

TOWN OF COLCHESTER, VERMONT

AUDIT REPORT

JUNE 30, 2008

TOWN OF COLCHESTER, VERMONT
AUDIT REPORT
TABLE OF CONTENTS
JUNE 30, 2008

	<u>Page #</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-14
Basic Financial Statements:	
Statement of Net Assets	Exhibit A 15
Statement of Activities	Exhibit B 16
Governmental Funds:	
Balance Sheet	Exhibit C 17
Statement of Revenues, Expenditures and Changes in Fund Balances	Exhibit D 18
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	Exhibit E 19
Statement of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	Exhibit F 20
Proprietary Fund:	
Statement of Net Assets	Exhibit G 21

TOWN OF COLCHESTER, VERMONT
AUDIT REPORT
TABLE OF CONTENTS
JUNE 30, 2008

		<u>Page #</u>
Statement of Revenues, Expenses and Changes in Fund Net Assets	Exhibit H	22
Statement of Cash Flows	Exhibit I	23
Fiduciary Fund:		
Statement of Fiduciary Net Assets	Exhibit J	24
Notes to the Financial Statements		25-49
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	Schedule 1	50-62
Combining Balance Sheet - Other Governmental Funds	Schedule 2	63
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Other Governmental Funds	Schedule 3	64
Combining Balance Sheet - Special Revenue Funds	Schedule 4	65
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Special Revenue Funds	Schedule 5	66
Combining Balance Sheet - Capital Projects Funds	Schedule 6	67
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Capital Projects Funds	Schedule 7	68

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Independent Auditor's Report

Selectboard
Town of Colchester
Colchester, Vermont 05446

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Colchester, Vermont as of and for the year ended June 30, 2008, which collectively comprise the Town of Colchester, Vermont's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town of Colchester, Vermont's management. Our responsibility is to express opinions on these financial statements based on our audit.

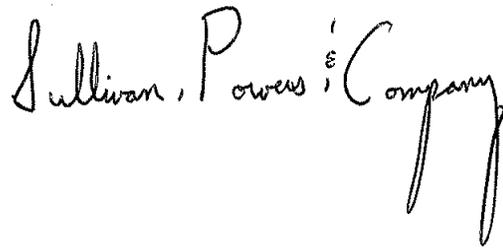
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, based on our audit, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Colchester, Vermont as of June 30, 2008 and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Information included under Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming our opinion on the financial statements that collectively comprise the Town of Colchester, Vermont's basic financial statements. The Schedule of Revenue, Expenditures and Changes in Fund Balance – Budget and Actual - General Fund and combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

February 4, 2009
Montpelier, Vermont
Vt Lic. #92-000180

A handwritten signature in black ink that reads "Sullivan, Powers & Company". The signature is written in a cursive style with a large, stylized 'S' and 'C'.

TOWN OF COLCHESTER, VERMONT MANAGEMENTS DISCUSSION AND ANALYSIS

As management of the Town of Colchester (The Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2008. The purpose of the management discussion and analysis is to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the Town's financial activity, (c) identify changes in the Town's financial position (its ability to address the next and subsequent years' challenges), (d) identify any material deviations from the financial plan (the approved budget), and (e) identify individual fund issues or concerns.

FINANCIAL HIGHLIGHTS

Government-wide Statements (refer to Exhibits A and B)

The assets of the Town of Colchester exceeded its liabilities at the close of the fiscal year by \$26,563,613 (total net assets). Of this amount \$5,817,405 (unrestricted net assets) may be used by the various funds of the Town to meet its ongoing obligations to its citizens and creditors and \$845,318 represent resources that are subject to external restrictions on how they may be used.

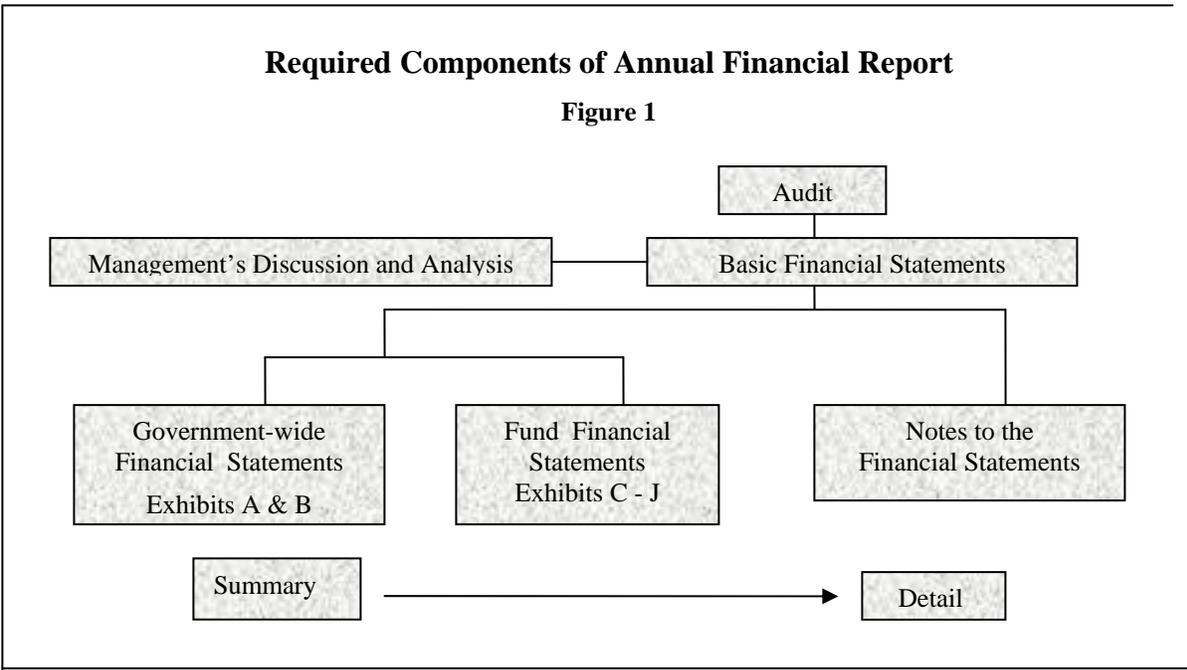
- The Town's total governmental net assets increased by \$1,916,559 due to revenues exceeding expenses which were used to increase capital assets such as the completion of the Lime Kiln bridge and the building projects for the Town Garage, the new Town Hall and the renovation of the Police Station.
- Business-Type Activities increased by \$224,115 primarily to due to an increase in the reserve fund for the upcoming South Burlington sewer expansion raised during the year.

Fund Financial Statements (refer to Exhibit C and Footnote 4H)

- Government funds include general, special revenue, capital project and debt service funds.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,647,733, a decrease of \$1,958,191 in comparison with the prior year. Approximately 39% of the fund balance, or \$3,524,408 is available for spending at the government's discretion (unreserved fund balance). The Town has reserved \$3,123,325 for inventories, various Special Revenue Funds and Recreation Acquisition & Development Impact Fees and facilities upgrade.
- Designations of fund balance in the Special Revenue Funds include \$124,256 for recreation programs and \$990,329 for reappraisal, technology, restoration of records, public safety communications and bridge repairs.

TOWN OF COLCHESTER, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS

OVERVIEW OF THE FINANCIAL STATEMENTS



Major Features of the Town of Colchester's Government-wide & Fund Financial Statements			
Figure 2			
	Government-wide Statements	Fund Statements Government Funds	Fund Statements Proprietary Funds
Scope	Entire Town government (except fiduciary funds)	The activities of the Town that are not proprietary or fiduciary, such as finance, planning & zoning, police, parks	Activities the Town operates similar to private businesses, the sewer system
Required Financial Statements	-Statement of Net Assets -Statement of Activities	-Balance Sheet -Statement of Revenues, Expenditures & Changes in Fund Balances	-Balance Sheet -Statement of Revenues, Expenses & Changes in Net Assets -Statement of Cash Flows
Accounting Basis & Measurement Focus	Accrual accounting & economic resources focus	Modified accrual accounting & current financial resources focus	Accrual accounting & economic resources focus
Type of Asset/Liability Information	All assets & liabilities, both financial & capital, and short-term & long-term	Only assets expected to be used up & liabilities that come due during the year or soon thereafter, no capital assets included	All assets & liabilities, both financial & capital, & short-term & long-term
Type of Inflow/Outflow Information	All revenues & expenses during year, regardless of when cash is received or paid	Revenues or expenditures for which cash is received or goods or services have been received & payment is due during or soon after year end.	All revenues & expenses during the year, regardless of when cash is received or paid

**TOWN OF COLCHESTER, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS**

The following tables, graphs and analysis discuss the financial position and changes to the financial position for the Town as a whole as of and for the years ended June 30, 2008 and 2007.

Town of Colchester's Net Assets							
Figure 3							
	Governmental Activities		Business-Type Activities		Total		% Change
	2008	2007	2008	2007	2008	2007	
Current & Other Assets	\$9,013,647	\$10,916,895	4,999,637	\$4,803,688	\$14,013,284	\$15,720,583	-10.9%
Capital Assets	22,513,360	18,615,144	3,911,739	4,061,711	26,425,099	22,676,855	16.5%
Total Assets	31,527,007	29,532,039	8,911,376	8,865,399	40,438,383	38,397,438	5.3%
Long-Term Liabilities Outstanding	9,012,168	9,093,260	3,199,528	3,388,576	12,211,696	12,481,836	-2.2%
Other Liabilities	1,623,502	1,464,001	39,572	28,662	1,663,074	1,492,663	11.4%
Total Liabilities	10,635,670	10,557,261	3,239,100	3,417,238	13,874,770	13,974,499	-0.7%
Net Assets:							
Invested in Capital Assets, net of related debt	16,858,679	16,140,862	3,042,211	3,113,135	19,900,890	19,253,997	3.4%
Restricted	838,718	574,307	6,600	6,600	845,318	580,907	45.5%
Unrestricted	3,193,940	2,259,609	2,623,465	2,328,426	5,817,405	4,588,035	26.8%
Total Net Assets	\$20,891,337	\$18,974,778	5,672,276	\$5,448,161	26,563,613	\$24,422,939	8.8%

Net assets may serve over time as one useful indicator of a government's financial condition. By far the largest portion of the Town's net assets (75%) reflects its investment in capital assets (e.g., land, buildings, machinery, equipment and infrastructure (roads, bridges, etc)) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

Essentially 100% of the Town's cash and Certificates of Deposit are insured or collateralized by U.S. Government securities or General Obligation Vermont Municipal notes or bonds.

Changes in Net Assets

The chart below is a presentation of Exhibit B that illustrates the components of the revenue sources and expenditures areas of the government wide Statement of Activities.

**TOWN OF COLCHESTER, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS**

<u>Town of Colchester Change in Net Assets</u>							
Figure 4							
	Governmental Activities		Business-Type Activities		Total		% Chg
	2008	2007	2008	2007	2008	2007	
Revenues:							
Program Revenues:							
Charges for Services	\$1,367,582	\$1,387,237	\$712,687	\$709,618	\$2,080,269	\$2,096,855	-0.7%
Operating Grants & Contributions	772,780	557,272	0	0	772,780	557,272	38.7%
Capital Grants & Contributions	209,691	2,472,257	220,658	225,658	430,349	2,697,915	-84.1%
General Revenues:							
Property Taxes	9,643,513	9,045,203	0	0	9,643,513	9,045,203	6.6%
Other	870,200	772,537	99,782	99,273	969,982	871,810	11.3%
Total Revenues	12,863,766	14,234,506	1,033,127	1,034,549	13,896,893	15,269,055	-9.0%
Expenses:							
General Government	2,276,225	2,212,678	0	0	2,276,225	2,212,678	2.9%
Public Safety	4,192,218	3,959,661	0	0	4,192,218	3,959,661	5.9%
Public Works	2,282,237	1,802,371	0	0	2,282,237	1,802,371	26.6%
Community Development	4,245	48,997	0	0	4,245	48,997	-91.3%
Culture & Recreation	1,738,865	1,511,270	0	0	1,738,865	1,511,270	15.5%
Interest on Long-Term Debt	453,417	70,741	0	0	453,417	70,741	541%
Capital Outlay	0	0	0	0	0	0	0%
Wastewater	0	0	809,012	775,243	809,012	775,243	4.4%
Total Expenses	10,947,207	9,605,718	809,012	775,243	11,756,219	10,380,961	13.2%
Increase in Net Assets	1,916,559	4,628,788	224,115	259,306	2,140,674	4,888,094	-56.2%
Net Assets, July 1	18,974,778	14,345,990	5,448,161	5,188,855	24,422,939	19,534,845	25.0%
Net Assets, June 30	\$20,891,337	\$18,974,778	\$5,672,276	\$5,448,161	26,563,613	\$24,422,939	8.8%

Governmental activities

Key elements in the changes in revenue are as follows:

- The property tax rate increased 5.5% over last year.
- Property taxes financed approximately 88% of the expenses and the remainder of the cost was paid by those who directly benefited from programs offered and by other governments and organizations that subsidized certain programs with operating grants and contributions. In FY 2007 property taxes also financed 94% of expenses.
- Revenues for planning and zoning activities were lower than the previous year by \$75,277 or 27%. This is primarily due to the value of construction permits in the Town decreasing by \$9 million or 34% from the previous year. Single family home permits were down by 72%. There were 21% fewer building permits issued in 2008 than in 2007.
- Recording fees and licenses and Town Clerk fees were higher than 2007 by \$33,223 or 8% primarily due to higher interest rates than anticipated.

**TOWN OF COLCHESTER, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS**

Figure 5 shows the changes in types of revenues between fiscal year 2007 and 2008. Property taxes are the largest source of revenues. The next largest type of revenue in FY 08, Charges for Services, provides only 11% of revenue and Grants and Contributions comprised almost 8 % of revenues in FY 08.

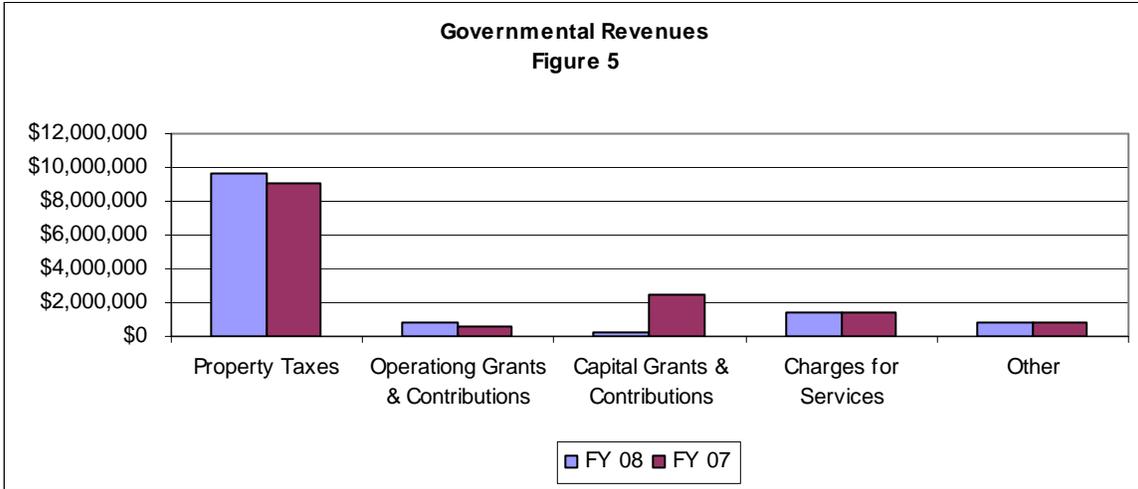


Figure 6 compares the changes in expenses between 2007 and 2008. This graph shows how the Town spends its revenue. In FY 08, Public Safety comprises 38% of the spending, followed by Public Works and General Government with almost 21% each of the total spending. Culture & Recreation includes the Library and the Recreation Department and represents 16% of the expenses.

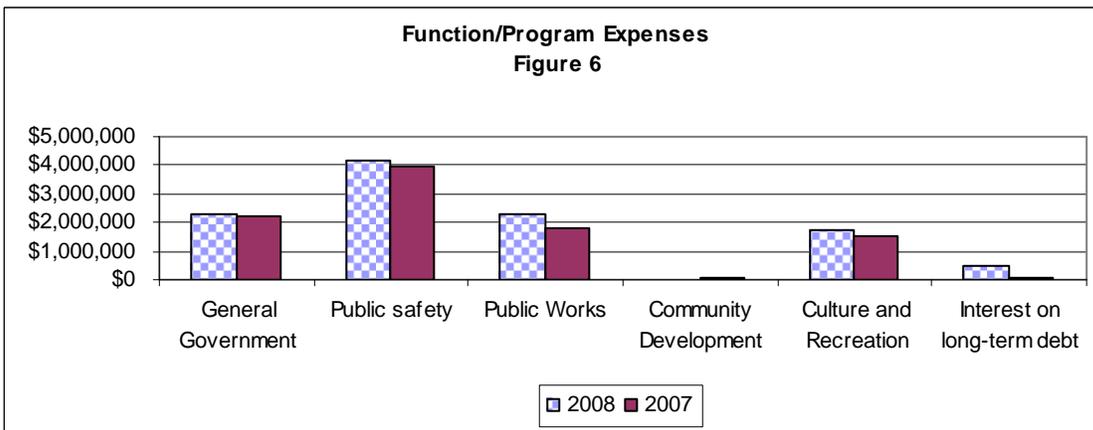
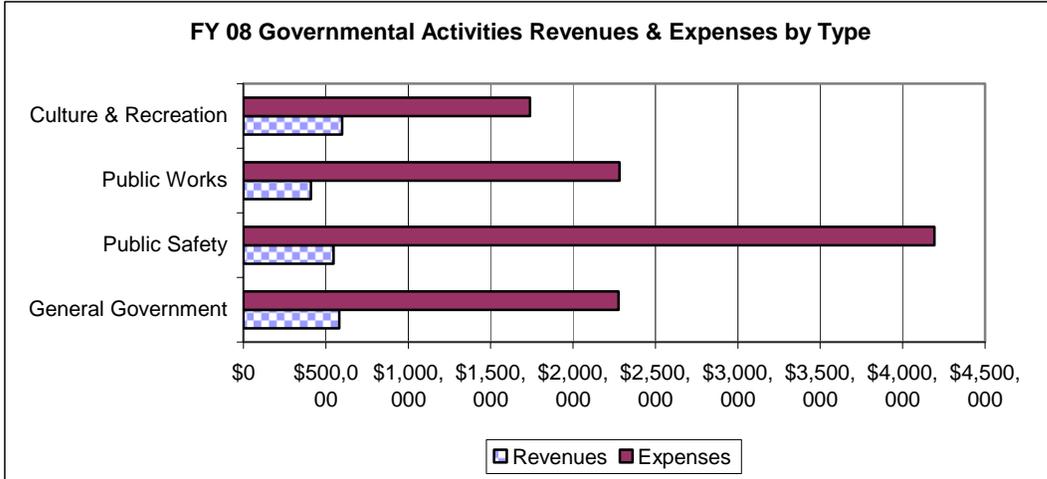


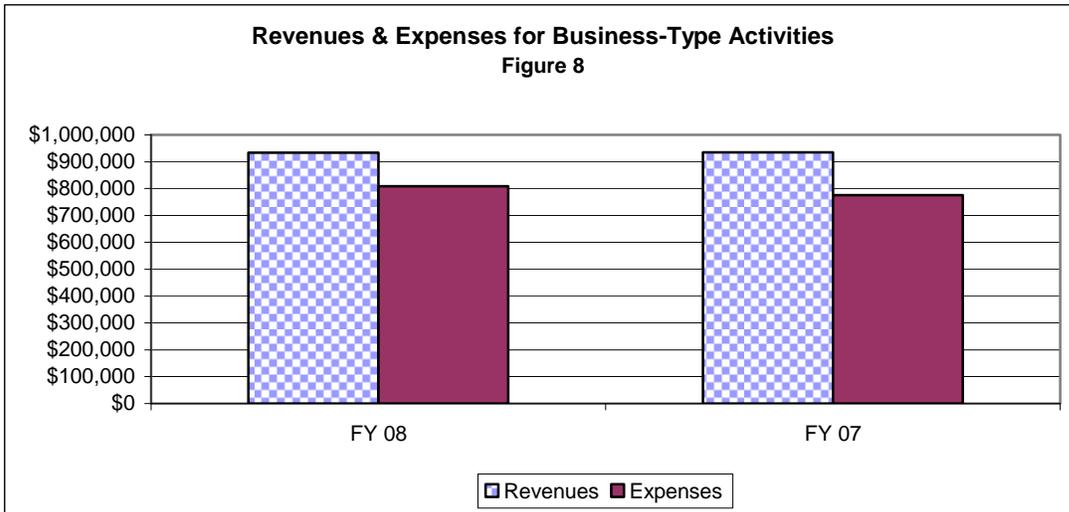
Figure 7 shows how Charges for Services and Grants and Contributions contribute to the payment of functional expenses. This chart indicates that program revenues do not support program expenses requiring property taxes to pay for the bulk of the expenses.

**TOWN OF COLCHESTER, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS**



Business-type activities (Sewer Fund):

- Business-type activities increased the Town’s net assets by \$224,115 or about 4%.
- Business type activities represent about 21% of total net assets.
- Charges for services were \$712,687, compared with \$709,618 in fiscal year 2007.
- Included in operating expenses is depreciation expense in the amount of \$149,972.
- The user rate did not increase in FY 08.



Financial Analysis of the Town’s Funds

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

Governmental Funds. The focus of the Town’s governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the Town’s financing requirements. Specifically, unreserved fund balance can be a useful measure of a government’s net resources available for spending at the end of the fiscal year.

TOWN OF COLCHESTER, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS

Unreserved fund balance provides a reserve for emergencies, enables the Select Board to stabilize tax rates, and provides working capital from which to pay Town bills between tax collection due dates.

The General Fund is the chief operating fund of the Town of Colchester. A key financial statistic to evaluating the financial strength of the Town is the level of the General Fund undesignated or reserved fund balance as a percent of total revenues or expenditures. Typically, this balance should be 5 to 15 percent of annual revenues or expenditures.

- At the end of the current fiscal year, unreserved or undesignated fund balance of the General Fund was \$1,397,199 and \$65,423 was reserved for inventory.
- The unreserved and undesignated General Fund fund balance at June 30, 2008 was 15% of total General Fund expenditures.
- Total governmental fund balances totaled \$6,647,733 in 2008 and \$8,605,924 in 2007. The largest portion of the decrease in FY 08 is due to receipt of \$6.2 million in bond in FY 07 which was partially offset by the construction in progress of the new Town Hall and renovation of the Maintenance Facility totaling about \$3 million.

In addition to the General Fund, the Town maintains other funds including the capital project funds maintained to provide infrastructure improvements in the Town, funds for grants received by the Town and funds for special revenues received by the Town.

The Town operates a Septic Revolving Loan Fund to provide financial assistance for the upgrade of failing on-site septic systems. The Town has made loans to 20 individuals or families as of June 30, 2008.

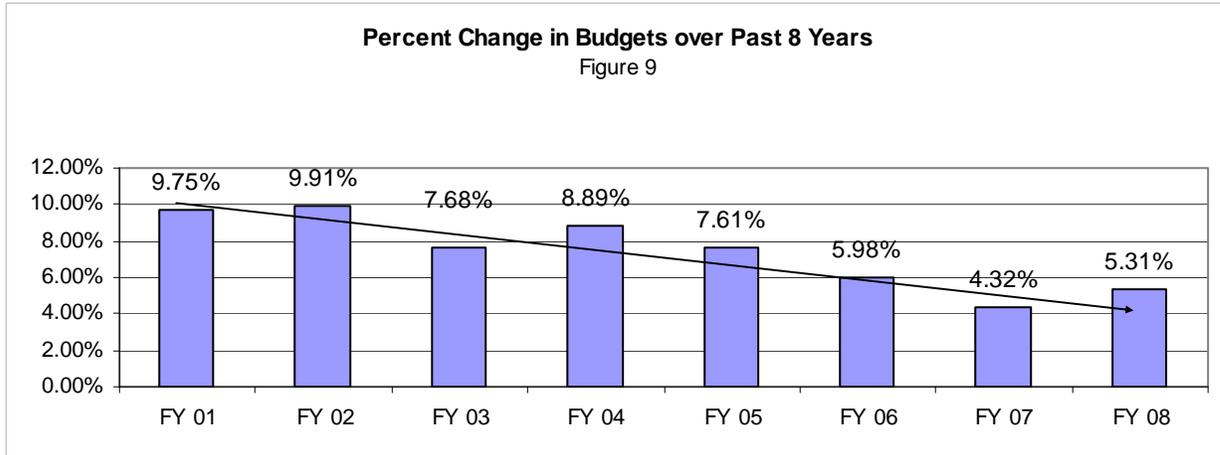
Proprietary Funds (Sewer Fund) Cash and investments increased by almost 9% over the previous year due to several factors including the collection of money for a reserve fund for the upgrade of the South Burlington wastewater plant and increased investment income.

General Fund Budgetary Highlights:

The FY 2008 General Fund budget totaling \$9,630,566 increased 5.3% over FY 07. The increase in the Consumer Price Index over FY 2007 for smaller Northeast communities was 4.0%.

Figure 9 shows the percent change in the General Fund budget for the last 8 years.

**TOWN OF COLCHESTER, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS**



Actual revenues in the General Fund exceeded budgeted revenues by \$93,623 and actual expenditures were higher than budgeted by \$53,478. This resulted in a surplus of revenues over expenditures of \$2,145 for the year ended June 30, 2008.

Some of the key factors contributing to this surplus include:

Revenue Variances

- The largest budget variance was the receipt of \$108,697 more in interest revenue than budgeted.
- Revenue from ambulance fees exceeded the budget by \$78,749 however, Rescue expenses exceeded revenues by \$84,339.
- Property taxes due at June 30 for the current year grew by \$58,550 over the previous year.

Expenditure Variances

- The Select Board Contingency of \$50,000 was not spent this year.
- Salaries were under budget by \$78,969 due to unfilled positions.
- Employee benefits were under budget by \$154,943 due to lower rates for health insurance than anticipated. Worker's Compensation was also under budget by \$41,279.
- Consulting fees and purchased services were lower than budget by \$45,873.
- Gasoline expenditures were more than \$40,000 higher than FY 07.

Capital Assets

The Town of Colchester's investment in capital assets for its governmental and business-type activities as of June 30, 2008, totaled \$26,425,099 (net of accumulated depreciation). These assets include buildings, roads and bridges, land, machinery and equipment, park facilities, and vehicles. The Town is not required to retroactively report infrastructure assets under GASB 34, due to the size of its budget. The Town has elected to report only infrastructure assets put into operation beginning July 1, 2003, but may choose at a later date to inventory all existing infrastructure assets as of June 30, 2003 and include them in the Town financial statements.

**TOWN OF COLCHESTER, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS**

Major capital asset transactions during the year include the following additions (there were no significant demolitions or disposals):

- Construction on the Lime Kiln Bridge was completed and added to Infrastructure at a value of \$6.6 million.
- Renovations to the Town Garage were completed and added over \$844,000 to the value of Colchester's buildings.
- Included in Construction in Progress at June 30, 2008 is \$3.1 million for the new Town Hall.

A table that shows the values of the Town's capital assets net of depreciation is shown below. Additional information can be found in Note 4D of this report.

<u>Town of Colchester Capital Assets (net of depreciation)</u>							
Figure 10							
	Governmental Activities		Business-Type Activities		Total		% Change
	2008	2007	2008	2007	2008	2007	
Land	\$2,104,936	\$2,104,936	\$132,568	\$132,568	\$2,237,504	\$2,237,504	0%
Construction in Progress	3,746,734	7,550,027	0	0	3,746,734	7,550,027	-50.4%
Land Improvements	680,680	639,198	0	0	680,680	639,198	6.5%
Buildings & Improvements	2,182,070	1,407,241	0	0	2,182,070	1,407,241	55.3%
Equipment & Furniture	500,890	575,961	0	0	500,890	575,961	-13.0%
Vehicles	1,571,234	1,660,589	0	0	1,571,234	1,660,589	-29.5%
Infrastructure	11,726,816	4,677,192	0	0	11,726,816	4,677,192	150.7%
Plant & Equipment	0	0	3,779,171	3,929,143	3,779,171	3,929,143	-3.8%
Total	\$22,513,360	\$18,615,144	\$3,911,739	\$4,061,711	\$26,425,099	\$22,676,855	16.5%

Debt Administration

There was new borrowing of \$6,286,300 in the governmental funds during the year ended June 30, 2008, the majority of this was due to the \$6.1 million bonds for the building projects. There was no new borrowing in the business-type fund in Fiscal Year 2008.

<u>Town of Colchester's Outstanding Debt</u>							
Figure 11							
	Governmental Activities		Business-Type Activities		Total		% Change
	2008	2007	2008	2007	2008	2007	
General Obligation Bonds	\$8,443,944	\$2,429,237	\$869,528	\$948,576	\$9,313,472	\$3,377,813	175.7%
Notes Payable	0	6,140,000	0	0	0	6,140,000	0%
Special Assessment Debt with Government Commitment	0	0	2,330,000	2,440,000	2,330,000	2,440,000	-4.5%
Total	\$8,443,944	\$8,569,237	\$3,199,528	\$3,388,576	\$11,643,472	\$11,957,813	-2.6%

The Town received voter authorization in November, 2006 to purchase bonds totaling \$6,140,000 through the Vermont Bond Bank for the purpose of financing the construction of a new Town Hall, renovation of the existing Town Hall as a police facility and remodeling of the maintenance garage and other outbuildings. The total amount of bonds authorized was \$6,140,000 for these projects. The bonds were purchased in July, 2007.

**TOWN OF COLCHESTER, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS**

Bond anticipation notes totaling \$6,140,000 were acquired prior to the issuance of the bonds in July. The bond anticipation notes were retired in August, 2007.

The Town has received authorization for six \$150,000 revolving loan fund bonds for the purpose of loaning funds to upgrade failed septic systems. For the year ended June 30, 2008, the Town requested \$146,300 in reimbursement from the State of Vermont.

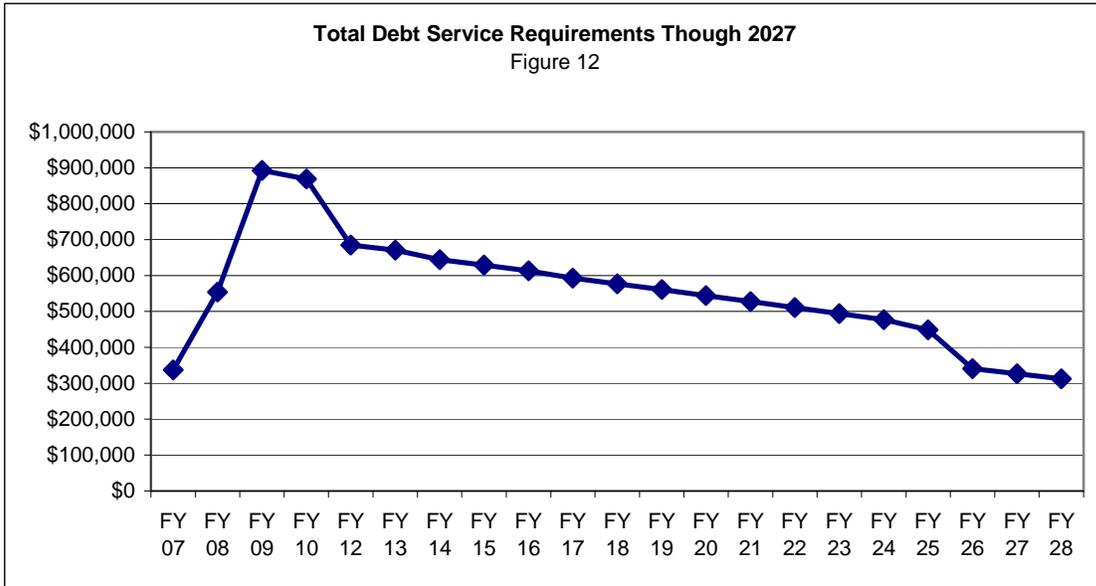
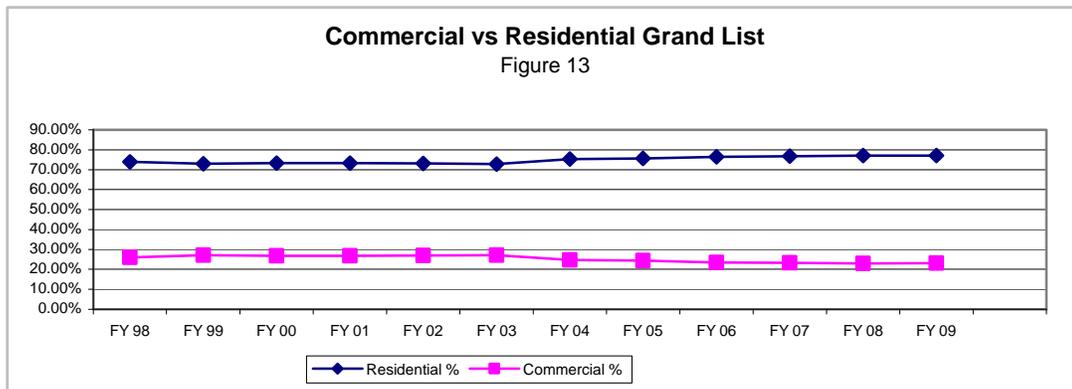


Figure 12 indicates the Town’s debt service requirements through 2028, after which all current debt will be retired. Additional information regarding the Town’s long-term debt can be found in note 4G of the audit report.

Economic Factors and Next Year’s Budgets and Rates

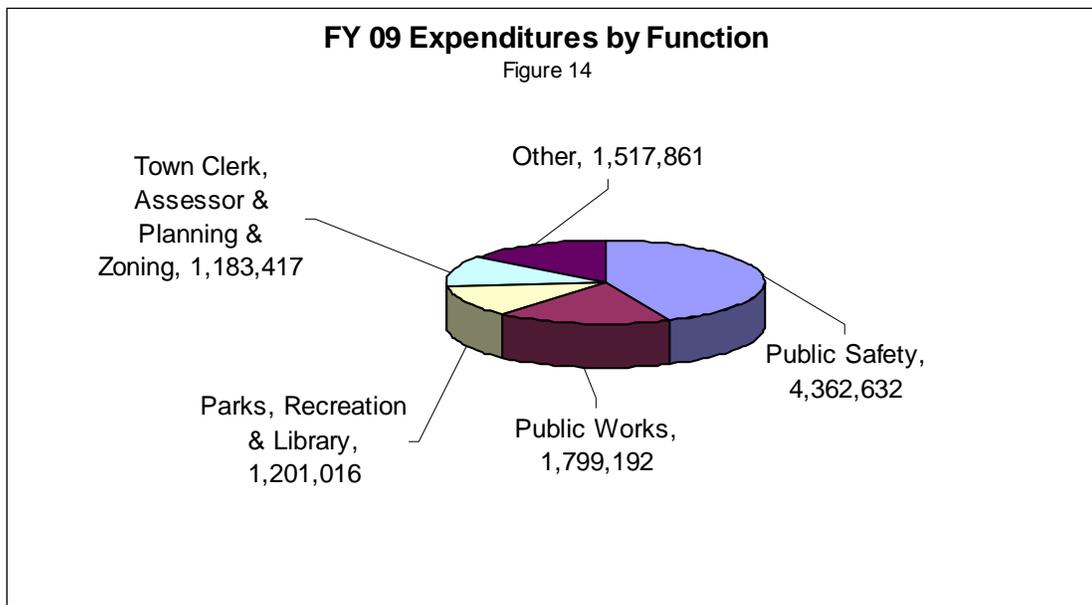
- Colchester’s tax rate is predominately residential, forcing more of the tax burden on homeowners, rather than commercial properties. Figure 13 indicates the 12 year trend in the commercial and residential grand lists.



TOWN OF COLCHESTER, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS

- The Municipal Grand List value for the Town increased by 1.32% over the prior fiscal year. Since 1970 the Town of Colchester's Grand List has grown from \$172,670 to \$13,489,340.
- The Town of Colchester approved a General Fund budget for 2009 in the amount of \$10,064,117. This represents an increase of 4.5% over the previous year.
- The municipal tax rate will increase by 2.5% to \$0.7330.
- As in previous years, about 43% of the budget is for public safety services.
- Public Works represents about 18% of the General Fund budget.
- Parks & Recreation and the Library represent about 12% of the General Fund budget.
- 71% of the General Fund budget is for salaries and benefits.
- The Consumer Price Index for small Northeast communities used in preparation of the FY 07 budget was 2.13%, down from the 4.0% used for the FY 07 budget.
- Overall, there was a 3.7% increase in salaries and benefits over the FY 2008 budget, primarily due to benefit increases.

Figure 14 depicts how the Town spends its General Fund budget.



Performance Measures

Beginning in Fiscal Year 2007, each department committed at least one measurable performance goal in addition to the normal departmental goals for the upcoming year. The purpose of this effort is to allow the public more insight into the efforts of each department to improve or become more efficient each year. Please visit the Colchester web site and click on the Town Budget tab to see the goals that have been set. The web address is town.colchester.vt.us

TOWN OF COLCHESTER, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS

Requests for Information

This report is designed to provide an overview of the Town of Colchester's finances for those with an interest in this area. Questions concerning any of the information found in this report or requests for additional information should be directed to the Chief Financial Officer, Town of Colchester, PO Box 55, Colchester, VT 05446.

TOWN OF COLCHESTER, VERMONT
STATEMENT OF NET ASSETS
JUNE 30, 2008

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 7,432,574	\$ 182,949	\$ 7,615,523
Investments	1,021,847	1,754,908	2,776,755
Receivables (Net of Allowance for Uncollectibles)	407,529	2,619,245	3,026,774
Notes Receivable	525,997	0	525,997
Inventories	65,423	2,812	68,235
Internal Balances	(439,723)	439,723	0
Capital Assets			
Land	2,104,936	132,568	2,237,504
Construction in Progress	3,746,734	0	3,746,734
Other Capital Assets (Net of Accumulated Depreciation)	16,661,690	3,779,171	20,440,861
Total Assets	<u>31,527,007</u>	<u>8,911,376</u>	<u>40,438,383</u>
<u>LIABILITIES</u>			
Accounts Payable	1,046,568	26,094	1,072,662
Accrued Payroll and Benefits Payable	204,397	130	204,527
Other Accrued Expenses	5,000	0	5,000
Due to Others	125,685	0	125,685
Deferred Revenue	214,380	0	214,380
Accrued Interest Payable	27,472	13,348	40,820
Noncurrent Liabilities:			
Due within One Year	587,891	194,048	781,939
Due in More than One Year	8,424,277	3,005,480	11,429,757
Total Liabilities	<u>10,635,670</u>	<u>3,239,100</u>	<u>13,874,770</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	16,858,679	3,042,211	19,900,890
Restricted	838,718	6,600	845,318
Unrestricted	3,193,940	2,623,465	5,817,405
Total Net Assets	<u>\$ 20,891,337</u>	<u>\$ 5,672,276</u>	<u>\$ 26,563,613</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2008

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs:							
Governmental Activities:							
General Government	\$ 2,276,225	\$ 443,307	\$ 138,201	\$ 0	\$ (1,694,717)	\$ 0	\$ (1,694,717)
Public Safety	4,192,218	360,621	185,408	0	(3,646,189)	0	(3,646,189)
Public Works	2,282,237	22,935	387,604	0	(1,871,698)	0	(1,871,698)
Community Development	4,245	3,910	0	0	(335)	0	(335)
Culture and Recreation	1,738,865	536,809	61,567	0	(1,140,489)	0	(1,140,489)
Interest on Long-Term Debt	453,417	0	0	0	(453,417)	0	(453,417)
Capital Outlay	0	0	0	209,691	209,691	0	209,691
Total Governmental Activities	<u>10,947,207</u>	<u>1,367,582</u>	<u>772,780</u>	<u>209,691</u>	<u>(8,597,154)</u>	<u>0</u>	<u>(8,597,154)</u>
Business-Type Activities:							
Wastewater	809,012	712,687	0	220,658	0	124,333	124,333
Total Business-Type Activities	<u>809,012</u>	<u>712,687</u>	<u>0</u>	<u>220,658</u>	<u>0</u>	<u>124,333</u>	<u>124,333</u>
Total	<u>\$ 11,756,219</u>	<u>\$ 2,080,269</u>	<u>\$ 772,780</u>	<u>\$ 430,349</u>	<u>(8,597,154)</u>	<u>124,333</u>	<u>(8,472,821)</u>
General Revenues:							
Property Taxes					9,643,513	0	9,643,513
Interest and Penalties on Delinquent Taxes					113,187	0	113,187
Payment in Lieu of Taxes					166,605	0	166,605
Unrestricted Investment Earnings					517,933	99,782	617,715
Gain on Sale of Equipment					750	0	750
Other Revenues					71,725	0	71,725
Total General Revenues and Transfers					<u>10,513,713</u>	<u>99,782</u>	<u>10,613,495</u>
Change in Net Assets					1,916,559	224,115	2,140,674
Net Assets - July 1, 2007					18,974,778	5,448,161	24,422,939
Net Assets - June 30, 2008					<u>\$ 20,891,337</u>	<u>\$ 5,672,276</u>	<u>\$ 26,563,613</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008

	General Fund	Capital Projects Fund	Reserve Fund	Community Development Fund	Other Governmental Funds	Total Governmental Funds
<u>ASSETS</u>						
Cash	\$ 3,139,567	\$ 3,323,799	\$ 394,023	\$ 73,059	\$ 502,126	\$ 7,432,574
Investments	104,241	0	670,000	0	247,606	1,021,847
Receivables (Net of Allowance for Uncollectibles)	370,869	31,837	0	0	4,823	407,529
Notes Receivable	0	0	0	336,271	189,726	525,997
Due from Other Funds	0	716,662	0	0	404,520	1,121,182
Inventories	65,423	0	0	0	0	65,423
Total Assets	\$ 3,680,100	\$ 4,072,298	\$ 1,064,023	\$ 409,330	\$ 1,348,801	\$ 10,574,552
<u>LIABILITIES</u>						
Liabilities:						
Accounts Payable	\$ 181,278	\$ 850,603	\$ 2	\$ 0	\$ 14,685	\$ 1,046,568
Accrued Payroll and Benefits Payable	189,358	0	0	0	15,039	204,397
Due to Other Funds	1,536,075	0	23,727	0	1,103	1,560,905
Other Accrued Expenses	5,000	0	0	0	0	5,000
Deferred Revenue	230,047	39,721	0	336,271	378,225	984,264
Due to Others	75,720	0	49,965	0	0	125,685
Total Liabilities	2,217,478	890,324	73,694	336,271	409,052	3,926,819
Fund Balances:						
Reserved for						
Inventories	65,423	0	0	0	0	65,423
Other Purposes	0	2,514,584	0	73,059	470,259	3,057,902
Unreserved, Reported In						
General Fund	1,397,199	0	0	0	0	1,397,199
Special Revenue Funds	0	0	990,329	0	124,256	1,114,585
Capital Projects Funds	0	667,390	0	0	248,515	915,905
Debt Service Fund	0	0	0	0	96,719	96,719
Total Fund Balances	1,462,622	3,181,974	990,329	73,059	939,749	6,647,733
Total Liabilities and Fund Balances	\$ 3,680,100	\$ 4,072,298	\$ 1,064,023	\$ 409,330	\$ 1,348,801	

Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because:

Capital Assets Used in Governmental Activities are not Financial Resources and, Therefore, are not Reported in the Funds.

22,513,360

Other Assets are not Available to Pay for Current-Period Expenditures, and, Therefore, are Deferred in the Funds.

769,884

Long-Term and Accrued Liabilities, Including Bonds Payable, are not Due or Payable in the Current Period and, Therefore, are Not Reported in the Funds.

(9,039,640)

Net Assets of Governmental Activities

\$ 20,891,337

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2008

	General Fund	Capital Projects Fund	Reserve Fund	Community Development Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:						
Property Taxes	\$ 7,908,072	\$ 745,452	\$ 82,400	\$ 0	\$ 843,417	\$ 9,579,341
Penalties and Interest	113,187	0	0	0	0	113,187
Payment in Lieu of Taxes	166,605	0	0	0	0	166,605
Intergovernmental Revenues	376,918	344,773	57,740	0	198,604	978,035
Impact Fees	0	0	0	0	35,129	35,129
Contributions and Donations	0	32,835	0	0	0	32,835
Charges for Services	632,767	20,632	35,624	0	497,495	1,186,518
Investment Income	243,697	219,862	37,542	3,466	13,366	517,933
Licenses and Permits	217,744	0	0	0	0	217,744
Loan Repayments	0	0	0	0	35,112	35,112
Other Revenues	27,199	2,651	19,475	0	22,400	71,725
Total Revenues	9,686,189	1,366,205	232,781	3,466	1,645,523	12,934,164
EXPENDITURES:						
Current:						
General Government	2,320,923	0	9,587	0	8,900	2,339,410
Public Safety	3,905,713	0	0	0	87,047	3,992,760
Public Works	1,778,255	122,452	0	0	43,906	1,944,613
Community Development	0	0	0	3,003	0	3,003
Culture & Recreation	1,128,937	34,186	0	0	437,828	1,600,951
Capital:						
General Government	0	3,011,311	0	0	0	3,011,311
Public Safety	15,295	66,380	20,200	0	129,706	231,581
Public Works	1,173	1,088,684	32,818	0	0	1,122,675
Culture & Recreation	0	89,498	0	0	0	89,498
Debt Service:						
Principal	0	0	0	0	271,593	271,593
Interest	0	140,889	0	0	291,121	432,010
Total Expenditures	9,150,296	4,553,400	62,605	3,003	1,270,101	15,039,405
Excess/(Deficiency) of Revenues Over Expenditures	535,893	(3,187,195)	170,176	463	375,422	(2,105,241)
Other Financing Sources/(Uses):						
Proceeds of Long-term Debt	0	0	0	0	146,300	146,300
Proceeds from Sale of Equipment	0	0	0	0	750	750
Transfers In	0	481,398	15,500	0	36,850	533,748
Transfers Out	(533,748)	0	0	0	0	(533,748)
Total Other Financing Sources/(Uses)	(533,748)	481,398	15,500	0	183,900	147,050
Net Change in Fund Balances	2,145	(2,705,797)	185,676	463	559,322	(1,958,191)
Fund Balances - July 1, 2007	1,460,477	5,887,771	804,653	72,596	380,427	8,605,924
Fund Balances - June 30, 2008	<u>\$ 1,462,622</u>	<u>\$ 3,181,974</u>	<u>\$ 990,329</u>	<u>\$ 73,059</u>	<u>\$ 939,749</u>	<u>\$ 6,647,733</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES OF
 GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2008

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

Net change in fund balances - total government funds (Exhibit D)	\$ (1,958,191)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost (\$4,455,065) of those assets is allocated over their estimated useful lives and reported as depreciation expense (\$712,175). This is the amount by which capital outlays exceeded depreciation in the current period.	3,742,890
Noncash capital contributions are revenues that do not provide current financial resources and therefore are not reported as revenues in the funds.	155,326
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(101,762)
The issuance of long-term debt (\$146,300) (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$271,593) consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.	125,293
The issuance of loans receivable (\$43,619) consumes current financial resources of governmental funds, while the repayment of the principal of loans receivable (\$35,112) provides current financial resources to governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of loans receivable.	8,507
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	<u>(55,504)</u>
Change in net assets of governmental activities (Exhibit B)	<u>\$ 1,916,559</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Budget	Actual	Variance Favorable (Unfavorable)
	<u> </u>	<u> </u>	<u> </u>
Revenue:			
Real Estate Taxes	\$ 8,096,105	\$ 8,021,259	\$ (74,846)
Licenses and Permits	289,331	246,404	(42,927)
Charges for Services	508,021	590,772	82,751
State Aid Highway	180,573	180,781	208
Payments in Lieu of Taxes	70,000	99,612	29,612
School Payment	44,510	45,111	601
Interest	135,000	243,697	108,697
Miscellaneous	87,326	107,964	20,638
Grant Income	30,400	32,377	1,977
Act 60 and Act 68 Reimbursement	31,700	28,612	(3,088)
Sewer Fund Contribution	89,600	89,600	0
Reserve Fund Contribution	30,000	0	(30,000)
	<u> </u>	<u> </u>	<u> </u>
Total Revenue	9,592,566	9,686,189	93,623
Expenditures:			
Administration	2,135,978	2,153,239	(17,261)
Buildings, Grounds and Maintenance	430,379	432,053	(1,674)
Purchase and Maintain Equipment	84,203	84,203	0
Public Safety	4,131,330	4,127,978	3,352
Public Works, Highway and Garage	1,770,436	1,805,826	(35,390)
Health	42,407	43,831	(1,424)
Cemetery	12,500	11,033	1,467
Recreation	297,257	296,503	754
Library	551,635	546,872	4,763
Intergovernmental	174,441	182,506	(8,065)
	<u> </u>	<u> </u>	<u> </u>
Total Expenditures	9,630,566	9,684,044	(53,478)
Excess/(Deficiency) of Revenue Over Expenditures	\$ <u>(38,000)</u>	2,145	\$ <u>40,145</u>
Fund Balance - July 1, 2007		<u>1,460,477</u>	
Fund Balance - June 30, 2008		<u>\$ 1,462,622</u>	

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2008

	Wastewater Fund
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 182,949
Investments	1,754,908
Receivables (Net of Allowance for Uncollectible Accounts)	289,245
Special Assessment Receivable - Current Portion	115,000
Due From Other Funds	439,723
Inventory	2,812
Total Current Assets	2,784,637
Noncurrent Assets:	
Special Assessment Receivable - Long-Term Portion	2,215,000
Capital Assets	
Land	132,568
Plant and Equipment	6,197,553
Accumulated Depreciation	(2,418,382)
Total Noncurrent Assets	6,126,739
Total Assets	\$ 8,911,376
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 26,094
Accrued Payroll and Benefits Payable	130
Accrued Interest Payable	13,348
Special Assessment Debt with Governmental Commitment - Due within One Year	115,000
General Obligation Bonds Payable - Due Within One Year	79,048
Total Current Liabilities	233,620
Noncurrent Liabilities:	
Special Assessment Debt With Governmental Commitment - Due in More Than One Year	2,215,000
General Obligation Bonds Payable - Due in More Than One Year	790,480
Total Noncurrent Liabilities	3,005,480
Total Liabilities	3,239,100
<u>NET ASSETS</u>	
Investment in Capital Assets, Net of Related Debt	3,042,211
Restricted	6,600
Unrestricted	2,623,465
Total Net Assets	5,672,276
Total Liabilities and Net Assets	\$ 8,911,376

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2008

	<u>Wastewater Fund</u>
OPERATING REVENUES:	
Charges for Services	\$ <u>712,687</u>
Total Operating Revenues	<u>712,687</u>
OPERATING EXPENSES:	
Sewage Treatment	302,888
Other Purchased Services	89,600
Chemicals	29,089
Repairs and Maintenance	22,766
Utilities	33,778
General Expense	27,907
Depreciation	<u>149,972</u>
Total Operating Expenses	<u>656,000</u>
Operating Income	<u>56,687</u>
NONOPERATING REVENUES (EXPENSES):	
Interest Income on Debt Service Special Assessment	220,658
Investment Income	99,782
Interest Expense	<u>(153,012)</u>
Total Nonoperating Revenues (Expenses)	<u>167,428</u>
Change in Net Assets	224,115
Total Net Assets - July 1, 2007	<u>5,448,161</u>
Total Net Assets - June 30, 2008	\$ <u><u>5,672,276</u></u>

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Wastewater Fund
Cash Flows From Operating Activities:	
Receipts from Customers and Users	\$ 699,831
Payments to Suppliers	(398,408)
Payments for Interfund Services	(89,600)
Payments for Wages and Benefits	(5,874)
Net Cash Provided by Operating Activities	205,949
Cash Flows From Noncapital Financing Activities:	
Net Change in Due To/From Other Funds	(137,245)
Net Cash Provided/(Used) by Noncapital Financing Activities	(137,245)
Cash Flows From Capital and Related Financing Activities:	
Special Assessments Received	110,000
Principal Paid on Long-Term Notes and Bonds	(189,048)
Interest Paid on Long-Term Notes and Bonds	(154,788)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(233,836)
Cash Flows From Investing Activities:	
Receipt of Interest & Dividends	320,440
Net Increase in Investments	(389,823)
Net Cash Provided/(Used) by Investing Activities	(69,383)
Net Increase/(Decrease) in Cash	(234,515)
Cash - July 1, 2007	417,464
Cash - June 30, 2008	\$ 182,949
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 56,687
Depreciation	149,972
Increase in Accounts Receivable	(12,856)
Decrease in Prepaid Expenses	107
Increase in Inventory	(647)
Increase in Accrued Payroll	116
Increase in Accounts Payable	12,570
Net Cash Provided by Operating Activities	\$ 205,949

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 JUNE 30, 2008

	Agency Funds
<u>ASSETS</u>	
Cash	\$ <u>39,772</u>
Total Assets	<u>39,772</u>
<u>LIABILITIES</u>	
Due to Others	<u>39,772</u>
Total Liabilities	<u>39,772</u>
Net Assets	\$ <u><u>0</u></u>

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

The Town of Colchester, Vermont, (herein the "Town") operates under a Selectboard-Manager form of government and provides the following services as authorized by its charter: public safety, library, highways and streets, sanitation, health and social services, culture and recreation, community/economic development, public improvements, planning and zoning, wastewater treatment and general administrative services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted by the Town of Colchester, Vermont (the "Town") conform to generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

1A. The Financial Reporting Entity

This report includes all of the funds of the Town of Colchester, Vermont. The reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. Based on these criteria, there are no other entities that should be combined with the financial statements of the Town.

1B. Basis of Presentation

The accounts of the Town are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

The basic financial statements of the Town include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the Town as a whole and present a longer-term view of the Town's finances. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the Town and present a shorter-term view of how operations were financed and what remains available for future spending.

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Government-wide Statements: The statement of net assets and the statement of activities display information about the primary government, the Town. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of activities between funds. These statements distinguish between the governmental and business-type activities of the Town. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental activities and for each segment of the Town's business-type activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary, and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The Town reports on the following major governmental funds:

General Fund – This is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Projects Fund – This fund accounts for the capital projects of the Town.

Reserve Fund – This fund accounts for the Town's capital spending reserves for various areas like library renovations, technology and communications.

Community Development Fund – This fund accounts for the Town's community development activity.

The Town reports on the following major enterprise funds:

Wastewater Fund – This fund accounts for the wastewater activities of the Town.

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Additionally, the Town reports the following fund types:

Agency Funds – These funds account for monies maintained for Developer Escrow deposits.

1C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus. This means that all assets and liabilities associated with the operation of these funds (whether current or noncurrent) are included on the balance sheet (or statement of net assets). Fund equity (i.e., net total assets) is segregated into investment in capital assets, net of related debt; restricted net assets; and unrestricted net assets. Operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Governmental fund financial statements are reported using the current financial resources measurement focus. This means that only current assets and current liabilities are generally reported on their balance sheets. Their reported fund balances (net current assets) are considered a measure of available spendable resources, and are segregated into reserved and unreserved fund balances. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of available spendable resources during a period.

1D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the Town gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Governmental funds are reported using the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means the amount is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers all revenues reported in governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, certain compensated absences and other long-term liabilities which are recognized when the obligations are expected to be liquidated or are funded with expendable available financial resources.

General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues. Expenditure driven grants are recognized as revenue when the qualifying expenditures have been incurred and other grant requirements have been met.

The government-wide and proprietary fund financial statements follow Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989; Accounting Principles Board (APB) Opinions; and Accounting Research Bulletins, unless those pronouncements conflict with GASB pronouncements. As permitted under Statement of Governmental Accounting Standards No. 20, the Town has elected not to apply FASB Standards issued after November 30, 1989.

Statement of Financial Accounting Standards No. 107 "Disclosure about the Fair Value of Financial Instruments," requires disclosure of the fair value of certain financial instruments. Recorded amounts for cash, accounts receivable, accounts payable, and investments approximate fair value.

1E. Use of Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

1F. Assets, Liabilities and Equity

1F a. Cash

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

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

1F b. Investments

The Town 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.

1F c. 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.

1F d. Internal Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

1F e. Inventories and Prepaid Expenses

Inventory quantities are determined by physical count and are valued at the lower of cost or market. Inventories in the Governmental Funds consist of vehicle fuel, sand, salt and gravel.

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

Reported inventories and prepaid expenses of governmental funds in the fund financial statements are offset by a fund balance reserve which indicates that they do not constitute "available expendable resources" even through they are a component of net current assets.

1F f. 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 the fiscal year ended June 30, 2004. The Town has elected to not report major general infrastructure assets retroactively.

TOWN OF COLCHESTER, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2008

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	\$ 10,000	N/A
Land Improvements	\$ 10,000	30-50 Years
Buildings and Building Improvements	\$ 10,000	25-125 Years
Vehicles	\$ 5,000	7-30 Years
Infrastructure	\$ 10,000	5-50 Years
Equipment	\$ 5,000	4-10 Years
Furniture	\$ 5,000	5-10 Years
Wastewater Plant and Equipment	\$ 10,000	10-50 Years

The Town does not capitalize its Library books because the books are considered a collection.

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

1F g. Compensated Absences

It is the policy of the Town of Colchester to permit employees to accumulate earned but unused vacation benefits up to two-hundred eighty (280) hours for Town employees and two hundred forty (240) hours for police officers. Town employees can accumulate unused sick benefits up to one-thousand twenty-four (1024) hours of which the Town is liable for up to one-third upon termination prior to reaching age 62 or up to one-half after reaching age 62. Members of the Police union are not entitled to a payout of sick benefits upon separation from service. The accrual for unused compensated absences, based on current pay rates, is recorded in the government-wide and proprietary fund financial statements. The liability for unused compensated absences is not reported in the governmental fund type financial statements. Payments for unused compensated absences are recorded as expenditures in the year they are paid.

1F h. Long-term Liabilities

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

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

1F i. 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. Reservations of fund balances and restrictions of retained earnings represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Designations of fund balance represent tentative management plans that are subject to change. Undesignated funds are available for future appropriations.

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

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

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

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

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

2A. 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	\$ 7,432,574	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,432,574
Investments	1,021,847	0	0	0	0	1,021,847
Receivables	407,529	0	0	0	0	407,529
Notes Receivable	525,997	0	0	0	0	525,997
Due From Other Funds	1,121,182	0	0	0	(1,560,905)	(439,723)
Inventories	65,423	0	0	0	0	65,423
Capital Assets	0	0	22,513,360	0	0	22,513,360
Total Assets	10,574,552	0	22,513,360	0	(1,560,905)	31,527,007
LIABILITIES						
Accounts Payable	1,046,568	0	0	0	0	1,046,568
Accrued Payroll and Benefits Payable	204,397	0	0	0	0	204,397
Due to Other Funds	1,560,905	0	0	0	(1,560,905)	0
Deferred Revenue	984,264	(769,884)	0	0	0	214,380
Other Accrued Expenses	5,000	0	0	0	0	5,000
Due to Others	125,685	0	0	0	0	125,685
Accrued Interest Payable	0	27,472	0	0	0	27,472
Noncurrent Liabilities	0	568,224	0	8,443,944	0	9,012,168
Total Liabilities	3,926,819	(174,188)	0	8,443,944	(1,560,905)	10,635,670
NET ASSETS						
Invested in Capital Assets	0	0	22,513,360	(5,654,681)	0	16,858,679
Other	6,647,733	174,188	0	(2,789,263)	0	4,032,658
Total Net Assets	\$ 6,647,733	\$ 174,188	\$ 22,513,360	\$ (8,443,944)	\$ 0	\$ 20,891,337

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

2B. Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities

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

	Statement of Revenue, 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 Activites
REVENUES						
Property Taxes	\$ 9,579,341	\$ 64,172	\$ 0	\$ 0	\$ 0	\$ 9,643,513
Penalties and Interest	113,187	0	0	0	0	113,187
Payment In Lieu of Taxes	166,605	0	0	0	0	166,605
Intergovernmental						
Revenues	978,035	0	0	0	(978,035)	0
Impact Fees	35,129	0	0	0	(35,129)	0
Contributions and						
Donations	32,835	0	0	0	(32,835)	0
Charges for Services	1,186,518	17,782	0	0	163,282	1,367,582
Investment Income	517,933	0	0	0	0	517,933
Licenses and Permits	217,744	0	0	0	(217,744)	0
Loan Repayments	35,112	(35,112)	0	0	0	0
Other Revenues	71,725	0	0	0	0	71,725
Operating Grants &						
Contributions	0	(30,433)	0	0	803,213	772,780
Capital Grants &						
Contributions	0	(153,283)	155,326	0	207,648	209,691
Proceeds of Long-term Debt	146,300	0	0	(146,300)	0	0
Proceeds from Sale						
of Equipment	750	0	0	0	0	750
Transfers from Other						
Funds	533,748	0	0	0	(533,748)	0
Total Revenues	13,614,962	(136,874)	155,326	(146,300)	(623,348)	12,863,766
EXPENDITURES						
General Government	2,339,410	(20,459)	46,874	0	(89,600)	2,276,225
Public Safety	3,992,760	37,532	161,926	0	0	4,192,218
Public Works	1,944,613	(36,592)	374,216	0	0	2,282,237
Community Development	3,003	1,242	0	0	0	4,245
Culture and Recreation	1,600,951	8,755	129,159	0	0	1,738,865
Capital Expenditures	4,455,065	0	(4,455,065)	0	0	0
Debt Service	703,603	21,407	0	(271,593)	0	453,417
Transfers to Other Funds	533,748	0	0	0	(533,748)	0
Total Expenditures	15,573,153	11,885	(3,742,890)	(271,593)	(623,348)	10,947,207
Net Change for the Year	\$ (1,958,191)	\$ (148,759)	\$ 3,898,216	\$ 125,293	\$ 0	\$ 1,916,559

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

3. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

3A. Budgetary Information

Budgets are approved at the annual Town Meeting in March. Budget changes within a department, which do not change the total expenditures, require approval of the Town Manager. Budget changes between departments, which do not change the total expenditures, require Selectboard approval. Voter approval is required before expenditures exceed 102% of the voter approved budget. The budget amendments during the year are presented on schedule 1.

3B. Excess of Expenditures Over Appropriations

For the year ended June 30, 2008, expenditures exceeded appropriations in the General Fund by \$53,478. These were by funded additional revenues.

3C. Budgeted Deficit

The Town budgeted a current year's deficit of \$38,000 in the General Fund in order to utilize a portion of the previous year's surplus. This amount is reflected as a budgeted deficiency of revenue over expenditures in Exhibit F.

4. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and Investments at June 30, 2008 consisted of the following:

Demand Deposits with Financial Institutions	\$ 7,655,170
Cash on Hand	<u>125</u>
Total Cash	<u>7,655,295</u>
Certificates of Deposit	2,372,160
U.S. Treasury Money Market Fund	374
U.S. Treasury Strips	354,534
Mutual Funds	<u>49,687</u>
Total Investments	<u>2,776,755</u>
Total Cash and Investments	\$ <u><u>10,432,050</u></u>

The investment policy of the Town, excluding funds under the control of the Cemetery Commissioners, is to ensure safety, liquidity and yield, in that order of priority. The Treasurer may invest in certificates of deposit, repurchase agreements and bank money market accounts. Investments in other instruments require prior approval of the Selectboard. The policy also indicates that all holdings are to be insured. The Selectboard has approved the Town's holdings.

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

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 county-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 Town does not have any policy to limit its exposure to custodial credit risk. The mutual funds and U.S. Treasury Strips are not exposed to custodial credit risk. The table below shows the custodial credit risk of the Town's deposits and certificates of deposit.

	<u>Book Balance</u>	<u>Bank Balance</u>
Insured - FDIC/SIPC	\$ 373,201	\$ 448,292
Uninsured, Collateralized by U.S. Government Securities and/or General Obligation Vermont Municipal Notes and Bonds Held by the Bank's Trust Department with a Security Interest Granted to the Town	9,644,872	10,279,682
Uninsured, Collateralized by Government Agency Securities held by the Bank but not in the Name of the Town	9,631	9,631
	<u>\$ 10,027,704</u>	<u>\$ 10,737,605</u>

The difference between the book balance and the bank balance is due to reconciling items such as deposits in transit and outstanding checks. Subsequent to year end, the FDIC coverage has increased from \$100,000 to \$250,000.

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 Town's policy does not limit its exposure to interest rate risk.

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Information about the sensitivity of the fair values of the Town's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town's investments by maturity. Mutual funds are shown at their weighted average maturity (if available) and the U.S. Treasury Strips and certificates of deposits are shown at their actual maturity.

Investment Type	Remaining Maturity					Total
	Less Than 1 Year	1 to 5 Years	5 to 10 Years	10 to 15 Years	Not Available	
Mutual Funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 49,687	\$ 49,687
Certificates of Deposit	2,372,160	0	0	0	0	2,372,160
U.S. Treasury Money Market Fund	374	0	0	0	0	374
U.S. Treasury Strips	42,682	132,744	134,791	44,317	0	354,534
Total	\$ 2,415,216	\$ 132,744	\$ 134,791	\$ 44,317	\$ 49,687	\$ 2,776,755

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 certificates of deposit are exempt from this analysis. The U.S. Treasury Strips are exempt from this analysis because they are assumed to be rated AAA. The mutual funds are open-ended and are therefore excluded from the credit risk analysis.

Concentration of Credit Risk

There are no investments in any one issuer, other than U.S. Treasury Strips, that represent more than 5% of total investments.

4B. Receivables

Receivables at June 30, 2008, as reported in the statement of net assets, net of applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-Type Activities	Total
Delinquent Taxes	227,984	0	227,984
Penalties and Interest	40,994	0	40,994
Ambulance Receivables	88,917	0	88,917
Accounts Receivable	38,320	0	38,320
Due from Other Governments	45,938	0	45,938
Billed Services	0	31,000	31,000
Unbilled Services	0	258,245	258,245
Special Assessments - Current Portion *	0	115,000	115,000
Special Assessments - Long-Term Portion *	0	2,215,000	2,215,000
Fort Ethan Allen **	376	0	376
Allowance for Doubtful Accounts	(35,000)	0	(35,000)
	<u>407,529</u>	<u>2,619,245</u>	<u>3,026,774</u>

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

- * The special assessments receivable represents money that will be received by the Town from sewer customers to pay specific sewer bonds described in Note 4G.
- ** The Fort Ethan Allen receivable represents money that will be received by the Town based on construction within the Fort. The Town is assessing a \$1 charge for every \$1,000 of construction.

4C. Notes Receivable

Notes Receivable are as follows:

Note Receivable - Holy Cross Senior Housing Partnership, Principal and Interest Payments Deferred until October, 2017, Interest at 1%, Monthly Principal and Interest Payments of \$1,380 due thereafter until October 31, 2037	\$ 300,000
Note Receivable - Champlain Housing Trust Corporation, 0% Interest, Principal Balloon Payment due August 30, 2021, Collateralized by 3 rd Mortgage on Land and Premises at 1302 Ethan Allen Drive	190,000
Note Receivable - Champlain Housing Trust Corporation, 0% Interest, Deferred Until August, 2036	65,778
Notes Receivable – Twelve Loans to Residents for On-Site Sewage Disposal Systems and Potable Water Service, Interest at 3%, Principal and Interest Due Monthly Over Income from the Twenty (20) Years, Secured by Liens on Properties, Repayment of the Income from the Loans will be Used to Pay the Related Septic Improvement Loan Program Bonds Described in Note 4G	<u>189,726</u>
Total Notes Receivable	745,504
Discount on Notes Receivable	<u>(219,507)</u>
Net Notes Receivable	<u>\$ 525,997</u>

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

4D. Capital Assets

Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 2,104,936	\$ 0	\$ 0	\$ 2,104,936
Construction in Progress	7,550,027	4,369,346	8,172,639	3,746,734
Total Capital Assets, Not Being Depreciated	<u>9,654,963</u>	<u>4,369,346</u>	<u>8,172,639</u>	<u>5,851,670</u>
Capital Assets, Being Depreciated:				
Land Improvements	1,079,047	75,844	0	1,154,891
Buildings and Building Improvements	2,415,252	844,215	0	3,259,467
Equipment and Furniture	959,462	25,200	0	984,662
Vehicles	2,700,396	140,001	40,066	2,800,331
Infrastructure	5,025,345	7,328,424	0	12,353,769
Totals	<u>12,179,502</u>	<u>8,413,684</u>	<u>40,066</u>	<u>20,553,120</u>
Less Accumulated Depreciation for:				
Land Improvements	439,849	34,362	0	474,211
Buildings and Building Improvements	1,008,011	69,386	0	1,077,397
Equipment and Furniture	383,501	100,271	0	483,772
Vehicles	1,039,807	229,356	40,066	1,229,097
Infrastructure	348,153	278,800	0	626,953
Totals	<u>3,219,321</u>	<u>712,175</u>	<u>40,066</u>	<u>3,891,430</u>
Total Capital Assets, Being Depreciated	<u>8,960,181</u>	<u>7,701,509</u>	<u>0</u>	<u>16,661,690</u>
Governmental Activities Capital Assets, Net	<u>\$ 18,615,144</u>	<u>\$ 12,070,855</u>	<u>\$ 8,172,639</u>	<u>\$ 22,513,360</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 132,568	\$ 0	\$ 0	\$ 132,568
Total Capital Assets, Not Being Depreciated	<u>132,568</u>	<u>0</u>	<u>0</u>	<u>132,568</u>
Capital Assets, Being Depreciated:				
Plant and Equipment				
10 Years	7,807	0	0	7,807
25 Years	1,159,789	0	0	1,159,789
30 Years	18,075	0	0	18,075
40 Years	323,679	0	0	323,679
50 Years	4,688,203	0	0	4,688,203
Totals	<u>6,197,553</u>	<u>0</u>	<u>0</u>	<u>6,197,553</u>
Less Accumulated Depreciation for:				
Plant and Equipment	2,268,410	149,972	0	2,418,382
Totals	<u>2,268,410</u>	<u>149,972</u>	<u>0</u>	<u>2,418,382</u>
Total Capital Assets, Being Depreciated	<u>3,929,143</u>	<u>(149,972)</u>	<u>0</u>	<u>3,779,171</u>
Business-Type Activities Capital Assets, Net	<u>\$ 4,061,711</u>	<u>\$ (149,972)</u>	<u>\$ 0</u>	<u>\$ 3,911,739</u>

TOWN OF COLCHESTER, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2008

Depreciation was charged as follows:

Governmental Activities:		Business - Type Activities:	
General Government	\$ 46,874	Wastewater	\$ <u>149,972</u>
Public Works	374,216		
Public Safety	161,926		
Culture & Recreation	<u>129,159</u>		
Total Depreciation Expense - Governmental Activities		Total Depreciation Expense - Business-Type Activities	
	\$ <u>712,175</u>		\$ <u>149,972</u>

4E. Interfund Balances and Transfers

The composition of interfund balances at June 30, 2008, is as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 0	\$ 1,536,075
Capital Projects Fund	716,662	0
Reserve Fund	0	23,727
Wastewater Fund	439,723	0
Other Governmental Funds	<u>404,520</u>	<u>1,103</u>
 Total	 \$ <u>1,560,905</u>	 \$ <u>1,560,905</u>

Interfund transfers for the year ended June 30, 2008, were as follows:

<u>Transfer To</u>	<u>Amount</u>	<u>Transfer From</u>	<u>Amount</u>	<u>Purpose</u>
Recreation Acquisition and Development Fund	\$ 16,850	General Fund	\$ 16,850	Annual Funding
Capital Equipment Fund	20,000	General Fund	20,000	Annual Funding
Reserve Fund	15,500	General Fund	15,500	Fund Project Deficit
Capital Projects Fund	25,000	General Fund	25,000	Fund Grant Matches
Capital Projects Fund	<u>456,398</u>	General Fund	<u>456,398</u>	Fund Project Deficits and Local Matches
 Total	 \$ <u>533,748</u>		 \$ <u>533,748</u>	

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

4F. Deferred Revenue

Deferred Revenue in the General Fund consists of \$207,809 of delinquent taxes, penalty and interest on taxes, \$17,782 of ambulance receivables that were not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities. It also includes \$4,456 of prepaid taxes. Total deferred revenue in the General Fund is \$230,047.

Deferred Revenue in the Capital Projects Fund consist of \$15,713 of grant receivables not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities and \$24,008 of grant monies advanced to the Town for various purposes that was not spent as of June 30, 2008. Total deferred revenue in the Capital Projects Funds is \$39,721.

Deferred Revenue in the Community Development Fund consists of \$336,271 of loans receivable not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

Deferred Revenue in the Other Governmental Funds consists of \$2,583 of grants receivable and \$189,726 of loans receivable not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities, \$74,191 of unspent grant money received in advance and \$111,725 of recreation fees received in advance. This revenue will be earned when the receivable is collected, grant expenditures are incurred, and recreation programs are provided. Total Deferred Revenue in the Other Governmental Funds is \$378,225.

4G. Long-term Liabilities

General Obligation Bonds: The Town issues general obligation bonds to provide funds 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.

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

General obligation bonds are direct obligations and pledge the full faith and credit of the Town . New bonds generally are issued as 10 to 20 year bonds. Refunding bonds are issued for various terms based on the debt service of the debt refunded.

Other Notes Payable: the Town has other notes payable to finance various capital projects through local banks.

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

Long-term liabilities outstanding as of June 30, 2008 were as follows:

	<u>Beginning Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2008</u>
<u>Business-Type Activities</u>				
Bond Payable - Vermont Municipal Bond Bank, Sewer System Expansion, Annual Principal Payments Ranging from \$60,000 to \$155,000 on December 1 through 2020, Various Interest Rates, Currently at 7.0%, Interest Paid Semi-Annually on June 1 and December 1	\$1,450,000	\$ 0	\$ 65,000	\$1,385,000
Bond Payable - Vermont Municipal Bond Bank, Sewer System Expansion, Principal Payments Ranging from \$35,000 to \$90,000 on December 1 through 2021, Various Interest Rates, Currently at 7.0%, Interest Paid Semi- Annually on June 1 and December 1	880,000	0	35,000	845,000
Bond Payable - Vermont Municipal Bond Bank, Sewer System Expansion, Principal Payments Ranging from \$10,000 to \$15,000 Due Annually on December 1 through 2014, Various Interest Rates, Currently at 6.2%, Interest Paid Semi-Annually on June 1 and December 1	110,000	0	10,000	100,000
Bond Payable - State of Vermont Special Environmental Revolving Loan Fund, Sewer System - Breezy Acres Trailer Park, 0% Interest, \$79,048 Principal Payments Due Annually in July until 2019	<u>948,576</u>	<u>0</u>	<u>79,048</u>	<u>869,528</u>
Total Business-Type Activities	<u>\$3,388,576</u>	<u>\$ 0</u>	<u>\$189,048</u>	<u>\$3,199,528</u>

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

	<u>Beginning Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2008</u>
<u>Governmental Activities</u>				
Bond Payable - Vermont Municipal Bond Bank, Highway Improvements, Annual Principal Payments of \$150,000 Due on December 1 through 2009, Various Interest Rates, Currently at 6.75%, Interest Paid Semi-Annually on June 1 and December 1	\$ 450,000	\$ 0	\$150,000	\$ 300,000
Bond Payable - State of Vermont Special Environmental Revolving Loan Fund, Malletts Bay Sewer Study, 0% Interest, Principal Payments of \$10,778 Due Annually from April 1, 2004 through April 1, 2013	64,664	0	10,778	53,886
Bond Payable - State of Vermont Special Environmental Revolving Loan Fund, Belwood Drainage Project, 0% Interest, Principal Payments of \$49,641 Due Annually from October 1, 2004 through December 1, 2023	843,906	0	49,641	794,265
Note Payable – Chittenden Bank, Facilities Upgrade Project, Interest At 3.72%, Due and Paid August 15, 2007 At Which Time it was Refinanced with a 20 Year Bond with the Vermont Municipal Bond Bank	1,140,000	0	1,140,000	0
Note Payable – Chittenden Bank, Facilities Upgrade Project, Interest At 3.72%, Due and Paid August 15, 2007 At Which Time it was Refinanced with a 20 Year Bond with the Vermont Municipal Bond Bank	5,000,000	0	5,000,000	0

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

	<u>Beginning Balance July 1, 2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2008</u>
Bond Payable - State of Vermont Special Environmental Revolving Loan Fund, Septic System Improvement Loan Program, Interest at 2%, Annual Principal and Interest Payments of \$9,174 Due each April through 2027	\$ 80,667	\$ 69,333	\$ 6,174	\$ 143,826
Bond Payable - State of Vermont Special Environmental Revolving Loan Fund, Septic System Improvement Loan Program, Interest at 2%, Annual Principal And Interest Payments of \$9,174 Due each April through 2028	0	76,967	0	76,967
Bond Payable – Vermont Municipal Bond Bank, Building Renovations, Principal Payments of \$310,000 Due on December 1 Through 2027, Various Interest Rates, Currently at 3.865%, Interest Paid Semi- Annually on June 1 and December 1	0	6,140,000	0	6,140,000
Bond Payable – Vermont Municipal Bond Bank, Bayside Property Purchase, Principal Payments of \$55,000 Due on December 1 Through 2024, Various Interest Rates, Currently at 2.85%, Interest Paid Semi- Annually on June 1 and December 1	<u>990,000</u>	<u>0</u>	<u>55,000</u>	<u>935,000</u>
Total Notes and Bonds Payable - Governmental Activities	<u>\$8,569,237</u>	<u>\$6,286,300</u>	<u>\$6,411,593</u>	<u>\$8,443,944</u>

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

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					
General Obligation Bonds	\$ 2,429,237	\$ 6,286,300	\$ 271,593	\$ 8,443,944	\$ 587,891
Notes Payable	6,140,000	0	6,140,000	0	0
Compensated Absences	484,394	42,959	0	527,353	0
Due to State	<u>39,629</u>	<u>1,242</u>	<u>0</u>	<u>40,871</u>	<u>0</u>
Total Governmental Activities					
Long-term Liabilities	<u>\$ 9,093,260</u>	<u>\$ 6,330,501</u>	<u>\$ 6,411,593</u>	<u>\$ 9,012,168</u>	<u>\$ 587,891</u>
Business-type Activities					
Special Assessment Debt with					
Governmental Commitment	2,440,000	0	110,000	2,330,000	115,000
General Obligation Bonds Payable	<u>948,576</u>	<u>0</u>	<u>79,048</u>	<u>869,528</u>	<u>79,048</u>
Total Business-type Activities					
Long-Term Liabilities	<u>\$ 3,388,576</u>	<u>\$ 0</u>	<u>\$ 189,048</u>	<u>\$ 3,199,528</u>	<u>\$ 194,048</u>

As part of the Town's community development loan program that was originally funded by the State of Vermont, the Town is required to repay the State based on loan repayments. The agreement requires the Town to repay one-half of the annual repayments to the State of Vermont up to a cumulative total of \$80,000. The current balance is \$40,871.

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

Debt service requirements to maturity are as follows:

Year Ending <u>June 30</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2009	587,891	323,609	194,048	156,196
2010	588,140	299,327	209,048	147,770
2011	438,394	279,755	219,048	138,524
2012	438,653	264,921	224,049	128,750
2013	438,914	249,768	234,048	118,480
2014-2018	2,134,860	1,013,385	1,275,240	420,129
2019-2023	2,097,526	597,908	844,047	93,449
2024-2028	<u>1,719,566</u>	<u>184,284</u>	<u>0</u>	<u>0</u>
Total	<u>\$ 8,443,944</u>	<u>\$ 3,212,957</u>	<u>\$ 3,199,528</u>	<u>\$ 1,203,298</u>

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

4H. Reserved and Designated Fund Balances

The reserved fund balances of the Town as of June 30, 2008 consisted of the following:

General Fund:	
Reserved for Inventory	\$ <u>65,423</u>
Special Revenue Funds:	
Reserved for Community Development	
By Grant Agreements	73,201
Reserved for Septic Loan Program by Bond Proceeds	31,557
Reserved for Cemetery by Trust Agreements	132,647
Reserved for Law Enforcement by Grant Agreements	<u>171,229</u>
Total Reserved Special Revenue Funds	<u>408,654</u>
Capital Projects Funds:	
Reserved for Facilities Upgrade Expenditures by Bond Proceeds	2,514,584
Reserved for Recreation Acquisition and Development by Impact Fees	<u>123,194</u>
Total Capital Projects Funds	<u>2,637,778</u>
Permanent Fund:	
Reserved for Burnham Memorial Library Fund by Donations	<u>11,470</u>
Total Reserved Fund Balances	<u>\$3,123,325</u>

The designated fund balances of the Town as of June 30, 2008 consisted of the following:

Special Revenue Funds:	
Designated for Reserve Fund Expenses of Reappraisal, Technology, Restoration of Records, Public Safety Communications and Bridge Repairs	\$ 990,329
Designated for Recreation Programs	<u>124,256</u>
Total Special Revenue Funds	<u>1,114,585</u>
Debt Service Funds:	
Designated for Future Debt Service	<u>96,719</u>
Capital Projects Funds:	
Designated for Future Capital Projects	667,390
Designated for Capital Equipment	<u>248,515</u>
Total Capital Projects Funds	<u>915,905</u>
Total Designated Fund Balances	<u>\$2,127,209</u>

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

4I. Restricted and Designated Net Assets

The restricted net assets of the Town as of June 30, 2008 consisted of the following:

Governmental Activities:	
Community Development by Grant Agreements	\$400,178
Cemetery Trust Agreements	132,647
Law Enforcement by Grant Agreements	171,229
Recreation Acquisition/Development by Impact Fees	123,194
Burnham Library by Donations	<u>11,470</u>
 Total Governmental Activities	 <u>\$838,718</u>
 Business-type Activities/Proprietary Fund:	
Breezy Acres Sewer Trust Agreement	\$ <u>6,600</u>
 Total Business-type Activities/Proprietary Fund	 <u>\$ <u>6,600</u></u>

The designated net assets of the Town as of June 30, 2008 consisted of the following:

Proprietary Fund:	
Designated for Wastewater Fund	
To Upgrade South Burlington Plant Contribution	<u>\$269,641</u>

5. OTHER INFORMATION

5A. PENSION

The Town offers a 401(a) pension plan to all full time employees, except police officers, with one (1) year of service with 100% vesting after five (5) years of service. This plan qualifies, according to the Internal Revenue Service, as a defined contribution pension plan for governmental organizations exempt from income taxes. The Town contributes 7% of each employee's base pay. Employees contribute 1% of their base pay. The International City/County Management Association administers the Plan. The total payroll for the year was \$5,098,542 while the covered payroll was \$2,880,913. Pension expense for the year ended June 30, 2008 was \$201,664.

The Police Officers are covered by the State of Vermont Municipal Employees Retirement System (VMERS) Group C Plan, a defined benefit plan. Under this plan, employees contribute 9% of their gross salary and the Town contributes 6%, except for the three (3) highest ranking officers who contribute 8%, while the Town contributes 7%.

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

The Town of Colchester pays all costs accrued each year for the plan. The premise of this plan 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. Covered payroll for this plan was \$1,590,054. Pension expense for the year was \$95,403.

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

The Town also offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The Town is the administrator of the plan. 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 Town has no liability for losses under these 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.

5B. PROPERTY TAXES

The Town is responsible for assessing and collecting its own property taxes, as well as education property taxes for the State. Property taxes are assessed based on property valuations as of April 1 and the approved budgets. Taxes are collected three (3) times per year. During the tax year ended June 30, 2008, taxes became due and payable on August 15, 2007, November 15, 2007 and March 15, 2008. The Town assesses an 8% penalty of delinquent taxes and interest is assessed at 1% per month. Unpaid taxes become an enforceable lien on the property, and such properties are subject to tax sale.

5C. CONTINGENT LIABILITIES

The Town is a participating member in the Chittenden Solid Waste District (CSWD). The Town could be subject to a portion of the District's debt if the District experiences financial problems.

5D. RISK MANAGEMENT

The Town of Colchester, Vermont 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 Town of Colchester, Vermont maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this coverage in any of the past three fiscal years. The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and 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.

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

In addition, the Town is a member of the Vermont League of Cities and Towns Health Trust. The Health Trust is a nonprofit corporation formed to provide health insurance and wellness programs for Vermont municipalities and is owned by the participating members. The agreement does not permit the Health Trust to make additional assessments to its members. Beginning in 2008, the Town began making contributions to Health Savings Accounts (HSA) on behalf of its employees in order to lower insurance costs.

The Town 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.

5E. LANDFILL TRUST

On November 30, 1990, the Town created a trust for the benefit of the State of Vermont Agency of Natural Resources to provide funds for the closure and post-closure costs of the Colchester landfill.

The "Colchester Landfill Vertical Expansion Trust" was created to provide post-closure costs for twenty (20) years and required distributions to the landfill's owners totaling \$150,000. Any funds remaining after the distributions and all monitoring costs have been paid will be distributed to the Town upon termination of the Trust. The Trust may be terminated by written agreement of the Town, the Trustees and the Secretary of the Vermont Agency of Natural Resources. The balance remaining in the Trust at June 30, 2008 is approximately \$55,400.

5F. ENDOWMENT FUND

On May 5, 1997, the Burnham Memorial Library placed \$20,000 into an endowment at the Vermont Community Foundation. In 2008, the Library contributed another \$4,409 to the Foundation. In doing so, the ownership of the funds passed to the Vermont Community Foundation with the stipulation that the Foundation pay to the Library an amount, determined on an annual basis, to be not less than 5% of the value of the funds as of the end of the previous year. Payments are to be made at least semiannually. The contributions are not reflected on the balance sheet of the Town. The balance of the Endowment Fund at June 30, 2008 is \$30,540.

5G. LAND LEASE

In August, 1994, the Town of Colchester entered into a land lease agreement with Homestead Design, Inc. The Town will lease land which is adjacent to the Town's offices to Homestead Design, Inc. for thirty (30) years. The Town will receive lease payments from Homestead Design, Inc. for thirty (30) years. The agreement provides for the construction of a building, which will in turn be rented to a medical center. Homestead Design, Inc. will collect these rent payments. At the end of the thirty (30) year agreement, the building will become property of the Town. The Town will then begin to receive the rental payments from the medical center. A purchase price option is written into the lease whereby the Town can buy the building at a price calculated by applying a 7.15% discount rate to the future cash flows. The current purchase price is \$1,119,022.

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008

The schedule of land lease payments is as follows:

2009	\$ 21,199
2010	21,782
2011	22,381
2012	22,996
2013	23,629
Thereafter	<u>306,988</u>
	\$ <u>418,975</u>

5H. COMMITMENTS AND CONTINGENCIES

The Town has entered into a five year employment agreement with an employee through June 30, 2011. The agreement stipulates the amount of benefits to be provided and conditions of employment or termination.

The Town has also entered into two contracts with unionized employees. The Colchester Police Officers Association and the American Federation of State, County, and Municipal Employees, AFL-CIO Local 1343 have agreements in place through June 30, 2009. These agreements stipulate various conditions such as the amount of benefits to be provided and conditions of employment.

The Town has an agreement with the City of South Burlington, Vermont to assist in upgrading South Burlington's wastewater treatment facility. This agreement provides capacity rights to the Town of Colchester in exchange for approximately \$8,000,000 (current estimate). The City of South Burlington anticipates issuing twenty year bonds to provide the funding for this project, and will then bill the Town of Colchester for its proportionate share of the total project costs. The Town of Colchester plans to pay for these improvements from a combination of cash reserves, grants and rate adjustments. The Town of Colchester has substantially used all of its previous capacity allocation and future development within the Town is dependent on this project.

At the November, 2006 annual meeting, the Town voters authorized issuing \$150,000 of bonds each year for the next five years. The proceeds will be used to fund the Revolving Loan Fund activities, which is issuing septic system improvement loans to taxpayers. As of June 30, 2008, the Town had issued 100% of the bonds under this authorization.

Subsequent to year end, the Town signed a contract with an engineer to complete a septic study in the Town. The project will be over four years. The Town will pay for 75% of the project with a federal EPA grant of \$1,200,000 and 25% with local funds.

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE:					
PROPERTY TAXES	\$ 7,983,105	\$ 0	\$ 7,983,105	\$ 7,908,072	\$ (75,033)
INTEREST ON DELINQUENT TAXES	38,000	0	38,000	45,025	7,025
PENALTIES ON DELINQUENT TAXES	72,000	0	72,000	67,048	(4,952)
LATE TAX FILING FEES	3,000	0	3,000	0	(3,000)
LIQUOR LICENSES	3,000	0	3,000	3,350	350
LICENSES-TOWN	4,000	0	4,000	4,205	205
DEPT MOTOR VEHICLES	3,000	0	3,000	2,310	(690)
MARRIAGE LICENSES	1,200	0	1,200	881	(319)
CIVIL UNION LICENSES	50	0	50	8	(42)
DOG LICENSES	8,900	0	8,900	8,041	(859)
PMTS IN LIEU OF TAXES	70,000	0	70,000	99,612	29,612
CURRENT USE HOLD HARMLESS	10,400	0	10,400	10,377	(23)
VLCT INS DISTRIBUTION	0	0	0	10,745	10,745
INTEREST	135,000	0	135,000	243,697	108,697
COMMUNITY DEVELOPMENT	16,000	0	16,000	3,910	(12,090)
TRANSFER FROM RESERVE FUND	30,000	0	30,000	0	(30,000)
TRANSF FROM WASTEWATER FUND	89,600	0	89,600	89,600	0
MISCELLANEOUS	6,500	0	6,500	16,360	9,860
PROMOTIONAL	0	0	0	101	101
SUPPORT PAYMENTS	46,616	0	46,616	56,616	10,000
CASH OVER/SHORT	0	0	0	(9)	(9)
MILTON DISPATCH	100,000	0	100,000	100,000	0
POLICE	2,000	0	2,000	2,091	91
CUSI	21,807	0	21,807	21,807	0
POLICE ORDINANCE FEES	0	0	0	360	360
AMBULANCE	190,000	0	190,000	268,749	78,749
TECH RESCUE REIMBURSEMENTS	1,500	0	1,500	4,452	2,952
RECORDING FEES	125,000	0	125,000	109,352	(15,648)
RECORDING REES - SURCHARGE	0	0	0	(12)	(12)
ACCESSORY APT/SEASONAL	2,000	0	2,000	500	(1,500)
BUILDING/ZONING PERMITS	150,235	0	150,235	134,118	(16,117)
SEPTIC PERMITS	16,000	0	16,000	4,539	(11,461)
DRB LEGAL NOTICES/PH	2,442	0	2,442	922	(1,520)
DRB/BLA APPLICATIONS	15,768	0	15,768	19,319	3,551
EXCAVATION W/ROW	7,915	0	7,915	10,125	2,210
CERTIFICATES OF OCCUPANCY	13,281	0	13,281	12,071	(1,210)
GIS INCOME	328	0	328	414	86
ST WW PERMITS	23,000	0	23,000	17,356	(5,644)
VT FIRE SAFETY	1,000	0	1,000	0	(1,000)
ORDINANCE & MAP COPIES	986	0	986	738	(248)
CERT COPIES OF VITAL RECORDS	9,000	0	9,000	7,178	(1,822)
COPIES AND MAPS	16,500	0	16,500	14,487	(2,013)
USE OF VAULT	4,000	0	4,000	3,454	(546)
PASSPORTS	24,000	0	24,000	35,645	11,645
PASSPORT PHOTOS	0	0	0	8,717	8,717
ROAD MISCELLANEOUS	1,700	0	1,700	2,303	603
DOG CONTROL	1,900	0	1,900	2,355	455
GREEN MOUNTAIN PASSPORTS	50	0	50	82	32
RECREATION	10,000	0	10,000	10,985	985
DISTRICT COURT FINES	50,000	0	50,000	45,380	(4,620)
PLANNING & ZONING FINES	5,000	0	5,000	1,135	(3,865)
GRANT REIMBURSEMENT	0	0	0	2,000	2,000
ACT 68 REIMBURSEMENT	25,000	0	25,000	21,819	(3,181)
ACT 60 REIMBURSEMENT	6,700	0	6,700	6,793	93
ANNUAL SCHOOL PAYMENT	44,510	0	44,510	45,111	601
HOMESTEAD LATE FILING	0	0	0	1,114	1,114
STATE AID TO HIGHWAYS	180,573	0	180,573	180,781	208
MARINE ENFORCEMENT	20,000	0	20,000	20,000	0
TOTAL REVENUE	<u>9,592,566</u>	<u>0</u>	<u>9,592,566</u>	<u>9,686,189</u>	<u>93,623</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES:					
SELECTBOARD:					
SALARIES	\$ 5,000	\$ 0	\$ 5,000	\$ 5,324	\$ (324)
SOCIAL SECURITY	383	0	383	407	(24)
PROFESSIONAL SERVICES	20,000	0	20,000	630	19,370
TOWN MEETING	4,000	0	4,000	3,303	697
TOWN REPORT	3,000	0	3,000	1,932	1,068
PRINTING & BINDING	4,500	0	4,500	1,420	3,080
MISCELLANEOUS	250	0	250	803	(553)
CONTINGENCY	50,000	0	50,000	0	50,000
TRANSFER TO CAPITAL	0	0	0	73,314	(73,314)
TOTAL SELECTBOARD	87,133	0	87,133	87,133	0
CIVIL BOARD:					
SALARIES	16,805	0	16,805	15,905	900
HEALTH INSURANCE	4,647	0	4,647	4,533	114
DENTAL INSURANCE	390	0	390	379	11
LIFE/DISABILITY INSURANCE	237	0	237	174	63
SOCIAL SECURITY	1,286	0	1,286	1,176	110
RETIREMENT	749	0	749	667	82
WORKERS COMPENSATION	48	0	48	36	12
MISCELLANEOUS BENEFITS	3	0	3	0	3
POSTAGE	980	0	980	1,394	(414)
MISCELLANEOUS	3,400	0	3,400	2,756	644
TOTAL CIVIL BOARD	28,545	0	28,545	27,020	1,525
TOWN MANAGER:					
SALARIES	329,960	(48,840)	281,120	262,505	18,615
HEALTH INSURANCE	41,914	(12,846)	29,068	26,609	2,459
DENTAL INSURANCE	4,035	(1,158)	2,877	2,729	148
LIFE/DISABILITY INSURANCE	3,796	0	3,796	4,024	(228)
INSURANCE-PACIF/CL BOND/E&O	9,456	0	9,456	8,964	492
SOCIAL SECURITY	25,586	(4,960)	20,626	20,216	410
RETIREMENT	22,770	(4,539)	18,231	18,361	(130)
UNEMPLOYMENT COMP	926	(205)	721	1,709	(988)
WORKERS COMPENSATION	1,424	(284)	1,140	1,218	(78)
MISCELLANEOUS BENEFITS	2,039	(11)	2,028	2,243	(215)
PERSONNEL DEVELOPMENT	6,700	0	6,700	4,538	2,162
DUES & PUBLICATIONS	4,000	0	4,000	4,949	(949)
PROFESSIONAL SERVICES	7,000	0	7,000	1,984	5,016
LEGAL	24,000	0	24,000	25,252	(1,252)
LEGAL - UNION NEGOTIATIONS	0	0	0	248	(248)
LEGAL - HUMAN RESOURCES	3,000	0	3,000	2,553	447
UTILITIES	3,670	0	3,670	2,371	1,299
TELEPHONE	4,509	0	4,509	1,351	3,158
VEHICLE MAINT & TRANSPORT	5,800	0	5,800	4,884	916
MAINTENANCE - TOWN OFFICE	1,769	0	1,769	2,303	(534)
BIKE BRIDGE	25,000	0	25,000	25,000	0
ADVERTISING	0	0	0	329	(329)
MUNICIPAL MARKETING	2,500	0	2,500	60	2,440
FLAG REPLACEMENT	400	0	400	175	225
ADVERTISING-PUBLIC HEARINGS	1,000	0	1,000	171	829
OPERATING SUPPLIES	1,800	0	1,800	2,068	(268)
POSTAGE	582	0	582	456	126
MACHINERY & EQUIPMENT	0	0	0	216	(216)
MISCELLANEOUS	7,000	0	7,000	9,680	(2,680)
NEW REQUESTS	300	0	300	562	(262)
WELLNESS PROGRAMS	0	0	0	3,249	(3,249)
COLCHESTER COMM DEVEL CORP	0	0	0	141	(141)
TRANSFER TO CAPITAL	0	0	0	26,975	(26,975)
TOTAL TOWN MANAGER	540,936	(72,843)	468,093	468,093	0

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
COMMUNITY DEVELOPMENT:					
SALARIES	\$ 0	\$ 42,000	\$ 42,000	\$ 42,723	\$ (723)
HEALTH INSURANCE	0	10,750	10,750	10,709	41
DENTAL INSURANCE	0	860	860	916	(56)
LIFE/DISABILITY INSURANCE	0	940	940	938	2
SOCIAL SECURITY	0	3,213	3,213	3,488	(275)
RETIREMENT	0	2,940	2,940	2,991	(51)
UNEMPLOYMENT COMP	0	205	205	0	205
WORKERS COMPENSATION	0	284	284	0	284
PERSONNEL DEVELOPMENT	0	200	200	545	(345)
DUES & PUBLICATIONS	0	500	500	411	89
LEGAL	0	3,500	3,500	2,863	637
VEHICLE MAINT & TRANSPORT	0	250	250	336	(86)
ADVERTISING	0	0	0	374	(374)
PRINTING & BINDING	0	6,000	6,000	9,955	(3,955)
OFFICE SUPPLIES	0	250	250	291	(41)
GIS	0	0	0	433	(433)
MISCELLANEOUS	0	951	951	636	315
TOTAL COMMUNITY DEVELOPMENT	0	72,843	72,843	77,609	(4,766)
FINANCE:					
SALARIES	168,219	0	168,219	172,028	(3,809)
OVERTIME	0	0	0	3,299	(3,299)
HEALTH INSURANCE	25,910	0	25,910	35,085	(9,175)
DENTAL INSURANCE	3,004	0	3,004	3,449	(445)
LIFE/DISABILITY INSURANCE	2,907	0	2,907	2,783	124
INSURANCE-PACIF/CL BOND/E&O	5,497	0	5,497	5,188	309
SOCIAL SECURITY	12,869	0	12,869	13,079	(210)
RETIREMENT	10,101	0	10,101	12,016	(1,915)
UNEMPLOYMENT COMP	819	0	819	860	(41)
WORKERS COMPENSATION	734	0	734	578	156
MISCELLANEOUS BENEFITS	29	0	29	0	29
PERSONNEL DEVELOPMENT	1,400	0	1,400	1,978	(578)
DUES & PUBLICATIONS	675	0	675	600	75
PROFESSIONAL SERVICES	40,000	0	40,000	37,366	2,634
UTILITIES	2,588	0	2,588	1,600	988
TELEPHONE	869	0	869	614	255
MAINTENANCE - TOWN OFFICE	1,424	0	1,424	354	1,070
OFFICE SUPPLIES	2,800	0	2,800	3,071	(271)
OPERATING SUPPLIES	0	0	0	(142)	142
POSTAGE	1,594	0	1,594	1,541	53
COMPUTERS	23,000	0	23,000	24,108	(1,108)
MISCELLANEOUS	500	0	500	245	255
TOTAL FINANCE	304,939	0	304,939	319,700	(14,761)
ASSESSOR:					
SALARIES	99,818	0	99,818	106,111	(6,293)
LISTER SALARIES	500	0	500	312	188
HEALTH INSURANCE	17,595	0	17,595	14,463	3,132
DENTAL INSURANCE	1,474	0	1,474	1,177	297
LIFE/DISABILITY INSURANCE	1,663	0	1,663	1,447	216
INSURANCE-PACIF/CL BOND/E&O	3,546	0	3,546	3,348	198
SOCIAL SECURITY	7,674	0	7,674	7,921	(247)
RETIREMENT	6,987	0	6,987	5,986	1,001
UNEMPLOYMENT COMP	384	0	384	513	(129)
WORKERS COMPENSATION	1,572	0	1,572	1,237	335
MISCELLANEOUS BENEFITS	18	0	18	26	(8)
PERSONNEL DEVELOPMENT	345	0	345	125	220
DUES & PUBLICATIONS	40	0	40	40	0
PROFESSIONAL SERVICES	7,647	0	7,647	4,000	3,647
LEGAL	3,500	0	3,500	5,796	(2,296)

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
ASSESSOR/(CONTD):					
REAPPRAISAL DEFENSE	\$ 10,000	\$ 0	\$ 10,000	\$ 0	\$ 10,000
UTILITIES	1,064	0	1,064	789	275
TELEPHONE	573	0	573	301	272
COMMUNICATIONS	0	0	0	15	(15)
VEHICLE MAINT & TRANSPORT	1,269	0	1,269	480	789
MAINTENANCE - TOWN OFFICE	585	0	585	116	469
OPERATING SUPPLIES	500	0	500	1,123	(623)
POSTAGE	811	0	811	498	313
COMPUTERS	1,500	0	1,500	110	1,390
MISCELLANEOUS	0	0	0	119	(119)
TRANSFER TO CAPITAL	0	0	0	12,935	(12,935)
TOTAL ASSESSOR	169,065	0	169,065	168,988	77
TOWN CLERK/TREASURER:					
SALARIES	179,027	0	179,027	177,007	2,020
HEALTH INSURANCE	42,611	0	42,611	36,600	6,011
DENTAL INSURANCE	4,460	0	4,460	3,974	486
LIFE/DISABILITY INSURANCE	2,579	0	2,579	2,458	121
INSURANCE-PACIF/CL BOND/E&O	5,345	0	5,345	5,053	292
SOCIAL SECURITY	13,696	0	13,696	13,624	72
RETIREMENT	12,182	0	12,182	12,106	76
UNEMPLOYMENT COMP	1,024	0	1,024	915	109
WORKERS COMPENSATION	830	0	830	653	177
MISCELLANEOUS BENEFITS	26	0	26	0	26
PERSONNEL DEVELOPMENT	2,000	0	2,000	1,317	683
DUES & PUBLICATIONS	500	0	500	421	79
LEGAL	5,000	0	5,000	3,718	1,282
UTILITIES	6,134	0	6,134	4,535	1,599
TELEPHONE	3,275	0	3,275	926	2,349
MAINTENANCE - TOWN OFFICE	3,375	0	3,375	804	2,571
OPERATING SUPPLIES	14,900	0	14,900	10,862	4,038
POSTAGE	3,934	0	3,934	5,118	(1,184)
MACHINERY & EQUIPMENT	1,000	0	1,000	2,000	(1,000)
COMPUTERS	4,200	0	4,200	4,046	154
MISCELLANEOUS	300	0	300	31	269
TRANSFER TO CAPITAL	0	0	0	20,232	(20,232)
TOTAL TOWN CLERK/TREASURER	306,398	0	306,398	306,400	(2)
PURCHASE/MAINTAIN EQUIPMENT:					
INSURANCE-PACIF/CL BOND/E&O	699	0	699	660	39
TELEPHONE	45,000	0	45,000	(91)	45,091
EQUIP - REPAIR/MAINTENANCE	3,000	0	3,000	1,240	1,760
EQUIP - RENTALS/LEASES	28,000	0	28,000	22,039	5,961
OFFICE SUPPLIES	6,500	0	6,500	8,193	(1,693)
POSTAGE	1,004	0	1,004	393	611
TRANSFER TO CAPITAL	0	0	0	51,769	(51,769)
TOTAL PURCHASE/MAINTAIN EQUIP	84,203	0	84,203	84,203	0
PLANNING / ZONING:					
SALARIES	351,330	0	351,330	350,838	492
SALARIES - PLAN COMM/DRB	3,600	0	3,600	3,800	(200)
OVERTIME	3,000	0	3,000	1,735	1,265
HEALTH INSURANCE	57,440	0	57,440	48,355	9,085
DENTAL INSURANCE	5,616	0	5,616	6,362	(746)
LIFE/DISABILITY INSURANCE	5,695	0	5,695	5,586	109
INSURANCE-PACIF/CL BOND/E&O	9,979	0	9,979	9,418	561
SOCIAL SECURITY	27,381	0	27,381	28,318	(937)
RETIREMENT	24,593	0	24,593	23,568	1,025

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
PLANNING / ZONING/(CONT'D):					
UNEMPLOYMENT COMP	\$ 1,638	\$ 0	\$ 1,638	\$ 1,811	\$ (173)
WORKERS COMPENSATION	4,520	0	4,520	3,640	880
MISCELLANEOUS BENEFITS	67	0	67	0	67
PERSONNEL DEVELOPMENT	4,900	0	4,900	2,030	2,870
DUES & PUBLICATIONS	1,500	0	1,500	1,319	181
PROFESSIONAL SERVICES	7,000	0	7,000	6,600	400
LEGAL	19,000	0	19,000	17,628	1,372
3RD PARTY CONSULTANT FEES	0	0	0	443	(443)
MASTER PLAN REWRITE	2,000	0	2,000	1,425	575
UTILITIES	4,219	0	4,219	4,111	1,108
TELEPHONE	2,567	0	2,567	1,030	1,537
COMMUNICATIONS	763	0	763	345	418
VEHICLE MAINT & TRANSPORT	5,700	0	5,700	4,846	854
MAINTENANCE - TOWN OFFICE	2,321	0	2,321	669	1,652
ADVERTISING-RECRUITMENT	0	0	0	69	(69)
ADV - RECRUITING	500	0	500	0	500
ADV-PUBLIC MEETINGS	2,200	0	2,200	1,098	1,102
PRINTING & BINDING	4,000	0	4,000	2,245	1,755
OPERATING SUPPLIES	4,000	0	4,000	4,062	(62)
POSTAGE	4,000	0	4,000	2,008	1,992
COMPUTERS	2,000	0	2,000	2,034	(34)
GIS	3,000	0	3,000	1,248	1,752
TRANSFER TO CAPITAL	0	0	0	28,888	(28,888)
TOTAL PLANNING / ZONING	564,529	0	564,529	564,529	0
INFORMATION TECHNOLOGY:					
SALARIES	82,139	0	82,139	69,960	12,179
HEALTH INSURANCE	9,877	0	9,877	9,242	635
DENTAL INSURANCE	688	0	688	682	6
LIFE/DISABILITY INSURANCE	286	0	286	603	(317)
INSURANCE-PACIF/CL BOND/E&O	2,073	0	2,073	1,957	116
SOCIAL SECURITY	6,284	0	6,284	5,217	1,067
RETIREMENT	3,519	0	3,519	2,559	960
UNEMPLOYMENT COMP	410	0	410	420	(10)
WORKERS COMPENSATION	359	0	359	282	77
MISCELLANEOUS BENEFITS	19	0	19	0	19
PERSONNEL DEVELOPMENT	4,000	0	4,000	2,485	1,515
WEB FILE MAINTENANCE	1,400	0	1,400	1,132	268
TELEPHONE	279	0	279	270	9
REPAIRS & MAINTENANCE	3,000	0	3,000	4,555	(1,555)
MACHINERY & EQUIPMENT	15,000	0	15,000	10,853	4,147
SOFTWARE	5,100	0	5,100	4,345	755
MISCELLANEOUS	0	0	0	1,096	(1,096)
DAYBREAK	0	0	0	109	(109)
TRANSFER TO CAPITAL	0	0	0	18,000	(18,000)
TOTAL INFORMATION TECHNOLOGY	134,433	0	134,433	133,767	666
POLICE:					
SALARIES	1,518,238	(15,295)	1,502,943	1,459,120	43,823
SHIFT DIFFERENTIAL	22,560	0	22,560	19,140	3,420
LONGEVITY DIFFERENTIAL	0	0	0	513	(513)
SUPERVISOR DIFFERENTIAL	0	0	0	904	(904)
OVERTIME	161,354	0	161,354	139,304	22,050
OVERTIME 2.0	0	0	0	9,557	(9,557)
OVERTIME 3.0	0	0	0	5,390	(5,390)
HEALTH INSURANCE	322,563	0	322,563	280,116	42,447
DENTAL INSURANCE	26,887	0	26,887	24,858	2,029
LIFE/DISABILITY INSURANCE	23,736	0	23,736	24,041	(305)
HEALTH INS SUPPLEMENTAL	0	0	0	70	(70)
INSURANCE-PACIF/CL BOND/E&O	46,850	0	46,850	44,079	2,771
SOCIAL SECURITY	130,215	0	130,215	123,843	6,372
RETIREMENT	102,922	0	102,922	99,905	3,017

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
POLICE/(CONT'D):					
RETIREMENT HEALTH SAVINGS	\$ 2,374	\$ 0	\$ 2,374	\$ 0	\$ 2,374
UNEMPLOYMENT COMP	6,042	0	6,042	8,699	(2,657)
WORKERS COMPENSATION	81,764	0	81,764	63,509	18,255
MISCELLANEOUS BENEFITS	270	0	270	0	270
PERSONNEL DEVELOPMENT	1,000	0	1,000	221	779
DUES & PUBLICATIONS	1,413	0	1,413	735	678
TRAINING	16,534	0	16,534	15,084	1,450
UNIFORMS & EQUIP (PD)	28,832	0	28,832	25,267	3,565
LEGAL	500	0	500	1,026	(526)
UTILITIES	13,964	0	13,964	10,300	3,664
TELEPHONE	7,743	0	7,743	8,135	(392)
COMMUNICATIONS	31,434	0	31,434	28,414	3,020
COMMUNICATIONS PUBLIC SAFETY	24,000	0	24,000	12,290	11,710
VEHICLE MAINT & TRANSPORT	84,450	0	84,450	89,733	(5,283)
MAINTENANCE - TOWN OFFICE	7,683	0	7,683	3,110	4,573
OFFICE SUPPLIES	6,000	0	6,000	4,682	1,318
POLICE - PHOTO & FINGER PRINT	1,928	0	1,928	798	1,130
POSTAGE	984	0	984	904	80
MACHINERY & EQUIPMENT	0	0	0	87	(87)
COMPUTERS	14,340	0	14,340	12,364	1,976
VEHICLE	0	15,295	15,295	15,295	0
MISCELLANEOUS	10,000	0	10,000	6,302	3,698
HARBORMASTER	7,800	0	7,800	8,431	(631)
SPECIAL PROGRAMS	4,000	0	4,000	1,499	2,501
TRANSFER TO CAPITAL	20,000	0	20,000	180,621	(160,621)
TOTAL POLICE	2,728,380	0	2,728,380	2,728,346	34
FIRE DEPARTMENTS:					
MBFD COMMUNICATIONS	15,500	0	15,500	14,673	827
CCFD COMMUNICATIONS	16,500	0	16,500	16,449	51
COLCHESTER CENTER VOL FIRE CO	349,900	0	349,900	349,900	0
MALLETS BAY FIRE DEPT	259,200	0	259,200	259,200	0
TOTAL FIRE DEPARTMENTS	641,100	0	641,100	640,222	878
RESCUE:					
SALARIES	156,817	0	156,817	164,985	(8,168)
AMBULANCE PERSONNEL	28,500	0	28,500	21,942	6,558
OVERTIME	21,500	0	21,500	19,507	1,993
HEALTH INSURANCE	29,890	0	29,890	25,078	4,812
DENTAL INSURANCE	3,365	0	3,365	2,189	1,176
LIFE/DISABILITY INSURANCE	2,595	0	2,595	2,075	520
INSURANCE-PACIF/CL BOND/E&O	7,632	0	7,632	7,190	442
SOCIAL SECURITY	15,822	0	15,822	16,037	(215)
RETIREMENT	10,977	0	10,977	11,023	(46)
UNEMPLOYMENT COMP	819	0	819	1,057	(238)
WORKERS COMPENSATION	14,954	0	14,954	11,766	3,188
MISCELLANEOUS BENEFITS	29	0	29	0	29
TRAINING	7,000	0	7,000	5,497	1,503
UNIFORMS	4,000	0	4,000	4,462	(462)
LEGAL	5,000	0	5,000	3,000	2,000
HEALTH & SAFETY	500	0	500	0	500
UTILITIES	10,250	0	10,250	10,079	171
TELEPHONE	3,000	0	3,000	612	2,388
COMMUNICATIONS	1,015	0	1,015	784	231
COMMUNICATIONS PUBLIC SAFETY	6,000	0	6,000	5,587	413
JANITORIAL SERVICES	1,200	0	1,200	600	600

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
RESCUE/(CONTD):					
VEHICLE MAINT & TRANSPORT	\$ 10,000	\$ 0	\$ 10,000	\$ 9,893	\$ 107
EQUIP - REPAIR/MAINTENANCE	1,000	0	1,000	303	697
MAINTENANCE - BUILDINGS	5,000	0	5,000	11,204	(6,204)
COMMUNICATIONS MAINTENANCE	500	0	500	330	170
OFFICE SUPPLIES	625	0	625	1,574	(949)
OPERATING SUPPLIES	9,200	0	9,200	8,825	375
POSTAGE	575	0	575	242	333
MACHINERY & EQUIPMENT	1,000	0	1,000	648	352
TECHNOLOGY UPGRADES	2,000	0	2,000	1,981	19
MISCELLANEOUS	0	0	0	2,490	(2,490)
AMB PERSONNEL DONATIONS	0	0	0	1,665	(1,665)
SPECIAL PROGRAMS	500	0	500	463	37
TOTAL RESCUE	361,265	0	361,265	353,088	8,177
TECHNICAL RESCUE:					
SALARIES	8,500	0	8,500	12,440	(3,940)
SOCIAL SECURITY	650	0	650	952	(302)
UNEMPLOYMENT COMP	0	0	0	43	(43)
WORKERS COMPENSATION	686	0	686	540	146
TRAINING	2,000	0	2,000	2,148	(148)
UNIFORMS	3,000	0	3,000	2,912	88
HEALTH & SAFETY	2,500	0	2,500	2,046	454
COMMUNICATIONS	2,600	0	2,600	3,637	(1,037)
VEHICLE MAINT & TRANSPORT	0	0	0	2,580	(2,580)
EQUIP - REPAIR/MAINTENANCE	2,500	0	2,500	1,081	1,419
COMMUNICATIONS MAINTENANCE	500	0	500	327	173
OPERATING SUPPLIES	500	0	500	441	59
TECHNICAL RESCUE EQUIPMENT	2,000	0	2,000	137	1,863
MACHINERY & EQUIPMENT	0	0	0	1,889	(1,889)
TOTAL TECHNICAL RESCUE	25,436	0	25,436	31,173	(5,737)
POLICE DISPATCH:					
SALARIES	219,626	0	219,626	204,307	15,319
SHIFT DIFFERENTIAL	7,352	0	7,352	5,607	1,745
SALARIES PT DISPATCH	0	0	0	19,936	(19,936)
SHIFT DIFFERENTIAL PT	0	0	0	804	(804)
OVERTIME	53,231	0	53,231	24,286	28,945
OVERTIME 2.0	0	0	0	9,375	(9,375)
OVERTIME PT DISPATCH	0	0	0	2,316	(2,316)
HEALTH INSURANCE	47,628	0	47,628	37,615	10,013
DENTAL INSURANCE	3,615	0	3,615	4,024	(409)
LIFE/DISABILITY INSURANCE	3,817	0	3,817	3,611	206
SOCIAL SECURITY	21,436	0	21,436	20,248	1,188
RETIREMENT	15,374	0	15,374	14,275	1,099
UNEMPLOYMENT COMP	1,786	0	1,786	1,432	354
WORKERS COMPENSATION	1,226	0	1,226	964	262
MISCELLANEOUS BENEFITS	58	0	58	0	58
TRANSFER TO CAPITAL	0	0	0	26,349	(26,349)
TOTAL POLICE DISPATCH	375,149	0	375,149	375,149	0

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TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
DPW - ADMINISTRATION:					
SALARIES	\$ 202,926	\$ 0	\$ 202,926	\$ 202,693	\$ 233
HEALTH INSURANCE	40,241	0	40,241	36,813	3,428
DENTAL INSURANCE	3,805	0	3,805	3,448	357
LIFE/DISABILITY INSURANCE	3,610	0	3,610	3,284	326
INSURANCE-PACIF/CL BOND/E&O	6,565	0	6,565	6,196	369
SOCIAL SECURITY	15,868	0	15,868	15,218	650
RETIREMENT	14,205	0	14,205	14,189	16
UNEMPLOYMENT COMP	712	0	712	1,060	(348)
WORKERS COMPENSATION	7,777	0	7,777	6,119	1,658
MISCELLANEOUS BENEFITS	29	0	29	0	29
PERSONNEL DEVELOPMENT	4,500	0	4,500	4,042	458
DUES & PUBLICATIONS	400	0	400	663	(263)
PROFESSIONAL SERVICES	32,700	0	32,700	18,030	14,670
LEGAL	4,545	0	4,545	1,128	3,417
UTILITIES	1,950	0	1,950	1,782	168
TELEPHONE	923	0	923	1,655	(732)
COMMUNICATIONS	1,265	0	1,265	916	349
VEHICLE MAINT & TRANSPORT	6,000	0	6,000	6,188	(188)
MAINTENANCE - TOWN OFFICE	1,323	0	1,323	664	659
ADVERTISING	0	0	0	242	(242)
ADV - RECRUITING	500	0	500	0	500
OFFICE SUPPLIES	300	0	300	649	(349)
OPERATING SUPPLIES	1,350	0	1,350	801	549
POSTAGE	695	0	695	477	218
COMPUTERS	1,000	0	1,000	0	1,000
TRANSFER TO TOWN OFFICE FUND	0	0	0	26,348	(26,348)
TOTAL DPW - ADMINISTRATION	353,189	0	353,189	352,605	584
DPW - HIGHWAY DEPT:					
SALARIES	335,154	0	335,154	331,011	4,143
SHIFT DIFFERENTIAL	10,370	0	10,370	8,525	1,845
OVERTIME	47,362	0	47,362	55,552	(8,190)
OVERTIME 2.0	0	0	0	3,711	(3,711)
HEALTH INSURANCE	63,993	0	63,993	56,921	7,072
DENTAL INSURANCE	7,056	0	7,056	6,210	846
LIFE/DISABILITY INSURANCE	5,581	0	5,581	5,557	24
INSURANCE-PACIF/CL BOND/E&O	16,755	0	16,755	16,312	443
SOCIAL SECURITY	30,056	0	30,056	31,391	(1,335)
RETIREMENT	23,461	0	23,461	23,171	290
UNEMPLOYMENT COMP	1,638	0	1,638	2,008	(370)
WORKERS COMPENSATION	48,899	0	48,899	38,681	10,218
MISCELLANEOUS BENEFITS	86	0	86	140	(54)
UNIFORMS	6,643	0	6,643	6,075	568
COMMERCIAL DRIVERS LICENSES	150	0	150	150	0
STREET LIGHTS	98,500	0	98,500	114,563	(16,063)
TRAFFIC SIGNALS	5,220	0	5,220	7,348	(2,128)
COMMUNICATIONS	1,663	0	1,663	754	909
TREE MAINTENANCE	5,400	0	5,400	5,338	62
TIRES AND TUBES	7,452	0	7,452	7,340	112
STRIPING	20,000	0	20,000	25,309	(5,309)
CATCH BASINS	0	0	0	195	(195)
TRUCK 1 - 2003 INTL	1,500	0	1,500	1,214	286
TRUCK 2 - 2003 INTL	1,500	0	1,500	1,910	(410)
TRUCK 3 - 1999 INTL	750	0	750	548	202
TRUCK 4 - 2002 CHEVY	500	0	500	1,085	(585)
TRUCK 5 - 1999 INTL	750	0	750	597	153
TRUCK 6 - 1998 FORD	750	0	750	496	254

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
DPW - HIGHWAY DEPT/(CONT'D):					
GRADER	\$ 4,425	\$ 0	\$ 4,425	\$ 4,465	\$ (40)
LOADER	1,500	0	1,500	3,002	(1,502)
TRACTOR/MOWER	750	0	750	114	636
DROTT	750	0	750	1,152	(402)
HOLDER	1,000	0	1,000	1,653	(653)
TRUCK 18 - 2000 INTL	750	0	750	2,339	(1,589)
TRUCK 8 - 2000 FORD	500	0	500	917	(417)
TRUCK 9 - 2002 CHEVY	500	0	500	149	351
TRUCK 19 - 1998 CHEVY	0	0	0	107	(107)
TRUCK 10 2004 CHEVY	250	0	250	19	231
CHAIN SAWS	400	0	400	94	306
SANDERS	3,000	0	3,000	2,946	54
SNOWPLOWES	10,474	0	10,474	10,300	174
BRIDGES	500	0	500	0	500
ROLLER/TRAILER	100	0	100	0	100
HIRED EQUIPMENT - WINTER	1,000	0	1,000	0	1,000
HIRED EQUIPMENT - SUMMER	1,400	0	1,400	75	1,325
OPERATING SUPPLIES	5,000	0	5,000	2,829	2,171
EQUIPMENT SUPPLIES	2,000	0	2,000	1,804	196
SMALL TOOLS & EQUIPMENT	400	0	400	67	333
CHLORIDE	10,000	0	10,000	7,964	2,036
GRAVEL	17,181	0	17,181	17,074	107
ASPHALT REPAIR	3,000	0	3,000	4,188	(1,188)
SIGNS	8,000	0	8,000	7,412	588
WINTER SAND	25,365	0	25,365	31,001	(5,636)
WINTER SALT	91,536	0	91,536	97,939	(6,403)
GASOLINE	57,275	0	57,275	78,446	(21,171)
MISCELLANEOUS	0	0	0	32	(32)
TOTAL DPW - HIGHWAY DEPT	988,245	0	988,245	1,028,200	(39,955)
DPW - MAINTENANCE FACILITY:					
SALARIES	149,751	0	149,751	150,142	(391)
SHIFT DIFFERENTIAL	500	0	500	613	(113)
SEASONAL LABOR	9,310	0	9,310	11,661	(2,351)
OVERTIME	3,617	0	3,617	2,317	1,300
OVERTIME 2.0	0	0	0	411	(411)
HEALTH INSURANCE	28,769	0	28,769	26,751	2,018
DENTAL INSURANCE	3,475	0	3,475	3,448	27
LIFE/DISABILITY INSURANCE	2,492	0	2,492	2,479	13
INSURANCE-PACIF/CL BOND/E&O	4,974	0	4,974	4,694	280
SOCIAL SECURITY	12,483	0	12,483	12,741	(258)
RETIREMENT	10,483	0	10,483	10,510	(27)
UNEMPLOYMENT COMP	614	0	614	834	(220)
WORKERS COMPENSATION	7,813	0	7,813	6,148	1,665
MISCELLANEOUS BENEFITS	19	0	19	0	19
TRAINING	975	0	975	975	0
UNIFORMS	2,805	0	2,805	2,769	36
UTILITIES	16,380	0	16,380	15,625	755
TELEPHONE	474	0	474	140	334
REPAIRS & MAINTENANCE	7,958	0	7,958	16,723	(8,765)
VEHICLE MAINT & TRANSPORT	1,150	0	1,150	983	167
OFFICE SUPPLIES	380	0	380	87	293
OPERATING SUPPLIES	1,800	0	1,800	3,335	(1,535)
EQUIPMENT SUPPLIES	13,000	0	13,000	14,034	(1,034)
WELDING SUPPLIES	900	0	900	1,038	(138)
MACHINERY & EQUIPMENT	7,500	0	7,500	7,463	37
COMPUTERS	200	0	200	0	200
MISCELLANEOUS	2,090	0	2,090	0	2,090
TOTAL DPW - MAINTENANCE FACILITY	289,912	0	289,912	295,921	(6,009)

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
STORMWATER:					
SALARIES	\$ 67,215	\$ 0	\$ 67,215	\$ 69,766	\$ (2,551)
OVERTIME	0	0	0	617	(617)
HEALTH INSURANCE	10,041	0	10,041	9,147	894
DENTAL INSURANCE	721	0	721	716	5
LIFE/DISABILITY INSURANCE	1,105	0	1,105	1,113	(8)
INSURANCE-PACIF/CL BOND/E&O	2,778	0	2,778	2,622	156
SOCIAL SECURITY	5,142	0	5,142	5,257	(115)
RETIREMENT	4,705	0	4,705	4,724	(19)
UNEMPLOYMENT COMP	410	0	410	1,049	(639)
WORKERS COMPENSATION	3,218	0	3,218	2,532	686
MISCELLANEOUS BENEFITS	19	0	19	0	19
UNIFORMS	1,661	0	1,661	0	1,661
LEGAL	5,000	0	5,000	0	5,000
CATCH BASINS	4,900	0	4,900	3,144	1,756
SWEEPER	6,725	0	6,725	6,943	(218)
STORM WATER PUMPS	2,350	0	2,350	713	1,637
STORMWATER PERMITTING	4,000	0	4,000	3,126	874
TREATMENT STRUCTURES	2,700	0	2,700	1,560	1,140
SMALL TOOLS & EQUIPMENT	100	0	100	28	72
CULVERTS	6,300	0	6,300	6,234	66
PUBLIC OUTREACH & EDUCATION	5,000	0	5,000	5,685	(685)
WATER QUALITY TESTING	5,000	0	5,000	4,124	876
TOTAL STORMWATER	139,090	0	139,090	129,100	9,990
BUILDINGS:					
SALARIES	35,474	0	35,474	32,818	2,656
OVERTIME	1,500	0	1,500	2,825	(1,325)
HEALTH INSURANCE	13,957	0	13,957	13,790	167
DENTAL INSURANCE	1,158	0	1,158	1,149	9
LIFE/DISABILITY INSURANCE	590	0	590	578	12
INSURANCE-PACIF/CL BOND/E&O	2,132	0	2,132	2,011	121
SOCIAL SECURITY	2,829	0	2,829	3,457	(628)
RETIREMENT	2,588	0	2,588	1,752	836
UNEMPLOYMENT COMP	205	0	205	189	16
WORKERS COMPENSATION	2,540	0	2,540	1,999	541
MISCELLANEOUS BENEFITS	10	0	10	0	10
PERSONNEL DEVELOPMENT	200	0	200	0	200
UTILITIES	0	0	0	12	(12)
UTILITIES - MEETING HOUSE	7,980	0	7,980	5,843	2,137
UTILITIES - SENIOR CENTER	2,434	0	2,434	2,247	187
HISTORICAL SOCIETY UTILITIES	0	0	0	2,425	(2,425)
COMMUNICATIONS	344	0	344	787	(443)
JANITORIAL SERVICES	28,200	0	28,200	21,735	6,465
VEHICLE MAINT & TRANSPORT	3,000	0	3,000	1,094	1,906
MAINTENANCE - SENIOR CENTER	500	0	500	897	(397)
MAINTENANCE - MEETING HOUSE	4,500	0	4,500	3,626	874
MAINTENANCE-HISTORICAL SOC	5,000	0	5,000	4,785	215
OPERATING SUPPLIES	2,000	0	2,000	2,211	(211)
BUILDINGS & IMPROVEMENTS	3,000	0	3,000	2,741	259
MISCELLANEOUS	0	0	0	253	(253)
TRANSFER TO CAPITAL	0	0	0	10,917	(10,917)
TOTAL BUILDINGS	120,141	0	120,141	120,141	0

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
HEALTH SERVICES:					
WORKERS COMPENSATION	\$ 0	\$ 0	\$ 0	\$ 164	\$ (164)
VISITING NURSE ASSOC	18,000	0	18,000	18,000	0
HOWARD MENTAL HEALTH	2,694	0	2,694	2,694	0
CHAMPLAIN VALLEY AGENCY AGING	2,880	0	2,880	2,880	0
WOMEN HELPING BATTERED W	1,950	0	1,950	1,950	0
ANIMAL CONTROL CONTRACT	13,183	0	13,183	14,383	(1,200)
ANIMAL CONTROL FEES	2,450	0	2,450	2,510	(60)
VERMONT CARES	1,250	0	1,250	1,250	0
TOTAL HEALTH SERVICES	42,407	0	42,407	43,831	(1,424)
PARKS:					
SALARIES	49,366	0	49,366	49,568	(202)
SEASONAL LABOR	125,622	0	125,622	115,324	10,298
OVERTIME	1,514	0	1,514	1,117	397
HEALTH INSURANCE	13,728	0	13,728	11,996	1,732
DENTAL INSURANCE	1,158	0	1,158	1,371	(213)
LIFE/DISABILITY INSURANCE	819	0	819	817	2
VT HEALTH CARE CONTR	0	0	0	91	(91)
INSURANCE-PACIF/CL BOND/E&O	5,137	0	5,137	4,892	245
SOCIAL SECURITY	13,502	0	13,502	12,555	947
RETIREMENT	3,456	0	3,456	3,470	(14)
UNEMPLOYMENT COMP	1,638	0	1,638	197	1,441
WORKERS COMPENSATION	10,876	0	10,876	8,558	2,318
MISCELLANEOUS BENEFITS	10	0	10	0	10
PERSONNEL DEVELOPMENT	800	0	800	386	414
CONTRACTUAL SERVICES	14,600	0	14,600	14,022	578
UTILITIES - PARKS	13,334	0	13,334	18,896	(5,562)
TELEPHONE	378	0	378	592	(214)
COMMUNICATIONS	409	0	409	192	217
REPAIRS & MAINTENANCE	9,000	0	9,000	14,008	(5,008)
VEHICLE MAINT & TRANSPORT	5,000	0	5,000	16,421	(11,421)
EQUIP - REPAIR/MAINTENANCE	4,000	0	4,000	4,743	(743)
OPERATING SUPPLIES	23,316	0	23,316	30,278	(6,962)
GASOLINE	10,075	0	10,075	0	10,075
MACHINERY & EQUIPMENT	2,500	0	2,500	2,318	182
MISCELLANEOUS	0	0	0	100	(100)
TOTAL PARKS	310,238	0	310,238	311,912	(1,674)
RECREATION:					
SALARIES	148,391	0	148,391	148,336	55
OVERTIME	0	0	0	118	(118)
HEALTH INSURANCE	22,316	0	22,316	25,552	(3,236)
DENTAL INSURANCE	3,475	0	3,475	2,435	1,040
LIFE/DISABILITY INSURANCE	2,015	0	2,015	2,131	(116)
INSURANCE-PACIF/CL BOND/E&O	5,237	0	5,237	5,442	(205)
SOCIAL SECURITY	11,696	0	11,696	11,989	(293)
RETIREMENT	10,387	0	10,387	9,194	1,193
UNEMPLOYMENT COMP	819	0	819	781	38
WORKERS COMPENSATION	2,663	0	2,663	2,211	452
MISCELLANEOUS BENEFITS	19	0	19	282	(263)
PERSONNEL DEVELOPMENT	3,500	0	3,500	4,340	(840)
DUES & PUBLICATIONS	750	0	750	695	55
LEGAL	1,600	0	1,600	874	726
UTILITIES	945	0	945	1,002	(57)
TELEPHONE	2,385	0	2,385	808	1,577
COMMUNICATIONS	1,609	0	1,609	2,076	(467)
VEHICLE MAINT & TRANSPORT	5,000	0	5,000	4,835	165
MAINTENANCE - TOWN OFFICE	520	0	520	103	417

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TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
RECREATION/(CONT'D):					
PRINTING/PUBLICITY	\$ 1,000	\$ 0	\$ 1,000	\$ 178	\$ 822
OFFICE SUPPLIES	1,000	0	1,000	1,331	(331)
OPERATING SUPPLIES	1,200	0	1,200	812	388
POSTAGE	2,405	0	2,405	2,498	(93)
MACHINERY & EQUIPMENT	0	0	0	41	(41)
COMPUTERS	2,500	0	2,500	1,986	514
SPECIAL PROGRAMS	4,000	0	4,000	4,628	(628)
FAIR DAY	7,250	0	7,250	7,250	0
LOCAL MATCH FOR RAD	13,500	0	13,500	13,500	0
WINOOSKI VALLEY PARK DISTRICT	41,075	0	41,075	41,075	0
TOTAL RECREATION	297,257	0	297,257	296,503	754
LIBRARY:					
SALARIES	314,231	0	314,231	309,939	4,292
TEMPORARY SUBS	3,000	0	3,000	0	3,000
HEALTH INSURANCE	57,789	0	57,789	47,759	10,030
DENTAL INSURANCE	6,402	0	6,402	4,490	1,912
LIFE/DISABILITY INSURANCE	2,678	0	2,678	2,975	(297)
INSURANCE-PACIF/CL BOND/E&O	9,641	0	9,641	9,098	543
SOCIAL SECURITY	24,039	0	24,039	23,113	926
RETIREMENT	21,786	0	21,786	20,309	1,477
UNEMPLOYMENT COMP	2,224	0	2,224	1,606	618
WORKERS COMPENSATION	1,375	0	1,375	1,164	211
MISCELLANEOUS BENEFITS	77	0	77	0	77
PERSONNEL DEVELOPMENT	0	0	0	165	(165)
DUES & PUBLICATIONS	620	0	620	690	(70)
PROGRAMMING	1,000	0	1,000	1,105	(105)
UTILITIES	15,898	0	15,898	14,222	1,676
TELEPHONE	1,131	0	1,131	2,685	(1,554)
COMMUNICATIONS	2,844	0	2,844	2,710	134
JANITORIAL SERVICES	7,710	0	7,710	7,848	(138)
VEHICLE MAINT & TRANSPORT	3,000	0	3,000	2,588	412
EQUIP - REPAIR/MAINTENANCE	75	0	75	75	0
MAINTENANCE - LIBRARY	9,466	0	9,466	27,937	(18,471)
MAINTENANCE - BUILDING	6,500	0	6,500	275	6,225
ADV - RECRUITING	0	0	0	620	(620)
PRINTING/PUBLICITY	741	0	741	723	18
OPERATING SUPPLIES	4,890	0	4,890	5,663	(773)
POSTAGE	3,000	0	3,000	3,633	(633)
BOOKS - ADULT	17,500	0	17,500	18,078	(578)
BOOKS- JUVENILE	13,800	0	13,800	14,501	(701)
PERIODICALS	4,000	0	4,000	4,709	(709)
AUDIO/VISUAL MATERIALS	3,523	0	3,523	3,875	(352)
COMPUTERS	8,895	0	8,895	13,114	(4,219)
ELECTRONIC RESOURCES	800	0	800	1,203	(403)
MISCELLANEOUS	3,000	0	3,000	0	3,000
TOTAL LIBRARY	551,635	0	551,635	546,872	4,763
CEMETERY:					
REPAIRS & MAINTENANCE	10,000	0	10,000	8,098	1,902
MISCELLANEOUS	2,500	0	2,500	2,935	(435)
TOTAL CEMETERY	12,500	0	12,500	11,033	1,467

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TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2008

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
INTERGOVERNMENTAL EXPENDITURES:					
VT COUNCIL ON WORLD AFFAIRS	\$ 480	\$ 0	\$ 480	\$ 480	\$ 0
GBIC	6,000	0	6,000	6,000	0
CHITTENDEN CO REGIONAL PLANG	11,133	0	11,133	11,133	0
VT LEAGUE OF CITIES & TOWNS	14,275	0	14,275	14,232	43
HANDICAP TRANSPORTATION	39,996	0	39,996	48,179	(8,183)
METROPOLITAN PLANNING ORG	10,782	0	10,782	10,782	0
COUNTY TAX	85,775	0	85,775	85,685	90
CONSERVATION COMMISSION	6,000	0	6,000	6,015	(15)
TOTAL INTERGOVERNMENTAL EXPEND	<u>174,441</u>	<u>0</u>	<u>174,441</u>	<u>182,506</u>	<u>(8,065)</u>
TOTAL EXPENDITURES	<u>9,630,566</u>	<u>0</u>	<u>9,630,566</u>	<u>9,684,044</u>	<u>(53,478)</u>
EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENDITURES	<u>\$ (38,000)</u>	<u>\$ 0</u>	<u>\$ (38,000)</u>	\$ 2,145	<u>\$ 40,145</u>
FUND BALANCE - JULY 1, 2007				<u>1,460,477</u>	
FUND BALANCE - JUNE 30, 2008				<u>\$ 1,462,622</u>	

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
OTHER GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Fund Burnham Memorial Library Fund	Total
<u>ASSETS</u>					
Cash	\$ 194,586	\$ 296,070	\$ 0	\$ 11,470	\$ 502,126
Investments	187,606	60,000	0	0	247,606
Receivables (Net of Allowance for Doubtful Accounts)	2,240	2,583	0	0	4,823
Notes Receivable	189,726	0	0	0	189,726
Due From Other Funds	<u>292,057</u>	<u>15,744</u>	<u>96,719</u>	<u>0</u>	<u>404,520</u>
Total Assets	<u>\$ 866,215</u>	<u>\$ 374,397</u>	<u>\$ 96,719</u>	<u>\$ 11,470</u>	<u>\$ 1,348,801</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$ 14,580	\$ 105	\$ 0	\$ 0	\$ 14,685
Accrued Payroll and Benefits Payable	15,039	0	0	0	15,039
Due to Other Funds	1,103	0	0	0	1,103
Deferred Revenue	<u>375,642</u>	<u>2,583</u>	<u>0</u>	<u>0</u>	<u>378,225</u>
Total Liabilities	<u>406,364</u>	<u>2,688</u>	<u>0</u>	<u>0</u>	<u>409,052</u>
Fund Balances:					
Reserved	335,595	123,194	0	11,470	470,259
Unreserved:					
Designated	<u>124,256</u>	<u>248,515</u>	<u>96,719</u>	<u>0</u>	<u>469,490</u>
Total Fund Balances	<u>459,851</u>	<u>371,709</u>	<u>96,719</u>	<u>11,470</u>	<u>939,749</u>
Total Liabilities and Fund Balances	<u>\$ 866,215</u>	<u>\$ 374,397</u>	<u>\$ 96,719</u>	<u>\$ 11,470</u>	<u>\$ 1,348,801</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
OTHER GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Fund Burnham Memorial Library Fund	Total
Revenues:					
Property Taxes	\$ 0	\$ 284,627	\$ 558,790	\$ 0	\$ 843,417
Intergovernmental Revenues	149,527	49,077	0	0	198,604
Impact Fees	0	35,129	0	0	35,129
Charges for Services	482,859	0	0	14,636	497,495
Investment Income	9,193	4,059	0	114	13,366
Loan Repayments	35,112	0	0	0	35,112
Other Revenues	22,400	0	0	0	22,400
Total Revenues	699,091	372,892	558,790	14,750	1,645,523
Expenditures:					
Current Expenditures					
General Government	8,900	0	0	0	8,900
Public Safety	87,047	0	0	0	87,047
Public Works	43,619	287	0	0	43,906
Culture & Recreation	425,778	43	0	12,007	437,828
Capital Outlay:					
Public Safety	5,000	124,706	0	0	129,706
Debt Service:					
Principal	6,174	0	265,419	0	271,593
Interest	3,000	0	288,121	0	291,121
Total Expenditures	579,518	125,036	553,540	12,007	1,270,101
Excess of Revenues Over Expenditures	119,573	247,856	5,250	2,743	375,422
Other Financing Sources:					
Proceeds of Long-term Debt	146,300	0	0	0	146,300
Proceeds from Sale of Equipment	0	750	0	0	750
Transfers in	0	36,850	0	0	36,850
Total Other Financing Sources	146,300	37,600	0	0	183,900
Net Change in Fund Balances	265,873	285,456	5,250	2,743	559,322
Fund Balances - July 1, 2007	193,978	86,253	91,469	8,727	380,427
Fund Balances - June 30, 2008	\$ 459,851	\$ 371,709	\$ 96,719	\$ 11,470	\$ 939,749

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2008

	Revolving Loan Fund	Grant Fund	Police Special Revenue Fund	Recreation Program Fund	Cemetery Fund	Total
<u>ASSETS</u>						
Cash	\$ 0	\$ 78,581	\$ 108,204	\$ 0	\$ 7,801	\$ 194,586
Investments	0	0	65,000	0	122,606	187,606
Receivables (Net of Allowance for Doubtful Accounts)	0	0	0	0	2,240	2,240
Notes Receivable	189,726	0	0	0	0	189,726
Due From Other Funds	<u>31,577</u>	<u>843</u>	<u>0</u>	<u>259,637</u>	<u>0</u>	<u>292,057</u>
Total Assets	<u>\$ 221,303</u>	<u>\$ 79,424</u>	<u>\$ 173,204</u>	<u>\$ 259,637</u>	<u>\$ 132,647</u>	<u>\$ 866,215</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:						
Accounts Payable	\$ 0	\$ 5,091	\$ 872	\$ 8,617	\$ 0	\$ 14,580
Accrued Payroll and Benefits Payable	0	0	0	15,039	0	15,039
Due to Other Funds	0	0	1,103	0	0	1,103
Deferred Revenue	<u>189,726</u>	<u>74,191</u>	<u>0</u>	<u>111,725</u>	<u>0</u>	<u>375,642</u>
Total Liabilities	<u>189,726</u>	<u>79,282</u>	<u>1,975</u>	<u>135,381</u>	<u>0</u>	<u>406,364</u>
Fund Balances:						
Reserved	31,577	142	171,229	0	132,647	335,595
Unreserved:						
Designated	<u>0</u>	<u>0</u>	<u>0</u>	<u>124,256</u>	<u>0</u>	<u>124,256</u>
Total Fund Balances	<u>31,577</u>	<u>142</u>	<u>171,229</u>	<u>124,256</u>	<u>132,647</u>	<u>459,851</u>
Total Liabilities and Fund Balances	<u>\$ 221,303</u>	<u>\$ 79,424</u>	<u>\$ 173,204</u>	<u>\$ 259,637</u>	<u>\$ 132,647</u>	<u>\$ 866,215</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2008

	Revolving Loan Fund	Grant Fund	Police Special Revenue Fund	Recreation Program Fund	Cemetery Fund	Total
Revenues:						
Intergovernmental Revenues	\$ 0	127,079	\$ 22,448	\$ 0	\$ 0	\$ 149,527
Charges for Services	0	0	0	476,059	6,800	482,859
Investment Income/(Loss)	3,603	2,304	6,520	0	(3,234)	9,193
Loan Repayments	35,112	0	0	0	0	35,112
Other Revenues	0	0	22,400	0	0	22,400
	<u>38,715</u>	<u>129,383</u>	<u>51,368</u>	<u>476,059</u>	<u>3,566</u>	<u>699,091</u>
Total Revenues						
Expenditures:						
Current Expenditures						
General Government	0	8,900	0	0	0	8,900
Public Safety	0	69,243	17,804	0	0	87,047
Public Works	43,619	0	0	0	0	43,619
Culture & Recreation	0	12,490	0	413,288	0	425,778
Capital Outlay:						
Public Safety	0	5,000	0	0	0	5,000
Debt Service:						
Principal	6,174	0	0	0	0	6,174
Interest	3,000	0	0	0	0	3,000
	<u>52,793</u>	<u>95,633</u>	<u>17,804</u>	<u>413,288</u>	<u>0</u>	<u>579,518</u>
Total Expenditures						
Excess (Deficiency) of Revenues Over Expenditures	<u>(14,078)</u>	<u>33,750</u>	<u>33,564</u>	<u>62,771</u>	<u>3,566</u>	<u>119,573</u>
Other Financing Sources:						
Proceeds of Long-term Debt	<u>146,300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>146,300</u>
	<u>146,300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>146,300</u>
Total Other Financing Sources						
Net Change in Fund Balances	132,222	33,750	33,564	62,771	3,566	265,873
Fund Balances/(Deficit) - July 1, 2007	<u>(100,645)</u>	<u>(33,608)</u>	<u>137,665</u>	<u>61,485</u>	<u>129,081</u>	<u>193,978</u>
Fund Balances - June 30, 2008	<u>\$ 31,577</u>	<u>\$ 142</u>	<u>\$ 171,229</u>	<u>\$ 124,256</u>	<u>\$ 132,647</u>	<u>\$ 459,851</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
 CAPITAL PROJECTS FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 2008

	Recreation Acquisition and Development Fund	Capital Equipment Fund	Total
	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>			
Cash	\$ 47,450	\$ 248,620	\$ 296,070
Investments	60,000	0	60,000
Receivables (Net of Allowance for Doubtful Accounts)	2,583	0	2,583
Due From Other Funds	<u>15,744</u>	<u>0</u>	<u>15,744</u>
Total Assets	<u>\$ 125,777</u>	<u>\$ 248,620</u>	<u>\$ 374,397</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts Payable	\$ 0	\$ 105	\$ 105
Deferred Revenue	<u>2,583</u>	<u>0</u>	<u>2,583</u>
Total Liabilities	<u>2,583</u>	<u>105</u>	<u>2,688</u>
Fund Balances:			
Reserved	123,194	0	123,194
Unreserved:			
Designated	<u>0</u>	<u>248,515</u>	<u>248,515</u>
Total Fund Balances	<u>123,194</u>	<u>248,515</u>	<u>371,709</u>
Total Liabilities and Fund Balances	<u>\$ 125,777</u>	<u>\$ 248,620</u>	<u>\$ 374,397</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF COLCHESTER, VERMONT
 CAPITAL PROJECTS FUNDS
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 FOR THE YEAR ENDED JUNE 30, 2008

	Recreation Acquisition and Development Fund	Capital Equipment Fund	Total
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
Revenues:			
Property Taxes	\$ 0	\$ 284,627	\$ 284,627
Intergovernmental Revenues	49,077	0	49,077
Impact Fees	35,129	0	35,129
Investment Income	1,813	2,246	4,059
	<u>86,019</u>	<u>286,873</u>	<u>372,892</u>
Total Revenues			
Expenditures:			
Public Works	0	287	287
Culture and Recreation	43	0	43
Capital Outlay:			
Public Safety	0	124,706	124,706
	<u>43</u>	<u>124,993</u>	<u>125,036</u>
Total Expenditures			
Excess of Revenues Over Expenditures	<u>85,976</u>	<u>161,880</u>	<u>247,856</u>
Other Financing Sources:			
Proceeds from Sale of Equipment	0	750	750
Transfers in	16,850	20,000	36,850
	<u>16,850</u>	<u>20,750</u>	<u>37,600</u>
Total Other Financing Sources			
Net Change in Fund Balances	102,826	182,630	285,456
Fund Balances - July 1, 2007	<u>20,368</u>	<u>65,885</u>	<u>86,253</u>
Fund Balances - June 30, 2008	<u>\$ 123,194</u>	<u>\$ 248,515</u>	<u>\$ 371,709</u>

The accompanying notes are an integral part of this financial statement.