70,145	\$ -

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	303 Kennedy Drive <u>Reconstruction</u>	306 Fire Department <u>Fund</u>	307 Ambulance Equipment <u>Replacement</u>	308 Open Space <u>Fund</u>	309 Open Space Special <u>Assessment</u>
REVENUES					
Intergovernmental revenue	\$ 711,726	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-
Other income	-	-	-	-	-
TOTAL REVENUES	<u>711,726</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Administration	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	721,480	-	-	-	-
TOTAL EXPENDITURES	<u>721,480</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(9,754)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	258,243	64,000	-	-	273,000
Operating Transfers (Out)	-	-	-	(1,380)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>258,243</u>	<u>64,000</u>	<u>-</u>	<u>(1,380)</u>	<u>273,000</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	248,489	64,000	-	(1,380)	273,000
FUND BALANCES, JULY 1	<u>(258,243)</u>	<u>65,000</u>	<u>105,000</u>	<u>1,380</u>	<u>520,779</u>
FUND BALANCES, JUNE 30	<u>\$ (9,754)</u>	<u>\$ 129,000</u>	<u>\$ 105,000</u>	<u>\$ -</u>	<u>\$ 793,779</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	310 ACOE BBN	312 Tilley Recreation Path	313 ACOE BBS	314 Spear Street/ Pinnacle	315 Fire Dept. Building Improvements
REVENUES					
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-	-
Other income	-	-	-	-	-
TOTAL REVENUES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES					
Administration	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	15,142	400	-	-	-
TOTAL EXPENDITURES	<u>15,142</u>	<u>400</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(15,142)</u>	<u>(400)</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	132,396	-	-	179,820	40,000
Operating Transfers (Out)	-	(872)	(134,042)	-	(3,480)
TOTAL OTHER FINANCING SOURCES (USES)	<u>132,396</u>	<u>(872)</u>	<u>(134,042)</u>	<u>179,820</u>	<u>36,520</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>117,254</u>	<u>(1,272)</u>	<u>(134,042)</u>	<u>179,820</u>	<u>36,520</u>
FUND BALANCES, JULY 1	<u>(117,254)</u>	<u>1,272</u>	<u>134,042</u>	<u>(179,820)</u>	<u>3,480</u>
FUND BALANCES, JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 40,000</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	316 WPC Equip. Replacement Fund	317 Vactor SMMG 0054	318 Exit 14B Staples 3rd Lane	323 ARRA Quarry Ridge S/W	324 ARRA Twin Oaks
REVENUES					
Intergovernmental	\$ -	\$ -	\$ 9,579	\$ -	\$ -
Investment income	-	-	-	-	-
Other income	-	-	-	-	-
TOTAL REVENUES	-	-	9,579	-	-
EXPENDITURES					
Administration	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	115,779	-	-
TOTAL EXPENDITURES	-	-	115,779	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	-	(106,200)	-	-
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	128,320	14,330	-	-
Operating Transfers (Out)	(488,976)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(488,976)	128,320	14,330	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(488,976)	128,320	(91,870)	-	-
FUND BALANCES, JULY 1	488,976	(128,320)	(38,147)	37,327	106,248
FUND BALANCES, JUNE 30	\$ -	\$ -	\$ (130,017)	\$ 37,327	\$ 106,248

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	325 ARRA Ridgewood	326 ARRA Winding Brook	327 ARRA Harbor Heights	328 Hayes Avenue Stormwater	Totals
REVENUES					
Intergovernmental revenue	\$ -	\$ -	\$ 24,444	\$ -	\$ 933,873
Investment income	-	-	-	-	-
Other income	36,274	-	-	-	80,774
TOTAL REVENUES	36,274	-	24,444	-	1,014,647
EXPENDITURES					
Administration	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Capital outlay	-	-	-	4,325	859,577
TOTAL EXPENDITURES	-	-	-	4,325	859,577
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	36,274	-	24,444	(4,325)	155,070
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	3,890	9,296	1,436,379
Operating Transfers (Out)	(36,274)	-	(24,444)	-	(699,472)
TOTAL OTHER FINANCING SOURCES (USES)	(36,274)	-	(20,554)	9,296	736,907
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	-	-	3,890	4,971	891,977
FUND BALANCES, JULY 1	60,517	45,061	(3,890)	(9,296)	\$ 351,004
FUND BALANCES, JUNE 30	\$ 60,517	\$ 45,061	\$ -	\$ (4,325)	\$ 1,242,981

See accompanying independent auditors' report.

Permanent Funds

Permanent funds are used to account for assets held by the City of South Burlington, Vermont in trust or as an agent for individuals, private organizations, other governmental units and/or other funds. These funds have been established for the provision and/or maintenance of the cemeteries and various community organizations.

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2012

	Cemetary	Community Library Trust	Community Chorus	Recreation Donation	P.A.C.T.
ASSETS					
Investments	\$ -	\$ -	\$ -	\$ -	\$ -
Due from other agencies	-	-	-	-	-
Due from other funds	4,599	57,482	706	5,254	3,012
TOTAL ASSETS	\$ 4,599	\$ 57,482	\$ 706	\$ 5,254	\$ 3,012
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Due to agencies	-	-	706	-	-
TOTAL LIABILITIES	-	-	706	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	4,599	57,482	-	-	3,012
Committed	-	-	-	5,254	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	4,599	57,482	-	5,254	3,012
TOTAL LIABILITIES AND FUND BALANCES	\$ 4,599	\$ 57,482	\$ 706	\$ 5,254	\$ 3,012

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
 JUNE 30, 2012

	Memorial Fund	Veterans Memorial	Dorset Street Banners	Recreation Path Donations
ASSETS				
Investments	\$ -	\$ -	\$ -	\$ -
Due from other agencies	-	-	-	-
Due from other funds	<u>2,886</u>	<u>31,720</u>	-	<u>5,482</u>
TOTAL ASSETS	<u><u>\$ 2,886</u></u>	<u><u>\$ 31,720</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,482</u></u>
LIABILITIES				
Due to other funds	\$ -	\$ -	\$ -	\$ -
Due to agencies	-	-	-	<u>5,482</u>
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,482</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	2,886	31,720	-	-
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>2,886</u>	<u>31,720</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u><u>\$ 2,886</u></u>	<u><u>\$ 31,720</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,482</u></u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
JUNE 30, 2012

	Library (Blanchette)	Fire Department Donations	Dog Park Donations	Community Music Festival	Totals
ASSETS					
Investments	\$ 368,393	\$ -	\$ -	\$ -	\$ 368,393
Due from agencies	-	-	-	75	75
Due from other funds	-	-	838	-	111,979
TOTAL ASSETS	\$ 368,393	\$ -	\$ 838	\$ 75	\$ 480,447
LIABILITIES					
Due to other funds	\$ 159	\$ 811	\$ -	\$ 75	\$ 1,045
Due to agencies	-	-	-	-	6,188
TOTAL LIABILITIES	159	811	-	75	7,233
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	368,234	-	-	-	467,933
Committed	-	-	838	-	6,092
Assigned	-	-	-	-	-
Unassigned	-	(811)	-	-	(811)
TOTAL FUND BALANCES	368,234	(811)	838	-	473,214
TOTAL LIABILITIES AND FUND BALANCES	\$ 368,393	\$ -	\$ 838	\$ 75	\$ 480,447

See accompanying independent auditors' report.

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULES OF REVENUES, EXPENDITURES, CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2012

	Cemetary	Community Library Trust	Community Chorus	Recreation Donation	P.A.C.T.
REVENUES					
Charges for services	\$ -	\$ 1,650	\$ -	\$ -	\$ 350
Investment income	-	-	-	-	-
Miscellaneous	-	38,943	-	6,529	3,579
TOTAL REVENUES	-	40,593	-	6,529	3,929
EXPENDITURES					
Public safety	-	-	-	-	-
Other	400	2,730	-	4,064	2,974
TOTAL EXPENDITURES	400	2,730	-	4,064	2,974
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(400)	37,863	-	2,465	955
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(400)	37,863	-	2,465	955
FUND BALANCES, JULY 1	4,999	19,619	-	2,789	2,057
FUND BALANCES, JUNE 30	\$ 4,599	\$ 57,482	\$ -	\$ 5,254	\$ 3,012

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULES OF REVENUES, EXPENDITURES, CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Memorial Fund	Veterans Memorial	Dorset Street Banners	Recreation Path Donations
REVENUES				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment income	-	-	-	-
Miscellaneous	-	32,754	-	-
TOTAL REVENUES	<u>-</u>	<u>32,754</u>	<u>-</u>	<u>-</u>
EXPENDITURES				
Public safety	-	-	-	-
Other	-	5,934	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>5,934</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>26,820</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	(9)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>(9)</u>	<u>-</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	-	26,820	(9)	-
FUND BALANCES, JULY 1	<u>2,886</u>	<u>4,900</u>	<u>9</u>	<u>-</u>
FUND BALANCES, JUNE 30	<u>\$ 2,886</u>	<u>\$ 31,720</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF SOUTH BURLINGTON, VERMONT

COMBINING SCHEDULES OF REVENUES, EXPENDITURES, CHANGES IN FUND BALANCES
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2012

	Library (Blanchette)	Fire Department Donations	Dog Park Donations	Community Music Festival	Totals
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ 2,000
Investment income	8,500	-	-	-	8,500
Miscellaneous	(5,147)	435	70	-	77,163
TOTAL REVENUES	3,353	435	70	-	87,663
EXPENDITURES					
Public safety	-	1,246	-	-	1,246
Other	-	-	-	-	16,102
TOTAL EXPENDITURES	-	1,246	-	-	17,348
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	3,353	(811)	70	-	70,315
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	1,486	-	-	1,486
Operating Transfers (Out)	(8,500)	-	-	-	(8,509)
TOTAL OTHER FINANCING SOURCES (USES)	(8,500)	1,486	-	-	(7,023)
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(5,147)	675	70	-	63,292
FUND BALANCES, JULY 1	373,381	(1,486)	768	-	409,922
FUND BALANCES, JUNE 30	\$ 368,234	\$ (811)	\$ 838	\$ -	\$ 473,214

See accompanying independent auditors' report.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets.

CITY OF SOUTH BURLINGTON, VERMONT

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2012

	Land and Non-depreciable Assets	Buildings Buildings Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
General Government	\$ 329,511	\$ 1,398,945	\$ 75,425	\$ -	\$ 1,803,881
Ambulance	-	-	185,169	-	185,169
Fire	1,118,500	6,314,977	2,110,419	-	9,543,896
Police	-	7,319,538	1,606,175	-	8,925,713
Highway	904,654	-	2,132,599	456,585	3,493,838
Public Works	6,621,526	791,049	219,183	36,324,586	43,956,344
Library	-	-	12,084	-	12,084
Recreation	2,610,952	323,206	141,769	2,067,014	5,142,941
Health	280,500	681,648	-	108,305	1,070,453
Airport	21,375,571	-	-	-	21,375,571
City Wide	1,360,300	8,600	-	-	1,368,900
Storm Water Utilities	30,000	154,994	616,202	479,044	1,280,240
Water Pollution Control	488,000	13,170,884	352,619	811,308	14,822,811
Water Department	-	-	6,608,077	-	6,608,077
Total General Capital Assets	35,119,514	30,163,841	14,059,721	40,246,842	119,589,918
Less: Accumulated Depreciation	-	(18,580,990)	(6,892,388)	(32,912,195)	(58,385,573)
Net General Capital Assets	\$ 35,119,514	\$ 11,582,851	\$ 7,167,333	\$ 7,334,647	\$ 61,204,345

See accompanying independent auditors' report.

CITY OF SOUTH BURLINGTON, VERMONT

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
FOR THE YEAR ENDED JUNE 30, 2012

	General Capital Assets <u>7/1/11</u>	<u>Additions</u>	<u>Deletions</u>	General Capital Assets <u>6/30/12</u>
General Government	\$ 1,803,881	\$ -	\$ -	\$ 1,803,881
Ambulance	185,169	-	-	185,169
Fire	9,543,896	-	-	9,543,896
Police	8,925,713	-	-	8,925,713
Highway	3,493,838	-	-	3,493,838
Public Works	43,956,344	-	-	43,956,344
Library	12,084	-	-	12,084
Recreation	5,142,941	-	-	5,142,941
Health	1,070,453	-	-	1,070,453
Airport	21,375,571	-	-	21,375,571
City Wide	1,368,900	-	-	1,368,900
Storm Water Utilities	1,280,240	-	-	1,280,240
Water Pollution Control	14,822,811	-	-	14,822,811
Water Department	<u>6,506,827</u>	<u>101,250</u>	<u>-</u>	<u>6,608,077</u>
 Total General Capital Assets	 119,488,668	 101,250	 -	 119,589,918
 Less: Accumulated Depreciation	 <u>(56,458,493)</u>	 <u>(1,927,080)</u>	 <u>-</u>	 <u>(58,385,573)</u>
 Net General Capital Assets	 <u>\$ 63,030,175</u>	 <u>\$ (1,825,830)</u>	 <u>\$ -</u>	 <u>\$ 61,204,345</u>

See accompanying independent auditors' report.

CITY OF SOUTH BURLINGTON, VERMONT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
JUNE 30, 2012

Federal Grantor Pass Through Grantor <u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Thru Grantor Number</u>	<u>Federal Expenditures</u>
U.S. Agency of Transportation			
Passed through Vermont Agency of Transportation:			
Federal Aid Highway:			
Butler Farm SW Pond	20.205	08126-SW 0047	\$ 32,093
Kennedy Drive	20.205	08126-CA0006	721,480
Tilley Drive	20.205	08126-13EH07	400
Staples 3rd Lane	20.205	08126-CA0241	<u>115,779</u>
Total Agency of Transportation			<u>869,752</u>
U.S. Department of Defense			
Direct Program:			
Military Construction	21.400	N/A	<u>57,966</u>
Enviromental Protection Agency:			
Direct Program:			
Congressionally Mandated Projects	66.202	N/A	116,183
Edward Byrne Memorial Justice Assistance	66.202	N/A	2,686
Passed Through Vermont Enviromental Protection:			
Airport Parkway Expansion/Revolving Loan	66.458	06140-AR 1-067	<u>3,057,438</u>
Total Enviromental Protection Agency			<u>3,176,307</u>
Department of Homeland Security			
Direct Program:			
FEMA Mimic Grant	97.044	N/A	97,731
Passed Through Vermont Public Safety:			
Homeland Security Program	97.067	02140-77252-106	<u>33,502</u>
Total Departement of Homeland Security			<u>131,233</u>
TOTAL FEDERAL ASSISTANCE			<u>\$ 4,235,258</u>

CITY OF SOUTH BURLINGTON, VERMONT
NOTES TO SCHEDULE OF FEDERAL AWARDS
JUNE 30, 2012

1. General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal award programs of the City of South Burlington, Vermont. All federal financial assistance received is included on the schedule.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting.

3. The following programs were tested as Type A program as outlined in OMB Circular A-133.

- 1) 66.458 – Revolving Loan Fund



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

November 16, 2012

City Council
City of South Burlington
South Burlington, Vermont

We have audited the financial statements of the City of South Burlington, Vermont, as of and for the year ended June 30, 2012, and have issued our report thereon dated November 16, 2012. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of South Burlington, Vermont's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City of South Burlington, Vermont's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not necessarily designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether City of South Burlington, Vermont's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain other matters that we reported to management of the City of South Burlington, Vermont in a separate letter dated December 7, 2012.

This report is intended solely for the information of the City Council, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

RHR Smith & Company

Certified Public Accountants



Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

November 16, 2012

City Council
City of South Burlington
South Burlington, Vermont

Compliance

We have audited City of South Burlington, Vermont's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of City of South Burlington, Vermont's major federal programs for the year ended June 30, 2012. City of South Burlington, Vermont's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of City of South Burlington, Vermont's management. Our responsibility is to express an opinion on City of South Burlington, Vermont's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about City of South Burlington, Vermont's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of City of South Burlington, Vermont's compliance with those requirements.

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In our opinion, City of South Burlington, Vermont, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2012.

Internal Control over Compliance

Management of City of South Burlington, Vermont is responsible for establishing and maintaining effective internal control over with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered City of South Burlington, Vermont's internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of City of South Burlington, Vermont's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance; such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, City Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than the specified parties.

RHR Smith & Company

Certified Public Accountants

CITY OF SOUTH BURLINGTON, VERMONT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2012

Section I - Summary of Auditor's Results

• *Financial Statements*

Type of auditor's report issued : Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no
- Noncompliance material to financial statements noted yes no

• *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes no

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported
In accordance with section 510(a) of OMB Circular A-133? yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
66.458	Revolving Loan Fund

Dollar threshold used to distinguish between type A and B: \$300,000

Auditee qualified as low-risk auditee? yes no

Section II – Financial Statement Findings

None

Section III – Federal Awards Findings and Questioned Costs

None