

TOWN OF SAINT PAUL, VIRGINIA

AUDIT REPORT

Year Ended June 30, 2013

TOWN OF SAINT PAUL, VIRGINIA
TABLE OF CONTENTS

June 30, 2013

**Beginning
Page #**

3 TOWN OFFICIALS

INDEPENDENT AUDITOR'S REPORTS

4 INDEPENDENT AUDITOR'S REPORT

6 INDEPENDENT AUDITOR'S 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

8 SUMMARY OF COMPLIANCE MATTERS

FINANCIAL STATEMENTS

9 EXHIBIT 1 STATEMENT OF NET POSITION

10 EXHIBIT 2 STATEMENT OF ACTIVITIES

11 EXHIBIT 3 BALANCE SHEET – GOVERNMENTAL FUNDS

12 EXHIBIT 4 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – ALL GOVERNMENTAL FUNDS

13 EXHIBIT 5 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

14 EXHIBIT 6 STATEMENT OF NET POSITION-PROPRIETARY FUNDS

15 EXHIBIT 7 STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION-PROPRIETARY FUNDS

16 EXHIBIT 8 STATEMENT OF CASH FLOWS PROPRIETARY FUNDS

17 EXHIBIT 9 STATEMENT OF FIDUCIARY NET POSITION

18 EXHIBIT 10 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

19 NOTES TO FINANCIAL STATEMENTS

SUPPORTING SCHEDULES

36 SCHEDULE 1 GOVERNMENTAL FUND REVENUES – BUDGETARY COMPARISON SCHEDULE

38 SCHEDULE 2 GOVERNMENTAL FUND EXPENDITURES - BUDGETARY COMPARISON SCHEDULE

41 SCHEDULE 3 PROPRIETARY FUND REVENUES AND EXPENDITURES-BUDGETARY COMPARISON SCHEDULE

43 SCHEDULE 4 STATEMENT OF ASSESSED VALUES AND PROPERTY TAX LEVIES

44 SCHEDULE 5 RATIO OF GENERAL BONDED DEBT

45 SCHEDULE 6 LEGAL DEBT MARGIN INFORMATION

TOWN OF SAINT PAUL, VIRGINIA
TOWN OFFICIALS

June 30, 2013

TOWN COUNCIL:

Hubert Kyle Fletcher, Mayor
Kenneth Holbrook, Vice-Mayor
Tim Boardwine
Monty Salyer
Jason Kilgore
Greg Bailey
Harry Kelly

TOWN OFFICERS:

Debora Baca, Town Treasurer
James "Bo" Phillips, Chief of Police

TOWN LEGAL COUNSEL:

Greg Kallen, Attorney at Law

THROWER, BLANTON & ASSOCIATES, P.C.

*Certified Public Accountants
& Consultants*

**BRIAN K. BLANTON, C.P.A.
*CHARLES F. LAWSON, C.P.A.

MONROE B. THROWER, C.P.A.
(1918-2000)
M. BARDIN THROWER, JR., C.P.A.
(1946-2012)

Founded 1948

*Member of American Institute of
Certified Public Accountants
**Virginia & Tennessee Society of
Certified Public Accountant

612 Trent Street
Norton, Virginia 24273
Phone: (276) 679-2780
Fax: (276) 679-7445

INDEPENDENT AUDITOR'S REPORT

The Honorable Members of the Town Council
Town of Saint Paul, Virginia
Saint Paul, VA 24283

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Saint Paul, Virginia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express 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 general purpose financial statements are free of material misstatement.

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

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

Opinions

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

Emphasis of Matter

As described in Note 17 to the financial statements, in fiscal year 2013, the Town adopted new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reports as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on pages 36 through 40 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 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Government 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. Our opinion on the basic financial statements is not affected by this missing information.

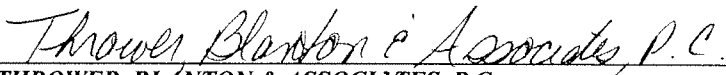
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The other supplementary information presented in Schedule 3 thru Schedule 6, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information presented in the exhibits listed in the first paragraph of this section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and accordingly we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 13, 2014 on our consideration of the Town of Saint Paul's internal control over financial reporting and on our test of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing on internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.


THROWER, BLANTON & ASSOCIATES, P.C.
Certified Public Accountants

Norton, Virginia
February 13, 2014

THROWER, BLANTON & ASSOCIATES, P.C.

Certified Public Accountants

& Consultants

****BRIAN K. BLANTON, C.P.A.**
***CHARLES F. LAWSON, C.P.A.**

MONROE B. THROWER, C.P.A.
(1918-2000)
M. BARDIN THROWER, JR., C.P.A.
(1946-2012)

Founded 1948

*Member of American Institute of
Certified Public Accountants
**Virginia & Tennessee Society of
Certified Public Accountant

612 Trent Street
Norton, Virginia 24273
Phone: (276) 679-2780
Fax: (276) 679-7445

**INDEPENDENT AUDITOR'S 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**

The Honorable Members of the Town Council
Town of Saint Paul, Virginia
Saint Paul, VA 24283

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Saint Paul, Virginia, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town of Saint Paul, Virginia's basic financial statements, and have issued our report thereon dated February 13, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements for the year ended June 30, 2013, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the Town's financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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 and correct 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of St. Paul, Virginia'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 statements 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*.

The Honorable Members of the Town Council
Town of Saint Paul, Virginia
Saint Paul, VA 24283
Page 2

*(Independent Auditor's 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)*

We noted certain matters that we reported to management of the Town of St. Paul, Virginia, in a separate letter dated February 13, 2014.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Thrower, Blanton & Associates P.C.

THROWER, BLANTON & ASSOCIATES, P.C.
Certified Public Accountants

Norton, Virginia
February 13, 2014

TOWN OF SAINT PAUL, VIRGINIA

SUMMARY OF COMPLIANCE MATTERS

June 30, 2013

As more fully described in the Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* we performed tests of the Town's compliance with certain provisions of the laws, regulations, contracts and grants shown below.

STATE COMPLIANCE MATTERS

Code of Virginia:

Budget and Appropriation Laws
Cash and Investments Laws
Conflicts of Interest Act
Local Retirement Systems
Debt Provisions
Procurement Laws
Uniform Disposition of Unclaimed Property Act

LOCAL COMPLIANCE MATTERS

Town Charter

TOWN OF SAINT PAUL, VIRGINIA
STATEMENT OF NET POSITION
June 30, 2013

EXHIBIT 1

	Primary Government		
	Governmental Activities	Business Type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 1,482,339	\$ 1,309,805	\$ 2,792,144
Receivables:			
Taxes	19,947	-	19,947
Accounts	48,967	128,638	177,605
Other	28	3,826	3,854
Internal Balances	(700,000)	700,000	-
Due from other governmental units	75,469	-	75,469
Prepaid expenses	-	-	-
Restricted Assets:			
Cash	102,989	144,901	247,890
Capital assets, depreciable, net	1,261,713	7,427,689	8,689,402
Capital assets, non-depreciable	158,300	767,747	926,047
	\$ 2,449,752	\$ 10,482,606	\$ 12,932,358
<u>LIABILITIES</u>			
Accounts payable	\$ 294,695	\$ 47,174	\$ 341,869
Accrued liabilities and wages	24,424	11,162	35,586
Payable From Restricted Assets:			
Deposits	-	9,900	9,900
Matured revenue interest	-	7,455	7,455
OPEB Liability	52,767	28,358	81,125
Long-term liabilities			
Due within one year	-	221,733	221,733
Due in more than one year	-	4,360,849	4,360,849
Compensated absences			
Due within one year	20,790	12,483	33,273
Due in more than one year	31,185	18,725	49,910
	423,861	4,717,839	5,141,700
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Dominion Diffuser Agreement Advance	-	1,667,308	1,667,308
	-	1,667,308	1,667,308
<u>NET POSITION</u>			
Net investment in capital assets	1,420,013	3,612,854	5,032,867
Restricted	83,964	-	83,964
Unrestricted	521,914	484,605	1,006,519
	\$ 2,025,891	\$ 4,097,459	\$ 6,123,350

TOWN OF SAINT PAUL, VIRGINIA
STATEMENT OF ACTIVITIES
June 30, 2013

EXHIBIT 2

FUNCTIONS/PROGRAMS:	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General government	\$ 704,189	\$ -	\$ -	\$ -	\$ (704,189)	\$ -	\$ (704,189)
Public safety	449,616	-	23,024	-	(426,592)	-	(426,592)
Public works	438,945	275	1,203	-	(437,467)	-	(437,467)
Parks, recreation, and cultural	149,959	12,589	-	-	(137,370)	-	(137,370)
Community development	367,779	-	1,345	399,905	33,471	-	33,471
Interest on long-term debt	-	-	-	-	-	-	-
Total Governmental Activities	<u>2,110,488</u>	<u>12,864</u>	<u>25,572</u>	<u>399,905</u>	<u>(1,672,147)</u>	<u>-</u>	<u>(1,672,147)</u>
Business-Type Activities:							
Water and Sewer	<u>1,227,227</u>	<u>1,702,832</u>	<u>-</u>	<u>65,106</u>	<u>-</u>	<u>540,711</u>	<u>540,711</u>
Total Business-Type Activities	<u>1,227,227</u>	<u>1,702,832</u>	<u>-</u>	<u>65,106</u>	<u>-</u>	<u>540,711</u>	<u>540,711</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 3,337,715</u>	<u>\$ 1,715,696</u>	<u>\$ 25,572</u>	<u>\$ 465,011</u>	<u>\$ (1,672,147)</u>	<u>\$ 540,711</u>	<u>\$ (1,131,436)</u>

General Revenues:

Property taxes	1,104,972	-	1,104,972
Local sales & use tax	46,648	-	46,648
Utility tax	70,591	-	70,591
Business license tax	139,144	-	139,144
Communication taxes	-	-	-
Motor vehicle license	6,408	-	6,408
Bank stock tax	26,262	-	26,262
Cigarette tax	25,438	-	25,438
Restaurant food tax	215,056	-	215,056
Coal road improvement tax	77,666	-	77,666
Unrestricted intergovernmental revenue	6,194	-	6,194
Unrestricted investment earnings	7,183	3,702	10,885
Rental of Town property	4,400	-	4,400
Gain on sale of capital assets	955	-	955
Recovered Costs	27,140	-	27,140
Transfers-Primay Government	10,000	(10,000)	-
Other	71,288	8,886	80,174
Total general revenues and transfers	<u>1,839,345</u>	<u>2,588</u>	<u>1,841,933</u>
Change in net position	167,198	543,299	710,497
PRIOD PERIOD ADJUSTMENT	-	(33,092)	(33,092)
NET POSITION - JULY 1	<u>1,858,693</u>	<u>3,587,252</u>	<u>5,445,945</u>
NET POSITION - JUNE 30	<u>\$ 2,025,891</u>	<u>\$ 4,097,459</u>	<u>\$ 6,123,350</u>

TOWN OF SAINT PAUL, VIRGINIA
BALANCE SHEET - GOVERNMENTAL FUNDS
Year Ended June 30, 2013

EXHIBIT 3

	General Fund	Special Revenue Fund	Total
ASSETS			
Cash and cash equivalents	\$ 1,479,449	\$ 2,890	\$ 1,482,339
Receivables:			
Taxes	19,947	-	19,947
Accounts	48,967	-	48,967
Other	28	-	28
Prepaid expenses	-	-	-
Due From other funds	2,000	-	2,000
Due from other governmental units	75,469	-	75,469
Restricted Assets:			
Cash	102,989	-	102,989
Total Assets	<u>\$ 1,728,849</u>	<u>\$ 2,890</u>	<u>\$ 1,731,739</u>
LIABILITIES			
Accounts payable	275,670	-	275,670
Accrued payroll and related liabilities	24,424	-	24,424
Due to Others	19,025	-	19,025
Due to Other Funds	700,000	2,000	702,000
Total Liabilities	<u>1,019,119</u>	<u>2,000</u>	<u>1,021,119</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property taxes	19,269	-	19,269
Total Deferred Inflows of Resources	<u>19,269</u>	<u>-</u>	<u>19,269</u>
FUND BALANCES			
Non-Spendable	-	-	-
Restricted	83,964	-	83,964
Committed	15,319	890	16,209
Assigned	-	-	-
Unassigned	591,178	-	591,178
Total Fund Balances	<u>690,461</u>	<u>890</u>	<u>691,351</u>
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	<u>\$ 1,728,849</u>	<u>\$ 2,890</u>	<u>\$ 1,731,739</u>
Total Fund Balances	<u>\$ 691,351</u>		
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	1,420,013		
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	19,269		
Other liabilities are not required to be paid out of current financial resources and, therefore, are not reported in the governmental funds.	(104,742)		
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	-		
Net Position of Governmental Activities	<u>\$ 2,025,891</u>		

TOWN OF SAINT PAUL, VIRGINIA
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUNDS
Year Ended June 30, 2013

EXHIBIT 4

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total</u>
REVENUES:			
General property taxes	\$ 1,103,856	\$ -	\$ 1,103,856
Other local taxes	607,213	-	607,213
Permits, privilege fees and regulatory licenses	1,975	-	1,975
Fines and forfeitures	18,739	-	18,739
Revenue from use of money and property	11,583	7	11,590
Charges for services	12,864	-	12,864
Miscellaneous	47,622	10	47,632
Recovered costs	-	-	-
Intergovernmental	434,607	-	434,607
Total Revenues	<u>2,238,459</u>	<u>17</u>	<u>2,238,476</u>
EXPENDITURES:			
Current:			
General government administration	717,571	-	717,571
Public safety	474,389	-	474,389
Public works	483,425	-	483,425
Parks, recreation and cultural	485,195	-	485,195
Community development	428,214	-	428,214
Debt Service:			
Principle retirement	-	-	-
Interest	-	-	-
Total Expenditures	<u>2,588,794</u>	<u>-</u>	<u>2,588,794</u>
Excess (Deficiency) of Revenues Over Expenditures	(350,335)	17	(350,318)
OTHER FINANCING SOURCES (USES):			
Sale of property	2,780	-	2,780
Insurance recoveries	27,140	-	27,140
Transfers in (out)	10,000	-	10,000
Total Other Financing Sources (Uses)	39,920	-	39,920
Net Change in Fund Balance	(310,415)	17	(310,398)
FUND BALANCE AT JULY 1	<u>1,000,876</u>	<u>873</u>	<u>1,001,749</u>
FUND BALANCE AT JUNE 30	<u>\$ 690,461</u>	<u>\$ 890</u>	<u>\$ 691,351</u>

TOWN OF SAINT PAUL, VIRGINIA
RECONCILIATION OF THE REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

EXHIBIT 5

	General Fund
Net Change in Fund Balance Governmental Fund:	\$ (310,398)
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	510,081
Governmental funds report the sale of fixed assets as equal to the proceeds received from the sale. The amount required to adjust for the basis remaining on the date of sale.	(1,825)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,116
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net assets. This is the amount by which proceeds exceeded repayments.	-
Some expenses reported in the statement of activities, such as compensated absences and accrued interest, do not require the use of current financial resources and, therefore, are not required as expenditures in governmental funds.	(31,776)
Change in Net Position of Governmental Activities	<u>\$ 167,198</u>

TOWN OF SAINT PAUL, VIRGINIA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2013

EXHIBIT 6

	<u>Business-Type Activities</u> <u>Proprietary Funds</u> <u>Water &</u> <u>Sewer</u> <u>Operation</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 1,309,805
Receivables (Net of Allowance for Uncollectibles):	
Accounts	128,638
Accrued interest	1,909
Grant Receivable	1,917
Prepaid expenses	-
Internal receivables	700,000
Restricted Assets:	
Cash	144,901
Capital assets, non-depreciable	767,747
Capital assets, depreciable, net	<u>7,427,689</u>
TOTAL ASSETS	<u>\$ 10,482,606</u>
 <u>LIABILITIES</u>	
Current liabilities:	
Accounts payable	47,174
Accrued wages and liabilities	11,162
Payable From Restricted Assets:	
Customer deposits	9,900
Accrued interest payable	7,455
Due to Other Funds	-
Internal payables	-
Revenue bond payable	221,733
Compensated absences	<u>12,483</u>
Total Current Liabilities	<u>309,907</u>
Noncurrent liabilities:	
Revenue bond payable	4,360,849
OPEB Liability	28,358
Compensated absences	<u>18,725</u>
Total Noncurrent Liabilities	<u>4,407,932</u>
Total Liabilities	<u>4,717,839</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Dominion Diffuser Agreement Advance	<u>1,667,308</u>
Total Deferred Inflows of Resources	<u>1,667,308</u>
 <u>NET POSITION</u>	
Net investment in capital assets	3,612,854
Restricted	-
Unrestricted (deficit)	<u>484,605</u>
Total Net Position	<u>4,097,459</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 10,482,606</u>

TOWN OF SAINT PAUL, VIRGINIA
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
For the Year Ended June 30, 2013

EXHIBIT 7

	PROPRIETARY FUNDS
	Water & Sewer Operation
OPERATING REVENUES:	
Water rents	677,179
Sewer rents	295,518
Garbage services	90,161
Penalties	7,267
Other income	632,707
Total Operating Revenues	1,702,832
OPERATING EXPENSES:	
Personal services	288,834
Fringe benefits	134,043
Contractual services	21,226
Other charges	319,440
Depreciation and amortization	279,365
Total Operating Expenses	1,042,908
Operating Income (Loss)	659,924
NON-OPERATING REVENUES (EXPENSES) :	
Connection fees	8,886
Grant revenue	65,106
Interfund transfers	(10,000)
Interest income	3,702
Interest expense	(184,319)
Total Non-Operating Revenue (Expenses)	(116,625)
CHANGE IN NET POSITION	543,299
PRIOR PERIOD ADJUSTMENT	(33,092)
NET POSITION AT JULY 1	3,587,252
NET POSITION AT JUNE 30	\$ 4,097,459

TOWN OF SAINT PAUL, VIRGINIA
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 Year Ended June 30, 2013

EXHIBIT 8

	<u>PROPRIETARY FUNDS Water & Sewer Operation</u>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash received from customers	\$ 2,724,379
Cash payments to suppliers for goods and services	(807,276)
Cash payments to employees for services	(284,246)
Other operating income	632,707
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>2,265,564</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:	
Increase (decrease) in customer deposits	250
(Increase) decrease in due from other funds	(700,000)
Operating transfers from other funds	-
Operating transfers to other funds	-
NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES	<u>(699,750)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
(Increase) decrease in capital assets	(1,208,733)
(Increase) decrease in construction in progress	793,625
Principal paid on revenue bond maturities and equipment contracts	(483,902)
Principal advances from bond and note proceeds	169,042
Contributed capital - Grant revenue	63,189
Connection fees collected	8,886
Interest paid on revenue bonds and equipment contracts	(185,210)
NET CASH USED FOR CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(843,103)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and dividends on investments	1,793
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>1,793</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	724,504
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>730,202</u>
Cash and Cash Equivalents at June 30, 2013	
Unrestricted	\$ 1,309,805
Restricted	144,901
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 1,454,706</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income (loss)	\$ 659,924
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation and amortization	279,365
Provision for compensated absences	5,450
Change in Assets and Liabilities:	
(Increase) decrease in accounts receivable	(13,054)
(Increase) decrease in prepaid expenses	-
Increase (decrease) in accounts payable	(342,078)
Increase (decrease) in OPEB liability	9,511
Increase (decrease) in deferred inflow of resources	1,667,308
Increase (decrease) in wages payable and payroll liabilities	(862)
TOTAL ADJUSTMENTS	<u>1,605,640</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 2,265,564</u>

Disclosure of Accounting Policy - For purposes of the statement of cash flows, the water and sewer funds consider all highly liquid investments (including restricted maturity of three months or less) when purchased to be cash equivalents.

TOWN OF SAINT PAUL, VIRGINIA
AGENCY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
Year Ended June 30, 2013

EXHIBIT 9

	<u>Agency Fund</u>
<u>ASSETS</u>	
Cash	\$ 1,019
Capital asset, depreciable, net	2,137
TOTAL ASSETS	<u>3,156</u>
<u>NET POSITION</u>	
Funds held for Johnnie Ramy Memorial Fund	<u>\$ 3,156</u>

TOWN OF SAINT PAUL, VIRGINIA
AGENCY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Year Ended June 30, 2013

EXHIBIT 10

	Agency Fund
Additions	
Donations	\$ -
Interest income	2
Total additions	2
Deductions	
Operating deductions	-
Total deductions	-
Change in net position	2
Net position - beginning of year	3,154
Net position - end of year	\$ 3,156

June 30, 2013

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

The accounting policies of the Town of Saint Paul, Virginia, conform to accounting principles generally accepted in the United States of America as applicable to government units. The following is a summary of the more significant accounting policies:

Reporting Entity

The Town of Saint Paul, Virginia is a municipality governed by an elected seven-member council. The reporting entity of the Town has been determined in accordance with accounting principles generally accepted in the United States of America established by the Governmental Accounting Standards Board (GASB) and the specifications promulgated by the Auditor of Public Accounts (APA) of the Commonwealth of Virginia. In addition, the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of management's estimates. As required by those principles, these financial statements present the Town of Saint Paul, Virginia (the primary government).

Financial Reporting Model

GASB issued Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments* (Statement) which established new requirements and a new reporting model for the annual financial reports of state and local governments. The Statement was developed to make annual reports easier to understand and more useful to the people who use governmental financial information to make decisions. Because of the significant changes in financial reporting under the Statement, implementation was phased in (based on the size of the government) beginning with fiscal year ended 2002 (for larger governments). As part of the Statement, there is a new reporting requirement regarding the local government's infrastructure (roads, bridges, traffic signals, etc.) This requirement permits an optional delay for implementation to the fiscal year ending in 2008. The Town implemented the basic model in fiscal year 2004 and completed the implementation of the infrastructure-related portion of the Statement in fiscal year 2008.

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental* activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type* activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

June 30, 2013

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement* focus and the *accrual basis accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 45 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, license, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports the following major governmental funds:

The *general fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenues are derived primarily from property and other local taxes, state and federal distributions, licenses, permits, charges for service, and interest income.

The special revenue fund accounts for the operations of the Veteran's Memorial Wall Fund.

The Town reports the following major proprietary funds:

The *water and sewer operation fund* provides drinking water, maintains the facilities necessary to provide this service, and provides maintenance to the sewer lines and pump stations. Its primary revenue source is user charges and fees.

Fiduciary Funds account for assets held by a governmental unit in a trustee capacity or as an agent or custodian for individuals, private organizations, other governmental units, or other funds. These funds include Agency Funds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

June 30, 2013

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

Proprietary funds distinguish *operating* revenues and expenses from *non-operating* items. When both restricted and unrestricted resources are available for use, it is the Town's policy to use unrestricted resources first, then restricted resources as they are needed.

Budgeting and Budgetary Accounting

The following procedures are used by the Town in establishing the budgetary data reflected in the financial statements:

1. The Town Treasurer submits to the Town Council a proposed operating and capital budget for the fiscal year commencing the following July 1. The operating and capital budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain citizen comments.
3. Prior to June 30, the budget is legally enacted through passage of an Appropriations Resolution.
4. The Appropriations Resolution places legal restrictions on expenditures at the department level or category level. The appropriation for each department or category can be revised only by the Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund.
6. All budgets are adopted on a cash basis, but variances from modified accrual basis budgets are not considered to be material.
7. Appropriations lapse on June 30 for all Town units.
8. All budget data presented in the accompanying financial statements is the revised budget as of June 30, 2013.

Encumbrances and Commitments

Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which a purchase order, contract, or other commitment is issued. Generally, all unencumbered appropriations lapse at year end, except those for capital projects. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year. Open encumbrances at fiscal yearend are included in restricted, committed, or assigned fund balance, as appropriate.

Investments

No investments existed as of June 30, 2013. Certificates of Deposit with maturities of three months or greater are recorded on Exhibit I under the title Cash and cash equivalents and treated as cash equivalents.

1. ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)***

Property, Plant, and Equipment

All property, plant, and equipment are valued at cost or estimated cost if actual cost is not available. Donated assets are valued at their estimated fair value on the date donated. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized. Depreciation for fixed assets has been provided over the following estimated useful lives using the Straight-Line Method:

	<u>All Funds</u>
Water/Sewer System	40
Buildings	30-40
Improvements other than buildings	30-40
Equipment	3-10

Cash Equivalents

For purposes of the statement of cash flows, the Water and Sewer Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Fund Equity

Beginning with the fiscal year ended June 30, 2011, the Town implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

- **Non-spendable:** This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The Town has classified Prepaid Items as being Non-spendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.
- **Restricted:** This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed:** This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council. These amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.
- **Assigned:** This classification includes amounts that are constrained by the Town's intent to be used for a specific purpose but are neither restricted nor committed. This intent can be expressed by the Town Council or through the Town Council delegating this responsibility to the Town manager through the budgetary process.
- **Unassigned:** This classification includes the residual fund balance for the General Fund. The Unassigned classification amounts are available for any purpose. Positive Unassigned amounts are reported in the General Fund only. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

Beginning fund balances for the Town's governmental funds have been restated to reflect the above classifications.

June 30, 2013

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**
Fund Equity (Continued)

The Town would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned resources first to defer the use of these other classified funds.

2. **ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS**

The Town calculates its allowance for uncollectible accounts using historical collection data and, in certain cases, specific account analysis. The allowance amounted to approximately \$26,442 at June 30, 2013, and is composed of the following:

General Fund:	
Allowance for uncollectible property taxes	\$ 2,216
Total General Fund	\$ 2,216
Water and Sewer Fund:	
Allowance for uncollectible water and sewer fee billings	\$ 24,226
Total Water and Sewer Fund	\$ 24,226

3. **DEPOSITS AND INVESTMENTS**

Deposits

All cash of the Town and its component units is maintained in accounts collateralized in accordance with the Virginia Security for Public Deposits Act, Section 2.2-4400 *et seq.* of the *Code of Virginia*, or covered by federal depository insurance.

Investments

Investment Policy:

In accordance with the Code of Virginia and other applicable laws, including regulations, the Town permits investments in U. S. Treasury Securities, U. S. Agency Securities, prime quality commercial paper, non-negotiable certificates of deposit and time deposits of Virginia banks, negotiable certificates of deposit of domestic banks, banker's acceptances with domestic banks, Commonwealth of Virginia and Virginia Local Government Obligations, repurchase agreements collateralized by the U. S. Treasury/Agency Securities, the Virginia State Non-Arbitrage Program or other authorized Arbitrage Investment Management programs, and the State Treasurer's Local Government Pool (the Virginia LGIP, a 2a-7 like pool).

June 30, 2013

3. **DEPOSITS AND INVESTMENTS (Continued)**

Concentration of Credit Risk:

Deposits and investments held by any single issuer that exceeded 5% are as follows:

Miner's Exchange	29%
Tru Point	6%
Carter Bank	64%

Custodial Credit Risk:

As required by the *Code of Virginia*, all security holdings with maturities over 30 days may not be held in safekeeping with the "counterparty" to the investment transaction. As of June 30, 2013, all of the Town's investments are held in a bank's trust department in the Town's name.

The above items are reflected in the financial statements as follows:

Deposits and investments:

Cash on hand	\$ 549
Deposits	1,959,707
Investments	<u>1,079,778</u>
	<u>\$ 3,040,034</u>

Statement of net position:

Cash and cash equivalents	\$2,792,144
Investments	-
Restricted cash and cash equivalents	<u>247,890</u>
	<u>\$3,040,034</u>

Restricted cash and cash equivalents consist primarily of certificates of deposit.

4. **PROPERTY TAXES RECEIVABLE**

Property is assessed at its value on January 1st. Property taxes attach as an enforceable lien on property as of January 1st. Taxes are payable on December 5th. The Town of Saint Paul bills and collects its own property taxes.

TOWN OF SAINT PAUL, VIRGINIA
NOTES TO FINANCIAL STATEMENTS

Page 7

June 30, 2013

5. ***DUE FROM OTHER GOVERNMENTAL UNITS***

Federal Government:			
Community Development Block Grant		\$ 47,962	
Total Federal Government			\$ 47,962
Commonwealth of Virginia:			
Local sales tax		\$ 10,485	
Total Commonwealth of Virginia			10,485
Wise County:			
Coal haul road taxes		\$ 14,130	
Court fines/transfer fees		2,892	
Total Wise County			17,022
Total Due From Other Governmental Units			\$ 75,469

6. ***CAPITAL ASSETS***

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:			
General government		\$ 16,946	
Public safety		13,999	
Public works		11,054	
Parks, recreation and cultural		44,161	
Community Development		765	
Total depreciation expense – governmental activities			\$ 86,925
Business-type activities:			
Water and sewer		\$ 279,365	
Total depreciation expense – business-type activity		\$ 279,365	

7. ***CHANGES IN CAPITAL ASSETS***

The following is a summary of changes in depreciable capital assets:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets, depreciable				
Buildings and improvements	\$1,308,372	\$ 313,290	\$ -	\$1,621,662
Equipment	652,991	286,966	12,700	927,257
Special Revenue Fund	30,055	-	-	30,055
Total Capital Assets, depreciable	1,991,418	600,256	12,700	2,578,974
Less accumulated depreciation for				
Buildings and improvements	\$ 634,036	\$ 42,707	\$ -	\$ 676,743
Equipment	600,276	44,218	10,875	633,619
Special Revenue Fund	3,649	3,250	-	6,899
Total accumulated depreciation	1,237,961	90,175	10,875	1,317,261
Total Capital Assets, depreciable, net	\$ 753,457	\$ 510,081	\$ 1,825	\$1,261,713

June 30, 2013

7. *CHANGES IN CAPITAL ASSETS (Continued)*

<u>Business Type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, depreciable				
Buildings	\$ 852,500	\$ -	\$ -	\$ 852,500
Improvements	7,684,599	1,169,572	-	8,854,171
Equipment	936,827	29,161	-	965,988
Total Capital Assets, depreciable	<u>9,473,926</u>	<u>1,198,733</u>	<u>-</u>	<u>10,672,659</u>
Less accumulated depreciation for				
Buildings	\$ 852,500	\$ -	\$ -	\$ 852,500
Improvements	1,658,851	237,648	-	1,896,499
Equipment	454,254	41,717	-	495,971
Total accumulated depreciation	<u>2,965,605</u>	<u>279,365</u>	<u>-</u>	<u>3,244,970</u>
Total Capital Assets, depreciable, net	<u>\$ 6,508,321</u>	<u>\$ 919,368</u>	<u>\$ -</u>	<u>\$ 7,427,689</u>

The following is a summary of changes in non-depreciable capital assets:

<u>Governmental Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, non-depreciable				
Land	\$ 158,300	\$ -	\$ -	\$ 158,300
Construction in progress	-	-	-	-
Total Capital Assets, Non-depreciable	<u>\$ 158,300</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 158,300</u>

<u>Business Type Activities</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets, non-depreciable				
Land	\$ 92,500	\$ -	\$ -	\$ 92,500
Constructions in progress	1,468,872	198,677	992,302	675,247
Total Capital Assets, Non-depreciable	<u>\$1,561,372</u>	<u>\$ 198,677</u>	<u>\$ 992,302</u>	<u>\$ 767,747</u>

TOWN OF SAINT PAUL, VIRGINIA
 NOTES TO FINANCIAL STATEMENTS

Page 9

June 30, 2013

8. **LONG-TERM DEBT**

The annual requirements to amortize all debt outstanding as of June 30, 2013, are as follows:

Years Ending June 30,	Water & Sewer Bond		Water & Sewer Bond		Water & Sewer Bond		Water & Sewer Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 12,309	\$ -	\$ 1,827	\$ -	\$ 121,354	\$ 126,862	\$ 6,708	\$ -
2015	12,309	-	1,827	-	127,117	123,575	6,708	-
2016	12,309	-	1,827	-	132,957	117,735	6,708	-
2017	12,309	-	1,827	-	139,065	111,627	6,708	-
2018	12,309	-	1,827	-	145,454	105,239	6,708	-
2019-2023	61,545	-	9,135	-	833,856	381,299	33,541	-
2024-2028	61,545	-	9,135	-	1,043,817	209,644	33,541	-
2029-2033	55,392	-	9,132	-	380,927	13,640	33,541	-
2034-2038	-	-	-	-	-	-	33,541	-
2039-2043	-	-	-	-	-	-	15,205	-
Totals	<u>\$240,027</u>	<u>\$ -</u>	<u>\$ 36,537</u>	<u>\$ -</u>	<u>\$2,924,727</u>	<u>\$1,189,621</u>	<u>\$ 182,909</u>	<u>\$ -</u>

Years Ending June 30,	Water & Sewer Loan		Water & Sewer Loan		Water & Sewer Loan	
	Principal	Interest	Principal	Interest	Principal	Interest
2014	\$ 51,236	\$ 38,653	\$ 6,000	\$ 177	\$ 22,119	\$ 2,548
2015	53,054	36,836	-	-	23,159	1,508
2016	54,936	34,953	-	-	18,082	419
2017	54,909	37,890	-	-	-	-
2018	54,527	42,346	-	-	-	-
2019-2023	311,294	178,838	-	-	-	-
2024-2028	398,152	106,574	-	-	-	-
2029-2033	150,914	7,533	-	-	-	-
Totals	<u>\$1,129,022</u>	<u>\$483,623</u>	<u>\$ 6,000</u>	<u>\$ 177</u>	<u>\$ 63,360</u>	<u>\$ -</u>

Changes in Long-Term Bonds/Loans:

The following is a summary of long-term bonds/loan transactions of the Town of Saint Paul for the year ended June 30, 2013:

	INSTALLMENT NOTES		REVENUE BONDS	
	Water/Sewer Notes	Water/Sewer Notes	Water/Sewer Bond	Water/Sewer Bond
Bonds/loans payable at July 01, 2012	\$ 84,486	\$ 3,218	\$ 252,337	\$ 38,364
Issuances	-	-	-	-
Retirements	(21,126)	(3,218)	(12,310)	(1,827)
Bonds/loans payable at June 30, 2013	<u>\$ 63,360</u>	<u>\$ -</u>	<u>\$ 240,027</u>	<u>\$ 36,537</u>
	REVENUE BONDS		INSTALLMENT NOTES	
	Water/Sewer Bond	Water/Sewer Bond	Water/Sewer Notes	
Bonds/loans payable at July 01, 2012	\$ 3,041,302	\$ 189,560	\$ 1,179,109	
Issuances	-	-	-	
Retirements	(116,575)	(6,651)	(50,087)	
Bonds/loans payable at June 30, 2013	<u>\$ 2,924,727</u>	<u>\$ 182,909</u>	<u>\$ 1,129,022</u>	
	INSTALLMENT NOTES		TOTALS	
	Water/Sewer Notes	Water/Sewer Notes		
Bonds/loans payable at June 30, 2012	\$ 109,066	\$ -	\$ 4,897,442	
Issuances	163,042	6,000	169,042	
Retirements	(272,108)	(-)	(483,902)	
Bonds/loans payable at June 30, 2013	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 4,582,582</u>	

June 30, 2013

8. **LONT-TERM DEBT (Continued)**
Changes in Other Long-Term Debt:

The following is a summary of other long-term debt transactions of the Town of Saint Paul for the year ended June 30, 2013:

	<u>Compensated Absences</u>	
	<u>Governmental</u> <u>Fund Types</u>	<u>Propriety</u> <u>Fund Types</u>
Payable at July 01, 2012	\$ 35,061	\$ 23,928
Additions	46,649	24,408
Reductions	(29,735)	(17,128)
Payable at June 30, 2013	<u>\$ 51,975</u>	<u>\$ 31,208</u>

Details of Long-Term Indebtedness:

Enterprise Fund:

Bonds and Obligations:

Water & Sewer

\$3,300,000 Bond Payable to Miners Exchange Bank, issued on January 11, 2010, payable in monthly installments of \$20,909 at 4.5% interest. Final principal payment is due on January 15, 2030.	\$ 2,924,727
\$200,000 Bond Payable to Virginia Resources Authority, issued on June 23, 2010, at 0% interest. At June 30, 2011 the total disbursement of loan proceeds totaled \$199,537.	182,909
\$373,157 Bond payable to Virginia Department of Health and Community Development, issued December 11, 2001, due in semi-annual installments of \$6,155 at 0% interest rate. Final payment of principal is due October 1, 2032.	240,027
\$54,845 Bond payable to Virginia Department of Health and Community Development, issued August 9, 2002, due in semi-annual installments of \$920 at 0% interest rate. Final payment of principal is due May 1, 2033.	36,537
\$109,565 Note Payable to Zion Financial issued on March 1, 2011, payable in monthly installments of \$6,167 at 4.620% interest. Final principal payment is due on March 1, 2016.	63,360
\$800,000 Water and Sewer System Revenue Note, Series 2013A, payable to First Bank & Trust, issued on June 21, 2013, at 2.95% interest. At June 30, 2013 the total disbursement of loan proceeds totaled \$6,000.	6,000
\$1,200,000 Bond payable to First Bank & Trust, issued January 20, 2012 Payable in monthly installments of \$7,491 at interest varying from 3.45% to 5.85%. Final payment of principal is due January 19, 2030.	<u>1,129,022</u>

TOTAL ENTERPRISE FUNDS LONG-TERM DEBT

\$ 4,582,582

June 30, 2013

9. **CLAIMS, JUDGEMENTS, AND COMPENSATED ABSENCES**

PRIMARY GOVERNMENT

In accordance with GASB Statement 16 "Accounting and Financial Reporting Principles for Claims and Judgments and Compensated Absences", the Town has accrued the liability arising from outstanding claims and judgments and compensated absences.

Town employees earn general leave at the rate of 1 ¼ days to 2 ¼ day per month depending on length of service. The maximum leave carryover can be no more than 120 days. The Town has outstanding accrued vacation pay totaling \$51,975 in the General Fund and \$31,208 in the Water and Sewer Fund.

10. **FUND BALANCES—GOVERNMENTAL FUNDS**

As of June 30, 2013, fund balances are composed of the following:

	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
Non-spendable:			
Prepaid items	\$ —	\$ —	\$ —
Restricted:			
Parks & Recreation	83,964	—	83,964
Committed:			
Lake Estonoa	15,319	—	15,319
General Administrative	—	—	—
Community Development	—	890	890
Assigned:	—	—	—
Unassigned	591,178	—	591,178
Total fund balances	<u>\$ 690,461</u>	<u>\$ 890</u>	<u>\$ 691,351</u>

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

June 30, 2013

11. **DEFINED BENEFIT PENSION PLAN**

A. Plan Description

Name of Plan: Town of Saint Paul, Virginia, Virginia Retirement System (VRS)

Identification of Plan: Agent and Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

Administering Entity: Virginia Retirement System (System)

All full-time, salaried permanent (professional) employees of public school divisions and employees of participating employers are automatically covered by VRS upon employment. Benefits vest after five years of service credit. Members earn one month of service credit for each month they are employed and their employer is paying into the VRS. Members are eligible to purchase prior public service, active duty military service, certain periods of leave and previously refunded VRS service as credit in their plan.

VRS administers two defined benefit plans for local government employees—Plan 1 and Plan 2:

- Members hired before July 1, 2010 and who are vested as of January 1, 2013 are covered under Plan 1. Non-hazardous duty members are eligible for an unreduced retirement benefit beginning at age 65 with at least 5 years of service credit or age 50 with at least 30 years of service credit. They may retire with a reduced benefit as early as age 55 with at least 5 years of service credit or age 50 with at least 10 years of service credit.
- Members hired or rehired on or after July 1, 2010 and Plan 1 members who were not vested on January 1, 2013 are covered under Plan 2. Non-hazardous duty members are eligible for an unreduced benefit beginning at their normal Social Security retirement age with at least five years of service credit or when the sum of their age and service equals 90. They may retire with a reduced benefit as early as age 60 with at least five years of service credit.
- Eligible hazardous duty members in Plan 1 and Plan 2 are eligible for an unreduced benefit beginning at age 60 with at least 5 years of service credit or age 50 with at least 25 years of service credit. These members include sheriffs, deputy sheriffs and hazardous duty employees of political subdivisions that have elected to provide enhanced coverage for hazardous duty service. They may retire with a reduced benefit as early as age 50 with at least five years of service credit. All other provisions of the member's plan apply.

The VRS Basic Benefit is a lifetime monthly benefit based on a retirement multiplier as a percentage of the member's average final compensation multiplied by the member's total service credit. Under Plan 1, average final compensation is the average of the member's 36 consecutive months of highest compensation. Under Plan 2 average final compensation is the average of the member's 60 consecutive months of highest compensation. The retirement multiplier for non-hazardous duty members is 1.70%. The retirement multiplier for sheriffs and regional jail superintendents is 1.85%. The retirement multiplier for eligible political subdivision hazardous duty employees other than sheriffs and jail superintendents is 1.70% or 1.85% as elected by the employer. The multiplier for plan 2 members was reduced to 1.65% effective January 1, 2013 unless they are hazardous duty employees and their employer has elected the enhanced retirement multiplier. At retirement, members can elect the Basic Benefit, the Survivor Option, a Partial Lump-Sum Option Payment (PLOP) or the Advance Pension Option. A retirement reduction factor is applied to the Basic Benefit amount for member electing the Survivor Option, PLOP or Advanced Pension Option or those retiring with a reduced benefit.

Retirees are eligible for an annual cost-of-living adjustment (COLA) effective July 1 of the second calendar year of retirement. Under Plan 1, the COLA cannot exceed 5.00%; under Plan 2, the COLA cannot exceed 6.00%. During years of no inflation or deflation, the COLA is 0.00%. The VRS also provides death and disability benefits. Title 51.1 of the Code of Virginia (1950), as amended, assigns the authority to establish and amend benefit provisions to the General Assembly of Virginia.

The System issues a publicly available comprehensive annual report that includes financial statements and required supplementary information for VRS. A copy of the report may be obtained from the VRS Web site at <http://www.varetire.org/Pdf/Publication/2012-annual-report.pdf> or by writing to the System's Chief Financial Officer at P.O. Box 2500, Richmond, VA 23218-2500.

11. **DEFINED BENEFIT PENSION PLAN (Continued)**

B. Funding Policy

Plan members are required by Title 51.1 of the Code of Virginia (1950), as amended, to contribute 5% of their compensation toward their retirement. All or part of the 5% member contribution may be assumed by the employer. Beginning July 1, 2012, new employees were required to pay the 5% member contribution. In addition, for existing employees, employers were required to begin making the employee pay the 5% member contribution. This could be phased in over a period up to 5 years and the employer is required to provide a salary increase equal to the amount of the increase in the employee-paid member contribution. In addition, the Town of Saint Paul, Virginia is required to contribute the remaining amounts necessary to fund its participation in the VRS using the actuarial basis specified by the Code of Virginia and approved by the VRS Board of Trustees. The Town's contribution rate for the fiscal year ended June 30, 2013 was 8.46% of annual covered payroll.

C. Annual Pension Cost

For the fiscal year 2013, the Town of Saint Paul's annual pension cost of \$81,385 was equal to the Town's required and actual contributions. The FY 2013 required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at June 30, 2011 included (a) an investment rate of return (net of administrative expenses) of 7.5% (b) projected salary increases of 3.75% to 5.60% per year for general government employees and 3.5% to 4.75% for employees eligible for enhanced benefits available to law enforcement officers, firefighters, and sheriffs, and (c) 2.50% per year for Plan 1 employees and 2.25% for plan 2 employees. Both the investment rate of return and the projected salary increases include an inflation component of 2.50%. The actuarial value of the Town's assets is equal to the modified market value of assets. This method uses techniques that smooth the effects of short-term volatility in the market value of assets over a five-year period. The Town's unfunded actuarial accrued liability is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2011 for the Unfunded Actuarial Accrued Liability (UAAL) was 30 years.

PRIMARY GOVERNMENT:

Trend Information for the Town of Saint Paul, Virginia:

Fiscal Year <u>Ending</u>	Annual Pension <u>Cost (APC)</u>	Percentage of <u>APC Contributed</u>	Net Pension <u>Obligation</u>
June 30, 2013	\$81,385	100%	\$ -0-
June 30, 2012	77,031	100	-0-
June 30, 2011	75,316	100	-0-

D. Funded Status and Funding Progress

As of June 30, 2012 the most recent actuarial valuation date, the plan was 69.02% funded. The actuarial accrued liability for benefits was \$1,989,805, resulting in an unfunded actuarial accrued liability (UAAL) of \$616,468. The covered payroll (annual payroll of active employees covered by the plan) was \$613,047, and ratio of the UAAL to the covered payroll was 100.56%.

June 30, 2013

11. **DEFINED BENEFIT PENSION PLAN (Continued)**

The schedule of funding progress, presented as Required Supplementary Information following these notes, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability (AAL) for benefits.

REQUIRED SUPPLEMENTARY INFORMATION
 Schedule of Funding Progress for the Town of Saint Paul, Virginia

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Liability (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
June 30, 2012	\$1,373,337	\$1,989,805	\$616,468	69.0%	\$613,047	100.6%
June 30, 2011	1,312,928	1,851,205	538,277	70.9	560,247	96.0
June 30, 2010	1,228,031	1,701,086	473,055	72.2	537,367	88.0
June 30, 2009	1,162,099	1,470,251	308,152	79.0	481,860	64.0

12. **OTHER POST-EMPLOYMENT BENEFITS**

The Governmental Accounting Standards Board (GASB) has issued its Statement No. 45, *Accounting and Financial Reporting by Employers for Postretirement Benefit Plans Other Than Pensions*. The Statement establishes standards for the measurement, recognition, and display of other post-employment benefits (OPEB) expense and related liabilities in the financial statements. The cost of post-employment healthcare benefits should be associated with the period in which the cost occurs, rather than in the future years when it will be paid. The Town of St. Paul adopted the requirements of GASB Statement No. 45 during the year ended June 30, 2010. Recognition of the liability accumulated from prior years will be phased in over 30 years commencing with the 2010 liability.

The Town meets the requirements to use the alternative measurement method and elects to use the alternative measurement method.

Annual Other Post-Employment Benefit Cost and Net OPEB Obligation

For the fiscal year ended June 30, 2013, the Town's annual OPEB costs of \$17,544 for governmental activities and \$9,512 for business-type activities, respectively, were equal to the Annual Required Contribution (ARC).

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Annual required contribution	\$ 17,940	\$ 9,725	\$27,665
Interest on net OPEB obligation	234	126	360
Adjustment to annual required contribution	(630)	(339)	(969)
Annual OPEB cost	\$ 17,544	\$ 9,512	\$27,056
Contributions made (Age Adjusted)	(-)	(-)	(-)
Increase in net OPEB obligation	17,544	9,512	27,056
Net OPEB obligation-beginning of year	<u>35,223</u>	<u>18,846</u>	<u>54,069</u>
Net OPEB obligation-end of year	<u>\$ 52,767</u>	<u>\$ 28,358</u>	<u>\$ 81,125</u>

June 30, 2013

12. **OTHER POST-EMPLOYMENT BENEFITS (Continued)**

The Town's annual OPEB cost for governmental activities, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows. The Town's first year of implementing GASB No. 45 was June 30, 2010.

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 17,544	0%	\$ 52,767
June 30, 2012	\$ 11,741	0%	\$ 35,223

The Town's annual OPEB cost for governmental activities, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation are as follows. The Town's first year of implementing GASB No. 45 was June 30, 2010.

Fiscal Year Ending	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	\$ 9,512	0%	\$ 28,358
June 30, 2012	\$ 6,282	0%	\$ 18,846

Funding Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

REQUIRED SUPPLEMENTARY INFORMATION
 Schedule of Funding Progress for the Town of St. Paul, Virginia

<u>Activity Type</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
Governmental	\$ -0-	\$ 117,166	\$ 117,166	0.00%	\$ 472,336	24.81%
Business-type	\$ -0-	\$ 63,089	\$ 63,089	0.00%	\$ 254,335	24.81%

June 30, 2013

12. **OTHER POST-EMPLOYMENT BENEFITS (Continued)**

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the type of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The entry age normal cost method was used to determine liabilities under the alternative measurement method. Under this method, future benefits are projected and the present value of such benefits is allocated from date of hire to date of eligibility. Active employees are assumed to retire at age 61 which is the historical average age of retirement for employees of the Town. Active employees age 61 or older who have qualified postemployment benefits under the plan are assumed to retire in the first projected year. A healthcare plan that includes both retirees and active employees contains a blended rate. The rate used in the calculation is the age-adjusted premium less the contribution from the retiree or blended premium. The actuarial assumptions for the Town included: inflation at 3.0 and an investment rate of return of 3.0%. The expected rate of increase in healthcare insurance premiums is based on the Getzen model promulgated by Society of Actuaries. Using the level percent of payroll method, the payroll growth rate has been set to the inflation rate. Life expectancies at the calculation date are based on the most recent mortality tables published by the National Center for Health Statistics. The 2004 United States Life Tables for Males and the United States Life Tables for Females were used. Life expectancies that include partial years were rounded to the nearest whole year. The calculation of postemployment health insurance coverage for each year is based on the assumption that all participants will live until their expected age as displayed in the mortality tables. The probability that an employee will remain employed until the assumed retirement age was determined using non-group specific age-based turnover data provided in Table 1 in paragraph 35b of GASB Statement 45. The unfunded accrued liability is being amortized over 20 years. The remaining amortization period at June 30, 2013 is 16 years.

Plan Description

The Town provides post-employment medical coverage for retired employees through a single-employer defined benefit plan. The Town may change, add or delete coverage as they deem appropriate and with the approval of the Town Council. The plan does not grant retirees vested health benefits.

A retiree, eligible for post-retirement medical coverage, is defined as a full-time employee who retires directly from the Town and is eligible to receive an early or regular retirement benefit from the VRS. Employees applying for early or regular retirement are eligible to continue participation in the Retiree Health Plans sponsored by the Town. The Town pays 100% of the premium based on the following parameters:

- 1) Employees with 20 or more years of continuous service at retirement receive medical and dental insurance coverage for a maximum of three years.
- 2) There is no coverage for dependents.

Funding Policy

The Town currently funds post-employment health care benefits on a pay-as-you-go basis. During fiscal year 2013, the Town had not designated any funding for the OPEB liability.

June 30, 2013

13. **DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES**

In addition to assets, the statement of financial position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, *Deferred Outflows of Resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an expense or expenditure until then. The Town currently has no item that meets this criterion.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *Deferred Inflows of Resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as revenue until then.

The Town has deferred inflows totaling \$19,269 in the general fund and \$1,667,308 in the proprietary fund comprised of the following:

Deferred Property Tax Revenue:

Deferred inflows representing uncollected tax billings not available for funding of current expenditures totaled \$19,269 at June 30, 2013.

Deferred Dominion Diffuser Agreement

Deferred inflows comprised of an advance receipt from Dominion Resources toward future use of a Diffuser in the amount of \$1,667,308 at June 30, 2013.

14. **COMMITMENTS AND CONTINGENCIES**

Litigation

In regard to litigation involving the Town of Saint Paul, Virginia, we are not aware of any material contingent liabilities that could affect the financial statements.

15. **SURETY BONDS**

The Town of Saint Paul has a blanket bond with Virginia Municipal Liability Pool covering general liability, public officials, and law enforcement with a \$1,000,000 occurrence limit. The Town has an additional \$100,000 crime and bond coverage for the Town's treasurer functions.

16. **PRIOR PERIOD ADJUSTMENT**

A prior period adjustment, in the amount of \$33,092 was made to the Water & Sewer Fund to record the adoption of GASB Statement 65, "Items Previously Reported as Assets and Liabilities".

17. **CHANGE IN ACCOUNTING POLICY**

The Town implemented Governmental Accounting Standards Board (GASB) Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position." GASB Statement No. 63 identifies net position, rather than net assets, as the residual of all other elements presented in the statement of financial position. This change was incorporated in the Town's financial statements; however, there was no effect on beginning net position.

The Town has decided to early implement Governmental Accounting Standards Board (GASB) Statement No. 65, "Items Previously Reported as Assets and Liabilities" which is effective for periods beginning after December 15, 2012. A prior period adjustment was made to account for the effects of this new standard.

TOWN OF SAINT PAUL, VIRGINIA
GOVERNMENTAL FUND REVENUES
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2013

SCHEDULE 1
Page 1

	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>PRIMARY GOVERNMENT</u>				
GENERAL FUND:				
Revenue from Local Sources:				
General Property Taxes:				
Real property taxes	\$ 1,000,000	\$ 1,025,000	\$ 1,027,495	\$ 2,495
Real and personal public service corporation property taxes	-	-	-	-
Personal property taxes	103,800	78,800	75,473	(3,327)
Machinery and tools taxes	-	-	-	-
Penalties and interest	500	500	888	388
Total General Property Taxes	<u>1,104,300</u>	<u>1,104,300</u>	<u>1,103,856</u>	<u>(444)</u>
Other Local Taxes:				
Local sales and use taxes	49,000	59,000	46,648	(12,352)
Cigarette taxes	23,000	23,000	25,438	2,438
Utility taxes	39,000	39,000	70,591	31,591
Business licenses taxes	139,450	139,450	139,144	(306)
Franchise license taxes	-	-	-	-
Communication taxes	-	-	-	-
Motor vehicle licenses	8,000	8,000	6,408	(1,592)
Bank stock taxes	38,000	38,000	26,262	(11,738)
Hotel and motel room taxes	-	-	-	-
Restaurant food taxes	195,000	195,000	215,056	20,056
Coal road improvement taxes	140,000	130,000	77,666	(52,334)
Total Other Local Taxes	<u>631,450</u>	<u>631,450</u>	<u>607,213</u>	<u>(24,237)</u>
Permits, Privilege Fees, And Regulatory Licenses	<u>2,000</u>	<u>2,000</u>	<u>1,975</u>	<u>(25)</u>
Fines and Forfeitures	<u>14,000</u>	<u>14,000</u>	<u>18,739</u>	<u>4,739</u>
Revenue From Use Of Money and Property:				
Revenue from use of money	5,000	5,000	7,183	2,183
Revenue from use of property	4,800	4,800	4,400	(400)
Total Revenue From Use of Money and Property	<u>9,800</u>	<u>9,800</u>	<u>11,583</u>	<u>1,783</u>
Charges For Services:				
Charges for sanitation and waste removal	400	400	275	(125)
Charges for parks and recreation	3,000	3,000	75	(2,925)
Swimming pool	17,500	17,500	12,514	(4,986)
Total Charges For Services	<u>20,900</u>	<u>20,900</u>	<u>12,864</u>	<u>(8,036)</u>
Miscellaneous Revenue	<u>15,350</u>	<u>15,350</u>	<u>47,622</u>	<u>32,272</u>
Recovered Costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenue From Local Sources	<u>\$ 1,797,800</u>	<u>\$ 1,797,800</u>	<u>\$ 1,803,852</u>	<u>\$ 6,052</u>

TOWN OF SAINT PAUL, VIRGINIA
GOVERNMENTAL FUND REVENUES
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2013

	<u>Budget</u>	<u>Budget as Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenue From The Commonwealth:				
Non-Categorical Aid:				
ABC profits	-	-	-	\$ -
Wine taxes	-	-	-	-
Mobile home titling taxes	250	250	175	(75)
Rolling stock taxes	5,400	5,400	6,019	619
Assistance to localities with police departments	23,025	23,025	23,024	(1)
Total Non-Categorical Aid	<u>28,675</u>	<u>28,675</u>	<u>29,218</u>	<u>543</u>
Other Categorical Aid:				
Street and highway maintenance	-	-	-	-
Litter control	1,000	1,000	1,203	203
Financial assistance to the arts	-	-	-	-
Tobacco Indemnification	-	-	472	472
Community Revitalization	500,000	500,000	392,744	(107,256)
Farmers Market-ADS Grant	1,000	1,000	300	(700)
Farmers Market-EBT Grant	-	-	-	-
Disaster Recovery Grant	-	-	-	-
IDA grant	-	-	142	142
DMV grant	-	-	-	-
Fire programs fund	8,000	8,000	-	(8,000)
Total Other Categorical Aid	<u>510,000</u>	<u>510,000</u>	<u>394,861</u>	<u>(115,139)</u>
Total Revenue From The Commonwealth	<u>538,675</u>	<u>538,675</u>	<u>424,079</u>	<u>(114,596)</u>
Revenue From The Federal Government:				
Payment In Lieu of Taxes:				
Payment in lieu of property taxes	5,400	5,400	4,139	(1,261)
Total Payment in Lieu of Taxes	<u>5,400</u>	<u>5,400</u>	<u>4,139</u>	<u>(1,261)</u>
Categorical Aid:				
USDA	-	-	6,389	6,389
TVA-Reimbursement	1,500	1,500	-	(1,500)
Emergency Response Grant-ARC	-	-	-	-
LLEBG-Block Grant	1,000	1,000	-	(1,000)
Total Categorical Aid	<u>2,500</u>	<u>2,500</u>	<u>6,389</u>	<u>3,889</u>
Total Revenue From The Federal Government	<u>7,900</u>	<u>7,900</u>	<u>10,528</u>	<u>2,628</u>
Prior Years Surplus	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>(50,000)</u>
TOTAL GENERAL FUND	<u>2,394,375</u>	<u>2,394,375</u>	<u>2,238,459</u>	<u>(155,916)</u>
SPECIAL REVENUE FUNDS:				
Veteran's Memorial Wall				
Revenue From Local Sources:				
Revenue from Use of Money and Property:				
Transfers in (out)	5	5	7	2
Miscellaneous	-	-	-	-
Total Revenue Veteran's Memorial Wall	<u>2,250</u>	<u>2,250</u>	<u>10</u>	<u>(2,240)</u>
Total Special Revenue Funds	<u>2,255</u>	<u>2,255</u>	<u>17</u>	<u>(2,238)</u>
GRAND TOTALS - REVENUES - GOVERNMENTAL FUNDS	<u>\$ 2,396,630</u>	<u>\$ 2,396,630</u>	<u>\$ 2,238,476</u>	<u>\$ (158,154)</u>

TOWN OF SAINT PAUL, VIRGINIA
GOVERNMENTAL FUND EXPENDITURES
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2013

	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>PRIMARY GOVERNMENT</u>				
GENERAL FUND:				
General Government Administration:				
Legislative:				
Mayor	\$ 1,200	\$ 1,200	\$ 1,200	\$ -
Total Legislative	1,200	1,200	1,200	-
General and Financial Administration:				
Salaries and Wages	121,712	121,712	113,089	8,623
Payroll taxes	8,739	8,739	9,687	(948)
Health insurance	35,532	35,532	36,051	(519)
Retirement	12,310	12,310	12,648	(338)
Insurance-Worker's Compensation	180	180	171	9
Other Employee Benefits	1,304	1,304	1,192	112
Legal fees	7,000	7,000	9,323	(2,323)
Accounting	2,500	2,500	3,438	(938)
Audit expense	10,000	10,000	9,500	500
Dues, Licenses & Fees	2,000	2,000	2,077	(77)
Advertising	1,200	1,200	1,765	(565)
Computer Software	7,000	7,000	3,262	3,738
Insurance-General Liability	2,730	2,730	2,297	433
Insurance-Bond Coverage	370	370	314	56
Miscellaneous	10,500	10,500	14,141	(3,641)
Supplies & Equipment	5,400	14,100	16,175	(2,075)
Town Election Expense	-	-	-	-
Telephone	6,900	6,900	6,441	459
Travel, Lodging & Entertainment	10,000	14,000	13,562	438
Tax Ticket Preparation	650	650	575	75
Tax Credit-WC IDA	500,000	458,000	457,785	215
Cigarette Tax Costs	2,100	2,100	2,878	(778)
Total General and Financial Administration	748,127	718,827	716,371	2,456
Total General Government Administration	749,327	720,027	717,571	2,456
Public Safety:				
Law Enforcement and Traffic Control:				
Salaries and Wages	197,840	197,840	232,111	(34,271)
Payroll taxes	15,702	15,702	17,546	(1,844)
Health insurance	51,360	51,360	54,106	(2,746)
Retirement	22,317	22,317	24,281	(1,964)
Insurance-Worker's Compensation	4,340	4,340	4,347	(7)
Other Employee benefits	2,365	2,365	2,305	60
Uniforms	1,200	1,200	1,135	65
Legal Fees	1,000	1,000	2,621	(1,621)
Dues, Licenses & Fees	1,400	1,400	-	1,400
Liability Insurance	2,730	2,730	2,297	433
Materials and Supplies	5,900	7,900	10,453	(2,553)
Materials and Supplies-Christmas Toy Drive	3,000	3,000	4,628	(1,628)
Training and Education	1,600	1,600	2,569	(969)
Telephone	1,400	11,650	12,797	(1,147)
Utilities	5,200	5,200	5,688	(488)
Miscellaneous	3,300	7,300	6,900	400
Vehicle Expense	27,500	27,500	33,783	(6,283)
Line of Duty expense	800	800	1,500	(700)
Capital Outlay	-	27,000	27,000	-
Total Law Enforcement and Traffic Control	348,954	392,204	446,067	(53,863)

TOWN OF SAINT PAUL, VIRGINIA
GOVERNMENTAL FUND EXPENDITURES
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2013

	<u>Budget</u>	<u>Budget as Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Fire and Rescue Services:				
Compensation of Firemen	-	-	-	-
Vehicle expense	2,300	2,300	1,402	898
Insurance	4,900	4,900	4,914	(14)
Fire programs	8,000	8,000	-	8,000
Supplies	300	300	21,567	(21,267)
Utilities	400	400	271	129
Miscellaneous	-	-	168	(168)
Total Fire and Rescue Services	<u>15,900</u>	<u>15,900</u>	<u>28,322</u>	<u>(12,422)</u>
Total Public Safety	<u>364,854</u>	<u>408,104</u>	<u>474,389</u>	<u>(66,285)</u>
Public Works:				
Maintenance of Highways, Streets, Bridges and Sidewalks:				
Salaries and Wages	162,151	162,151	200,974	(38,823)
Payroll taxes	12,830	12,830	15,294	(2,464)
Health insurance	51,360	51,360	41,083	10,277
Retirement	19,510	19,510	19,929	(419)
Insurance-Worker's Compensation	7,000	7,000	7,588	(588)
Other employee benefits	2,067	2,067	2,000	67
Uniforms	4,200	4,200	3,490	710
Miscellaneous	-	-	-	-
Contract labor	-	-	-	-
Litter Control	1,000	1,000	-	1,000
Materials & Supplies	9,000	9,000	10,044	(1,044)
Telephone	700	700	1,153	(453)
Utilities	26,000	26,000	28,563	(2,563)
Inmate expense	-	-	-	-
Vehicle expense	33,300	96,300	105,728	(9,428)
Capital Outlay	-	63,500	-	63,500
Total Maintenance of Highways, Streets, Bridges, and Sidewalks	<u>329,118</u>	<u>455,618</u>	<u>435,846</u>	<u>19,772</u>
Maintenance of General Buildings and Grounds:				
Wages-Custodial	6,874	6,874	6,653	221
Materials & Supplies	1,900	1,900	1,810	90
Insurance-Buildings and Property	4,200	4,200	4,526	(326)
Capital Outlay	-	-	34,590	(34,590)
Total Maintenance of General Buildings and Grounds	<u>12,974</u>	<u>12,974</u>	<u>47,579</u>	<u>(34,605)</u>
Total Public Works	<u>342,092</u>	<u>468,592</u>	<u>483,425</u>	<u>(14,833)</u>
Parks, Recreation and Cultural:				
Salaries and Wages	15,255	15,255	13,456	1,799
Payroll Taxes	1,347	1,347	1,196	151
Insurance-Worker's Compensation	350	350	535	(185)
Miscellaneous	5,250	5,250	26,263	(21,013)
Concessions	6,000	6,000	7,218	(1,218)
Maintenance & Repairs	5,000	150,000	65,122	84,878
Materials & supplies	6,300	6,300	5,630	670
Telephone	400	400	421	(21)
Utilities	9,000	9,000	11,438	(2,438)
Capital Outlay	-	262,000	343,158	(81,158)
Total Parks and Recreation	<u>48,902</u>	<u>455,902</u>	<u>474,437</u>	<u>(18,535)</u>

TOWN OF SAINT PAUL, VIRGINIA
GOVERNMENTAL FUND EXPENDITURES
BUDGETARY COMPARISON SCHEDULE
Year Ended June 30, 2013

SCHEDULE 2
Page 3

	<u>Budget</u>	<u>Budget as Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cultural Enrichment:				
Pro-Art	-	-	-	-
Fourth of July Celebration	5,000	5,000	2,988	2,012
Civic-Little League	-	-	1,779	(1,779)
Miscellaneous	450	450	1,550	(1,100)
Total Cultural Enrichment	<u>5,450</u>	<u>5,450</u>	<u>6,317</u>	<u>(867)</u>
Library:				
Payments to regional library	4,800	4,800	4,441	359
Total Parks, Recreation and Cultural	<u>59,152</u>	<u>466,152</u>	<u>485,195</u>	<u>(19,043)</u>
Community Development:				
Lake Estonoa Learning Center	2,000	2,000	5,065	(3,065)
Farmers Market	2,750	2,750	12,174	(9,424)
Community development	502,200	502,200	410,975	91,225
Total Planning and Community Development	<u>506,950</u>	<u>506,950</u>	<u>428,214</u>	<u>78,736</u>
Total Community Development	<u>506,950</u>	<u>506,950</u>	<u>428,214</u>	<u>78,736</u>
Non-Departmental				
Contingency	400,000	552,550	-	552,550
Total Non-Departmental	<u>400,000</u>	<u>552,550</u>	<u>-</u>	<u>552,550</u>
Debt Service:				
Principal retirement	-	-	-	\$ -
Interest	-	-	-	-
Total Non-Departmental	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL GENERAL FUND	<u>2,422,375</u>	<u>3,122,375</u>	<u>2,588,794</u>	<u>533,581</u>
GRAND TOTAL - EXPENDITURES - PRIMARY GOVERNMENT FUNDS	<u>\$ 2,422,375</u>	<u>\$ 3,122,375</u>	<u>\$ 2,588,794</u>	<u>\$ 533,581</u>
OTHER FINANCING RESOURCES (USES):				
Sale of property	-	-	2,780	2,780
Insurance recoveries	-	-	27,140	27,140
Transfers in (out)	28,000	728,000	10,000	(718,000)
Total Other Financing Sources (Uses)	<u>28,000</u>	<u>728,000</u>	<u>39,920</u>	<u>(688,080)</u>
Net Increase (Decrease) in General Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (310,415)</u>	<u>\$ (310,415)</u>
SPECIAL REVENUE FUNDS:				
Veteran's Memorial Wall				
Miscellaneous	2,255	2,255	-	(2,255)
Total Revenue Veteran's Memorial Wall	<u>2,255</u>	<u>2,255</u>	<u>-</u>	<u>(2,255)</u>
Total Special Revenue Funds Expenditures	<u>2,255</u>	<u>2,255</u>	<u>-</u>	<u>(2,255)</u>
Grand Total Expenditures-Governmental Funds	<u>2,452,630</u>	<u>3,852,630</u>	<u>2,628,714</u>	<u>(156,754)</u>
Net Increase (Decrease) in Governmental Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (310,398)</u>	<u>\$ (310,398)</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF SAINT PAUL, VIRGINIA
ENTERPRISE FUND REVENUES EXPENSES
BUDGETARY COMPARISON SCHEDULE
 June 30, 2013

	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
OPERATING REVENUES:				
Charges for Services:				
Water Services	642,000	642,000	677,179	\$ 35,179
Sewer Services	374,364	374,364	295,518	(78,846)
Garbage Services	89,900	89,900	90,161	261
Penalties	5,900	5,900	7,267	1,367
Other Income	1,000	2,301,000	632,707	(1,668,293)
	<u>1,113,164</u>	<u>3,413,164</u>	<u>1,702,832</u>	<u>(1,710,332)</u>
TOTAL OPERATING REVENUES				
OPERATING EXPENSES:				
Water Department:				
Salaries & Wages	112,277	112,277	149,355	(37,078)
Payroll Taxes	8,873	8,873	11,269	(2,396)
Retirement	13,210	13,210	12,992	218
Insurance - Health	35,532	35,532	40,283	(4,751)
Insurance - Workmens Compensation	3,106	3,106	3,378	(272)
Contract Labor	-	-	-	-
Audit Fees	2,000	2,000	1,719	281
Chemicals	14,000	14,000	26,514	(12,514)
Miscellaneous	2,428	2,428	2,775	(347)
Fuel, Oil & Gas	2,000	2,000	1,200	800
Insurance-Buildings & Property	9,330	9,330	9,120	210
Insurance-Vehicles	6,350	6,350	6,350	-
Licenses, Permits & Fees	8,600	8,600	3,170	5,430
Loan Expenses	384,485	384,485	-	384,485
Office Equipment & Supplies	11,100	11,100	9,870	1,230
Postage	2,100	2,100	2,756	(656)
Repairs & Maintenance	18,000	18,000	31,885	(13,885)
Utilities	39,000	39,000	47,014	(8,014)
Uniforms	4,300	4,300	5,490	(1,190)
Contingency	-	1,600,000	-	1,600,000
	<u>676,691</u>	<u>2,276,691</u>	<u>365,140</u>	<u>1,911,551</u>
TOTAL WATER DEPARTMENT				
Sewer Department:				
Salaries & Wages	110,620	110,620	88,234	22,386
Payroll Taxes	8,612	8,612	6,875	1,737
Retirement	7,862	7,862	7,720	142
Insurance - Health	26,046	26,046	29,596	(3,550)
Insurance - Workmens Compensation	1,345	1,345	1,388	(43)
Contract Labor	-	-	-	-
Audit Fees	2,800	2,800	1,719	1,081
Miscellaneous	1,840	1,840	120	1,720

The accompanying notes are an integral part of the financial statements.

TOWN OF SAINT PAUL, VIRGINIA
ENTERPRISE FUND REVENUES EXPENSES
BUDGETARY COMPARISON SCHEDULE
 June 30, 2013

	<u>Original Budget</u>	<u>Budget as Amended</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Sewer Department: (Cont.)				
Fuel, Oil & Gas	7,800	7,800	14,497	(6,697)
Licenses, Permits & Fees	6,200	6,200	2,766	3,434
Materials & Supplies	5,000	5,000	5,538	(538)
Repairs & Maintenance	8,500	8,500	19,094	(10,594)
Utilities	28,100	28,100	50,581	(22,481)
Testing	58,000	58,000	78,621	(20,621)
Capital Outlay	4,548,000	4,548,000	-	4,548,000
TOTAL SEWER DEPARTMENT	<u>4,820,725</u>	<u>4,820,725</u>	<u>306,749</u>	<u>4,513,976</u>
Garbage Department:				
Salaries & Wages	49,264	49,264	51,246	(1,982)
Payroll Taxes	3,958	3,958	4,011	(53)
Retirement	6,788	6,788	6,092	696
Insurance - Health	11,112	11,112	11,738	(626)
Insurance - Workmens Compensation	3,360	3,360	2,160	1,200
Fuel, Oil & Gas	15,000	15,000	14,897	103
Materials & Supplies	-	-	317	(317)
Repairs & Maintenance	1,500	1,500	1,193	307
TOTAL GARBAGE DEPARTMENT	<u>90,982</u>	<u>90,982</u>	<u>91,654</u>	<u>(672)</u>
TOTAL OPERATING EXPENSES BEFORE DEPRECIATION	5,588,398	7,188,398	763,543	6,424,855
Depreciation Expense	41,664	41,664	279,365	(237,701)
TOTAL OPERATING EXPENSES	<u>5,630,062</u>	<u>7,230,062</u>	<u>1,042,908</u>	<u>6,187,154</u>
OPERATING INCOME (LOSS)	(4,516,898)	(3,816,898)	659,924	4,476,822
NON-OPERATING REVENUES (EXPENSES):				
Interest Income	3,500	3,500	3,702	202
Interest Expense	(4,000)	(4,000)	(184,319)	(180,319)
Connection Fees	9,900	9,900	8,886	(1,014)
Grant revenue	4,911,700	4,911,700	65,106	(4,846,594)
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>4,921,100</u>	<u>4,921,100</u>	<u>(106,625)</u>	<u>(5,027,725)</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	404,202	1,104,202	553,299	(550,903)
Operating Transfer In (Out)	(32,000)	(732,000)	(10,000)	722,000
Debt Service	(372,202)	(372,202)	-	372,202
Reappropriation of Retained Earnings	-	-	-	-
TOTAL OPERATING TRANSFERS	<u>(404,202)</u>	<u>(1,104,202)</u>	<u>(10,000)</u>	<u>1,094,202</u>
NET INCOME (LOSS)	<u>-</u>	<u>-</u>	<u>543,299</u>	<u>543,299</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF SAINT PAUL, VIRGINIA
STATEMENT OF ASSESSED VALUES AND PROPERTY TAX LEVIES
 For the Year Ended June 30, 2013

PROPERTY TAX LEVIES AND COLLECTIONS

FISCAL YEAR	TOTAL (1) TAX LEVY	CURRENT		PERCENT OF LEVY COLLECTED		DELINQUENT (1)		DELINQUENT TAX (2)		TOTAL TAX COLLECTIONS	PERCENT OF TOTAL TAX COLLECTIONS OF TAX LEVY		OUTSTANDING (1) DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES TO TAX LEVY
		TAX (1) COLLECTIONS	TAX (2) COLLECTIONS	TAX (1) COLLECTIONS	TAX (2) COLLECTIONS	TOTAL TAX COLLECTIONS	TOTAL TAX COLLECTIONS							
2013	1,107,642	1,021,968	5,526	92.27%	1,027,494	92.76%	22,163	2.00%						
2012	1,095,827	1,089,180	1,478	99.39%	1,090,658	99.53%	22,075	2.01%						
2011	885,136	881,649	840	99.61%	882,489	99.70%	27,071	3.06%						
2010	177,790	174,910	522	98.38%	175,432	98.67%	24,378	13.71%						
2009	106,512	101,341	485	95.15%	101,826	95.60%	18,286	17.17%						
2008	103,029	97,954	564	95.07%	98,518	98.83%	15,247	14.80%						
2007	102,398	98,836	504	96.52%	99,340	97.01%	15,442	15.08%						

ASSESSED VALUE OF TAXABLE PROPERTY

FISCAL YEAR	REAL ESTATE TAX		PERSONAL PROPERTY		TOTAL	
	WISE COUNTY	RUSSELL COUNTY	WISE COUNTY	RUSSELL COUNTY	WISE COUNTY	RUSSELL COUNTY
2013	558,526,438	12,355,600	570,882,038	1,509,360	24,266,395	25,775,755
2012	531,195,633	12,345,400	543,541,033	1,540,825	36,384,860	37,925,685
2011	416,670,604	15,261,114	431,931,718	1,606,009	33,122,691	34,728,700
2010	46,363,725	15,179,596	61,543,321	1,438,495	20,178,308	21,616,803
2009	31,549,900	15,120,740	46,670,640	1,372,816	5,886,944	7,259,760
2008	31,758,900	14,254,203	46,013,103	1,422,786	4,982,645	6,405,431
2007	31,213,633	13,240,840	44,454,473	1,354,147	5,420,406	6,774,553

THE ACCOMPANYING NOTES ARE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS.

TOWN OF SAINT PAUL, VIRGINIA
RATIO OF NET GENERAL BONDED DEBT
TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA

FISCAL YEAR	POPULATION (1)	ASSESSED VALUE (IN THOUSANDS)	GROSS BONDED DEBT (2)	LESS:			NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
				DEBT SERVICE MONIES AVAILABLE	DEBT PAYABLE FROM ENTERPRISE REVENUES	DEBT			
2013	1,000	\$ 570,882	\$ 4,582,582	-	\$ 4,582,582	\$ -	-	\$ -	-
2012	1,000	543,541	4,897,442	-	4,897,442	-	-	-	-
2011	1,000	431,932	4,026,482	-	4,026,482	-	-	-	-
2010	1,000	61,543	3,689,895	-	3,685,367	4,528	0.0001	4,528	4.53
2009	1,000	46,671	371,147	-	360,470	10,677	0.0002	10,677	10.68
2008	1,000	46,013	401,291	-	384,067	17,224	0.0004	17,224	17.22
2007	1,000	44,454	447,426	-	406,782	40,644	0.0009	40,644	40.64
2006	1,000	43,877	447,442	-	409,804	37,638	0.0009	37,638	37.64

Notes:

- (1) Bureau of Census.
- (2) Includes all long-term general obligation debt.

The accompanying notes are an integral part of the financial statements

TOWN OF SAINT PAUL, VIRGINIA
COMPUTATION OF LEGAL DEBT MARGIN
Year Ended June 30, 2013

SCHEDULE 6

The Charter of the Town of Saint Paul limits the Legal Debt Margin to 10% of the assessed value of real estate within the Town limits.

Assessed value of real estate		<u>\$ 570,882,038</u>
Legal debt limit, 10% of assessed value		57,088,204
Total bonded debt:	\$ 4,582,582	
Less: Water and Sewer revenue bonds	<u>(4,582,582)</u>	
Net bonded debt		<u>-</u>
 Legal Debt Margin		 <u><u>\$ 57,088,204</u></u>