

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

F. Assets, Liabilities and Equity

1. Cash

Cash balances of most City funds are deposited with and invested by the City Treasurer. The City considers all short-term investments of ninety (90) days or less to be cash equivalents.

2. Investments

The City invests in investments as allowed by State Statute. Investments with readily determinable fair values are reported at their fair values on the balance sheet. Unrealized gains and losses are included in revenue.

3. Receivables

Receivables are shown net of an allowance for uncollectible accounts for the estimated losses that will be incurred in the collection of the receivables. The estimated losses are based on the judgment of management and a review of the current status of existing receivables.

4. Internal Balances

Activity between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as either "Due to/from Other Funds" (i.e., the current portion) or "Advances to/from Other Funds" (i.e., the non-current portion). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances". Cash balances deposited and invested by the Treasurer in a combined cash account are reported as "Due to/from Other Funds".

5. Inventories and Prepaid Expenses

Inventory quantities are determined by physical count and are valued at the lower of cost or market. Inventories in the General Fund consist of materials and inventories in the Proprietary Funds consists of chemicals and materials. There were no recorded inventories as of June 30, 2011.

Certain payments to vendors reflect costs that are applicable to future accounting periods and are recorded as prepaid expenses.

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

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6. Capital Assets

Capital assets are reported at actual cost or estimated historical cost based on appraisals or deflated current replacement cost if purchased or constructed. Contributed assets are recorded at their estimated fair value at the time received. Major outlays for capital assets and improvements are capitalized as constructed. Interest incurred during the construction phase for proprietary fund capital assets is reflected in the capitalized value of the asset constructed, net of any interest earned on the invested proceeds during the same period. Interest is not capitalized during the construction phase of capital assets used in governmental activities. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized. Infrastructure assets are reported starting with fiscal year June 30, 2004. The City has elected to not report major general infrastructure assets retroactively. The City has not capitalized any interest costs.

Capital assets reported in the government-wide and proprietary fund financial statements are depreciated in order that the cost of these assets will be charged to expenses over their estimated service lives, generally using the straight-line method of calculating depreciation.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts) and estimated useful lives of capital assets are as follows:

	<u>Capitalization Threshold</u>	<u>Estimated Service Life</u>
Land	\$ 5,000	Not Depreciated
Buildings and Building Improvements	5,000	40 Years
Vehicles	5,000	4-15 Years
Machinery, Equipment and Furniture	5,000	8-20 Years
Roads, Bridges, and Sidewalks	5,000	30-50 Years
Water and Wastewater Distribution and and Collection Systems	5,000	60 - 100 Years

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

7. Compensated Absences

It is the policy of the City to permit employees to accumulate earned but unused vacation time up to two hundred forty (240) hours and comp-time up to one-hundred and sixty (160) hours. The value of this leave time will be paid at their current rate of pay upon retirement, termination or death. In addition to this, employees hired before July 1, 2008 can accrue up to six hundred forty (640) hours of sick leave, and will be paid the value of this leave time at their current rate of pay upon retirement, termination and death. Employees hired after July 1, 2008 can accrue up to two hundred forty (240) hours with one hundred sixty (160) hours vested for payment upon retirement, termination or death. Payments for unused compensated absences in the governmental funds are recorded as expenditures in the year they are paid.

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8. Long-term Liabilities

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

9. Fund Equity

Fund Balances and Retained Earnings are classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Restrictions of net assets in the government-wide and proprietary fund type financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund Balances of governmental funds are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the City Council's intended use of the resources); and unassigned.

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

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

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

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

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

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

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

	Balance Sheet	Long-term Revenues/ Expenses	Capital Related Items	Long-term Debt Transactions	Elimination of Interfund Balances	Statement of Net Assets
ASSETS						
Cash	\$ 1,192,922	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,192,922
Investments	155,039	0	0	0	0	155,039
Receivables	764,967	0	0	0	0	764,967
Due from Other Funds	60,853	0	0	0	(610,901)	(550,048)
Advances to Other Funds	228,915	0	0	0	(228,915)	0
Loans Receivable	98,887	0	0	0	0	98,887
Prepaid Expenses	22,084	0	0	0	0	22,084
Capital Assets	0	0	5,064,232	0	0	5,064,232
Total Assets	2,523,667	0	5,064,232	0	(839,816)	6,748,083
LIABILITIES						
Accounts Payable	261,520	0	0	0	0	261,520
Accrued Payroll and Benefits Payable	47,660	0	0	0	0	47,660
Due to Other Funds	610,901	0	0	0	(610,901)	0
Advances from Other Funds	228,915	0	0	0	(228,915)	0
Deferred Revenue	743,758	(651,465)	0	0	0	92,293
Accrued Interest Payable	0	6,455	0	0	0	6,455
Noncurrent Liabilities	0	366,211	0	1,841,570	0	2,207,781
Total Liabilities	1,892,754	(278,799)	0	1,841,570	(839,816)	2,615,709
NET ASSETS						
Invested in Capital Assets	0	0	5,064,232	(969,835)	0	4,094,397
Other	630,913	278,799	0	(871,735)	0	37,977
Total Net Assets	\$ 630,913	\$ 278,799	\$ 5,064,232	\$ (1,841,570)	\$ 0	\$ 4,132,374

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

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

	Statement of Revenues, Expenditures and Changes in Fund Balances	Long-term Revenues/ Expenses	Capital Related Items	Long-term Debt Transactions	Reclassifications and Elimination of Interfund Activity	Statement of Activities
REVENUES						
Taxes	\$ 3,707,017	\$ 58,000	\$ 0	\$ 0	\$ 0	\$ 3,765,017
Penalties and Interest	95,793	0	0	0	0	95,793
Intergovernmental Revenues	1,947,208	104,882	0	0	(1,966,655)	85,435
Charges for Services	1,311,588	0	0	0	37,033	1,348,621
Operating Grants and Contributions	0	0	0	0	1,050,574	1,050,574
Capital Grants and Contributions	0	0	0	0	920,671	920,671
Investment Income	7,934	0	0	0	0	7,934
Loan Repayments	3,662	81,770	0	0	(85,432)	0
Licenses and Permits	113,486	0	0	0	(113,486)	0
Other Revenues	63,112	0	0	0	(29,107)	34,005
Proceeds of Long-Term Debt	529,118	0	0	(529,118)	0	0
Proceeds from Sale of Equipment	4,350	0	(4,350)	0	0	0
Transfers from Other Funds	94,045	0	0	0	(90,758)	3,287
Total Revenues	7,877,313	244,652	(4,350)	(529,118)	(277,160)	7,311,337
EXPENDITURES						
General Government	1,238,677	(109,637)	4,797	0	(186,402)	947,435
Public Safety	4,055,873	(28,046)	162,237	0	0	4,190,064
Highways and Streets	535,024	(22,409)	58,457	0	0	571,072
Culture and Recreation	465,542	2,326	17,521	0	0	485,389
Community Development	2,356	0	0	0	0	2,356
Capital Outlay	1,599,721	0	(1,599,721)	0	0	0
Debt Service	548,479	(2,333)	0	(483,187)	0	62,959
Transfers to Other Funds	90,758	0	0	0	(90,758)	0
Total Expenditures	8,536,430	(160,099)	(1,356,709)	(483,187)	(277,160)	6,259,275
Net Change for the Year	\$ (659,117)	\$ 404,751	\$ 1,352,359	\$ (45,931)	\$ 0	\$ 1,052,062

Interfund Activity of \$186,402 has been eliminated in the Governmental Funds to minimize the double counting of activity.

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III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets are approved at the annual City Meeting in March. Any budget changes require voter approval. The only budget change was to increase the Fire Department capital expense and the proceeds of long-term debt by \$220,000 based upon voter approval for a bond at a special election on August 24, 2010.

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2011, expenditures exceeded appropriations in the General Fund by \$1,077,505. These were funded by available fund balance, unanticipated grant income and proceeds of long-term debt.

C. Restatement of Net Assets/Fund Balances

The net assets for the Governmental Activities/Business-Type Activities and Enterprise Funds were restated as follows:

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>		
		<u>Water Fund</u>	<u>Wastewater Fund</u>	<u>Total</u>
Net Assets – June 30, 2010, As Originally Reported	\$3,006,868	\$2,329,264	\$9,809,533	\$12,138,797
Correction of Misstatements:				
Understatement of Property Tax Receivables	69,000	0	0	0
Understatement of Grant Receivable	149,676	0	0	0
Overstatement of Capital Assets	(166,431)	(30,645)	(24,750)	(55,395)
Overstatement of Deferred Revenue	30,150	0	0	0
Understatement of Accrued Compensated Absences	0	(17,742)	(34,988)	(52,730)
Understatement of Accrued Interest Payable	(8,788)	0	0	0
Reclassification:				
Reclassify Zoning Escrow Fund to an Agency Fund	<u>(163)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Assets – June 30, 2010, As Restated	<u>\$ 3,080,312</u>	<u>\$2,280,877</u>	<u>\$9,749,795</u>	<u>\$12,030,672</u>

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The misstatements for the Governmental Activities were the result of understating property taxes receivable, non-recording of a grant receivable, overstatement of capital assets, inappropriate deferment of certain revenue, understating accrued compensated absences and non-accrual of certain interest. The effect of these corrections on the Governmental Activities Statement of Net Assets is to increase assets by \$52,245, decrease liabilities by \$21,362 and increase net assets by \$73,607. The effect on the 2010 Statement of Activities is not known.

The corrections for the Business-Type Activities/Enterprise Funds were the result of overstating capital assets by \$55,395 and understating accrued compensated absences by \$52,730. The effect of these corrections on the Statement of Net Assets was to decrease assets by \$55,395, increase liabilities by \$52,370 and decrease net assets by \$108,125. The effect on the 2010 Statement of Activities is not known.

The effect on the Water Fund Statement of Net Assets was to decrease assets by \$30,645, increase liabilities by \$17,742 and decrease net assets by \$48,387. The effect on the 2010 Statement of Revenues, Expenses and Changes in Fund Net Assets is not known.

The effect on the Wastewater Fund Statement of Net Assets was to decrease assets by \$24,750, increase liabilities by \$34,988 and decrease net assets by \$59,738. The effect on the 2010 Statement of Revenues, Expenses and Changes in Fund Net Assets is not known.

The fund balances in the following funds were restated as follows:

	<u>General Fund</u>	<u>Community Development Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Fund Balance – June 30, 2010				
As Originally Reported	\$930,328	\$88,704	\$ 0	\$1,019,032
Correction of Misstatements:				
Understatement of Tax Receivable	69,000	0	0	69,000
Understatement of Deferred Tax Revenue	(240,000)	0	0	(240,000)
Overstatement of Other Deferred Revenue	30,150	0	0	30,150
Overstatement of Accrued Expenses – Compensated Absences	218,373	0	0	218,373
Overstatement of Accrued Expenses – Net Pension Obligation	193,638	0	0	193,638
Reclassifications:				
Reclassification of Court House South Lot Fund Deficit to Own Fund	10,532	0	(10,532)	0

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	<u>General Fund</u>	<u>Community Development Fund</u>	<u>Other Governmental Funds</u>	<u>Total</u>
Reclassification of Municipal Lot North Fund Deficit to Own Fund	\$ 23,884	\$ 0	\$(23,884)	\$ 0
Reclassification of Federal Street ByPass Fund Deficit to Own Fund	99,200	0	(99,200)	0
Reclassification of Fund Balances to Other Governmental Funds	0	(88,541)	88,541	0
Reclassify Zoning Escrow Fund to an Agency Fund	<u>0</u>	<u>(163)</u>	<u>0</u>	<u>(163)</u>
Fund Balances/(Deficit) – June 30, 2010 As Restated/ Reclassified	<u>\$1,335,105</u>	<u>\$ 0</u>	<u>\$(45,075)</u>	<u>\$1,290,030</u>

The corrections were the result of the following misstatements: recording the incorrect amount of property taxes and deferred revenues and for accruing compensated absences and the net pension liability in the General Fund (these are long-term liabilities that do not get reported in the Governmental Funds).

The effect of these corrections on the General Fund Balance Sheet was that assets were understated by \$69,000, liabilities were overstated by \$202,161 and the fund balance was understated by \$271,161. The effect on the 2010 Statement of Revenue, Expenses and Changes in Fund Balance is not known.

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IV. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

The City's cash and investments as of June 30, 2011 consisted of the following:

Cash:	
Cash on Hand	\$ 400
Cash with Financial Institutions	<u>1,424,248</u>
Total Cash	<u>1,424,648</u>
Investments:	
Certificates of Deposit	95,639
Mutual Funds – Cash Equivalents	<u>59,400</u>
Total Investments	<u>155,039</u>
Total Cash and Investments	<u>\$1,579,687</u>

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The City does not have any policy to limit the exposure to custodial credit risk. The following table shows the custodial credit risk of the City's deposits.

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	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC/SIPC Insured	\$ 317,289	\$ 317,621
Uninsured, Uncollateralized, However Offset By Debt to the Respective Bank	<u>1,261,998</u>	<u>1,692,479</u>
Total Cash Deposits	<u>\$ 1,579,287</u>	<u>\$ 2,010,100</u>

The difference between the book and the bank balance is due to reconciling items such as deposits in transit and outstanding checks. Due to higher cash flows at certain times during the year, the amounts of uninsured, uncollateralized cash was much higher than at year end.

Deposits are comprised of the following:

Cash with Financial Institutions	\$1,424,248
Certificates of Deposit	95,639
Mutual Funds – Cash Equivalents	<u>59,400</u>
	<u>\$1,579,287</u>

The City has one (1) certificate of deposit for \$95,639 with an interest rate of 1.49%. The certificate of deposit will mature during fiscal year 2012.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have any policy to limit the exposure to interest rate risk. All of the City's certificates of deposits are not subject to interest rate risk disclosure.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's certificates of deposit are exempt from the credit risk analysis. The City does not have any policy to limit the exposure to credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the City's investments are held within one security. The City does not have any limitations on the amount that can be invested in any one issuer. The City has 100% of their mutual funds invested in Federated Treasury Cash Equivalents.

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B. Receivables

Receivables at June 30, 2011, as reported in the statement of net assets, net of applicable allowances for uncollectible accounts, are as follows:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>
Delinquent Taxes	\$ 370,681	\$	0	\$	370,681
Penalties and Interest	43,602		0		43,602
Billed Services	0		774,110		774,110
Unbilled Services	0		213,118		213,118
Grants	328,496		0		328,496
Allocation Fees	0		64,790		64,790
Other	29,816		4,864		34,680
Reimbursements	13,372		0		13,372
Allowance for Doubtful Accounts	<u>(21,000)</u>		<u>(14,500)</u>		<u>(35,500)</u>
	<u>\$ 764,967</u>	\$	<u>1,042,382</u>	\$	<u>1,807,349</u>

C. Loans Receivable

Loans Receivable at June 30, 2011 consists of two (2) loans for community development as follows:

Loans Receivable, Local Businesses, Interest Ranging from 1% to 4%, Various Terms and Due Dates, Secured by Equipment or Other Assets	\$ <u>102,975</u>
Total	102,975
Plus: Accrued Interest on Note	6,131
Less: Allowance for Doubtful Loans Receivable and Accrued Interest	<u>(10,219)</u>
Reported Value at June 30, 2011	\$ <u>98,887</u>

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An analysis of the change in loans receivable is as follows:

<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>June 30, 2011</u>
<u>\$ 106,576</u>	<u>\$ 0</u>	<u>\$ 3,601</u>	<u>\$ 102,975</u>

D. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 940,932	\$ 0	\$ 0	\$ 940,932
Construction in Progress	30,851	503,443	10,532	523,762
Total Capital Assets, Not Being Depreciated	<u>971,783</u>	<u>503,443</u>	<u>10,532</u>	<u>1,464,694</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	1,647,635	0	0	1,647,635
Vehicles, Machinery and Equipment	1,584,046	874,619	211,236	2,247,429
Infrastructure	1,037,216	232,191	0	1,269,407
Totals	<u>4,268,897</u>	<u>1,106,810</u>	<u>211,236</u>	<u>5,164,471</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	683,427	34,315	0	717,742
Vehicles, Machinery and Equipment	740,784	126,680	151,451	716,013
Infrastructure	104,596	26,582	0	131,178
Totals	<u>1,528,807</u>	<u>187,577</u>	<u>151,451</u>	<u>1,564,933</u>
Total Capital Assets, Being Depreciated	<u>2,740,090</u>	<u>919,233</u>	<u>59,785</u>	<u>3,599,538</u>
Governmental Activities Capital Assets, Net	<u>\$ 3,711,873</u>	<u>\$ 1,422,676</u>	<u>\$ 70,317</u>	<u>\$ 5,064,232</u>
	<u>Beginning</u> <u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balance</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 197,000	\$ 0	\$ 0	\$ 197,000
Construction in Progress	4,202,082	982,888	0	5,184,970
Total Capital Assets, Not Being Depreciated	<u>4,399,082</u>	<u>982,888</u>	<u>0</u>	<u>5,381,970</u>
Capital Assets, Being Depreciated:				
Buildings, Distribution and Collection				
Systems & Improvement	23,946,021	19,600	0	23,965,621
Machinery and Equipment	2,114,820	223,580	0	2,338,400
Totals	<u>26,060,841</u>	<u>243,180</u>	<u>0</u>	<u>26,304,021</u>
Less Accumulated Depreciation for:				
Buildings, Distribution and Collection				
Systems & Improvement	9,804,486	479,037	0	10,283,523
Machinery and Equipment	864,213	200,062		1,064,275
Totals	<u>10,668,699</u>	<u>679,099</u>	<u>0</u>	<u>11,347,798</u>
Total Capital Assets, Being Depreciated	<u>15,392,142</u>	<u>(435,919)</u>	<u>0</u>	<u>14,956,223</u>
Business-Type Activities Capital Assets, Net	<u>\$ 19,791,224</u>	<u>\$ 546,969</u>	<u>\$ 0</u>	<u>\$ 20,338,193</u>

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Depreciation was charged as follows:

Governmental Activities:		Business - Type Activities:	
General Government	\$ 4,797	Water	\$ 242,526
Public Safety	106,802	Sewer	<u>436,573</u>
Public Works	58,457		
Culture and Recreation	<u>17,521</u>		
Total Depreciation Expense - Governmental Activities	 \$ <u>187,577</u>	Total Depreciation Expense - Business- Type Activities	 \$ <u>679,099</u>

The City purchased a building known as the Fonda/Solo Building in 2007. This building, along with its 5.1 acre site, had pollution remediation obligations. The City has outstanding debt on this property totaling \$325,816. This building is being held for resale, however, in 2009, the City recognized an impairment loss due to the remediation liability. These remediation costs, however, were funded with grants. Subsequent to year end, the City demolished the building.

E. Interfund Balances and Activity

The composition of Due From/(To) Other Funds at June 30, 2011 is as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$ 563,893
Other Governmental Funds	60,853	47,008
Water Fund	689,118	0
Wastewater Fund	<u>0</u>	<u>139,070</u>
Total	\$ <u>749,971</u>	\$ <u>749,971</u>

The composition of Advances To/(From) Other Funds at June 30, 2011 is as follows:

	<u>Advances to Other Funds</u>	<u>Advances from Other Funds</u>
General Fund	\$178,439	\$ 0
Revolving Loan Fund	50,476	0
SOLO Building Fund	0	41,620
Fonda Remediation Fund	0	24,565
Federal Street Bypass Fund	0	149,676
Streetscape Improvement Fund	<u>0</u>	<u>13,054</u>
Total	\$ <u>228,915</u>	\$ <u>228,915</u>

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The advances will be repaid as receivables are collected, the SOLO Building sold or from a transfer from the General Fund. Interest is at 0% for these advances.

Interfund transfers during the year ended June 30, 2011 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	VCDP Grants Fund	\$ 3,338	Fund local match on grants
General Fund	Fonda Remediation Fund	4,000	Fund local match on grant
General Fund	Court House South Lot Fund	18,358	Fund project deficit
General Fund	Municipal Lot North Fund	35,626	Fund project deficit
General Fund	Central Lot Fund	4,718	Fund project deficit
General Fund	Streetscape Improvement Fund	8,701	Fund local match on grant
Court House South Lot Fund	General Fund	16,017	Transfer Reserves
Water Fund	Streetscape Improvement Fund	1,643	Local Match Contribution
Wastewater Fund	Streetscape Improvement Fund	1,644	Local Match Contribution
Total		<u>\$ 94,045</u>	

F. Deferred Revenue

Deferred Revenue in the General Fund consists of \$298,000 of delinquent property taxes and penalty and interest on those taxes, and \$9,500 of grant receivables not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities, \$33,942 of fiscal year 2012 taxes received in advance, \$12,000 of parking fees received in advance, \$16,043 of public inspection and other fees received in advance and \$30,278 of grant revenue received in advance. The revenue will be recognized as delinquent taxes and other receivables are collected, fiscal year 2012 taxes are billed, parking and other services are provided and as expenses are incurred for the grants. Total Deferred Revenue in the General Fund is \$399,763.

Deferred Revenue in the Other Governmental Funds consists of \$98,887 of net loans receivable and \$245,078 grant receivables not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. It also includes \$30 of grant revenue received in advance. Total deferred revenue in the Other Governmental Funds is \$343,995.

Deferred Revenue in the Water Fund of \$2,698 consists of water fees received in advance. This revenue will be earned in 2012 as water fees are billed.

G. Long-term Liabilities

General Obligation Bonds. The City issues general obligation bonds to provide resources for the acquisition and construction of major capital facilities and to refund prior issues. General obligation bonds have been issued for both general governmental and proprietary activities. Bonds are reported in governmental activities if the debt is expected to be repaid from general governmental revenues and in business-type activities if the debt is expected to be repaid from proprietary fund revenues.

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General obligation bonds are direct obligations and pledge the full faith and credit of the City. New bonds generally are issued as 10 to 20 year bonds.

No-Interest Revolving Loans The State of Vermont offers a number of no-interest revolving loan programs to utilize for predetermined purposes. The City has borrowed money from the Vermont Special Environmental Revolving Fund for sewer projects.

Other Notes Payable The City has other notes payable to finance various capital projects and purchases through local banks.

Capital Lease Obligations - The City enters into lease agreements as the lessee for the purpose of financing the acquisition of major pieces of equipment. These lease agreements qualify as capital lease obligations for accounting purposes (even though they may include clauses that allow for cancellation of the lease in the event the City does not appropriate funds in future years) and, therefore, have been recorded at the present value of the future minimum lease payments as of the inception of the leases. Leases are reported in governmental activities if the debt is expected to be repaid from general governmental revenue and in the business-type activities if the debt is expected to be repaid from proprietary fund revenue.

Compensated Absences - It is the policy of the City to permit employees to accumulate vacation, comp-time and sick leave time, the value of which will be paid at their current rate of pay upon retirement, termination or death as discussed in Note I.F.7. The accrual for compensated absences, based on current rates, is recorded in the government-wide financial statements and proprietary fund financial statements.

Net Pension Obligation - The City has recorded a liability in its Government-Wide Governmental Activities financial statements related to underfunding its annual required contribution related to the City of St. Albans pension plan as described in Note V.B.

Long-term liabilities outstanding as of June 30, 2011 were as follows:

Bonds, Notes and Capital Leases Payable:

Governmental Activities:

	Beginning Balance <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2011</u>
Note Payable – Peoples Trust Company; Blouin Parking Lot; Interest at 3.75%; Monthly Principal and Interest Payments of \$1,252; Due November 4, 2020	\$ 128,920	\$ 0	\$ 8,617	\$ 120,303

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	Beginning Balance <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2011</u>
Note Payable – Peoples Trust Company; 32 Nason Street Property; Interest at 3.75%; Monthly Principal and Interest Payments of \$997; Due December 25, 2016	\$ 67,871	\$ 0	\$ 9,565	\$ 58,306
Note Payable – Peoples Trust Company; Fonda Building Purchase; Interest at 2.25%; Due July 23, 2011; The City is Making Interest Only Payments and Renewing Each Year Until the Property is Sold	325,816	0	0	325,816
Note Payable – Peoples Trust Company; Refinanced 2008 Tax Anticipation Note; Interest at 3.25%; Monthly Principal and Interest Payments of \$5,286; Originally Due January 7, 2014; Paid During 2011	209,672	0	209,672	0
Note Payable – Peoples Trust Company; Fire Truck Purchase; Interest at 2.75%; Monthly Principal and Interest Payments of \$1,764; Due April 28, 2014	74,936	0	19,348	55,588
Bond Payable – Vermont Municipal Bond Bank; Retirement of the Fund Balance Deficit in the General Fund; Interest Varies from 1.90% to 4.87%; Annual Principal Payments Ranging from \$95,000 to \$100,000 Due Each November; Semi-Annual Interest Payments Due Each May and November Due November 15, 2014	485,000	0	100,000	385,000
Note Payable – Key Government Finance; Interest at 4.24%; Annual Principal and Interest Payments of \$40,414; Due and Paid July 15, 2010	38,741	0	38,741	0

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	<u>Beginning Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2011</u>
Note Payable – Peoples Trust Company; Purchase of Little League Fields; Interest at 2.75%; Monthly Principal and Interest Payments of \$1,563; Due July 23, 2014	\$ 72,344	\$ 0	\$ 16,974	\$ 55,370
Note Payable – Peoples Trust Company; Purchase of 27-33 Federal Street; Interest at 3.75%; Monthly Principal and Interest Payments of \$1,665; Due September 4, 2023	207,339	0	11,317	196,022
Bond Payable – Vermont Municipal Bond Bank; Library Improvements; Interest at 5.00%; Annual Principal Payments Ranging from \$35,000 to \$40,000 Due Each December; Semi-Annual Interest Payments Due Each June and December; Due December 1, 2014	185,000	0	40,000	145,000
Note Payable – Peoples Trust Company; Court House Parking Lot; Interest at 3.75%; Monthly Principal and Interest Payments of \$1,501; Due July 14, 2020	0	150,000	11,547	138,453
Note Payable – Peoples Trust Company; One Third (33.34%) of Single Axle Truck; Interest at 3.00%; Monthly Principal and Interest Payments of \$797; Due June 30, 2016	0	44,334	0	44,334
Note Payable – Peoples Trust Company; Federal Street Project Local Match; Interest at 2.00%; Monthly Principal and Interest Payments of \$2,222; Due June 30, 2012 at Which Time the City will Refinance the Note	0	105,000	14,048	90,952

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	<u>Beginning Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2011</u>
Bond Payable – Vermont Municipal Bond Bank; Fire Truck Purchase; Interest Varies from 0.777% to 2.731%; Annual Principal Payments Ranging From \$20,000 to \$25,000 Due Each December Semi-Annual Interest Payments Due Each June and December; Due December 1, 2020	\$ 0	\$ 220,000	\$ 0	\$ 220,000
Capital Lease Payable – Sun Trust Equipment Financing and Leasing Corporation; Twenty Percent (20%) of Backhoe Purchase; Interest at 2.99%; Due in Three (3) Payments of \$3,358; Due November 9, 2012	<u>0</u>	<u>9,784</u>	<u>3,358</u>	<u>6,426</u>
Total Governmental Activities	<u>\$1,795,639</u>	<u>\$ 529,118</u>	<u>\$483,187</u>	<u>\$1,841,570</u>
<u>Business-Type Activities</u>				
Water Fund				
Bond Payable – USDA Rural Development; Water Improvements; Interest at 4.50%; Annual Principal and Interest Payments of \$240,242; Due February 4, 2036. Subsequent To Year End, the City Refinanced This Bond through the Vermont Municipal Bond Bank; Interest Now at 3.93%, Annual Payments of \$231,195, Due November 15, 2036	\$ 3,658,040	\$ 0	\$ 76,525	\$ 3,581,515
Note Payable – Peoples Trust Company; Fifty Percent (50%) Water Meter Loan; Interest at 2.75%; Annual Principal and Interest Payments of \$94,582; Due September 1, 2012	271,770	0	90,283	181,487

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	Beginning Balance <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2011</u>
Note Payable – Peoples Trust Company; Equipment Loan; Interest at 3.00%; Monthly Principal and Interest Payments of \$3,510; Due and Paid May 4, 2011	\$ 38,071	\$ 0	\$ 38,071	\$ 0
Note Payable – Peoples Trust Company; One Third (33.33%) of Single Axle Truck; Interest at 3.00%; Monthly Principal and Interest Payments of \$797; Due June 30, 2016	0	44,333	0	44,333
Capital Lease Payable – Sun Trust Equipment Financing and Leasing Corporation; Forty Percent (40%) of Backhoe Purchase; Interest at 2.99%; Due in Three (3) Payments of \$6,716; Due November 9, 2012	<u>0</u>	<u>19,568</u>	<u>6,716</u>	<u>12,852</u>
Total Water Fund	<u>3,967,881</u>	<u>63,901</u>	<u>211,595</u>	<u>3,820,187</u>
Wastewater Fund:				
Note Payable – Peoples Trust Company; Fifty Percent (50%) Water Meter Loan; Interest at 2.75%; Annual Principal and Interest Payments of \$94,582; Due September 1, 2012	\$ 271,770	\$ 0	\$ 90,283	\$ 181,487
Note Payable – Peoples Trust Company; Wastewater Line of Credit Refinancing; Interest at 2.75%; Monthly Principal and Interest Payment of \$10,581; Due April, 2014	461,404	0	115,669	345,735
Note Payable – Peoples Trust Company; Equipment Loan; Interest at 3.00%; Monthly Principal and Interest Payments of \$3,510; Due and Paid May 4, 2011	38,071	0	38,071	0

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	<u>Beginning Balance July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2011</u>
Bond Payable – State of Vermont Special Environmental Revolving Loan Fund; Wastewater Treatment Facility Improvements; Interest at 0.00% Administrative Fee of 2.00%; Annual Principal and Administrative Fee Payments of \$88,677 Beginning June 1, 2012; \$1,000,000 of the Note was Granted to the City; Due June 1, 2031	\$ 2,270,995	\$ 148,226	\$ 1,000,000	\$ 1,419,221
Bond Payable – State of Vermont Special Environmental Revolving Loan Fund; Wastewater Treatment Facility Improvements; Interest at 0.00%; Administrative Fee of 2.00%; Annual Principal and Administrative Fee Payments of \$142,607 Beginning July 1, 2012; Due July 1, 2031	1,396,518	923,458	0	2,319,976
Bond Payable – State of Vermont Special Environmental Revolving Loan Fund; Wastewater Treatment Facility Improvements; \$276,000 Authorized; Interest at 0.00%; Administrative Fee of 2.00%; Annual Principal and Administrative Fee Payments of \$9,851 Beginning June 1, 2012; Due June 1, 2031	161,082	0	0	161,082
Note Payable – State of Vermont Special Environmental Revolving Loan Fund; Wastewater Planning Loan; Interest at 0.00%; \$12,500 Authorized; Annual Payments of \$2,500 Beginning October 1, 2014; Due October 1, 2018	11,676	0	0	11,676
Note Payable – Peoples Trust Company; One Third (33.33%) of Single Axle Truck; Interest at 3.00%; Monthly Principal and Interest Payments of \$797; Due June 30, 2016	0	44,333	0	44,333

CITY OF ST. ALBANS, VERMONT
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	Beginning Balance <u>July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2011</u>
Capital Lease Payable – Sun Trust Equipment Financing and Leasing Corporation; Forty Percent (40%) of Backhoe Purchase; Interest at 2.99%; Due in Three (3) Payments of \$6,716; Due November 9, 2012	\$ <u>0</u>	\$ <u>19,568</u>	\$ <u>6,716</u>	\$ <u>12,852</u>
Total Wastewater Fund	<u>4,611,516</u>	<u>1,135,585</u>	<u>1,250,739</u>	<u>4,496,362</u>
Total Business-Type Activities	\$ <u>8,579,397</u>	\$ <u>1,199,486</u>	\$ <u>1,462,334</u>	\$ <u>8,316,549</u>

Changes in all long-term liabilities during the year were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds Payable	\$ 670,000	\$ 220,000	\$ 140,000	\$ 750,000	\$ 165,000
Notes Payable	1,125,639	299,334	339,829	1,085,144	117,483
Capital Leases Payable	0	9,784	3,358	6,426	3,166
Compensated Absences	325,930	0	19,508	306,422	0
Net Pension Obligation	<u>193,639</u>	<u>0</u>	<u>133,850</u>	<u>59,789</u>	<u>0</u>
Total Governmental Activities Long-Term Liabilities	<u>2,315,208</u>	<u>529,118</u>	<u>636,545</u>	<u>2,207,781</u>	<u>285,649</u>
Business-type Activities					
Bonds Payable	3,658,040	0	76,525	3,581,515	79,963
Notes Payable	4,921,357	1,160,350	1,372,377	4,709,330	381,135
Capital Leases Payable	0	39,136	13,432	25,704	12,664
Compensated Absences	<u>159,788</u>	<u>763</u>	<u>0</u>	<u>160,551</u>	<u>0</u>
Total Business-type Activities Long-Term Liabilities	\$ <u>8,739,185</u>	\$ <u>1,200,249</u>	\$ <u>1,462,334</u>	\$ <u>8,477,100</u>	\$ <u>473,762</u>

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

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Maturities of notes, bonds and capital leases payable based on the City's intentions are as follows:

Year Ending June 30	Governmental Activities			Business-Type Activities		
	Principal	Interest	Capital Leases	Principal	Interest	Capital Leases
2012	\$ 282,483	\$ 53,236	\$ 3,358	\$ 461,098	\$ 212,931	\$ 13,432
2013	276,145	36,236	3,358	570,465	245,853	13,432
2014	275,623	27,327	0	376,512	229,819	0
2015	230,642	18,740	0	282,357	220,642	0
2016	83,674	13,468	0	290,459	212,249	0
2017-2021	317,788	33,163	0	1,475,283	938,282	0
2022-2026	42,973	1,896	0	1,700,837	706,040	0
2027-2031	0	0	0	1,946,264	429,848	0
2032-2036	0	0	0	1,187,570	135,147	0
Unknown	325,816	0	0	0	0	0
Total	1,835,144	184,066	6,716	8,290,845	3,330,811	26,864
Less: Imputed Interest	0	0	(290)	0	0	(1,160)
Total	\$ 1,835,144	\$ 184,066	\$ 6,426	\$ 8,290,845	\$ 3,330,811	\$ 25,704

The short-term debt activity during the year was as follows:

Beginning Balance	\$ 320,000
Proceeds of Line of Credit – Wastewater Fund	427,000
Repayments of Line of Credit – Wastewater Fund	(747,000)
Ending Balance	\$ 0

The City has an available line of credit of \$1,000,000 with Peoples Trust Company. Interest is at 2.25% and matures February 1, 2012. The balance outstanding as of June 30, 2011 was \$-0-. This note was renewed on February 2, 2012 for \$1,000,000.

H. Net Assets/Fund Balances

The City adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions".

GASB Statement No. 34, as amended by GASB Statement No. 54, requires fund balances reported on the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balances are to be classified as: nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the City Council's intended use of the resources); and unassigned.

CITY OF ST. ALBANS, VERMONT
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This statement is also designed to improve the usefulness of fund balance information by clarifying certain parts of the definitions of governmental fund types that have led to confusion. It makes clear, for example, that special revenue funds are created only to report a revenue source (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in that fund. Special Revenue Funds cannot be used to accumulate funds that are not restricted or committed. These amounts will have to be reflected in the General Fund.

Information about amounts set aside for emergencies is very important to financial statement users. Because of the importance associated with these balances, Statement 54 clarifies how rainy-day amounts can be reported by treating stabilization arrangements as a specified purpose. Consequently, amounts constrained to stabilization will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. Governments are required to disclose in the notes key information about their stabilization arrangements, including the authority by which they were established, provisions for additions to the stabilization amount, and circumstances under which those amounts may be spent. The City does not have any stabilization arrangements.

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. Because users are interested in information about those minimum fund balance policies and how governments comply with them, governments are required to explain their minimum fund balance policies, if they have them, in notes to the financial statements. The City does not have any minimum fund balance policies.

Under Statement 54, governments are required to disclose their accounting policies that indicate the order in which restricted, committed, assigned, and unassigned amounts are spent, in circumstances when expenditure is made for a purpose for which amounts are available in multiple fund balance classifications. When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the City's policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

In addition, governments also are required to disclose the purpose for each major special revenue fund – identifying which specific revenues and other resources are authorized to be reported in each. The purpose and specific revenues are described in the following section.

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Restricted Net Assets – Governmental Activities

The restricted net assets of the City as of June 30, 2011 consisted of the following:

Governmental Activities:

Restricted for Revolving Loan Fund by Grant Agreement	\$ 263,002
Restricted for Taylor Park By Donations	<u>1,654</u>
Total Governmental Activities	<u>264,656</u>
Total Restricted Net Assets	<u>\$ 264,656</u>

The fund balances in the following funds are nonspendable as follows:

General Fund:

Nonspendable General Fund Prepaid Expenses	\$ 22,084
Nonspendable Advances to Other Funds	<u>178,439</u>
Total General Fund	<u>200,523</u>

Revolving Loan Fund:

Nonspendable Advances to Other Funds	<u>50,476</u>
Total Nonspendable Fund Balances	<u>\$ 250,999</u>

The fund balances in the following funds are restricted as follows:

Major Funds

General Fund:

Restricted for Vehicle Purchase by Unspent Debt Proceeds - Single Axle Truck	\$ <u>15,919</u>
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Non-Major Funds

Restricted for Community Development by Grant Agreements (Source of Revenue is Grant Revenue)	113,639
Restricted for Taylor Park Expenses by Donations (Source of Revenue is Donations)	<u>1,654</u>
Total Non-Major Funds	<u>115,293</u>
Total Restricted Fund Balances	<u>\$ 131,212</u>

CITY OF ST. ALBANS, VERMONT
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The fund balances in the following funds are assigned as follows:

Major Funds:

General Fund:

Assigned for Downtown Redevelopment – (JLD Proceeds)	\$ 91,299
Assigned for Downtown Development (Lemnah Proceeds)	213,859
Assigned for Stormwater Permitting (Lemnah Proceeds)	67,156
Assigned for Gym Floor	9,700
Assigned for Tennis Court Rehabilitation	5,000
Assigned for General Parking Improvements	19,017
Assigned for Fire Department Reserves	1,667
Assigned for Public Health and Safety Ordinances	31,200
Assigned for Sidewalks	16,411
Assigned for Downtown Infrastructure Improvements	10,000
Assigned for Public Works Reserves	20,000
Assigned for Record Preservation	31,977
Assigned for Reappraisal	<u>107</u>
Total	<u>\$517,393</u>

The unassigned deficits in the VCDP Fund, Clean and Clear Fund, EPA Grant Fund, Federal Street ByPass Fund and the Streetscape Improvement Fund will be funded as grant receivables are collected.

The unassigned deficits in the SOLO Building Fund and in the Fonda Remediation Fund will be funded with either the sale proceeds of the former Fonda building site or from a transfer from the General Fund.

I. Designated Net Assets

The designated net assets of the City as of June 30, 2011 consisted of the following:

Proprietary Fund:

Designated for Water Capital	\$340,206
Designated for Wastewater Capital	<u>70,844</u>
Total Designated Net Assets	<u>\$411,050</u>

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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V. OTHER INFORMATION

A. PENSION PLANS

All applicable employees of the City of St. Albans are covered under the State of Vermont Municipal Employees' Retirement Plan. Certain other employees who were participants prior to January 1, 2010 are members of the City of St. Albans defined benefit pension plan, as discussed in Note V.B. Employees in Plan B contribute 4.5% of their gross salary and the City contributes 5%. Employees in Plan C contribute 9.25% of their gross salary and the City contributes 6.5%. Employees in Group C are limited to police officers and certain firefighters. All other employees must be in Group B.

The City of St. Albans pays all costs accrued each year for the plans. The premise of the plans is to provide a retirement plan covering municipal employees at a uniform state-wide contribution rate based upon an actuarial valuation of all State of Vermont municipal employees. Activity in this plan is done in the aggregate, not by municipality. Due to the nature of this pension plan, net assets available for benefits as well as present value of vested and nonvested plan benefits by municipality are not determinable.

Total payroll for the year was \$3,905,319 while covered payroll was \$1,887,526. Pension expense for the year ended June 30, 2011 was \$109,682.

Additional information regarding the State of Vermont Municipal Employees Retirement System is available upon request from the State of Vermont.

The City also offers its employees a deferred compensation plan through the International City/County Management' Association's Retirement Corporation (ICMA-RC) in accordance with Internal Revenue Code Section 457. The plan permits employees to defer a portion of their salary until future years. Deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The City has no liability for losses under this plan but does have the duty of due care that would be required of an ordinary prudent investor. All of the investments are self directed by each employee. For each employee not currently participating in the City's defined benefit plan or VMERS, the City will match the employee's contribution to the plan up to 5%. The City also provides the City Manager a 2.1% contribution of base pay without a required employee contribution amount. Employees remaining in the City's defined benefit plan may open a 457 account without a City match. Total employer contributions to the 457 Plan for the year was \$9,971.

CITY OF ST. ALBANS, VERMONT
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B. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of St. Albans Pension Plan is a single employer defined benefit pension plan administered by the City of St. Albans. The City of St. Albans Pension Plan provides retirement, disability and death benefits to plan members and beneficiaries. The City of St. Albans established and may amend benefit provisions of the plan. The plan does not issue stand alone financial statements and the financial statements of the Plan are not included in the financial statements of the City as they should be to comply with generally accepted accounting principles. The plan covers all employees of the City who work at least 1,000 hours on a twelve (12) month consecutive period and who agree to make minimum contributions. Effective January 1, 2010, the City stopped allowing new participants to enter the plan.

Funding Policy

The Plan requires members to contribute either 2.5% or 7.5% of Annual Base Earnings, excluding overtime and any other additional compensation, depending on the benefit level elected. The total annual required contribution (ARC) to the system for 2011 was \$114,997 which was computed through an actuarial valuation performed as of June 30, 2011.

The system uses the level dollar closed method to amortize the unfunded accrued liability over a thirty (30) year period from date of establishment. The significant actuarial assumptions used to compute the actuarially determined contribution requirement are as follows:

Valuation Method	Five year expected average market value method
Actuarial Cost Method	Frozen Entry Age
Asset Valuation	Market Value
Remaining Amortization	
Period: Initial Unfunded	1.5 Years
Interest rate of Return	7.5%
Salary increases	5%
COLA Adjustment	None

There are 34 active members and 47 retirees and beneficiaries. Additionally, there are 8 former employees with vested rights.

The unaudited balance in the investment account maintained at Prudential Investments is \$3,807,325.

CITY OF ST. ALBANS, VERMONT
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REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS

Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess/ (Deficiency) of Assets Over AAL (UAAL) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess/ (Deficiency) as a Percentage of Covered Payroll (a-b/c)
1/1/2007	3,085,351	5,115,831	(2,030,480)	60%	1,560,639	-130%
1/1/2008	3,484,396	4,938,561	(1,454,165)	71%	1,194,105	-122%
1/1/2009	3,661,826	4,962,749	(1,300,923)	74%	1,290,469	-101%
1/1/2010	3,861,404	5,000,719	(1,139,315)	77%	628,509	-181%
1/1/2011	3,933,672	5,168,463	(1,234,791)	76%	571,413	-216%
6/30/2011	3,807,325	5,210,067	(1,402,742)	73%	571,413	-245%

SCHEDULE OF EMPLOYER CONTRIBUTION

Year Ended	Annual Pension Cost	Actual Contribution	Percentage Contributed
12/31/2007	206,367	193,985	94%
12/31/2008	159,632	201,136	126%
12/31/2009	213,524	153,737	72%
12/31/2010	201,866	209,825	104%
6/30/2011	119,325	161,606	136%

CITY OF ST. ALBANS, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

	2011
Annual Required Contribution (ARC)	\$ 114,997
Interest on NPO	4,328
Annual Pension Cost (APC)	119,325
Employer Contributions Made	(161,606)
Increase/(Decrease) in NPO	(42,281)
NPO - December 31, 2010	102,070
NPO - June 30, 2011	59,789
Percentage of APC Contributed	\$ 136%

C. RISK MANAGEMENT

The City of St. Albans is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City of St. Albans maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the City of St. Albans. Settled claims have not exceeded this coverage in any of the past three fiscal years. The City must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty (60) days notice. Fund underwriting and ratesetting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

The City of St. Albans is also a member of the Vermont League of Cities and Towns Unemployment Insurance Trust. The Unemployment Trust is a nonprofit corporation formed to provide unemployment coverage for Vermont municipalities and is owned by the participating members. The agreement does not permit the Unemployment Trust to make additional assessments to its members.

CITY OF ST. ALBANS, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2011

D. PROPERTY TAXES

The City is responsible for assessing and collecting its own property taxes, as well as education taxes for the State of Vermont. Property taxes are assessed based on property valuation as of April 1, the approved budgets and the State education property tax liability. Taxes are due and payable on August 27, November 24, February 25 and May 27, and become delinquent on June 1. The City assesses an 8% penalty on delinquent taxes and interest is assessed at 1% per month after each installment date. Unpaid taxes become an enforceable lien on the property, and such properties are subject to tax sale. The tax rates for 2011 are as follows:

	<u>Residential</u>	<u>Non-Residential</u>
Education	1.6464	1.8794
General City	.9693	.9693
Library	.0500	.0500
Library Bond	.0126	.0126
Veterans Exemption	<u>.0022</u>	<u>.0022</u>
Total Tax Rate/per \$100 of Assessed Valuation	<u>2.6805</u>	<u>2.9135</u>

E. POLLUTION REMEDIATION OBLIGATIONS

On August 2, 2010, a Corrective Action Plan was prepared for the City of St. Albans, Vermont. Remedial actions are necessary at a property owned (Fonda/Solo Building) by the City. The remedial actions are being undertaken by the City voluntarily. The estimated total liability for the cleanup costs and engineering services related to cleanup as of June 30, 2011 was \$893,000. As of June 30, 2011, the City has received \$600,000 in federal funding which requires a local match of \$80,000. Subsequent to year end, the City was awarded an additional \$200,000 in federal funding with will require a local match of \$40,000. Due to the availability of grant funds for this project, the City has elected not to record any pollution remediation obligations at this time.

F. CONTINGENT LIABILILTIES

The City is a participating member in the Northwest Vermont Solid Waste Management District. The City could be subject to a portion of the District's debt if the District experiences financial problems.

The City participates in a number of federally assisted and state grant programs that are subject to audits by the grantors or their representatives. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the City expects such amounts, if any, to be immaterial.

G. SUBSEQUENT EVENTS

Subsequent to year end, the City secured a \$41,000 note from the Peoples Trust Company for tennis court upgrades. Interest is at 2.75%. The note will be repaid over five (5) years with monthly principal and interest payments of \$732.

CITY OF ST. ALBANS, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	Amended Budget	Actual	Variance Favorable (Unfavorable)
Revenue:			
Property Taxes	\$ 3,765,138	\$ 3,707,017	\$ (58,121)
Payments on Prior Year Taxes	200,000	0	(200,000)
Penalty on Taxes	30,000	31,563	1,563
Interest on Taxes	42,000	64,230	22,230
State Payments/RR Taxes	8,000	8,571	571
Interest on Savings	12,000	6,447	(5,553)
Gross Water Surcharge	87,000	89,449	2,449
Gross Wastewater Surcharge	87,000	96,954	9,954
Barlow Street School Rents	40,800	34,850	(5,950)
PILOT	52,000	76,864	24,864
Insurance Reimbursements/Miscellaneous	37,500	75,810	38,310
City Clerk	99,000	95,753	(3,247)
Planning and Development	76,500	20,542	(55,958)
Assessing	25,000	22,154	(2,846)
Fire Department	63,500	544,812	481,312
Police, Dispatch & Animal Control	1,015,355	993,631	(21,724)
Community Justice Center	109,519	289,896	180,377
Public Works/Parks	129,000	116,788	(12,212)
Recreation Programs	327,013	343,781	16,768
Proceeds of Long-Term Debt	220,000	274,118	54,118
Transfer In	0	16,017	16,017
Total Revenue	6,426,325	6,909,247	482,922
Expenditures:			
Administration	201,585	216,907	(15,322)
City Clerk	59,631	67,026	(7,395)
Finance	47,938	45,639	2,299
Planning and Development	237,236	228,216	9,020
Planning and Development Capital	95,000	0	95,000
County/District Functions	169,453	168,902	551
Audit and Audit Consultants	5,000	11,256	(6,256)
Assessing	161,350	176,496	(15,146)
Debt Service - Principal	150,150	386,022	(235,872)
Debt Service - Interest	47,404	50,542	(3,138)
Professional Services - Legal	70,000	169,765	(99,765)
Information Management	5,835	7,372	(1,537)
Fire Department	666,267	753,711	(87,444)
Fire Department Capital	296,657	719,146	(422,489)
Police, Dispatch and Animal Control	2,957,721	2,907,107	50,614
Police Department Capital	84,167	84,167	0
Community Justice Center	109,519	294,896	(185,377)
Public Works, Highway, Parks	490,246	577,231	(86,985)
Public Works Capital	160,280	111,945	48,335
Recreation Programs	350,936	382,054	(31,118)
Recreation Capital	11,500	0	11,500
Library Bond and Expenses	48,450	70,689	(22,239)
Transfers Out	0	74,741	(74,741)
Total Expenditures	6,426,325	7,503,830	(1,077,505)
Excess/(Deficiency) of Revenue Over Expenditures	<u>\$ 0</u>	<u>(594,583)</u>	<u>\$ (594,583)</u>
Fund Balance - July 1, 2010, As Restated/Reclassified		<u>1,335,105</u>	
Fund Balance - June 30, 2011		<u>\$ 740,522</u>	

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CITY OF ST. ALBANS, VERMONT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2011

	Special Revenue Funds	Capital Projects Funds	Total
<u>ASSETS</u>			
Cash	\$ 23,864	\$ 0	\$ 23,864
Investments	95,639	0	95,639
Receivables	39,256	267,541	306,797
Due from Other Funds	1,000	59,853	60,853
Advances to Other Funds	50,476	0	50,476
Loans Receivable (Net of Allowance for Doubtful Accounts)	<u>98,887</u>	<u>0</u>	<u>98,887</u>
Total Assets	<u>\$ 309,122</u>	<u>\$ 327,394</u>	<u>\$ 636,516</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts Payable	\$ 30,529	\$ 95,242	\$ 125,771
Accrued Payroll	436	0	436
Due to Other Funds	18,261	28,747	47,008
Advances from Other Funds	66,185	162,730	228,915
Deferred Revenue	<u>120,713</u>	<u>223,282</u>	<u>343,995</u>
Total Liabilities	<u>236,124</u>	<u>510,001</u>	<u>746,125</u>
Fund Balances/(Deficit):			
Nonspendable	50,476	0	50,476
Restricted	115,293	0	115,293
Unassigned	<u>(92,771)</u>	<u>(182,607)</u>	<u>(275,378)</u>
Total Fund Balances/(Deficits)	<u>72,998</u>	<u>(182,607)</u>	<u>(109,609)</u>
Total Liabilities and Fund Balances	<u>\$ 309,122</u>	<u>\$ 327,394</u>	<u>\$ 636,516</u>

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CITY OF ST. ALBANS, VERMONT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue Funds	Capital Projects Funds	Total
Revenues:			
Intergovernmental	\$ 272,041	\$ 337,065	\$ 609,106
Charges for Services	0	16,017	16,017
Investment Income	1,487	0	1,487
Loan Repayments	3,662	0	3,662
Donations	4,000	0	4,000
Other	766	0	766
Total Revenues	<u>281,956</u>	<u>353,082</u>	<u>635,038</u>
Expenditures:			
General Government	231,858	0	231,858
Public Safety	73,100	0	73,100
Culture and Recreation	12,979	0	12,979
Community Development	2,356	0	2,356
Capital Outlay	35,020	661,270	696,290
Total Expenditures	<u>355,313</u>	<u>661,270</u>	<u>1,016,583</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(73,357)</u>	<u>(308,188)</u>	<u>(381,545)</u>
Other Financing Sources/(Uses):			
Proceeds of Long-term Debt	0	255,000	255,000
Transfers In	7,338	70,690	78,028
Transfers Out	0	(16,017)	(16,017)
Total Other Financing Sources/(Uses)	<u>7,338</u>	<u>309,673</u>	<u>317,011</u>
Net Change in Fund Balances	(66,019)	1,485	(64,534)
Fund Balances - July 1, 2010, As Reclassified	<u>139,017</u>	<u>(184,092)</u>	<u>(45,075)</u>
Fund Balances - June 30, 2011	<u>\$ 72,998</u>	<u>\$ (182,607)</u>	<u>\$ (109,609)</u>

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CITY OF ST. ALBANS, VERMONT
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2011

	Revolving Loan Fund	OJP and Police Grants Fund	VCDP Grants Fund	Clean & Clear Fund	SOLO Building Fund	EPA Grant Fund	Fonda Remediation Fund	Taylor Park Trust Fund	Teen Center Fund	Total
Cash	\$ 20,055	\$ 3	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,806	\$ 0	\$ 23,864
Investments	95,639	0	0	0	0	0	0	0	0	95,639
Receivables	0	15,747	8,878	2,802	0	528	11,301	0	0	39,256
Due from Other Funds	0	0	0	0	0	0	0	1,000	0	1,000
Loans Receivable (Net of Advances to Other Funds)	50,476	0	0	0	0	0	0	0	0	50,476
Allowance for Doubtful Accounts	98,887	0	0	0	0	0	0	0	0	98,887
Total Assets	\$ 265,057	\$ 15,750	\$ 8,878	\$ 2,802	\$ 0	\$ 528	\$ 11,301	\$ 4,806	\$ 0	\$ 309,122

ASSETS

LIABILITIES AND FUND BALANCES

Liabilities:										
Accounts Payable	\$ 0	\$ 1,146	\$ 7,145	\$ 2,467	\$ 11,591	\$ 528	\$ 4,500	\$ 3,152	\$ 0	\$ 30,529
Accrued Payroll	0	436	0	0	0	0	0	0	0	436
Due to Other Funds	2,055	14,138	1,733	335	0	0	0	0	0	18,261
Advances from Other Funds	0	0	0	0	41,620	0	24,565	0	0	66,185
Deferred Revenue	98,887	30	7,500	2,467	0	528	11,301	0	0	120,713
Total Liabilities	100,942	15,750	16,378	5,269	53,211	1,056	40,366	3,152	0	236,124
Fund Balances:										
Nonspendable	50,476	0	0	0	0	0	0	0	0	50,476
Restricted	113,639	0	0	0	0	0	0	1,654	0	115,293
Unassigned	0	0	(7,500)	(2,467)	(53,211)	(528)	(29,065)	0	0	(92,771)
Total Fund Balances	164,115	0	(7,500)	(2,467)	(53,211)	(528)	(29,065)	1,654	0	72,998
Total Liabilities and Fund Balances	\$ 265,057	\$ 15,750	\$ 8,878	\$ 2,802	\$ 0	\$ 528	\$ 11,301	\$ 4,806	\$ 0	\$ 309,122

CITY OF ST. ALBANS, VERMONT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

	Revolving Loan Fund	OJP and Police Grants Fund	VCDP Grants Fund	Clean & Clear Fund	SOLO Building Fund	EPA Grant Fund	Fonda Remediation Fund	Taylor Park Trust Fund	Teen Center Fund	Total
Revenues:										
Intergovernmental	\$ 0	\$ 106,563	\$ 33,800	\$ 6,214	\$ 0	\$ 112,523	\$ 12,941	\$ 0	\$ 0	\$ 272,041
Investment Income	1,487	0	0	0	0	0	0	0	0	1,487
Loan Repayments	3,662	0	0	0	0	0	0	0	0	3,662
Donations	0	0	0	0	0	0	0	4,000	0	4,000
Other	176	0	0	590	0	0	0	0	0	766
Total Revenues	5,325	106,563	33,800	6,804	0	112,523	12,941	4,000	0	281,956
Expenditures:										
General Government	0	0	44,908	8,681	19,181	113,082	46,006	0	0	231,858
Public Safety	0	73,100	0	0	0	0	0	0	0	73,100
Culture and Recreation	0	0	0	0	0	0	0	12,367	612	12,979
Community Development	2,356	0	0	0	0	0	0	0	0	2,356
Capital Outlay	0	35,020	0	0	0	0	0	0	0	35,020
Total Expenditures	2,356	108,120	44,908	8,681	19,181	113,082	46,006	12,367	612	355,313
Excess/(Deficiency) of Revenue Over Expenditures	2,969	(1,557)	(11,108)	(1,877)	(19,181)	(559)	(33,065)	(8,367)	(612)	(73,357)
Other Financing Sources:										
Transfer In	0	0	3,338	0	0	0	4,000	0	0	7,338
Total Other Financing Sources	0	0	3,338	0	0	0	4,000	0	0	7,338
Net Change in Fund Balances	2,969	(1,557)	(7,770)	(1,877)	(19,181)	(559)	(29,065)	(8,367)	(612)	(66,019)
Fund Balances/(Deficit) - July 1, 2010	161,146	1,557	270	(590)	(34,050)	31	0	10,021	612	139,017
Fund Balances/(Deficit) - June 30, 2011	\$ 164,115	\$ 0	\$ (7,500)	\$ (2,467)	\$ (53,211)	\$ (528)	\$ (29,065)	\$ 1,654	\$ 0	\$ 72,998

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CITY OF ST. ALBANS, VERMONT
 COMBINING BALANCE SHEET
 CAPITAL PROJECTS FUNDS
 JUNE 30, 2011

	Federal Street Bypass Fund	Court House South Lot Fund	Municipal Lot North Fund	Central Lot Fund	Streetscape Improvement Fund	Total
ASSETS						
Receivables Due from Other Funds	\$ 210,228	\$ 0	\$ 0	\$ 0	\$ 57,313	\$ 267,541
	<u>55,749</u>	<u>0</u>	<u>1,104</u>	<u>3,000</u>	<u>0</u>	<u>59,853</u>
TOTAL ASSETS	\$ <u>265,977</u>	\$ <u>0</u>	\$ <u>1,104</u>	\$ <u>3,000</u>	\$ <u>57,313</u>	\$ <u>327,394</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts Payable	\$ 75,626	\$ 0	\$ 1,104	\$ 3,000	\$ 15,512	\$ 95,242
Due to Other Funds	0	0	0	0	28,747	28,747
Advances from Other Funds	149,676	0	0	0	13,054	162,730
Deferred Revenue	<u>210,228</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>13,054</u>	<u>223,282</u>
Total Liabilities	435,530	0	1,104	3,000	70,367	510,001
Fund Balances/(Deficit):						
Unassigned	<u>(169,553)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(13,054)</u>	<u>(182,607)</u>
Total Fund Balances/(Deficit)	<u>(169,553)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(13,054)</u>	<u>(182,607)</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ <u>265,977</u>	\$ <u>0</u>	\$ <u>1,104</u>	\$ <u>3,000</u>	\$ <u>57,313</u>	\$ <u>327,394</u>

CITY OF ST. ALBANS, VERMONT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2011

	Federal Street Bypass Fund	Court House South Lot Fund	Municipal Lot North Fund	Central Lot Fund	Streetscape Improvement Fund	Total
Revenues:						
Intergovernmental Charges for Services	\$ 259,342	\$ 0	\$ 0	\$ 0	\$ 77,723	\$ 337,065
	0	16,017	0	0	0	16,017
Total Revenues	259,342	16,017	0	0	77,723	353,082
Expenditures:						
Capital Outlay	384,219	157,826	11,742	4,718	102,765	661,270
	384,219	157,826	11,742	4,718	102,765	661,270
Excess/(Deficiency) of Revenue Over Expenditures	(124,877)	(141,809)	(11,742)	(4,718)	(25,042)	(308,188)
Other Financing Sources/(Uses):						
Proceeds of Long-Term Debt	105,000	150,000	0	0	0	255,000
Transfers In	0	18,358	35,626	4,718	11,988	70,690
Transfers Out	0	(16,017)	0	0	0	(16,017)
Total Other Financing Sources/(Uses)	105,000	152,341	35,626	4,718	11,988	309,673
Net Change in Fund Balances	(19,877)	10,532	23,884	0	(13,054)	1,485
Fund Balance/(Deficit) - July 1, 2010	(149,676)	(10,532)	(23,884)	0	0	(184,092)
Fund Balance/(Deficit) - June 30, 2011	\$ (169,553)	\$ 0	\$ 0	\$ 0	\$ (13,054)	\$ (182,607)

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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”

To the Honorable Mayor and City Council
City of St. Albans, Vermont

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the City of St. Albans, Vermont as of and for the year ended June 30, 2011, which collectively comprise the City of St. Albans, Vermont's basic financial statements and have issued our report thereon dated March 7, 2012. The report on the aggregate remaining fund information was adverse because of the omission of the Pension Fund. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in “Government Auditing Standards” issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

Our consideration of internal control over financial reporting was for the limited purpose described the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. However, as described in the accompanying Schedule of Deficiencies in Internal Control, we identified certain deficiencies in internal control over financial reporting that we consider to be a material weaknesses and other deficiencies that we consider to be significant deficiencies.

Members of The American Institute and Vermont Society of Certified Public Accountants

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City of St. Albans, Vermont's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies identified as Items 11-1 and 11-3 in the accompanying Schedule of Deficiencies in Internal Control to be material weaknesses.

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. We consider the deficiencies identified as Items 11-3 and 11-4 in the accompanying Schedule of Deficiencies in Internal Control to be significant deficiencies.

Compliance and Other Matters

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

We also noted certain other matters that we reported to the management of the City of St. Albans, Vermont in a separate letter dated March 7, 2012.

The City of St. Albans, Vermont's responses to the findings identified in our audit are included with the accompanying Schedule of Deficiencies in Internal Control. We did not audit the City of St. Albans, Vermont's responses, and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of management and the City Council and is not intended to be and should not be used by anyone other than these specified parties.

March 7, 2012
Montpelier, Vermont
Vt Lic. #92-000180

Sullivan, Powers & Company

CITY OF ST. ALBANS, VERMONT
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2011

Deficiencies in Internal Control:

Material Weaknesses:

11-1 Reconciliation of Balance Sheet Accounts

Criteria:

Internal controls should be in place to provide for the reconciliation of all balance sheet accounts to supporting documentation on a monthly basis in order to detect and correct errors in account balances.

Condition:

A number of balance sheet accounts such as receivables, due from/(to) other funds, accounts payable, compensated absences, notes and loans payable, deferred revenue and other liabilities were not reconciled to the actual balances at year end which resulted in various adjustments to revenue and expenses.

Cause:

Unknown.

Effect:

The City's account balances were incorrect.

Recommendation:

We recommend that all balance sheet accounts be reconciled to supporting documentation at least monthly in order to detect and correct errors.

Management Response:

The City's three major funds have a total of 180 balance sheet accounts. Many of these accounts have little or no activity month-to-month; therefore, they are reconciled quarterly or annually, depending on the level of activity.

The particular balance sheet accounts mentioned are reconciled monthly; the adjustments required were the result of issues other than the monthly reconciliation process. The accounts payable adjustment was made to allocate the ending balance across all City funds, an adjustment that has not been required in the past. Knowing that Sullivan Powers requires such an allocation, we will make this adjustment monthly going forward.

CITY OF ST. ALBANS, VERMONT
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2011

11-2 Financial Reporting – Pension Plan

Criteria:

The City should have internal controls in place to ensure that all of the City's funds are included the City's general ledger and financial statements in order to comply with generally accepted accounting principles.

Condition:

The City has a defined benefit pension plan for its employees that has not been included in the City's general ledger or financial statements.

Cause:

Unknown.

Effect:

The City's financial statements are not in full conformance with generally accepted accounting principles. In addition, the financial position and activity of the Pension Fund is not disclosed.

Recommendation:

We recommend that the City implement controls to ensure that all of the City's funds are included in its general ledgers and financial statements.

Management Response:

Historically, the City's defined benefit pension plan has been reported in the footnotes to the financial statements. Based on Sullivan Powers' recommendation, during the current fiscal year the financial staff will develop a policy based on GAAP guidelines defining when a group of financial transactions requires creation of a new fund. Accordingly, a separate general ledger account group will be created for the defined benefit pension.

Significant Deficiencies:

11-3 Segregation of Duties – Police Department

Criteria:

An important factor in developing good internal control procedures is to divide responsibilities so that no individual can both perpetrate and conceal errors or irregularities. One of the most common division of duties is the division between the custody of cash and the accounting functions.

CITY OF ST. ALBANS, VERMONT
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2011

Condition:

At the Police Department, the same person that has access to the data base for billings and collections of parking tickets also does the cash ups and deposits. Those duties are considered incompatible functions for accounting control purposes.

Cause:

Unknown.

Effect:

The Department has inadvertently made its assets susceptible to misappropriation.

Recommendation:

We recommend that, at a minimum, the access to the data base function be removed from those who conduct cash ups and deposits and be delegated to another individual.

Management Response:

Payments are made at the police department by citizens particularly after hours for transactions specific to police work. Personnel from Sullivan Powers met with relevant police department staff during field work, so they are aware that changes should be made and have already begun resolving this issue. Finance staff is working with the police department to resolve this sooner rather than later.

11-4 Accounting and Procedures Manual

Criteria:

An accounting and procedures manual should be in place for the City. This manual should define duties and responsibilities for current personnel. Written procedures, instructions and assignment of duties will prevent or reduce misunderstandings, errors; inefficient or wasted effort duplicated or omitted procedures, and other situations that can result in inaccurate or untimely accounting records. It can also help to ensure that all similar transactions are treated consistently, that accounting principles used are proper, and that records are produced in the form desired by management, and to ensure compliance with OMB and grantor requirements.

Condition:

The City does not have a complete accounting and procedures manual in place.

Cause:

The City has not developed a complete manual due to time constraints.

CITY OF ST. ALBANS, VERMONT
SCHEDULE OF DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2011

Effect:

The City does not have a manual to turn to when questions arise regarding accounting and procedures.

Recommendation:

We recommend that the City develop an accounting and procedures manual as soon as possible. Each individual should document their duties and how to perform them. We also recommend that the City make sure that there are no jobs related to accounting and finance that only one person knows how to perform. The procedures manual would also be useful in determining whether this situation exists.

Management Response:

The City has a Financial Policy Manual adopted by Council on July 11, 2011. The finance staff maintains a working copy of this document where modifications are made as improvements are identified. Staff has already identified the need to record the flow of job tasks with related internal controls, with the intention of having an update for Council approval prior to the end of the current fiscal year.

CITY OF ST. ALBANS

ANNUAL SCHOOL REPORT

For Fiscal Year

July 1, 2010 to June 30, 2011

FRANKLIN CENTRAL SUPERVISORY UNION SUPERINTENDENT'S REPORT

It is with gratitude and respect for the city of St. Albans, the town of St. Albans, and the town of Fairfield that I write this report on the state of the Franklin Central Supervisory Union (FCSU) and its member schools: Bellows Free Academy Union High School District #48, Northwest Technical Center, Fairfield Center School, St. Albans City School, and St. Albans Town Educational Center. It is my honor to serve you.

Clearly, greater Saint Albans is a community on the move, and public education is proud to be a driver of that growth alongside government, business, and industry. We *are* creating a workforce to support a 21st Century knowledge-based economy, and this will draw new business to supplement our strong manufacturing base. The development of a highly educated and skilled workforce is perhaps the most critical component of our future economic well-being. As we all know, government doesn't create jobs: employers do, but only where there are the skilled workers to fill those jobs. As we continue to improve the learning outcomes for all of our students and develop strong partnerships with CCV and other Vermont State colleges, local business, and industry, I am confident that we will build that workforce and attract the jobs that will drive and sustain future prosperity. In supporting your local schools, you contribute to that future; and I personally thank the community for your continued generous support. I also offer sincere thanks to all who serve on the respective school boards of the FCSU for their tireless work on behalf of, and belief in, our children and our community.

While I cannot thank everyone who contributes to the success of our schools, there are some whom I need to thank publicly. First, to the Executive Committee of the FCSU – Chris Chagnon, Jim Mercier, Paul Bourbeau, and Michael Malone: Your leadership and support are critical to our continued success. To the Central Office Administrative Team – Julie Regimbal, Special Education Director; Stefanie Blouin, Curriculum Director; Martha Gagner, Business Manager; and Karen Dantzcher, Human Resources Director: Thank you for your patience, dedication, and vision. To the Principals and Directors – Dennis Hill of BFA, Leeann Wright of NWTC, Angela Stebbins of the Town School, Joan Cavallo of the City School, Jennifer Wood of Fairfield Center School, Michelle Spence of the Early Education Program, and David Kimel of the Collins Perley Sports Center: Thank you for all you and your administrative teams do to support learning. Last, to my Executive Assistant, Peggy Town, who somehow manages to keep us all in line and keep things humming.

To all of you whom I have not mentioned – to the dedicated professional staff; to the support professionals; to the many volunteers, parents, and community – I say thank you, as well. Educating and preparing our children for their future, our future, is perhaps our most important job. We could not do it without you.

Respectfully,

Bob Rosane
Superintendent of Schools

**WARNING
FOR THE CITY OF ST. ALBANS SCHOOL DISTRICT
ANNUAL MEETING: March 6, 2012**

The inhabitants of the City of St. Albans who are legal voters in the School District are hereby warned and notified to meet at the City Auditorium, 100 North Main Street in said City of St. Albans on Tuesday, the 6th day of March, 2012, for the purpose of voting upon Articles I to V, hereinafter set forth. Said articles are to be voted upon by use of the voter checklist and official printed ballots. The polls will be open at seven o'clock (7:00 a.m.) in the morning and close at seven o'clock (7:00 p.m.) in the evening.

ARTICLE I

To elect from the legal voters of the City of St. Albans, two (2) School Board Commissioners for a term of three (3) years.

ARTICLE II

To elect from the legal voters of the City of St. Albans, one (1) School Board Commissioner for a term of one (1) year to fill the remainder of a three (3) year term.

ARTICLE III

To elect from the legal voters of the City of St. Albans, one (1) School Board Commissioner for a term of two (2) years to fill the remainder of a three (3) year term.

ARTICLE IV

Shall the legal voters of the City of St. Albans School District authorize the School Board Commissioners to borrow money in anticipation of payment from the education fund, as necessary, for the next fiscal year pursuant to Title 16 § 562(9)? (The approval of this item will have no effect on the tax rate.)

ARTICLE V

Shall the legal voters of the City of St. Albans School District appropriate \$11,476,209, which is necessary for the support of the PreK-8 school for the year beginning July 1, 2012?

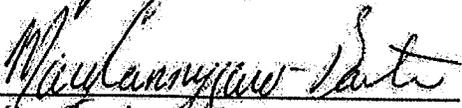
Informational Hearing

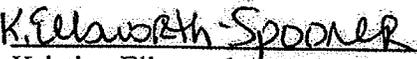
The legal voters of the St. Albans City School are hereby warned and notified to meet in the St. Albans City School Library, 29 Bellows Street, St. Albans, VT, on March 1, 2012, at 6:00 p.m., to conduct an informational meeting on the budget.

Dated at St. Albans City, Vermont, the 23rd day of January, 2012.

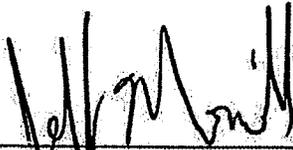
St Albans City School Board of Commissioners

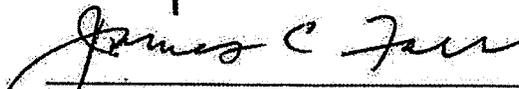

Chris Chagnon, Chairperson


Mary Cannizzaro Barton


Kristina Ellsworth-Spooner


Steve Messier


Jeff Morrill


James Farr


Alix Gibson

Estimated Tax Rate FY13				ESTIMATES
School Budgets	FY12 Budget	FY12 Tax Rate	FY13 Budget	FY13 Tax Rate
City School Budget	11,294,570	0.765	11,476,209	0.797
BFA Union - City Share	5,378,375	0.470	5,624,189	0.499
		1.234		1.296
CLA		92.59%		98.38%
Total Tax rate		1.333		1.317

The base education homestead tax rate of \$0.89 and non-homestead tax rate of \$1.38 is based on the recommendation of the Governor's Office and subject to Legislative approval. Using these tax rates and the current City CLA of 98.38% the **estimated** projected 2013 Homestead School Tax Rate is \$1.317

Proposed FY13 Education Budgets			
Expenses:	FY12 Budget	FY13 Budget	Increase
St. Albans City Elementary School	11,294,570	11,476,209	1.61%
Bellows Free Academy Union High School- City share of Budget	5,378,375	5,624,189	4.57%
Expense Total	16,672,945	17,100,398	
Revenue	2,524,158	2,480,987	-1.71%
Categorical Grants, Federal Grants, Interest, etc.			
Amt to be requested from Ed Spending Fund	14,148,787	14,619,411	3.33%
Education Tax Rate	1.2342	1.2959	5.00%
St. Albans City Education Tax Rate (based on CLA of 98.38%)			
Homestead	1.333	1.3172	-1.19%

St. Albans City School Fund Revenues			
Title	FY11 Actual	FY12	FY13
General Operating	8,744,040	8,915,912	9,136,872
Food Service	25,000	15,600	20,000
Special Education	1,455,278	1,438,754	1,510,461
Other Grant Funding	1,084,044	924,304	808,876
Total Revenues	11,308,362	11,294,570	11,476,209

St. Albans City School Fund Expenses			
Title	FY11 Actual	FY12	FY13
Instruction-General	5,424,095	5,382,748	5,414,125
Special Education	2,655,940	2,646,313	2,808,564
Other Expenses	1,823,014	2,351,375	2,444,644
Grant Expenses	1,084,044	914,134	808,876
Total Expenses	10,987,093	11,294,570	11,476,209

Bellows Free Academy Union High School			
Title	FY11 Actual	FY12	FY13
BFA Total Budget	18,441,535	19,526,369	19,705,254
City Share	4,864,651	5,378,375	5,624,189
Based on City/Town student FTE's	55.57%	56.20%	55.01%

BELLOWS FREE ACADEMY UHSD#48

Board Report

Bellows Free Academy Union High School District #48 is pleased to share its performance with the St. Albans community through its annual report. The Board of Directors, the staff, and the administration of the school take our role of providing a sound educational institution and outstanding community resource very seriously. We believe that our success is directly reflected in the quality of our graduates and in the community access to our resources.

Bellows Free Academy, along with the Northwest Technical Center, is keenly focused on its mission to provide a quality education to the high school students in St. Albans City, St. Albans Town, and our surrounding communities in Franklin County. The Academy has invested in establishing a balanced curriculum that provides the framework for instructional guidance in order to raise the educational awareness of our students. The staff, along with our administrative team, has relied on quantitative measurements to gauge the effectiveness of our programs. Each year, we continue to fine-tune our delivery of instruction by adapting to the learning needs of our students and maximizing the curriculum at Bellows Free Academy and the Northwest Technical Center. Our goal is to ensure that reflective data is used as a catalyst to drive improvement in both content and delivery of instruction. We recognize our responsibility to prepare our students to be lifelong learners and to flourish in their careers after they graduate.

In addition to the programs within Bellows Free Academy, our curriculum teams have continued to reach out to the various sending schools to share our vision for success and stress how important alignment of curriculum is to the students as they enter Bellows Free Academy. We believe that Bellows Free Academy is a clear School of Choice to families in our sending communities, and we thank them for continuing to place their trust in the Academy. Bellows Free Academy and the Northwest Technical Center annually host our 8th-grade parents from many local communities, allowing us to emphasize all that the Academy has to offer to these future students. Our staff and, more importantly, our students share what it means to be part of the Bellows Free Academy experience. We are committed to growing our academics and co-curricular offerings to meet the needs of the 21st Century students. As statewide enrollments decline, our goal of providing educational excellence becomes a significant differentiator to new students choosing where to attend high school. Our ability to be successful provides the tuition revenue to support our costs. This has a direct benefit to St. Albans City and St. Albans Town residents by allowing Bellows Free Academy to manage our costs proportionally. This is reflected in the fact that the FY12-13 combined tuition and grant funding provides 48% of the revenue to our district, effectively supporting half the cost of operating the Academy.

The Board believes that it is our task to present the community of St. Albans and other sending schools with a responsible budget that supports a quality educational program for your children. The Board also feels that we have a fiduciary responsibility to safeguard the fiscal capabilities of the community. This is especially true in the economic times we face today. We are not immune to the subtle effects of declining enrollments that are modulated by population shifts in our larger St. Albans community. The Board feels that this year's high school budget development reflects that commitment to the community. Bellows Free Academy constructs its budget using intensive interaction with staff, administrators, and Board members in order to examine all proposed expenditures and revenues. The FY12-13 budget was directly affected by a reduction in the number of students entering the Academy and therefore required a balancing of our expenses while ensuring that we provide educational content that aligns with State and Federal requirements. The Board believes it has accomplished this challenging goal in a manner that will support delivery, yet meet the need to maintain a cost structure the community can bear. Our increase in the proposed budget for FY12-13 is less than 1%, which we believe provides financial stability for our residents during this current economy. The Board firmly believes that this proposed budget will continue to strengthen education excellence and, through grants and tuition revenue, support the financial resource of our community.

The Board would like to thank our voters for their approval of a refurbishment BOND that provided the funds necessary to complete the renovation of our Auditorium into our newest jewel at the Academy, the Performing Arts Center. The Board believes that this renovation will completely round out the Academy's educational opportunities. The Board has supported expanding the delivery of curriculum to all students, ensured that our extra-curricular offerings through the Collins Perley Sports Complex and Academy are inclusive, and supported the establishment of the Performing Arts Center at the Auditorium. Our goal to be the School of Choice will benefit greatly from these three pillars. These resources belong to our entire community, and each new performance showcases how your investments have paid dividends annually.

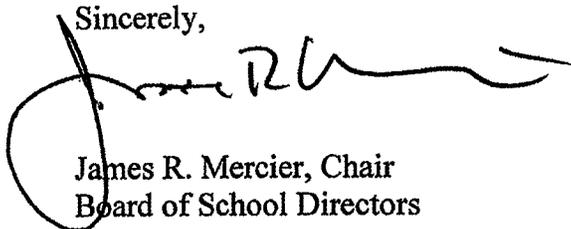
Lastly, the Board of Directors is also pleased to report that our Technical Center continues to thrive, with demand often greater than available capacity. The Tech Center provides a course of study that can prepare many students for direct employment opportunities or serve as a solid preparation for a technical college upon graduation. The Technical Center has been able to add new programs to reflect what businesses are looking for in graduates and often partners with local industries to create a learning environment that teaches real-world solutions to problems. The collaboration between our local businesses and the Technical Center is a key tool in addressing the importance of education aligning with the needs of business and industry. In addition, the Technical Center is now offering multiple college courses through four of our Technical Center programs in agreements with the Community College of Vermont (CCV) and the Vermont Technical Center (VTC). The Technical Center also offers programs in Building

Trades and has invested in technology to enable learning in computer-aided design. The Technical Center staff is able to provide all of this, along with being fully integrated with the Academy, thus ensuring seamless delivery of instruction for our students. Finally, the Technical Center is the hub for Adult Learning for our community. We provide numerous classes and space for our adult learners and serve one of the highest number of adult classes in the State of Vermont. All of these facts reflect tremendously well on the resource that Bellows Free Academy is to our community.

On behalf of the Board of School Directors, I want to thank the community, the faculty, and staff for supporting our youth. The Board looks forward to serving the school community during the 2012-13 school year. Please attend the Bellows Free Academy Union High School District informational meeting in the Library at Bellows Free Academy, 71 South Main Street, St. Albans, VT, on February 28, 2012, at 6:30 p.m.

We encourage and remind the community to vote on the budget March 6, 2012 from 7:00 a.m. to 7:00 p.m. at your local polling places.

Sincerely,

A handwritten signature in black ink, appearing to read 'James R. Mercier', with a large circular flourish on the left side.

James R. Mercier, Chair
Board of School Directors

Bellows Free Academy UHSD #48

Principal's Report

March 2012

As I continue to navigate my first year as principal, I am pleased to share my perspectives on our community's public high school. BFA continues to be a school of choice in Vermont through a combination of tradition and innovation. Combining the rich history of "The Academy" with research-based best practices and learning opportunities for all students continuously improves learning for all students. In the course of the past year, we have seen significant changes in technology-enabled learning opportunities. BFA now offers up to 400 different online classes. These classes range from algebra to Mandarin Chinese, and include Advanced Placement (AP) courses that are available to our students. Several of our classrooms are now "paperless," meaning both teachers and students utilize available technology for teaching and learning. Another great example of moving learning to the next level is evident in the creation of our team-taught 9th grade program, Team Odyssey. This freshman teaming concept has been in place since the first day of school, and the results have been fantastic. Students learn academic content as well as cooperation and collaboration skills, self-advocacy, and develop a deeper understanding of the learning process. Team Odyssey students are participating in student-led conferences; team-based, project-based learning; and working to continuously progress in their learning. In Team Odyssey, failure is not an option and all of the students are rising to the challenge. In addition to the innovations in learning engaged in by Team Odyssey, ongoing research and planning is underway as BFA teachers look at different ways to support student learning that is customizable, flexible, and repurposes resources both inside and outside of the school to maximize learning for our students.

BFA has also been working on implementing our School Improvement Plan. This plan has been developed in response to areas of concern identified by the NECAP testing in reading and math. This test is taken annually by juniors in the fall, and an Adequate Yearly Progress determination is made based on performance. BFA has implemented two school-wide improvement goals to address identified needs across the curriculum. The two goals are:

1. Students analyze complex, real world scenarios and use knowledge and skills across the curriculum to interpret and solve problems.
2. Students read closely and critically to comprehend a wide range of increasingly complex informational/technical texts across the curriculum.

Teachers have spent time collaborating on ways to implement these strategies during faculty meetings and in-service time. As a result, we hope to see significant changes in student performance in the areas of reading and math. However, our

teachers have worked diligently to create relevant opportunities in all courses to address these goals through their instruction and assessment. After last year's New England Association of Schools and Colleges (NEASC) visit, BFA did receive full NEASC accreditation. With a resounding number of commendations and a few recommendations that will be addressed during the next several years, BFA maintains its status as a fully accredited high school. A NEASC steering committee is addressing the recommendations and responding with regular reports to the NEASC organization over the next two years.

As you review the summary of the revenues and expenditures in our proposed FY'13 school budget, you can see that we have worked hard to hold the line on costs for next year. The proposed budget of \$19,705,254 represents a 0.92% increase over the FY'12 budget. As school funding continues to be a major area of discussion and interest across the state, BFA remains committed to presenting a thoughtful and responsible budget that actualizes efficiencies without compromising the amazing opportunities available for our students. This proposed budget supports our programs and initiatives, which continue to be the primary focus of our efforts. With the support of this wonderful community, we are confident our dedicated faculty, administration, and staff can maintain our high standards of academic excellence and prepare our students for all of the challenges they will face in their lives after high school.

Every day, our faculty and staff provide the best learning opportunities for every student here at BFA. These efforts would not be possible without the incredible support and guidance we receive from our School Board and this outstanding community. On behalf of BFA, I would like to thank the School Board members for their hard work. Our school board is comprised of: Jim Mercier-BFA School Board Chair, Nilda Gonnella-French, Al Corey, Bruce Scott, and Sally Lindberg. Also, I would like to offer our thanks to Superintendent Bob Rosane for his leadership and support of the efforts that make BFA such a wonderful place for students to be. BFA continues to be a fantastic place for students to learn, grow, and participate in a variety of co- and extra-curricular activities. Our academics, athletics, and all of the student-centered activities available continue to make BFA the school of choice in this part of the state. We look forward to your continued support and will continue to solicit your input as we move BFA through the exciting opportunities of the 21st century.

After reviewing this report and reflecting on the budget proposal, feel free to contact me at your convenience to share your thoughts or suggestions. My office is always open to our students, their parents, and all community members. I look forward to our sharing another successful year at BFA.

Respectfully,

Dennis M. Hill
Principal

WARNING
FOR THE BELLOWS FREE ACADEMY UNION HIGH SCHOOL DISTRICT #48
ANNUAL MEETING: March 6, 2012

The legal voters of the Bellows Free Academy Union High School District #48, consisting of the City of St. Albans and the Town of St. Albans, Vermont, are hereby notified and warned to meet in the respective polling places and times hereinafter named for each of the above referenced towns on **Tuesday, March 6, 2012**, to vote on the articles herein set forth. Articles I to VII to be voted by the Australian Ballot system. The polls open at seven o'clock (7:00 a.m.) in the morning and close at seven o'clock (7:00 p.m.) in the evening.

ARTICLE I

To elect a clerk.

ARTICLE II

To elect a treasurer.

ARTICLE III

To elect from the legal voters of the City of St. Albans, one (1) School Board Director for a term of three (3) years.

ARTICLE IV

To elect from the legal voters of the Town of St. Albans, one (1) School Board Director for a term of three (3) years.

ARTICLE V

Shall the legal voters of the Bellows Free Academy Union High School District #48 authorize the School Board Directors to borrow money in anticipation of payment from the education fund, as necessary, for the next fiscal year pursuant to Title 16 § 562(9)?

ARTICLE VI

Shall the legal voters of the Bellows Free Academy Union High School District #48 consisting of the City of St. Albans and the Town of St. Albans, Vermont, appropriate \$19,705,254 which is necessary for the support of the 9-12 school system for the year beginning July 1, 2012?

ARTICLE VII

Shall the legal voters of the Bellows Free Academy Union High School District #48 consisting of the City of St. Albans and the Town of St. Albans, Vermont, authorize the School Directors to provide notice of availability of the District's Annual Report and the District's budget, in lieu of distributing the report and budget, by publishing notice of availability in the St. Albans Messenger at least 30 days before the District's annual meeting or other special meeting where approval of the District's budget is an agenda item?

Informational Hearing

The legal voters of the Bellows Free Academy Union High School District #48 consisting of the City of St. Albans and the Town of St. Albans, Vermont, are hereby notified and warned to meet in the Library at Bellows Free Academy, 71 South Main Street, St. Albans, Vermont, on **February 28, 2012, at 6:30 p.m.**, to conduct an informational meeting on the budget.

The budget will be voted on by Australian Ballot on **Tuesday, March 6, 2012.**

Polling Places and Times

St. Albans City Residents - St. Albans City Hall, 100 North Main Street; polls open at 7:00 a.m. and close at 7:00 p.m.

St. Albans Town Residents - Collins Perley Sports Complex, 890 Fairfax Road; polls open at 7:00 a.m. and close at 7:00 p.m.

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Northwest Technical Center
Director's Report
Highlights of the 2011-2012 School Year

The Northwest Technical Center provides quality education to area high school students and adults. At the Northwest Technical Center, students from Bellows Free Academy and Missisquoi Valley Union High School have the opportunity to choose from eleven different full-time technical programs and nine pre-tech programs. Many of our programs allow students to take advantage of dual enrollment opportunities to earn college credit while they are in high school. In addition, they may earn industry certification, which prepares them to be college and career ready.

The Northwest Technical Center has been offering technical education since 1977 and, though many things have changed in technical education and the programs we offer, we strive to meet the needs of our regional economy. Students come from a wide variety of backgrounds, with personal goals ranging from college to immediate employment or apprenticeship. In addition, our vibrant adult education programs offer adults a wide variety of opportunities to meet their unique individual needs. Many students attending high school also take advantage of the adult programs.

Highlights of the year include:

English Integration: In its second year, NWTC students earn their required high school English credit during their program meeting time. The programs that integrate English for credit include Human Services, Emergency & Fire Services, Medical Professions, Culinary, and Marketing. During the summer, the Academy teachers meet with the BFA English instructor and the BFA English Department Chair to design their individual innovative English program. Instructors review curriculum and standards, and work together to find the inherent English component in the programs and align the curriculum to identify where English standards fit to make it rigorous and relevant. Our teachers familiarize themselves with the BFA Power Standards, select materials to be used in their programs, and discuss units to be presented. Student response to this new program is very positive, and we are very excited about this innovative delivery model!

Dual Enrollment: Our Engineering Technologies and Automotive programs have a new dual enrollment agreement that started this spring with Central Maine Community College. With successful completion of the course work, students will have the transcribed-college credit that can transfer to any college.

Engineering Technologies will enroll students in Introduction to Lathes (2 college credits).

Automotive Technologies will enroll students in Introduction to Brakes I (2 college credits) and Suspension and Alignment (2 college credits). In the fall 2012, students will enroll in Engine Performance (2 college credits) and Introduction to Electrical Systems I (2 college credits).

Adult Education: Our adult program continues to be very successful for area adult learners. We have offered more than 100 courses this year with 1,800 students participating.

NEASC: In April 2010, the New England Association of Schools and Colleges evaluated NWTC as a part of their formal accreditation process. As a result of our assessment, we were awarded reaccrreditation. We are now preparing a summary of our statistical data for the two-year progress report. Each program reports on the status of their recommendations and the details around completing them.

Program Innovation Grant: We have been awarded grant money from the Department of Education for this year for program innovation in Engineering Technologies. With the grant money, our Engineering Technologies instructor will pair with BFA's Design Technology instructor to collaborate on developing coherent pathways for their students, acquire up-to-date course material and software, upgrade and purchase new equipment, expand dual enrollment opportunities, develop work-based learning and cooperative education opportunities, and expand partnerships for scenario assessments. As they progress through the year, they will apply for additional funding for next year to continue their collaboration and work towards a STEM academy.

Student Leadership: Our student leadership organizations continue to thrive! We offer students in all program areas the opportunity to participate in DECA, FCCLA, and Skills USA. All of these organizations stress the development of leadership, teamwork, community service, and skill development; and our students are very active both locally and on the state level. This fall, NWTC student organizations attended leadership conferences to start the year off.

I would like to thank the parents and community members who provide on-going support to the Northwest Technical Center. These community partners include program advisory committees, co-op and program placement sites, industry partners, and youth leadership organizations. With this tremendous support we will continue to provide quality technical education programs that enable our students to be successful in their post-secondary future. I encourage you to visit our center anytime to see the great learning that is happening here.

Respectfully submitted,

Leeann Wright, Director
Northwest Technical Center



Collins Perley Sports & Fitness Center

ANNUAL REPORT COLLINS PERLEY SPORTS & FITNESS CENTER FY 2012

The Collins Perley Sports & Fitness Center has had an outstanding year. We have seen a significant increase in use by both the community and the school. We feel this is as a result of increased emphasis on wellness and facility improvements.

Construction and renovations continue. The last of the renovations funded by a voter-approved Municipal Bond was completed last summer. An addition that will house locker rooms is being funded by grants and incentives. We are very thankful for this support.

Collins Perley is owned by BFA. It is BFA's primary facility for physical education and athletics. It hosts other, non-athletic BFA activity. The goal of its independent Board of Directors is to meet the needs of BFA while also serving as a community center for the greater St. Albans region. Toward that end, we offer our facilities for Fitness, Athletics, Expositions, Shows, Fairs, Conventions, Concerts, Business Meetings, Parties, Health Clinics, Voting, and more.

This combination of school ownership along with community use and commitment results in excellent facilities at a low cost. The Collins and Perley Trusts paid the debt for the original construction of the facility. They continue to pay part of the operating costs of the facility while the balance in the Trusts increases to meet future demands. Collins Perley operates as a nonprofit entity [501(c)(3)] and sets fees sufficient to cover costs of operation. Operating costs are kept at essential levels without frills.

As stewards for one of Franklin County's greatest assets, we work hard to insure the facility is properly maintained – inside and out. With 52 total acres and 40 acres of sports and support fields, maintaining a balance of use, care, and environmental impact is challenging but vitally important.

We consider the grounds of Collins Perley to be divided into three classifications: Parks, Forests, and Streams. The Sports Fields are our Parks. As such, we work hard to make them available for the community while protecting them from overuse. We use the most ecologically friendly turf treatments to insure their health while protecting the rest of the eco system. Trees at Collins Perley are starting to reach significant levels of maturity. Most have been planted just within the last ten years. Already, we are seeing the canopies we envisioned along some of the walking paths. A shaded rest stop can now serve as a miniature oasis. While some might see the water passing through the property as drainage ditches, we see them as stream systems. We respect them by surrounding them with as much buffer as possible. We are particularly anxious to see plans finalized for a pilot project with the Vermont Agency of Natural Resources Clean and Clear Office. This project will introduce a number of test sites designed to improve water quality. Work will be completed this summer.

Fitness is critically important to people of all ages. While we are proud of our world champion weight lifters, we are just as proud of those who take a regular walk around the Rotary Fitness Path that surrounds the property or those who walk inside during inclement weather. We encourage all of our neighbors to do some kind of aerobic exercise for at least one hour, three times per week. In addition to walking, jogging, and running on our outdoor path and track, we offer tennis, racquetball, wallyball, skating, aerobics, martial arts, and a complete fitness gym with highly skilled trainers. Exercise programs include Tai Chi, Zumba, Aerobics, Belly Dancing, Boot Camp, and more. We are excited about our new free indoor walking/jogging program.

Athletics is for more than the athletes. We encourage everyone to either participate in or watch any number of sports events. We host a wide number of athletic camps in the summer.

As a Community Center, Collins Perley is flexible and active. Our location and our facility work well for business meetings, expositions, and conventions.

We invite you to check our website for more information: www.collinsperley.com

On behalf of the staff and the Board of Directors of Collins Perley, it is my pleasure to invite everyone to stop in to see what we have to offer. Please let us know how we can serve you better.

Sincerely,

Harold Hebert, President
Collins Perley Sports Center, Inc.

David Kimel, Manager

Franklin County Early Childhood Programs

Who We Are: We are a public school early education program serving children from birth to school age and their families.

Who We Serve: The program's target population is children from birth to school age, with an emphasis on three- to five-year-old children who are developmentally at risk or developmentally delayed and their families. We also offer an early learning opportunity for all four year olds for ten hours a week in the towns of Fairfield, St. Albans City, and St. Albans Town. We are currently serving 156 children in the Supervisory Union, mostly three to five year olds.

What We Do: The program takes referrals from families with young children, relatives, neighbors, community members, and other service providers. Referrals often result in the scheduling of a developmental screening, which is done in homes, preschool classrooms, childcare programs, and the elementary schools. Screenings may result in a recommendation for a comprehensive evaluation, which is used to determine eligibility for enrollment in the early childhood special education programs. If a child and family are determined eligible for services, a program plan is developed with the child's family that results in home and/or center-based services. Center-based services may include placement in a playgroup, childcare program, and/or a preschool. An important component of services by the program is consultation services to families with young children, community members, and other service providers.

The program operates an office at the American House (2 North Main Street) in St. Albans and has classrooms in the St. Albans City and Town Elementary Schools, the East Fairfield Community Center, and the Barlow Street Community Center. We partner with Blooming Minds Child Care, Main Street School, and The Y's Time Child Care program to provide a ten-hour per week preschool experience for eligible children. The program also provides consultative services at other preschool and childcare programs in the district.

How We Are Funded: The program is operated with funds from a variety of federal, state, and local sources. The federal government provides funds to the State of Vermont, which provides the federal money to the local school district in the form of block and incentive grants. The State Legislature appropriates an additional amount of money for the public schools each year, and part of these funds is designated for early childhood education services. The Supervisory Union combines the block grant and local share for early childhood education from each participating school district. The total operating budget for the program's activities for the 2012/2013 school year is expected to be \$1,092,164, which is \$25,648 more last year – a 2.4% increase. These funds will be acquired from a combination of the above-mentioned revenues.

For More Information: Contact Michelle Spence, Coordinator, 524-3613 or mspence@fcsuvt.org

You may also visit our website <http://earlychildhoodsuccess.org> and find us on Facebook by looking for the Franklin County Early Childhood Programs.

St. Albans City School Summary of Revenues

Revenues	FY11 Actual	FY12 Adopted	FY13 Proposed
Interest	54,898	45,000	40,000
Basic Education Grant	8,569,893	8,770,412	8,995,222
Transportation Aid	102,961	100,000	99,150
Miscellaneous Revenue	16,288	500	2,500
General Operating	8,744,040	8,915,912	9,136,872
Food Service Contract	25,000	15,600	20,000
Food Service	25,000	15,600	20,000
Mainstream Block Grant	246,070	252,754	237,142
Expenditure Reimbursement	1,166,113	1,135,919	1,199,357
Extraordinary Reimbursement	43,095	50,081	73,962
Special Education	1,455,278	1,438,754	1,510,461
Grant Funding:			
IEP Medicaid Grant	70,699	79,014	45,792
EPSDT Medicaid Grant	37,872	28,926	51,666
Student Ass't Program Grant	8,865	16,975	0
Tobacco Grant	7,500	7,500	7,500
IDEAB & IDEAB ARRA Grant	248,605	207,889	179,282
Consolidated Federal Grant	710,503	584,000	524,636
Grant Funding	1,084,044	924,304	808,876
Total Revenues	11,308,362	11,294,570	11,476,209

1.61%

St. Albans City School and the Franklin Central Supervisory Union FY11 Audits were incomplete at the time of this printing. Complete copy of the FY11 Audits may be obtained by calling the Supervisory Union Office at 524-2600

St. Albans City School
Summary of Expenses for FY13 Budget

Function	Department	FY11 Actual	FY12 Adopted	FY13 Proposed	
1051	Instruction General	273,363	251,146	238,189	
Various	Instruction K-8	2,711,437	2,751,943	2,785,112	
1058	Assessment & Testing	7,993	8,882	8,882	
1071	Curriculum Initiatives	9,643	10,537	10,000	
1102	Art	213,566	223,263	230,041	
1104	Computers	380,261	292,984	304,156	
1106	French	38,403	25,399	20,280	
1107	Technology Education	63,439	46,944	50,981	
1109	Practical Arts	35,335	38,918	41,227	
1112	Music	220,533	224,327	227,779	
1118	Physical Education	212,990	226,037	231,832	
1400	Co-Curricular Activities	36,833	31,818	34,899	
1410	Summer School	0	2,000	2,000	
1412	21st Century - Open Doors	10,000	10,000	10,000	
2110	English Language Learners	34,826	26,125	28,447	
2120	Guidance Services	162,592	177,796	176,220	
2122	HUB (SSC)	133,026	137,954	144,833	
2130	Health Services	134,517	140,753	142,398	
2210	Action Planning	1,019	3,730	3,730	
2214	Home School Coordinator	21,057	21,039	13,640	
2222	Media (Library)	153,006	158,787	88,896	
1551	Compensatory Education	202,154	186,797	130,314	
3020	Early Retirement	106,332	113,851	204,969	
1053	Early Childhood Program	261,770	271,718	285,300	
	Instruction-General	5,424,095	5,382,748	5,414,125	
1240,1241	Spec. Ed. Direct Instruction	1,930,640	2,005,868	2,145,298	
1215	Spec. Ed. EEE Local Assmnt	148,172	170,043	178,545	
Various	Spec. Ed. Other Support Services	108,803	120,708	101,945	
2150	Spec. Ed. SLP	424,585	334,392	354,641	
2710	Spec. Ed. Transportation	43,740	15,302	28,135	
	Special Education	2,655,940	2,646,313	2,808,564	
2311, 2313	Board of Education/School Treasurer	46,503	64,825	63,503	
Various	Franklin Central Supervisory Union	252,972	269,968	307,663	
2523	Short Term Debt / Bank Charges	40,922	43,300	35,300	
5161	Long Term Debt	122,620	501,044	546,925	
2600	Operations & Maintenance	704,849	750,718	761,529	
2710, 2720	Transportation	247,828	255,365	257,232	
2410	Principal's Office	369,301	417,973	434,412	
3100	Food Service	38,019	48,182	38,080	
	Other Expenses	1,823,014	2,351,375	2,444,644	
2214	IEP Medicaid Grant	70,699	79,014	45,792	
2214	EPSDT Medicaid Grant	37,872	28,926	51,666	
2214	SAP Grant	8,865	16,975	0	
2214	Tobacco Grant	7,500	0	7,500	
1054,1551	School Wide Program (CFG)	710,503	567,380	524,636	
1240,2213	IDEA B Grants	248,605	221,839	179,282	
	Grant Expenses	1,084,044	914,134	808,876	
	Total Expenses to be Voted	10,987,093	11,294,570	11,476,209	1.61%

St. Albans City School
SPECIAL EDUCATION FUNDING BREAKDOWN

<u>REVENUES</u>	<u>FY11 ACTUAL</u>	<u>FY12 ADOPTED</u>	<u>FY13 PROPOSED</u>
Mainstream Block Grant	\$ 246,070	\$ 252,754	\$ 237,142
Expenditure Reimbursement	1,166,113	1,135,919	1,199,357
Extraordinary Reimbursement	43,095	50,081	73,962
IDEA-B Subgrant	248,605	207,889	179,282
Total Revenues	<u>\$ 1,703,883</u>	<u>\$ 1,646,643</u>	<u>\$ 1,689,743</u>
<u>EXPENSES</u>	<u>FY11 ACTUAL</u>	<u>FY12 ADOPTED</u>	<u>FY13 PROPOSED</u>
Special Education & IDEAB	\$ 2,179,245	\$ 2,227,707	\$ 2,324,580
Spec. Ed. - Preschool	148,172	170,043	178,545
Spec. Ed. - Other Support Services	108,803	120,708	101,945
Spec. Ed. - Speech & Language	424,585	334,392	354,641
Spec. Ed. - Transportation	43,740	15,302	28,135
Total Expenses	<u>\$ 2,904,545</u>	<u>\$ 2,868,152</u>	<u>\$ 2,987,846</u>

District: **St. Albans City**
County: Franklin

T176
Franklin Central

Enter your choice for FY13 base education amount. See note at bottom of page.
0.723

Enter your choice for estimated homestead base rate for FY2013. See note at bottom of page.
0.89

Expenditures		FY2010	FY2011	FY2012	FY2013
1.	Budget (local budget, including special programs, full technical center expenditures, and any Act 144 expenditures)	\$11,176,652	\$11,062,797	\$11,294,570	\$11,476,209
2.	plus Sum of separately warned articles passed at town meeting	-	-	-	-
3.	minus Act 144 Expenditures, to be excluded from Education Spending	-	-	-	-
4.	Act 68 locally adopted or warned budget	\$11,176,652	\$11,062,797	\$11,294,570	\$11,476,209
5.	plus Obligation to a Regional Technical Center School District if any	-	-	-	-
6.	plus Prior year deficit reduction if not included in expenditure budget	-	-	-	-
7.	Gross Act 68 Budget	\$11,176,652	\$11,062,797	\$11,294,570	\$11,476,209
8.	S.U. assessment (included in local budget) - informational data	-	-	-	-
9.	Prior year deficit reduction (if included in expenditure budget) - informational data	-	-	-	-
Revenues					
10.	Local revenues (categorical grants, donations, tuitions, surplus, etc., including local Act 144 tax revenues)	\$2,579,429	\$2,492,904	\$2,524,158	\$2,480,987
11.	plus Capital debt aid for eligible projects pre-existing Act 60	-	-	-	-
12.	plus Prior year deficit reduction if included in revenues (negative revenue instead of expenditures)	-	-	-	na
13.	minus All Act 144 revenues, including local Act 144 tax revenues	-	-	-	-
14.	Total local revenues	\$2,579,429	\$2,492,904	\$2,524,158	\$2,480,987
15.	Education Spending	\$8,597,223	\$8,569,893	\$8,770,412	\$8,995,222
16.	Equalized Pupils (Act 130 count is by school district)	773.01	773.94	757.42	748.04
17.	Education Spending per Equalized Pupil	\$11,121.75	\$11,073.07	\$11,579.32	\$12,025
18.	minus Less net eligible construction costs (or P&I) per equalized pupil	\$156.89	\$154.41	\$661.51	\$731
19.	minus Less share of SpEd costs in excess of \$50,000 for an individual	\$16.80	\$27.88	\$23.18	\$6
20.	minus Less amount of deficit if deficit is solely attributable to tuitions paid to public schools for grades the district does not operate for new students who moved to the district after the budget was passed or amount paid in tuition for those students	-	-	-	-
21.	minus Less SpEd costs if excess is solely attributable to new SpEd spending if district has 20 or fewer equalized pupils	-	-	-	-
22.	minus Estimated costs of new students after census	-	-	-	-
23.	minus Less planning costs for merger of small schools	-	-	-	-
24.	plus Excess Spending per Equalized Pupil over threshold (if any)	-	-	-	-
25.	Per pupil figure used for calculating District Adjustment	\$11,122	\$11,073	\$11,579	\$12,025
26.	District spending adjustment (minimum of 100%) (\$12,025 / \$8,723)	130.170% based on \$0.544	129.601% based on \$0.544	135.526% based on \$0.544	137.855% based on \$0.723
Prorating the local tax rate					
27.	Anticipated district equalized homestead tax rate to be prorated (137.855% x \$0.890)	\$1.1195 based on \$0.89	\$1.1146 based on \$0.89	\$1.1791 based on \$0.87	\$1.2269 based on \$0.890
28.	Percent of St. Albans City equalized pupils not in a union school district	67.170%	65.850%	64.850%	64.99%
29.	Portion of district eq homestead rate to be assessed by town (64.990% x \$1.23)	\$0.7520	\$0.7340	\$0.7648	\$0.7974
30.	Common Level of Appraisal (CLA)	71.25%	71.83%	92.69%	98.38%
31.	Portion of actual district homestead rate to be assessed by town (\$0.797 / \$0.89) <i>If the district belongs to a union school district, this is only a PARTIAL homestead tax rate. The tax rate shown represents the estimated portion of the final homestead tax rate due to spending for students who do not belong to a union school district. The same holds true for the income cap percentage.</i>	\$1.0554 based on \$0.89	\$1.0219 based on \$0.890	\$0.8258 based on \$0.87	\$0.8105 based on \$0.89
32.	Anticipated income cap percent to be prorated (137.855% x 1.80%)	2.34% based on 1.80%	2.33% based on 1.80%	2.44% based on 1.80%	2.48% based on 1.80%
33.	Portion of district income cap percent applied by State (64.990% x 2.48%)	1.57% based on 1.80%	1.53% based on 1.80%	1.58% based on 1.80%	1.61% based on 1.80%
34.	Percent of equalized pupils at Bellows Free Academy UHSD	32.83%	34.15%	35.15%	35.01%
35.		-	-	-	-

- Following current statute, the base education amount would be \$8,891. That would require base education tax rates of \$0.89 and \$1.38. The administration has stated that tax rates could remain flat at \$0.87 and \$1.36 if statewide education spending is level and the base education amount is set at \$8,723. Final figures will be set by the Legislature during the legislative session and approved by the Governor.
- The base income percentage cap is 1.80%.

Comparative Data for Cost-Effectiveness
16 V.S.A. § 165(a)(2)(K)

School: St Albans City School
S.U.: Franklin Central S.U.

A list of schools and school districts in each cohort may be found on the DOE website under "School Data and Reports":
<http://www.state.vt.us/educ/>

FY2011 School Level Data

Cohort Description: K - 8, enrollment ≥ 200
(27 schools in cohort)

Cohort Rank by Enrollment (1 is largest)
6 out of 27

School level data		Grades Offered	Enrollment	Total Teachers	Total Administrators	Stu / Tchr Ratio	Stu / Admin Ratio	Tchr / Admin Ratio
Smaller →	Belmont Free Academy (Fairfax)	PK - 8	587	48.50	1.83	12.62	320.77	25.41
	Essex Elementary Schools	PK - 8	655	56.50	3.00	11.59	218.33	18.83
	Georgia Elementary/Middle School	PK - 8	663	57.66	2.00	11.50	331.50	28.83
	St Albans City School	K - 8	666	78.90	2.00	8.44	333.00	39.45
← Larger	St Albans Town Education Center	K - 8	711	56.00	2.00	12.70	355.50	28.00
	St Albans Community School	PK - 8	758	57.70	3.00	13.14	252.67	19.23
	St Albans Elementary School	PK - 8	657	69.00	3.00	12.42	285.67	23.00
Averaged SCHOOL cohort data			464.48	41.47	2.15	11.20	216.26	19.31

School District: St. Albans City
LEA ID: T176

Special education expenditures vary substantially from district to district and year to year. Therefore, they have been excluded from these figures.

The portion of current expenditures made by supervisory unions on behalf of districts varies greatly. This year's figures include district assessments to SUs. Doing so makes districts more comparable to each other. The consequence is that THESE FIGURES ARE ONLY COMPARABLE TO FIGURES USED IN THE SIMILAR FILES FOR FY10, FY11, and FY12.

FY2010 School District Data

Cohort Description: K - 8 school district, FY2009 FTE ≥ 200
(28 school districts in cohort)

Grades offered in School District

Student FTE enrolled in school district

Current expenditures per student FTE EXCLUDING special education costs

Cohort Rank by FTE (1 is largest)
8 out of 28

School district data (local, union, or joint district)

Smaller →	Georgia	PK-8	813.98	\$9,784
	Dunbury/Waterbury Union #45	PK-8	677.78	\$10,215
	Essex Elementary	PK-8	666.09	\$11,059
	St. Albans City	K-8	705.56	\$11,638
← Larger	St. Albans Town	K-8	714.19	\$9,827
	St Albans	K-8	781.15	\$11,419
	Barnes City	PK-8	650.59	\$9,011
Averaged SCHOOL DISTRICT cohort data			634.01	\$10,981

Current expenditures are an effort to calculate an amount per FTE spent by a district on students enrolled in that district. This figure excludes tuitions and assessments paid to other providers, construction and equipment costs, debt service, adult education, and community service.

FY2012 School District Data

LEA ID	School District	Grades offered in School District	School district tax rate			Total municipal tax rate, K-12, consisting of prorated member district rates		
			Equalized Pupils	Education Spending per Equalized Pupil	Equalized Homestead Ed tax rate	Equalized Homestead Ed tax rate	Common Level of Appraisal	Actual Homestead Ed tax rate
Smaller →	T119 Manchester	-	661.49	13,217.68	1.3459	1.3489	1.0189	1.3211
	T177 St Albans Town	-	707.11	10,858.88	1.1057	1.1772	1.0362	1.1361
	T186 Shelburne	-	739.03	12,657.96	1.2889	1.2598	0.9940	1.2905
	T176 St Albans City	-	757.42	11,579.42	1.1791	1.1791	1.0029	1.1791
← Larger	T117 Lyndon	-	764.02	11,749.75	1.1964	1.1964	1.0029	1.1929
	T012 Barnes Town	-	825.18	10,375.19	1.0565	1.0927	0.8390	1.2604
	T011 Barnes City	-	855.18	10,273.27	1.0461	1.0741	0.9268	1.1589

The Legislature has required the Department of Education to provide this information per the following statute:

16 V.S.A. § 165(a)(2) The school, at least annually, reports student performance results to community members in a format selected by the school board. . . . The school report shall include:

(K) data provided by the commissioner which enable a comparison with other schools, or school districts if school level data are not available, for cost-effectiveness. The commissioner shall establish which data are to be included pursuant to this subdivision and, notwithstanding that the other elements of the report are to be presented in a format selected by the school board, shall develop a common format to be used by each school in presenting the data to community members. The commissioner shall provide the most recent data available to each school no later than October 1 of each year. Data to be presented may include student-to-teacher ratio, administrator-to-student ratio, administrator-to-teacher ratio, and cost per pupil.