

TOWN OF COLCHESTER, VERMONT

AUDIT REPORT

JUNE 30, 2010

TOWN OF COLCHESTER, VERMONT
AUDIT REPORT
TABLE OF CONTENTS
JUNE 30, 2010

	<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, 2010

		<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		25-50
Schedule of Revenue, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	Schedule 1	51-62
Combining Balance Sheet - Nonmajor Governmental Funds	Schedule 2	63
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	Schedule 3	64
Combining Balance Sheet – Nonmajor Special Revenue Funds	Schedule 4	65
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Special Revenue Funds	Schedule 5	66
Combining Balance Sheet – Nonmajor Capital Projects Funds	Schedule 6	67
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor 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, 2010, 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.

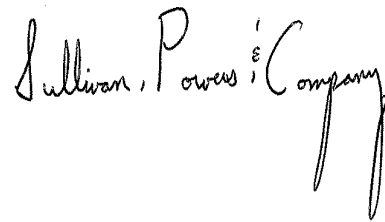
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, 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, 2010 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.

December 6, 2010
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 initial 'S' and a long, sweeping tail on the 'y'.

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, 2010. 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 \$30,283,782 net assets). Of this amount \$7,739,116 (unrestricted net assets) may be used by the various funds of the Town to meet its ongoing obligations to its citizens and creditors and \$534,248 represent resources that are subject to external restrictions on how they may be used.

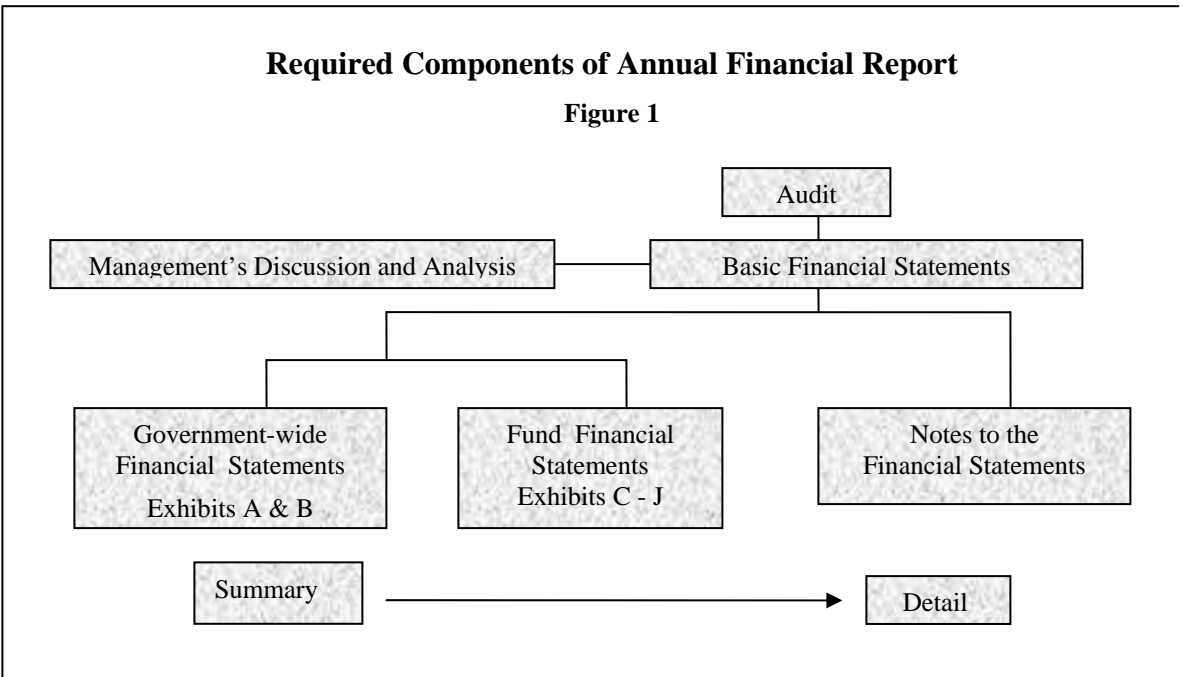
- The Town's total governmental net assets increased by \$1,069,619. There was a decrease in Capital Grants and Contributions of more than \$660,000. The Fort Ethan Allen stormwater project was the single largest recipient of grant funds at \$570,676 in FY 09, only about \$157,000 in grants was received for this project in FY 10. The largest receipt of grants in FY 10 was for our Integrated Water Resources Grant from the Environmental Protection Agency with grant revenues of over \$414,000.
- Business-Type Activities increased by \$265,593 due primarily to an increase of 1.6% in user fees.

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 \$7,335,278, an increase of \$777,019 in comparison with the prior year. This is partially due to higher collections from the State of Vermont in the General Fund than budgeted by \$108,000. In addition, General Fund expenditures were under budget by over \$283,000 due to lower salaries and benefits in Planning and Zoning due to reorganization and lower expenses in the Highway department as a result of a mild winter.
- Approximately 65% of the fund balance, or \$4,761,152 is available for spending at the government's discretion (unreserved fund balance). The Town has reserved \$2,574,126 for inventories, prepaid expenditures, various Special Revenue Funds and Recreation Acquisition & Development Impact Fees and facilities upgrade.

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, 2010 and 2009.

Town of Colchester's Net Assets							
Figure 3							
	Governmental Activities		Business-Type Activities		Total		% Change
	2010	2009	2010	2009	2010	2009	
Current & Other Assets	\$8,839,428	\$8,503,190	\$5,412,720	\$5,204,155	\$14,252,148	\$13,707,345	4.0%
Capital Assets	24,189,009	24,008,220	3,611,795	3,761,767	27,800,804	27,769,987	0.1%
Total Assets	33,028,437	32,511,410	9,024,515	8,965,922	42,052,952	41,477,332	1.4%
Long-Term Liabilities Outstanding	7,907,895	8,460,212	2,796,432	3,005,480	10,704,327	11,465,692	(6.6%)
Other Liabilities	1,017,652	1,017,927	47,191	45,143	1,064,843	1,063,070	0.2%
Total Liabilities	8,925,547	9,478,139	2,843,623	3,050,623	11,769,170	12,528,762	(6.1%)
Net Assets:							
Invested in Capital Assets, net of related debt	19,110,055	18,367,121	2,900,363	2,971,287	22,010,418	21,338,408	3.1%
Restricted	527,648	894,069	6,600	6,600	534,248	900,669	(40.7%)
Unrestricted	4,465,187	3,772,081	3,273,929	2,937,412	7,739,116	6,709,493	15.3%
Total Net Assets	\$24,102,890	\$23,033,271	\$6,180,892	\$5,915,299	\$30,283,782	\$28,948,570	4.6%

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 (73%) 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.

Approximately 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
	2010	2009	2010	2009	2010	2009	
Revenues:							
Program Revenues:							
Charges for Services	\$1,433,284	\$1,431,748	\$795,196	\$771,020	\$2,228,480	\$2,202,768	1.2%
Operating Grants & Contributions	1,321,734	1,170,530	0	0	1,321,734	1,170,530	12.9%
Capital Grants & Contributions	317,232	977,788	0	0	317,232	977,788	(67.6%)
General Revenues:							
Property Taxes	10,275,112	9,974,381	0	0	10,275,112	9,974,381	3.0%
Other	480,750	418,663	290,793	260,660	771,543	679,323	13.6%
Total Revenues	13,828,112	13,973,110	1,085,989	1,031,680	14,914,101	15,004,790	(0.6%)
Expenses:							
General Government	2,622,268	2,523,362	0	0	2,622,268	2,523,362	3.9%
Public Safety	4,621,130	4,390,143	0	0	4,621,130	4,390,143	5.3%
Public Works	2,858,943	2,428,156	0	0	2,858,943	2,428,156	17.7%
Community Development	582,263	316,409	0	0	582,263	316,409	84.0%
Culture & Recreation	1,777,909	1,852,872	0	0	1,777,909	1,852,872	(4.0%)
Interest on Long-Term Debt	295,980	320,234	0	0	295,980	320,234	(7.6%)
Wastewater		0	820,396	788,657	820,396	788,657	4.0%
Total Expenses	12,758,493	11,831,176	820,396	788,657	13,578,889	12,619,833	7.6%
Increase in Net Assets	1,069,619	2,141,934	265,593	243,023	1,335,212	2,384,957	(44.0%)
Net Assets, July 1	23,033,271	20,891,337	\$5,915,299	5,672,276	28,948,570	26,563,613	8.9%
Net Assets, June 30	\$24,102,890	\$23,033,271	\$6,180,892	\$5,915,299	\$30,283,782	\$28,948,570	4.6%

Governmental activities

Key elements in the changes in revenue are as follows:

- Property tax rate increased 1.3% over last year
- Property taxes financed approximately 81% of General Fund 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 2009 property taxes financed 80% of General Fund expenses.
- Revenues for Planning and Zoning activities were lower than the previous year by over \$21,000. This is primarily due to a decrease in State Wastewater permits and DRB applications in FY 10. Permits for multifamily residences were significantly lower than in previous years, but permits for single family homes increased slightly.
- Interest income was very near to the level of FY 09 after having a large decrease from FY 08 to FY 09.
- Overall, actual General Fund revenues were higher than last year by about \$466,000 or 4.8%. This is primarily due to increased property tax revenue.

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

Figure 5 shows the changes in types of revenues between fiscal year 2009 and 2010. Property taxes are the largest source of revenues. The next largest type of revenue in FY 10, Charges for Services, provides only 10.4% of revenue and Grants and Contributions comprised almost 9.6 % of revenues in FY 10.

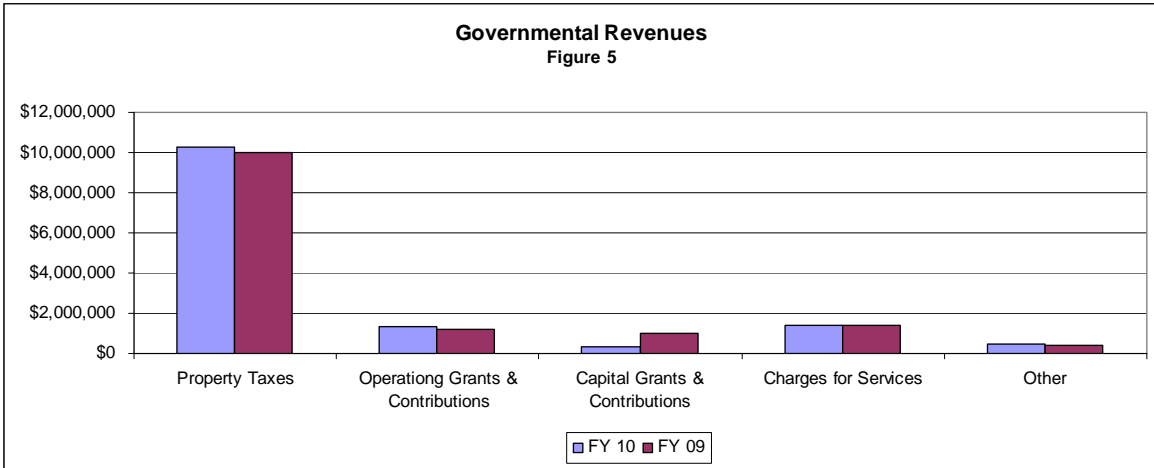


Figure 6 compares the changes in functional or program expenses between 2009 and 2010. This graph shows how the Town spends its revenue. In FY 10, Public Safety comprises 36% of the spending, followed by Public Works with 22% and General Government with 21% of the total spending. Culture & Recreation includes the Library and the Recreation Department and represents 14% of the expenses.

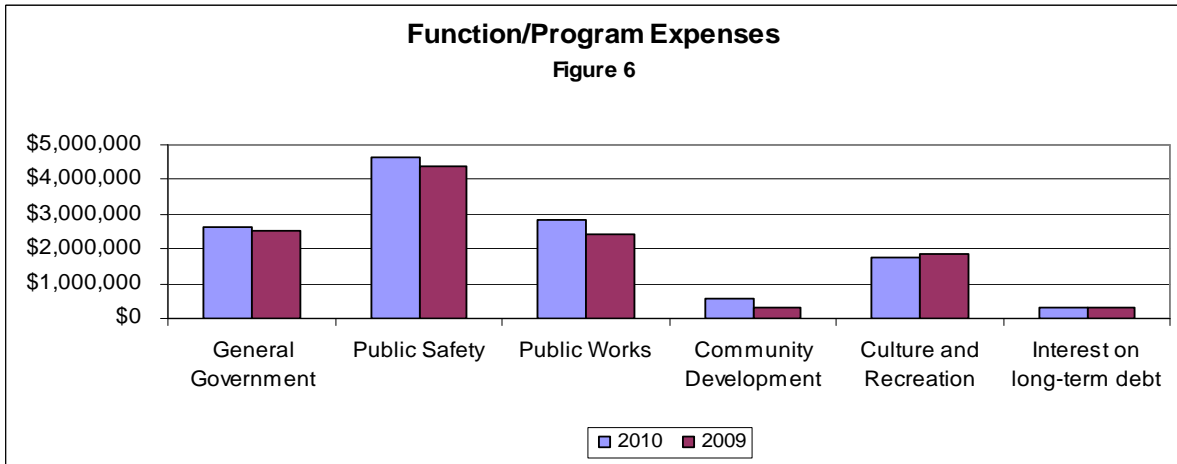
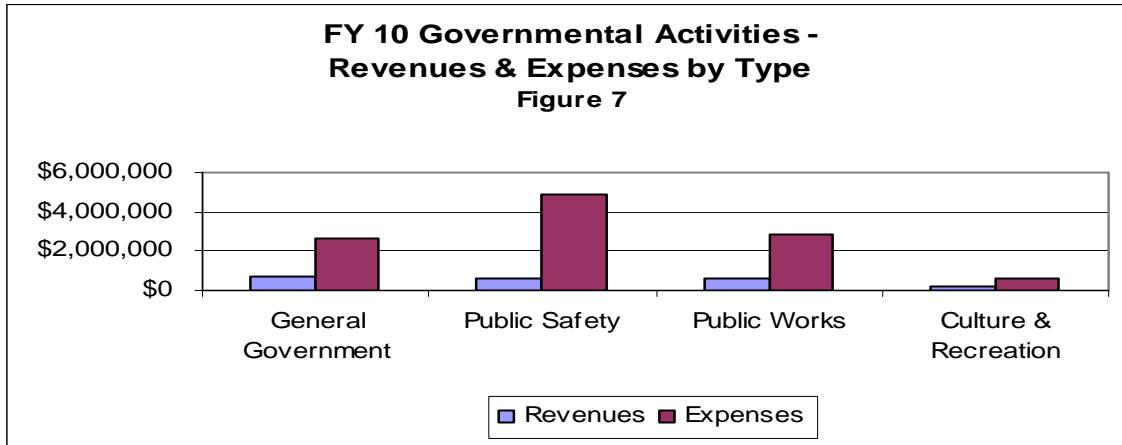


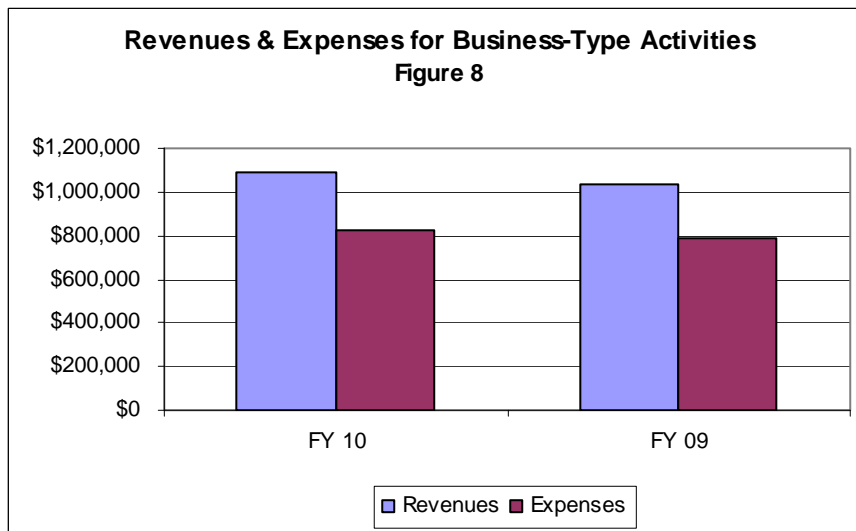
Figure 7 shows how Charges for Services and Grants and Contributions contribute to the payment of functional expenses. This chart indicates that program revenues do not support program expenses requiring property taxes to pay for the bulk of the expenses, with the exception of Community Development.

TOWN OF COLCHESTER, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS



Business-type activities (Sewer Fund):

- Charges for services increased by about \$24,176, while operating expenses increased by over \$40,244.
- Charges for services were \$795,196, compared with \$771,020 in fiscal year 2009.
- Business type activities represent about 20% of total net assets.
- Included in operating expenses is depreciation expense in the amount of \$149,972.
- The user rate increased by 1.6% in FY 10.



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.

TOWN OF COLCHESTER, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS

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. 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 \$1,149,150 and \$45,281 was reserved for inventory.
- The unreserved and undesignated General Fund fund balance at June 30, 2010 was 11% of total General Fund expenditures.
- Total governmental fund balances totaled \$7,335,278 in 2010 and \$6,558,259 in 2009.

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 approved loans to 23 individuals or families as of June 30, 2010.

Proprietary Funds (Sewer Fund)

Business-type activities increased the Town's net assets of the Wastewater Fund by about \$265,593 or about 4.5%. Total Net Assets at June 30, 2010 were \$6,180,892 compared with \$5,915,299 as of June 30, 2009.

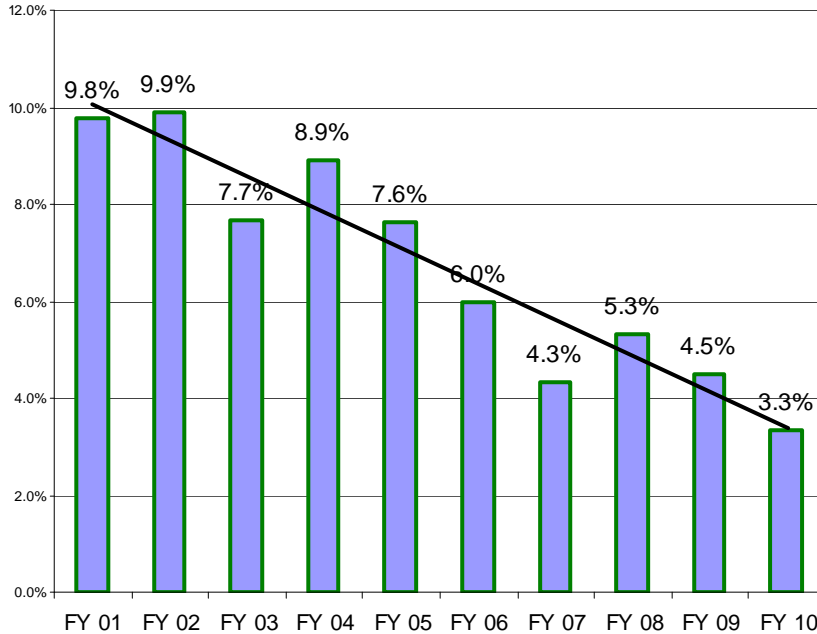
General Fund Budgetary Highlights:

The FY 2010 General Fund budget totaling \$10,400,758 increased 3.3% over FY 09. The budget increase between FY 08 and FY 09 was 4.5%. Salaries and benefits make up about 71% of the General Fund budget.

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

TOWN OF COLCHESTER, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS

Percent Change in Budgets Over Time
Figure 9



Actual revenues in the General Fund were lower than budgeted by \$124,391 and actual expenditures were lower than budgeted by \$283,054. The FY 10 budget planned for deficit spending of \$385,000, but the General Fund ended with a surplus of \$22,445.

Some of the key factors contributing to this surplus include:

Revenue Variances

- The largest budget variances were from additional funds received from the State of Vermont for Payment in Lieu of Taxes (PILOT) and State Aid to Highways. We received over \$106,000 more than budgeted. The Town budgeted less in anticipation of potential cuts the State might make due to their budget issues.
- Revenue from ambulance fees exceeded the budget by over \$31,500 however, Rescue expenses exceeded revenues by about \$120,006. In FY 09, rescue expenses exceeded revenues by \$81,739.
- Actual property tax revenues were approximately \$30,700 less than budgeted in FY 10.

Expenditure Variances

- The Select Board budget was under budget by \$53,448 primarily due to the Select Board Contingency of \$50,000 not spent this year.
- Salaries were under budget by almost \$214,250 due to unfilled positions and officers serving in the National Guard.

TOWN OF COLCHESTER, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS

- Employee benefits were under budget by \$231,284 primarily due to lower retirement and social security costs due to lower salaries and health insurance cost was lower than budgeted. Health insurance rates increased by over 21% in 2010. Essentially all employees participate in a High Deductible insurance plan coupled with a Health Savings account. The deductible is \$2,250 for single plans and \$4,500 for 2-person and family plans.
- Consulting fees and purchased services were lower than budget by over \$51,000.
- Overtime was under budget by \$9,000.

Capital Assets

The Town of Colchester’s investment in capital assets for its governmental and business–type activities as of June 30, 2010, totaled \$27,800,804 (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.

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

- Equipment and vehicles increases after depreciation were \$509,528. The largest additions were a Technical Rescue trailer for over \$200,000 which was paid for with Homeland Security funds and an excavator for the Public Works department also costing over \$200,000.
- Construction in Progress decreased by almost \$600,000 due primarily to the transfer of the Fort Ethan Allen stormwater project out of Construction in Progress to Infrastructure..

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
	2010	2009	2010	2009	2010	2009	
Land	\$2,104,936	\$2,104,936	\$132,568	\$132,568	\$2,237,504	\$2,237,504	0.0%
Construction in Progress	1,046,464	1,640,366		0	1,046,464	1,640,366	(36.2%)
Land Improvements	755,454	642,399		0	755,454	642,399	17.6%
Buildings & Improvements	5,617,610	5,777,715		0	5,617,610	5,777,715	(2.8%)
Equipment & Furniture	688,129	651,156		0	688,129	651,156	5.7%
Vehicles	1,983,489	1,598,104		0	1,983,489	1,598,104	24.1%
Infrastructure	11,992,927	11,593,544		0	11,992,927	11,593,544	3.4%
Plant & Equipment	0	0	3,479,227	3,629,199	3,479,227	3,629,199	(4.1%)
Total	\$24,189,009	\$24,008,220	\$3,611,795	\$3,761,767	\$27,800,804	\$27,769,987	0.1%

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

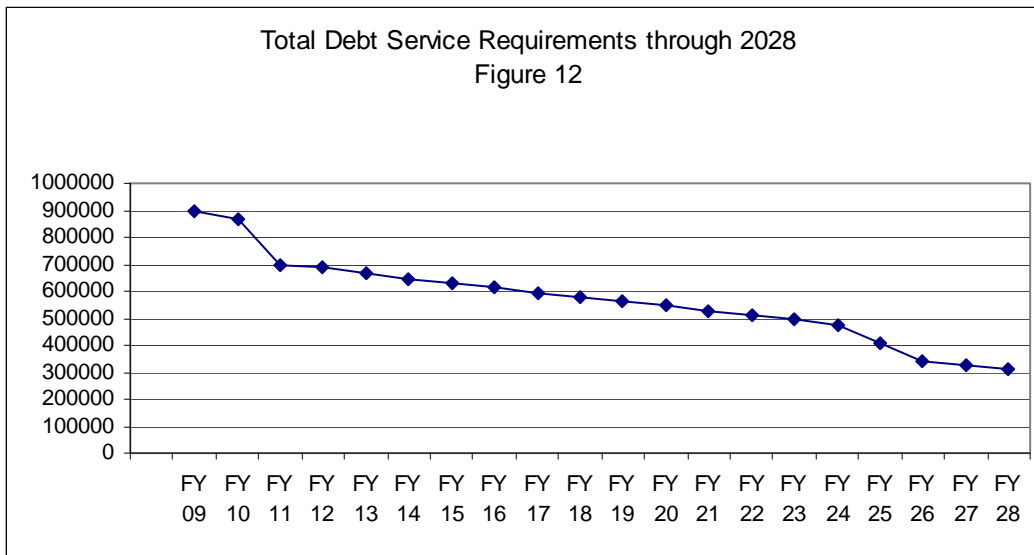
Debt Administration

There was no new borrowing in the governmental funds or in the business-type fund in Fiscal Year 2010.

Town of Colchester's Outstanding Debt							
Figure 11							
	Governmental Activities		Business-Type Activities		Total		% Change
	2010	2009	2010	2009	2010	2009	
General Obligation Bonds	\$7,277,496	\$7,862,731	\$711,432	\$790,480	\$7,988,928	\$8,653,211	(7.7%)
Special Assessment Debt with Government Commitment	0	0	2,085,000	2,215,000	2,085,000	2,215,000	(5.9%)
Total	\$7,277,496	\$7,862,731	\$2,796,432	\$3,005,480	\$10,073,928	\$10,868,211	(7.3%)

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, 2010, the Town requested \$0 in reimbursement from the State of Vermont.

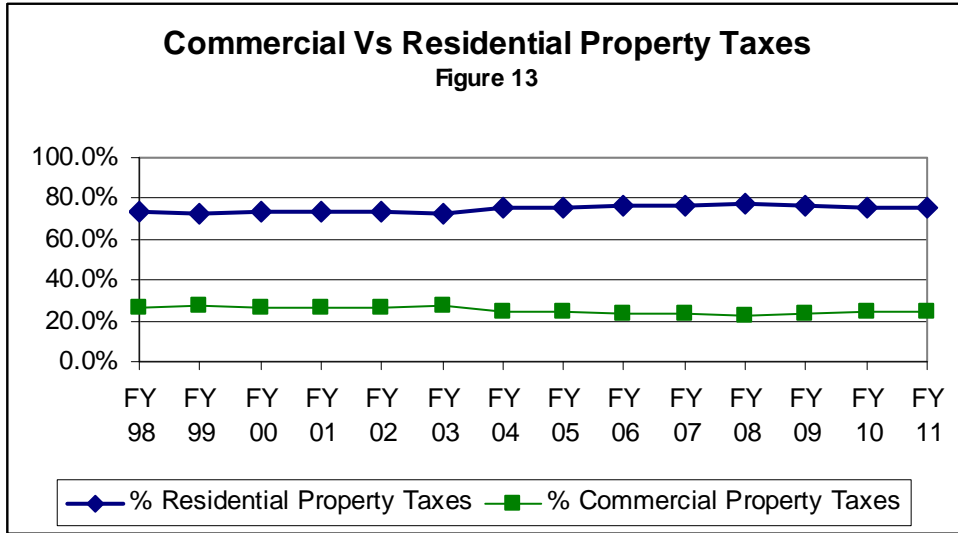
Figure 12 indicates the Town's debt service requirements through 2028, after which all current debt will be retired. Additional information regarding the Town's long-term debt can be found in note 4G of this report.



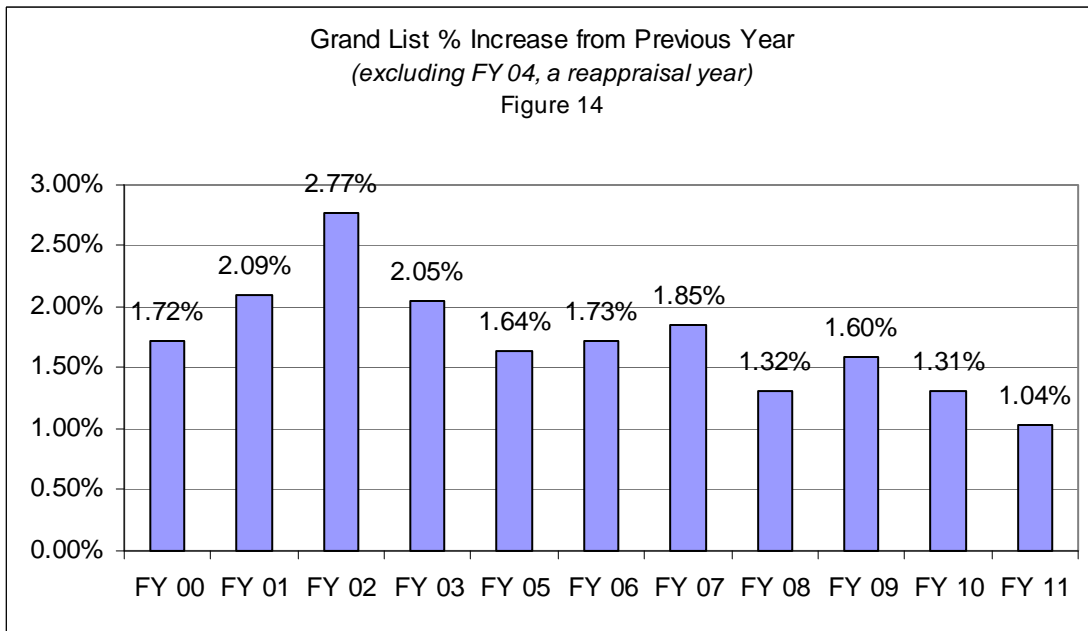
Economic Factors and Next Year's Budgets and Rates

- The Colchester Grand List is made up of primarily residential properties, forcing more of the tax burden on homeowners, rather than commercial enterprises. Figure 13 indicates the 14 year trend in the commercial and residential property tax payments. For FY 10 and FY 11, 76% and 75.4% respectively of property tax revenues come from residential properties.

TOWN OF COLCHESTER, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS



- The Municipal Grand List value for the Town was \$14,028,401 as of the beginning of FY 11. This was an increase of 1.04% over the prior fiscal year. Since 1970 the Town of Colchester’s Grand List has grown from \$172,670 to \$14,028,401.

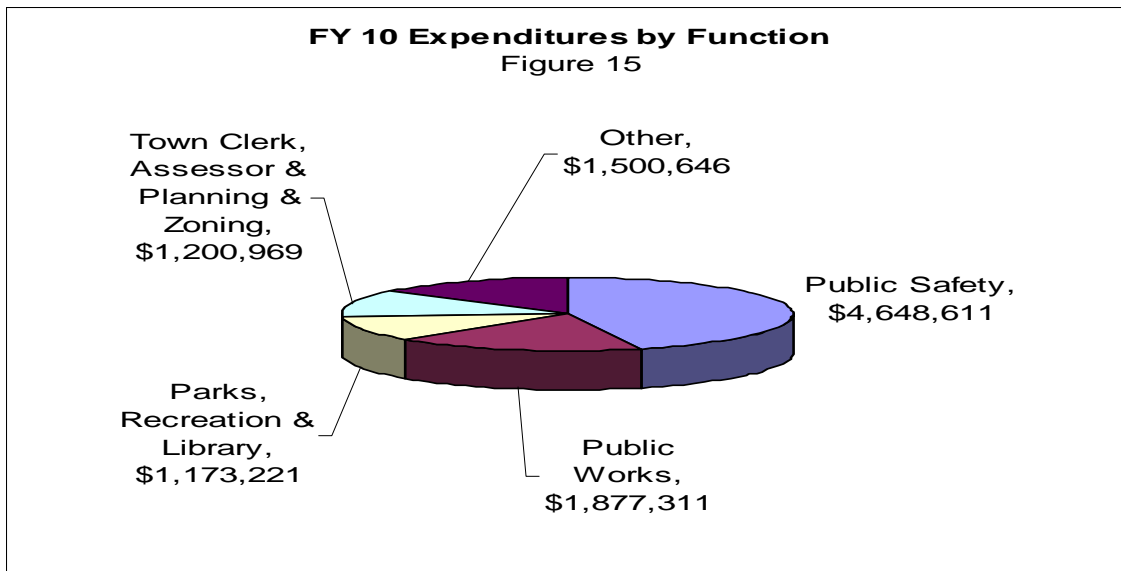


- The Town of Colchester approved a General Fund budget for 2011 in the amount of \$10,776,711. This represents an increase of 3.6% over the previous year.
- The Capital Transportation tax rate was decreased from \$0.050 to \$0.0325.
- The municipal tax rate will decrease by 0.48% to \$0.7387.
- As in previous years, about 45% of the budget is for public safety services.

TOWN OF COLCHESTER, VERMONT
MANAGEMENT DISCUSSION AND ANALYSIS

- Public Works represents about 19% of the General Fund budget.
- Parks & Recreation and the Library represent about 12% of the General Fund budget.
- 71.6% of the General Fund budget is for salaries and benefits.
- Overall, there was a 4.1% increase in salaries and benefits over the FY 2010 budget, primarily due to a 16% increase in the budget for health insurance.

Figure 15 depicts how the Town spends its General Fund budget.



Performance Measures

Beginning in Fiscal Year 2007, each department committed to 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 in the Finance Department section to see the goals that have been set. The web address is www.colchestervt.gov.

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, 2010

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 5,819,200	\$ 1,151,487	\$ 6,970,687
Investments	2,393,443	1,758,143	4,151,586
Receivables (Net of Allowance for Uncollectibles)	503,454	2,390,835	2,894,289
Notes Receivable	187,285	0	187,285
Inventories	45,281	3,020	48,301
Internal Balances	(109,235)	109,235	0
Capital Assets			
Land	2,104,936	132,568	2,237,504
Construction in Progress	1,046,464	0	1,046,464
Other Capital Assets (Net of Accumulated Depreciation)	21,037,609	3,479,227	24,516,836
Total Assets	<u>33,028,437</u>	<u>9,024,515</u>	<u>42,052,952</u>
<u>LIABILITIES</u>			
Accounts Payable	427,284	35,131	462,415
Accrued Payroll and Benefits Payable	236,510	116	236,626
Other Accrued Expenses	5,000	0	5,000
Due to Others	62,307	0	62,307
Deferred Revenue	263,085	0	263,085
Accrued Interest Payable	23,466	11,944	35,410
Noncurrent Liabilities:			
Due within One Year	435,430	219,048	654,478
Due in More than One Year	7,472,465	2,577,384	10,049,849
Total Liabilities	<u>8,925,547</u>	<u>2,843,623</u>	<u>11,769,170</u>
<u>NET ASSETS</u>			
Invested in Capital Assets, Net of Related Debt	19,110,055	2,900,363	22,010,418
Restricted for:			
Cemetery Funds:			
Nonexpendable	146,577	0	146,577
Expendable	49,623	0	49,623
Other	331,448	6,600	338,048
Unrestricted	4,465,187	3,273,929	7,739,116
Total Net Assets	<u>\$ 24,102,890</u>	<u>\$ 6,180,892</u>	<u>\$ 30,283,782</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, 2010

	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	\$ 2,622,268	\$ 467,260	\$ 282,265	\$ 0	\$ (1,872,743)	\$ 0	\$ (1,872,743)
Public Safety	4,621,130	369,985	232,274	0	(4,018,871)	0	(4,018,871)
Public Works	2,858,943	24,133	552,131	0	(2,282,679)	0	(2,282,679)
Community Development	582,263	0	250,819	0	(331,444)	0	(331,444)
Culture and Recreation	1,777,909	571,906	4,245	0	(1,201,758)	0	(1,201,758)
Interest on Long-Term Debt	295,980	0	0	0	(295,980)	0	(295,980)
Capital Outlay	0	0	0	317,232	317,232	0	317,232
Total Governmental Activities	<u>12,758,493</u>	<u>1,433,284</u>	<u>1,321,734</u>	<u>317,232</u>	<u>(9,686,243)</u>	<u>0</u>	<u>(9,686,243)</u>
Business-Type Activities:							
Wastewater	820,396	795,196	0	0	0	(25,200)	(25,200)
Total Business-Type Activities	<u>820,396</u>	<u>795,196</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(25,200)</u>	<u>(25,200)</u>
Total	<u>\$ 13,578,889</u>	<u>\$ 2,228,480</u>	<u>\$ 1,321,734</u>	<u>\$ 317,232</u>	<u>(9,686,243)</u>	<u>(25,200)</u>	<u>(9,711,443)</u>
General Revenues:							
Property Taxes					10,275,112	0	10,275,112
Interest and Penalties on Delinquent Taxes					159,331	0	159,331
Payment in Lieu of Taxes					195,605	0	195,605
Unrestricted Investment Earnings					77,936	290,793	368,729
Other Revenues					47,878	0	47,878
Total General Revenues					<u>10,755,862</u>	<u>290,793</u>	<u>11,046,655</u>
Change in Net Assets					1,069,619	265,593	1,335,212
Net Assets - July 1, 2009					<u>23,033,271</u>	<u>5,915,299</u>	<u>28,948,570</u>
Net Assets - June 30, 2010					<u>\$ 24,102,890</u>	<u>\$ 6,180,892</u>	<u>\$ 30,283,782</u>

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

TOWN OF COLCHESTER, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Capital Projects Fund	Reserve Fund	Community Development Fund	Grant Fund	Other Governmental Funds	Total Governmental Funds
ASSETS							
Cash	\$ 2,920,120	\$ 2,106,114	\$ 424,814	\$ 72,336	\$ 88,337	\$ 207,479	\$ 5,819,200
Investments	1,250,341	200,000	595,000	0	0	348,102	2,393,443
Receivables (Net of Allowance for Uncollectibles)	415,434	17,499	0	330	68,236	1,955	503,454
Notes Receivable - (Net of Allowance for Uncollectibles)	0	0	0	0	0	187,285	187,285
Due from Other Funds	153,133	1,453,168	442,378	0	225,586	380,586	2,654,851
Inventories	45,281	0	0	0	0	0	45,281
Total Assets	\$ 4,784,309	\$ 3,776,781	\$ 1,462,192	\$ 72,666	\$ 382,159	\$ 1,125,407	\$ 11,603,514
LIABILITIES							
Liabilities:							
Accounts Payable	\$ 244,290	\$ 37,019	\$ 68,371	\$ 310	\$ 47,766	\$ 29,528	\$ 427,284
Accrued Payroll and Benefits Payable	218,714	0	0	0	323	17,473	236,510
Due to Other Funds	2,451,409	0	0	330	145,415	166,932	2,764,086
Other Accrued Expenses	5,000	0	0	0	0	0	5,000
Deferred Revenue	266,558	15,492	0	330	193,550	297,119	773,049
Due to Others	62,307	0	0	0	0	0	62,307
Total Liabilities	3,248,278	52,511	68,371	970	387,054	511,052	4,268,236
Fund Balances/(Deficit):							
Reserved for							
Inventories	45,281	0	0	0	0	0	45,281
Other Purposes	0	1,961,026	0	71,696	0	496,123	2,528,845
Unreserved, Reported In							
General Fund	1,490,750	0	0	0	0	0	1,490,750
Special Revenue Funds	0	0	1,393,821	0	(4,895)	218,307	1,607,233
Capital Projects Funds	0	1,763,244	0	0	0	(100,213)	1,663,031
Debt Service Fund	0	0	0	0	0	138	138
Total Fund Balances/(Deficit)	1,536,031	3,724,270	1,393,821	71,696	(4,895)	614,355	7,335,278
Total Liabilities and Fund Balances	\$ 4,784,309	\$ 3,776,781	\$ 1,462,192	\$ 72,666	\$ 382,159	\$ 1,125,407	
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.							24,189,009
Other Assets are not Available to Pay for Current-Period Expenditures, and, Therefore, are Deferred in the Funds.							509,964
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.							(7,931,361)
Net Assets of Governmental Activities							<u>\$ 24,102,890</u>

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, 2010

	General Fund	Capital Projects Fund	Reserve Fund	Community Development Fund	Grant Fund	Other Governmental Funds	Total Governmental Funds
REVENUES:							
Property Taxes	\$ 8,381,321	\$ 763,636	\$ 61,500	\$ 0	\$ 0	\$ 1,063,969	\$ 10,270,426
Penalties and Interest	133,457	0	25,874	0	0	0	159,331
Payment in Lieu of Taxes	195,605	0	0	0	0	0	195,605
Intergovernmental Revenues	453,465	219,820	58,344	250,819	686,617	5,800	1,674,865
Impact Fees	0	0	0	0	0	9,555	9,555
Contributions and Donations	0	8,288	2,500	0	0	61,328	72,116
Charges for Services	642,820	21,783	73,729	0	0	552,280	1,290,612
Investment Income	54,987	6,192	0	620	703	15,434	77,936
Licenses and Permits	232,452	0	0	0	0	0	232,452
Loan Repayments	0	0	0	0	0	5,756	5,756
Other Revenues	46,042	0	0	0	0	3,563	49,605
Total Revenues	10,140,149	1,019,719	221,947	251,439	687,320	1,717,685	14,038,259
EXPENDITURES:							
Current:							
General Government	2,211,076	6,191	350,877	0	10,017	0	2,578,161
Public Safety	4,395,090	0	3,743	0	38,733	6,902	4,444,468
Public Works	1,902,427	3,557	0	0	361,819	30,892	2,298,695
Community Development	0	0	0	251,459	0	0	251,459
Culture & Recreation	1,134,914	2,486	896	0	3,915	488,177	1,630,388
Capital:							
General Government	14,980	0	0	0	0	0	14,980
Public Safety	0	0	0	0	142,995	97,365	240,360
Public Works	1,367	186,227	135	0	0	403,856	591,585
Culture & Recreation	0	149,803	0	0	0	178,108	327,911
Debt Service:							
Principal	0	0	0	0	0	585,235	585,235
Interest	0	0	0	0	0	297,998	297,998
Total Expenditures	9,659,854	348,264	355,651	251,459	557,479	2,088,533	13,261,240
Excess/(Deficiency) of Revenues Over Expenditures	480,295	671,455	(133,704)	(20)	129,841	(370,848)	777,019
Other Financing Sources/(Uses):							
Transfers In	0	27,640	370,938	0	0	62,912	461,490
Transfers Out	(457,850)	0	(3,640)	0	0	0	(461,490)
Total Other Financing Sources/(Uses)	(457,850)	27,640	367,298	0	0	62,912	0
Net Change in Fund Balances	22,445	699,095	233,594	(20)	129,841	(307,936)	777,019
Fund Balances/(Deficit) - July 1, 2009	1,513,586	3,025,175	1,160,227	71,716	(134,736)	922,291	6,558,259
Fund Balances/(Deficit) - June 30, 2010	\$ 1,536,031	\$ 3,724,270	\$ 1,393,821	\$ 71,696	\$ (4,895)	\$ 614,355	\$ 7,335,278

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, 2010

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)	\$	777,019
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost (\$1,174,836) of those assets is allocated over their estimated useful lives and reported as depreciation expense (\$992,020). This is the amount by which capital outlays exceeded depreciation in the current period.		182,816
The net effect of various transactions involving capital assets (i.e., sales, trade-ins) is to decrease net assets.		(2,027)
Revenues reported in the funds from prior year deferred revenues are not reported as revenues in the statement of activities.		(428,335)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		322,681
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt (\$585,235) 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.		585,235
The issuance of loans receivable (\$15,583) consumes current financial resources of governmental funds, while the repayment of the principal of loans receivable (\$5,756) 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.		9,827
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>(377,597)</u>
Change in net assets of governmental activities (Exhibit B)	\$	<u><u>1,069,619</u></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, 2010

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenue:					
Real Estate Taxes	\$ 8,527,104	\$ 0	\$ 8,527,104	\$ 8,514,778	\$ (12,326)
Licenses and Permits	256,107	0	256,107	255,967	(140)
Charges for Services	631,289	0	631,289	638,879	7,590
State Aid Highway	125,700	0	125,700	182,024	56,324
Payments in Lieu of Taxes	75,000	0	75,000	125,181	50,181
School Payment	34,146	0	34,146	34,342	196
Interest	65,000	0	65,000	54,987	(10,013)
Miscellaneous	85,212	0	85,212	117,887	32,675
Grant Income	32,650	0	32,650	65,652	33,002
Act 60 and Act 68 Reimbursement	31,850	0	31,850	53,442	21,592
Sewer Fund Contribution	99,200	0	99,200	97,010	(2,190)
Reserve Fund Contribution	30,000	0	30,000	0	(30,000)
Restoration Fund Contribution	22,500	0	22,500	0	(22,500)
Total Revenue	10,015,758	0	10,015,758	10,140,149	124,391
Expenditures:					
Administration	2,301,784	(40,840)	2,260,944	2,082,771	178,173
Buildings, Grounds and Maintenance	449,950	(899)	449,051	491,820	(42,769)
Public Safety	4,648,611	8,568	4,657,179	4,726,502	(69,323)
Public Works, Highway and Garage	1,877,311	12,120	1,889,431	1,738,349	151,082
Health	45,107	0	45,107	45,583	(476)
Cemetery	22,660	0	22,660	20,544	2,116
Recreation	304,947	5,606	310,553	295,896	14,657
Library	541,265	15,445	556,710	537,449	19,261
Intergovernmental	209,123	0	209,123	178,790	30,333
Total Expenditures	10,400,758	0	10,400,758	10,117,704	283,054
Excess/(Deficiency) of Revenue Over Expenditures	<u>\$ (385,000)</u>	<u>\$ 0</u>	<u>\$ (385,000)</u>	22,445	<u>\$ 407,445</u>
Fund Balance - July 1, 2009				<u>1,513,586</u>	
Fund Balance - June 30, 2010				<u>\$ 1,536,031</u>	

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

TOWN OF COLCHESTER, VERMONT
STATEMENT OF NET ASSETS
PROPRIETARY FUND
JUNE 30, 2010

	Wastewater Fund
<u>ASSETS</u>	
Current Assets:	
Cash	\$ 1,151,487
Investments	1,758,143
Receivables (Net of Allowance for Uncollectible Accounts)	305,835
Special Assessment Receivable - Current Portion	140,000
Due from Other Funds	109,235
Inventory	3,020
Total Current Assets	3,467,720
Noncurrent Assets:	
Special Assessment Receivable - Long-Term Portion	1,945,000
Capital Assets	
Land	132,568
Plant and Equipment	6,197,553
Accumulated Depreciation	(2,718,326)
Total Noncurrent Assets	5,556,795
Total Assets	\$ 9,024,515
<u>LIABILITIES</u>	
Current Liabilities:	
Accounts Payable	\$ 35,131
Accrued Payroll and Benefits Payable	116
Accrued Interest Payable	11,944
Special Assessment Debt with Governmental Commitment - Due within One Year	140,000
General Obligation Bonds Payable - Due Within One Year	79,048
Total Current Liabilities	266,239
Noncurrent Liabilities:	
Special Assessment Debt With Governmental Commitment - Due in More Than One Year	1,945,000
General Obligation Bonds Payable - Due in More Than One Year	632,384
Total Noncurrent Liabilities	2,577,384
Total Liabilities	2,843,623
<u>NET ASSETS</u>	
Investment in Capital Assets, Net of Related Debt	2,900,363
Restricted	6,600
Unrestricted	3,273,929
Total Net Assets	6,180,892
Total Liabilities and Net Assets	\$ 9,024,515

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, 2010

	<u>Wastewater Fund</u>
OPERATING REVENUES:	
Charges for Services	\$ <u>795,196</u>
Total Operating Revenues	<u>795,196</u>
OPERATING EXPENSES:	
Sewage Treatment	306,820
Other Purchased Services	97,010
Chemicals	34,541
Repairs and Maintenance	22,396
Utilities	37,333
General Expense	25,296
Depreciation	<u>149,972</u>
Total Operating Expenses	<u>673,368</u>
Operating Income	<u>121,828</u>
NONOPERATING REVENUES (EXPENSES):	
Interest Income on Debt Service Special Assessment	210,301
Investment Income	80,492
Interest Expense	<u>(147,028)</u>
Total Nonoperating Revenues (Expenses)	<u>143,765</u>
Change in Net Assets	265,593
Total Net Assets - July 1, 2009	<u>5,915,299</u>
Total Net Assets - June 30, 2010	<u>\$ <u>6,180,892</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, 2010

	Wastewater Fund
Cash Flows From Operating Activities:	
Receipts from Customers and Users	\$ 793,312
Payments to Suppliers	(417,450)
Payments for Interfund Services	(97,010)
Payments for Wages and Benefits	(4,157)
	274,695
Net Cash Provided by Operating Activities	274,695
Cash Flows From Noncapital Financing Activities:	
Net Change in Due To/From Other Funds	(139,875)
	(139,875)
Net Cash Provided/(Used) by Noncapital Financing Activities	(139,875)
Cash Flows From Capital and Related Financing Activities:	
Special Assessments Received	130,000
Principal Paid on Long-Term Notes and Bonds	(209,048)
Interest Paid on Long-Term Notes and Bonds	(147,769)
	(226,817)
Net Cash Provided/(Used) by Capital and Related Financing Activities	(226,817)
Cash Flows From Investing Activities:	
Receipt of Interest and Dividends	290,793
Net Increase in Investments	(14,036)
	276,757
Net Cash Provided by Investing Activities	276,757
Net Increase in Cash	184,760
Cash - July 1, 2009	966,727
Cash - June 30, 2010	\$ 1,151,487
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Operating Income	\$ 121,828
Depreciation	149,972
Increase in Accounts Receivable	(1,884)
Decrease in Inventory	1,990
Increase in Accrued Payroll	13
Increase in Accounts Payable	2,776
	274,695
Net Cash Provided by Operating Activities	\$ 274,695

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

TOWN OF COLCHESTER, VERMONT
 STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUND
 JUNE 30, 2010

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash	\$ <u>147,896</u>
Total Assets	<u>147,896</u>
<u>LIABILITIES</u>	
Due to Others	<u>147,896</u>
Total Liabilities	<u>147,896</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, 2010

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, 2010

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 enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

The Town reports on the following major governmental funds:

General Fund – This is the Town's main operating fund. It accounts for all financial resources of the Town, 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.

Grant Fund – This fund account for the Town's various grant activities.

The Town reports on the following major enterprise fund:

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

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.

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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). Equity (i.e., net total assets) is segregated into invested 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 amounts. 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, 2010

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 Statements and Interpretations issued after November 30, 1989.

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, 2010

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 financial statements. 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, 2010

Depreciable 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 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 most Town employees except up to two hundred forty (240) hours for police officers. Town employees can accumulate unused sick benefits. Members of the Police union are not entitled to a payout of sick benefits upon separation from service. Prior to 2004, the AFSCME union members and non-union members were allowed to accumulate up to one-thousand twenty-four (1024) hours of sick time. The maximum amount allowed to accumulate was limited to four-hundred eighty hours (480) for non-union members as of July 1, 2003 and new AFSCME union members as of February 1, 2004. Employees hired prior to 2004 that had accumulated more than these hours were allowed to put the additional hours in a sick bank. These hours can be used, but only after the four-hundred eighty hours (480) have been used, and then only at the discretion of the Town Manager. The Town is liable for up to one-third of unused sick benefits upon termination prior to reaching age 62 or up to one-half after reaching age 62. 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 financial statements. Payments for unused compensated absences are recorded as expenditures in the year they are paid.

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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 financial statements do not include any long-term liabilities as those statements use the current financial resources measurement focus and only include current assets and liabilities on their balance sheets.

1F i. Fund Equity

Fund balances and net assets are classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Reservations of fund balances and restrictions of net assets 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 balances represent tentative management plans that are subject to change. Undesignated fund balances 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 expenditures (including interest) using the modified accrual basis of accounting, whereas government-wide statements report expenses using the accrual basis of accounting.

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

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

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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	\$ 5,819,200	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,819,200
Investments	2,393,443	0	0	0	0	2,393,443
Receivables	503,454	0	0	0	0	503,454
Notes Receivable	187,285	0	0	0	0	187,285
Due From Other Funds	2,654,851	0	0	0	(2,764,086)	(109,235)
Inventories	45,281	0	0	0	0	45,281
Capital Assets	0	0	24,189,009	0	0	24,189,009
Total Assets	11,603,514	0	24,189,009	0	(2,764,086)	33,028,437
LIABILITIES						
Accounts Payable	427,284	0	0	0	0	427,284
Accrued Payroll and Benefits Payable	236,510	0	0	0	0	236,510
Due to Other Funds	2,764,086	0	0	0	(2,764,086)	0
Deferred Revenue	773,049	(509,964)	0	0	0	263,085
Other Accrued Expenses	5,000	0	0	0	0	5,000
Due to Others	62,307	0	0	0	0	62,307
Accrued Interest Payable	0	23,466	0	0	0	23,466
Noncurrent Liabilities	0	0	0	7,907,895	0	7,907,895
Total Liabilities	4,268,236	(486,498)	0	7,907,895	(2,764,086)	8,925,547
NET ASSETS						
Invested in Capital Assets	0	0	24,189,009	(5,078,954)	0	19,110,055
Other	7,335,278	486,498	0	(2,828,941)	0	4,992,835
Total Net Assets	\$ 7,335,278	\$ 486,498	\$ 24,189,009	\$ (7,907,895)	\$ 0	\$ 24,102,890

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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 Activities
REVENUES						
Property Taxes	\$ 10,270,426	\$ 4,686	\$ 0	\$ 0	\$ 0	\$ 10,275,112
Penalties and Interest	159,331	0	0	0	0	159,331
Payment In Lieu of Taxes	195,605	0	0	0	0	195,605
Intergovernmental						
Revenues	1,674,865	0	0	0	(1,674,865)	0
Impact Fees	9,555	0	0	0	(9,555)	0
Contributions and						
Donations	72,116	0	0	0	(72,116)	0
Charges for Services	1,290,612	(2,325)	0	0	144,997	1,433,284
Investment Income	77,936	0	0	0	0	77,936
Licenses and Permits	232,452	0	0	0	(232,452)	0
Loan Repayments	5,756	(5,756)	0	0	0	0
Other Revenues	49,605	0	(1,727)	0	0	47,878
Operating Grants &						
Contributions	0	28,313	0	0	1,293,421	1,321,734
Capital Grants &						
Contributions	0	(136,328)	0	0	453,560	317,232
Transfers from Other						
Funds	461,490	0	0	0	(461,490)	0
	<u>14,499,749</u>	<u>(111,410)</u>	<u>(1,727)</u>	<u>0</u>	<u>(558,500)</u>	<u>13,828,112</u>
Total Revenues						
EXPENDITURES						
General Government	2,578,161	14,093	127,024	0	(97,010)	2,622,268
Public Safety	4,444,468	(7,011)	183,673	0	0	4,621,130
Public Works	2,298,695	16,120	544,128	0	0	2,858,943
Community Development	251,459	330,804	0	0	0	582,263
Culture and Recreation	1,630,388	10,026	137,495	0	0	1,777,909
Capital:						
General Government	14,980	0	(14,980)	0	0	0
Public Safety	240,360	0	(240,360)	0	0	0
Public Works	591,585	0	(591,585)	0	0	0
Culture and Recreation	327,911	0	(327,911)	0	0	0
Debt Service:						
Principal	585,235	0	0	(585,235)	0	0
Interest	297,998	(2,018)	0	0	0	295,980
Transfers to Other Funds	461,490	0	0	0	(461,490)	0
	<u>13,722,730</u>	<u>362,014</u>	<u>(182,516)</u>	<u>(585,235)</u>	<u>(558,500)</u>	<u>12,758,493</u>
Total Expenditures						
Net Change for the Year	<u>\$ 777,019</u>	<u>\$ (473,424)</u>	<u>\$ 180,789</u>	<u>\$ 585,235</u>	<u>\$ 0</u>	<u>\$ 1,069,619</u>

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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.

3B. Budgeted Deficit

The Town budgeted a current year's deficit of \$385,000 in the General Fund in order to utilize a portion of previous years surplus. This amount is reflected as a budgeted deficiency of revenue over expenditures in Exhibit F.

4. DETAILED NOTES ON ALL FUNDS

4A. Cash and Investments

Cash and Investments at June 30, 2010 consisted of the following:

Demand Deposits with Financial Institutions	\$ 6,962,328
Certificates of Deposit	153,510
Cash on Hand	<u>2,745</u>
Total Cash	<u>7,118,583</u>
Certificates of Deposit	3,750,341
U.S. Treasury Strips	323,143
Corporate Bonds	19,727
Mutual Funds	<u>58,375</u>
Total Investments	<u>4,151,586</u>
Total Cash and Investments	\$ <u><u>11,270,169</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, 2010

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, corporate bonds 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	\$ 943,105	\$ 1,091,179
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 or Irrevocable Standby Letter of Credit	9,922,684	9,898,406
Uninsured, Uncollateralized	<u>390</u>	<u>390</u>
	<u>\$ 10,866,179</u>	<u>\$ 10,989,975</u>

Deposits are comprised of the following:

Demand Deposits with Financial Institutions	\$ 6,962,328
Certificates of Deposit	<u>3,903,851</u>
	<u>\$10,866,179</u>

The difference between the book balance and the bank balance is due to reconciling items such as deposits in transit and outstanding checks.

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 certificates of deposit are not subject to interest rate risk disclosure. The Town's policy does not limit its exposure to interest rate risk.

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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 corporate bonds 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	\$ 58,375	\$ 58,375
U.S. Treasury Strips	35,974	139,340	147,829	0	0	323,143
Corporate Bonds	0	0	19,727	0	0	19,727
Total	\$ 35,974	\$ 139,340	\$ 167,556	\$ 0	\$ 58,375	\$ 401,245

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 U.S. Treasury Strips are exempt from this analysis. The mutual funds are open-ended and are therefore excluded from the credit risk analysis.

	Standard and Poor's Rating As of June 30, 2010 – <u>Corporate Bonds</u>
AA+	\$10,627
A-	<u>9,100</u>
Total	<u>\$19,727</u>

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the Town's investments are held within one security. The Town does not have any limitations on the amount that can be invested in any one issuer. The Town has \$9,100, (46%), of their corporate bonds invested in Goldman Sachs Group, Inc. and \$10,627, (54%), of their corporate bonds invested in General Electric Capital Corporation.

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

4B. Receivables

Receivables at June 30, 2010, 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	260,122	0	260,122
Penalties and Interest	36,222	0	36,222
Ambulance Receivables	75,746	0	75,746
Accounts Receivable	52,250	0	52,250
Due from Other Governments	114,114	0	114,114
Billed Services	0	18,368	18,368
Unbilled Services	0	287,467	287,467
Special Assessments - Current Portion *	0	140,000	140,000
Special Assessments - Long-Term Portion *	0	1,945,000	1,945,000
Allowance for Doubtful Accounts	(35,000)	0	(35,000)
	<u>503,454</u>	<u>2,390,835</u>	<u>2,894,289</u>

* 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.

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
Note Receivable – Brookside Partnership, Principal and Interest Payments Deferred until January 2039, Interest at 4.46%	240,000

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

Notes Receivable – Thirteen Loans to Residents for On-Site Sewage Disposal Systems and Potable Water Service, Interest at 3%, Principal and Interest Due Monthly Over 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>\$ 187,285</u>
Total Notes Receivable	983,063
Plus: Accrued Interest on Notes Receivable	8,827
Less: Discount on Notes Receivable at Three (3) to Five (5) Percent	(198,329)
Less: Allowance for Doubtful Notes and Accrued Interest Receivable	<u>(606,276)</u>
Net Notes Receivable	<u>\$ 187,285</u>

4D. Capital Assets

Capital asset activity for the year ended June 30, 2010 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	1,640,366	590,364	1,184,266	1,046,464
Total Capital Assets, Not Being Depreciated	3,745,302	590,364	1,184,266	3,151,400
Capital Assets, Being Depreciated:				
Land Improvements	1,154,891	148,944	0	1,303,835
Buildings and Building Improvements	6,958,405	0	0	6,958,405
Equipment and Furniture	1,217,628	156,646	22,787	1,351,487
Vehicles	2,896,090	724,044	364,644	3,255,490
Infrastructure	12,616,863	824,247	0	13,441,110
Totals	24,843,877	1,853,881	387,431	26,310,327
Less Accumulated Depreciation for:				
Land Improvements	512,492	35,889	0	548,381
Buildings and Building Improvements	1,180,690	160,105	0	1,340,795
Equipment and Furniture	566,472	110,747	13,861	663,358
Vehicles	1,297,986	260,415	286,400	1,272,001
Infrastructure	1,023,319	424,864	0	1,448,183
Totals	4,580,959	992,020	300,261	5,272,718
Total Capital Assets, Being Depreciated	20,262,918	861,861	87,170	21,037,609
Governmental Activities Capital Assets, Net	\$ 24,008,220	\$ 1,452,225	\$ 1,271,436	\$ 24,189,009

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

	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	132,568	0	0	132,568
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	6,197,553	0	0	6,197,553
Less Accumulated Depreciation for:				
Plant and Equipment	2,568,354	149,972	0	2,718,326
Totals	2,568,354	149,972	0	2,718,326
Total Capital Assets, Being Depreciated	3,629,199	(149,972)	0	3,479,227
Business-Type Activities Capital Assets, Net	\$ 3,761,767	\$ (149,972)	\$ 0	\$ 3,611,795

Depreciation was charged as follows:

Governmental Activities:		Business - Type Activities:	
General Government	\$ 126,724	Wastewater	\$ <u>149,972</u>
Public Works	544,128		
Public Safety	183,673		
Culture & Recreation	137,495		
Total Depreciation Expense - Governmental Activities		Total Depreciation Expense - Business-Type Activities	
	\$ 992,020		\$ 149,972

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

4E. Interfund Balances and Transfers

The composition of interfund balances at June 30, 2010, is as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 153,133	\$ 2,451,409
Capital Projects Fund	1,453,168	0
Reserve Fund	442,378	0
Community Development Fund	0	330
Grant Fund	225,586	145,415
Other Governmental Funds	380,586	166,932
Wastewater Fund	<u>109,235</u>	<u>0</u>
 Total	 <u>\$ 2,764,086</u>	 <u>\$ 2,764,086</u>

Interfund transfers during the year ended June 30, 2010 were as follows:

<u>Transfer To</u>	<u>Amount</u>	<u>Transfer From</u>	<u>Amount</u>	<u>Purpose</u>
Reserve Fund	56,046	General Fund	56,046	Establish Reappraisal Reserve
Reserve Fund	208,500	General Fund	208,500	Transfer for Police Radios
Reserve Fund	42,392	General Fund	42,392	Transfer for Various Building Repairs/Upgrade
Reserve Fund	2,000	General Fund	2,000	Transfer for Rescue Repeater
Reserve Fund	62,000	General Fund	62,000	Transfer for Tech Rescue Garage
Recreation Acquisition and Development Fund	4,000	General Fund	4,000	Budgeted Transfer
Capital Equipment Fund	58,912	General Fund	58,912	Transfer for Marine Safety Grant
Capital Projects Fund	24,000	General Fund	24,000	Transfer for Various Projects for Parks
Capital Projects Fund	<u>3,640</u>	Reserve Fund	<u>3,640</u>	Transfer Revenue From Previous Year (Raymond Road Trees)
Total	<u>\$ 461,490</u>		<u>\$ 461,490</u>	

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

4F. Deferred Revenue

Deferred Revenue in the General Fund consists of \$203,696 of delinquent taxes, penalty and interest on taxes and \$9,352 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 \$5,320 of prepaid taxes and \$48,190 of other prepaid fees. Total deferred revenue in the General Fund is \$266,558.

Deferred Revenue in the Capital Projects Fund consist of \$15,492 of grant receivables not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

Deferred Revenue in the Community Development Fund consists of \$330 of grant receivables not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities.

Deferred Revenue in the Grant Fund consist of \$93,809 of grant receivables not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities and \$99,741 of grant monies advanced to the Town for various purposes that was not spent as of June 30, 2010. Total deferred revenue in the Grant Fund is \$193,550.

Deferred Revenue in the Other Governmental Funds consists of \$187,285 of loans receivable not collected within sixty (60) days after year-end as these would not be available to liquidate current liabilities and \$109,834 of recreation fees received in advance. This revenue will be earned when the receivable is collected and recreation programs are provided. Total Deferred Revenue in the Other Governmental Funds is \$297,119.

4G. Long-term Liabilities

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

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.

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, public works projects, and to fund a septic system improvement loan program.

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

Long-term liabilities outstanding as of June 30, 2010 were as follows:

	<u>Beginning Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2010</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	\$1,315,000	\$ 0	\$ 75,000	\$1,240,000
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	810,000	0	40,000	770,000
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	90,000	0	15,000	75,000
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>790,480</u>	<u>0</u>	<u>79,048</u>	<u>711,432</u>
Total Business-Type Activities	<u>\$3,005,480</u>	<u>\$ 0</u>	<u>\$209,048</u>	<u>\$2,796,432</u>

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

	<u>Beginning Balance July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance June 30, 2010</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	\$ 150,000	\$ 0	\$ 150,000	\$ 0
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	43,108	0	10,778	32,330
Bond Payable - State of Vermont Special Environmental Revolving Loan Fund, Belwood Drainage Project, 0% Interest, Principal Payments of \$49,642 Due Annually from October 1, 2004 through December 1, 2023	744,623	0	49,642	694,981
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	137,529	0	6,422	131,107
Bond Payable - State of Vermont Special Environmental Revolving Loan Fund, Septic System Improvement Loan Program, Interest at 2%, Annual Principal And Interest Payments of \$4,941 Due each April through 2028	77,471	0	3,393	74,078

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

	Beginning Balance <u>July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	Ending Balance <u>June 30, 2010</u>
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	\$5,830,000	\$ 0	\$ 310,000	\$5,520,000
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>880,000</u>	<u>0</u>	<u>55,000</u>	<u>825,000</u>
Total Notes and Bonds Payable - Governmental Activities	<u>\$7,862,731</u>	<u>\$ 0</u>	<u>\$ 585,235</u>	<u>\$7,277,496</u>

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
General Obligation Bonds	\$ 7,862,731	\$ 0	\$ 585,235	\$ 7,277,496	\$ 435,430
Compensated Absences	557,000	33,228	0	590,228	0
Due to State	40,481	0	310	40,171	0
Total Governmental Activities	<u>8,460,212</u>	<u>33,228</u>	<u>585,545</u>	<u>7,907,895</u>	<u>435,430</u>
Long-term Liabilities	<u>\$ 8,460,212</u>	<u>\$ 33,228</u>	<u>\$ 585,545</u>	<u>\$ 7,907,895</u>	<u>\$ 435,430</u>
Business-type Activities					
Special Assessment Debt with Governmental Commitment	\$ 2,215,000	\$ 0	\$ 130,000	\$ 2,085,000	\$ 140,000
General Obligation Bonds Payable	790,480	0	79,048	711,432	79,048
Total Business-type Activities	<u>3,005,480</u>	<u>0</u>	<u>209,048</u>	<u>2,796,432</u>	<u>219,048</u>
Long-Term Liabilities	<u>\$ 3,005,480</u>	<u>\$ 0</u>	<u>\$ 209,048</u>	<u>\$ 2,796,432</u>	<u>\$ 219,048</u>

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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 \$40,171.

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

Debt service requirements to maturity are as follows:

Year Ending June 30	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2011	435,430	278,486	219,048	138,524
2012	435,631	263,711	224,048	128,750
2013	435,831	248,619	234,048	118,480
2014	425,265	233,246	239,048	107,714
2015	425,478	217,648	254,048	96,251
2016-2020	2,110,732	848,387	1,296,192	292,112
2021-2025	2,062,068	429,532	330,000	17,551
2026-2029	947,061	64,985	0	0
Total	\$ 7,277,496	\$ 2,584,614	\$ 2,796,432	\$ 899,382

4H. Reserved and Designated Fund Balances

The reserved fund balances of the Town as of June 30, 2010 consisted of the following:

General Fund:	
Reserved for Inventory	\$ <u>45,281</u>
Total General Fund	<u>45,281</u>
Special Revenue Funds:	
Reserved for Community Development	
By Grant Agreements	71,696
Reserved for Septic Loan Program by Bond Proceeds	18,365
Reserved for Law Enforcement by Grant Agreements	202,105
Reserved for Cemetery by Trust Agreements – Nonexpendable	146,577
Reserved for Cemetery by Trust Agreements – Expendable	<u>49,623</u>
Total Reserved Special Revenue Funds	<u>488,366</u>

TOWN OF COLCHESTER, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2010

Capital Projects Funds:	
Reserved for Facilities Upgrade Expenditures by Bond Proceeds	\$1,961,026
Reserved for Recreation Acquisition and Development by Impact Fees	<u>70,557</u>
Total Capital Projects Funds	<u>2,031,583</u>
Permanent Fund:	
Reserved for Burnham Memorial Library Fund by Donations	<u>8,896</u>
Total Reserved Fund Balances	<u>\$2,574,126</u>

The designated fund balances of the Town as of June 30, 2010 consisted of the following:

General Fund:	
Designated to Reduce Property Taxes in Fiscal Year 2011	\$ <u>341,600</u>
Special Revenue Funds:	
Designated for Reserve Fund Expenses for Reappraisal, Technology, Restoration of Records, Public Safety Communications and Bridge Repairs	1,393,821
Designated for Recreation Programs	<u>218,307</u>
Total Special Revenue Funds	<u>1,612,128</u>
Debt Service Funds:	
Designated for Future Debt Service	<u>138</u>
Capital Projects Funds:	
Designated for Future Capital Projects	<u>1,763,244</u>
Total Designated Fund Balances	<u>\$3,717,110</u>

The negative unreserved fund balance of \$4,895 in the Grant Fund will be funded with future grant revenues.

The negative unreserved fund balance of \$100,213 in the Capital Equipment Fund will be funded with future property taxes.

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

4I. Restricted and Designated Net Assets

The restricted net assets of the Town as of June 30, 2010 consisted of the following:

Governmental Activities:	
Community Development by Grant Agreements	\$ 31,525
Community Development - Unspent Bond Proceeds	18,365
Cemetery Trust Agreements - Non-Expendable	146,577
Cemetery Trust Agreements - Expendable	49,623
Law Enforcement by Grant Agreements	202,105
Recreation Acquisition/Development by Impact Fees	70,557
Burnham Library by Donations	<u>8,896</u>
 Total Governmental Activities	 <u>\$527,648</u>
 Business-type Activities/Proprietary Fund:	
Breezy Acres Sewer Trust Agreement	\$ <u>6,600</u>
 Total Business-type Activities/Proprietary Fund	 <u>\$ 6,600</u>

The designated net assets of the Town as of June 30, 2010 consisted of the following:

Proprietary Fund:	
Designated to Upgrade South Burlington Plant	<u>\$418,786</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 \$5,532,962 while the covered payroll was \$3,050,800. Pension expense for the year ended June 30, 2010 was \$213,565.

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, 2010

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 \$1,774,320. Pension expense for the year was \$106,459.

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 this plan, but does have the duty of due care that would be required of an ordinary prudent investor. All of the investments are self-directed by each employee.

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, 2010, taxes became due and payable on August 15, 2009, November 15, 2009 and March 15, 2010. 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, 2010

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 unless the member leaves the Trust during the calendar year. An exit fee equivalent to the final monthly premium paid by that member will be assessed. Beginning in 2009, 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, 2010 is approximately \$31,608.

5F. ENDOWMENT FUND

On May 5, 1997, the Burnham Memorial Library created an endowment at the Vermont Community 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. In 2010, the Library contributed another \$4,125 to the Foundation. The balance of the Endowment Fund at June 30, 2010 is \$35,409.

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 \$1,076,988.

TOWN OF COLCHESTER, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

The schedule of future land lease receipts is as follows:

2011	\$ 22,381
2012	22,996
2013	23,629
2014	24,279
2015	24,946
Thereafter	<u>257,763</u>
	\$ <u>375,994</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 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.

During fiscal year 2009, the Town signed a contract with an engineer to complete various septic related activities 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 of \$400,000.

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUE:					
PROPERTY TAXES	\$ 8,412,104	\$ 0	\$ 8,412,104	\$ 8,381,321	\$ (30,783)
INTEREST ON DELINQUENT TAXES	45,000	0	45,000	56,599	11,599
PENALTIES ON DELINQUENT TAXES	70,000	0	70,000	75,887	5,887
MISC TAX SALE CHARGES	0	0	0	971	971
LIQUOR LICENSES	3,200	0	3,200	3,100	(100)
LICENSES-TOWN	4,000	0	4,000	4,590	590
DEPT MOTOR VEHICLES	2,400	0	2,400	1,485	(915)
MARRIAGE LICENSES	1,200	0	1,200	110	(1,090)
CIVIL UNION LICENSES	50	0	50	0	(50)
DOG LICENSES	8,500	0	8,500	11,946	3,446
PMTS IN LIEU OF TAXES	75,000	0	75,000	125,181	50,181
CURRENT USE HOLD HARMLESS	12,650	0	12,650	12,652	2
VLCT INS DISTRIBUTIONS	0	0	0	29,849	29,849
INTEREST	65,000	0	65,000	54,987	(10,013)
TRANSFER FROM RESERVE FUND	30,000	0	30,000	0	(30,000)
TRANSFER FROM WASTEWATER FUND	99,200	0	99,200	97,010	(2,190)
TRANSFER FROM RESTORATION FUND	22,500	0	22,500	0	(22,500)
MISCELLANEOUS	8,000	0	8,000	16,168	8,168
PROMOTIONAL	0	0	0	22	22
SUPPORT PAYMENTS	57,772	0	57,772	57,772	0
CASH OVER/SHORT	0	0	0	3	3
MILTON DISPATCH	140,000	0	140,000	130,347	(9,653)
POLICE	0	0	0	2,238	2,238
CUSI	35,989	0	35,989	24,957	(11,032)
POLICE ORDINANCE FEES	0	0	0	1,980	1,980
AMBULANCE	265,000	0	265,000	296,803	31,803
RECORDING FEES	110,000	0	110,000	107,966	(2,034)
ACCESSORY APT/SEASONAL CONV	2,000	0	2,000	200	(1,800)
BUILDING/ZONING PERMITS	135,000	0	135,000	155,663	20,663
SEPTIC PERMITS	3,000	0	3,000	1,780	(1,220)
DRB LEGAL NOTICES/PH	1,724	0	1,724	1,110	(614)
DRB/BLA APPLICATIONS	17,716	0	17,716	12,954	(4,762)
EXCAVATION W/ROW	10,000	0	10,000	8,100	(1,900)
CERTIFICATES OF OCCUPANCY	13,157	0	13,157	12,132	(1,025)
GIS INCOME	350	0	350	301	(49)
ST WW PERMITS	26,000	0	26,000	19,282	(6,718)
VT FIRE SAFETY	1,000	0	1,000	0	(1,000)
ORDINANCE & MAP COPIES	1,000	0	1,000	324	(676)
CERT COPIES OF VITAL RECORDS	7,000	0	7,000	5,048	(1,952)
COPIES AND MAPS	12,500	0	12,500	13,104	604
USE OF VAULT	3,000	0	3,000	3,152	152
PASSPORTS	35,000	0	35,000	27,360	(7,640)
PASSPORT PHOTOS	7,500	0	7,500	9,863	2,363
ROAD MISCELLANEOUS	2,500	0	2,500	2,350	(150)
DOG CONTROL	2,000	0	2,000	1,450	(550)
GREEN MOUNTAIN PASSPORTS	100	0	100	124	24
RECREATION	10,950	0	10,950	13,536	2,586
SENIOR CENTER RENTAL	0	0	0	450	450
DISTRICT COURT FINES	40,000	0	40,000	34,655	(5,345)
PLANNING & ZONING FINES	5,000	0	5,000	450	(4,550)
GRANT REIMBURSEMENT	0	0	0	3,000	3,000
ACT 68 REIMBURSEMENT	25,000	0	25,000	46,578	21,578
ACT 60 REIMBURSEMENT	6,850	0	6,850	6,864	14
ANNUAL SCHOOL PAYMENT	34,146	0	34,146	34,342	196
STATE AID TO HIGHWAYS	125,700	0	125,700	182,023	56,323
MARINE ENFORCEMENT	20,000	0	20,000	50,000	30,000
DONATIONS	0	0	0	10	10
TOTAL REVENUE	<u>10,015,758</u>	<u>0</u>	<u>10,015,758</u>	<u>10,140,149</u>	<u>124,391</u>

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES:					
SELECTBOARD:					
SALARIES	\$ 6,500	\$ 0	\$ 6,500	\$ 6,360	\$ 140
SOCIAL SECURITY	497	0	497	486	11
PROFESSIONAL SERVICES	10,000	0	10,000	10,000	0
TOWN MEETING	4,500	(2,500)	2,000	471	1,529
TOWN REPORT	2,200	0	2,200	493	1,707
PRINTING & BINDING	2,500	0	2,500	2,555	(55)
MISCELLANEOUS	250	0	250	138	112
CONTINGENCY	50,000	0	50,000	0	50,000
TOTAL SELECTBOARD	76,447	(2,500)	73,947	20,503	53,444
CIVIL BOARD:					
SALARIES	13,894	236	14,130	11,145	2,985
CIVIL BOARD SALARIES	5,600	0	5,600	3,468	2,132
HEALTH INSURANCE	5,449	(248)	5,201	4,184	1,017
DENTAL INSURANCE	450	0	450	606	(156)
LIFE/DISABILITY INSURANCE	192	0	192	184	8
SOCIAL SECURITY	1,491	18	1,509	1,177	332
RETIREMENT	973	16	989	780	209
UNEMPLOYMENT COMP	362	6	368	552	(184)
WORKERS COMPENSATION	45	1	46	36	10
POSTAGE	1,465	0	1,465	339	1,126
MACHINERY & EQUIPMENT	300	0	300	0	300
MISCELLANEOUS	8,250	(4,300)	3,950	1,189	2,761
TOTAL CIVIL BOARD	38,471	(4,271)	34,200	23,660	10,540
TOWN MANAGER:					
SALARIES	275,158	7,991	283,149	273,799	9,350
OVERTIME	0	0	0	151	(151)
HEALTH INSURANCE	31,185	4,405	35,590	31,048	4,542
DENTAL INSURANCE	2,781	0	2,781	4,574	(1,793)
LIFE/DISABILITY INSURANCE	4,305	0	4,305	3,978	327
INSURANCE-PACIF/CL BOND/E&O	9,143	0	9,143	9,481	(338)
SOCIAL SECURITY	21,394	611	22,005	20,960	1,045
RETIREMENT	19,576	559	20,135	18,414	1,721
UNEMPLOYMENT COMP	833	0	833	1,249	(416)
WORKERS COMPENSATION	1,120	33	1,153	889	264
MISCELLANEOUS BENEFITS	0	0	0	1,687	(1,687)
PERSONNEL DEVELOPMENT	7,000	0	7,000	2,022	4,978
DUES & PUBLICATIONS	5,000	0	5,000	4,719	281
PROFESSIONAL SERVICES	2,000	(838)	1,162	14,400	(13,238)
LEGAL	26,000	0	26,000	11,956	14,044
LEGAL - UNION NEGOTIATIONS	8,000	(5,000)	3,000	9,959	(6,959)
LEGAL - HUMAN RESOURCES	3,000	0	3,000	664	2,336
REISSUE UNCLAIMED	0	0	0	6,218	(6,218)
UTILITIES	3,542	0	3,542	2,833	709
TELEPHONE	1,486	0	1,486	1,246	240
VEHICLE MAINT & TRANSPORTATION	5,500	(4,500)	1,000	179	821
MAINTENANCE - TOWN OFFICE	1,082	0	1,082	3,462	(2,380)
WATER TOWER STORAGE	0	0	0	1,849	(1,849)
ADVERTISING	0	0	0	2,000	(2,000)
FLAG REPLACEMENT	300	0	300	481	(181)
ADVERTISING-PUBLIC HEARINGS	500	0	500	444	56
OPERATING SUPPLIES	2,500	0	2,500	1,860	640
POSTAGE	479	0	479	515	(36)
MILEAGE ALLOW & REIMBURSEMENT	0	4,500	4,500	4,517	(17)
MISCELLANEOUS	6,342	0	6,342	9,493	(3,151)
EMERGENCY MANAGEMENT	0	0	0	1,772	(1,772)
GREEN UP VERMONT	500	0	500	762	(262)
WELLNESS PROGRAMS	0	0	0	4,025	(4,025)
TOTAL TOWN MANAGER	438,726	7,761	446,487	451,606	(5,119)

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
COMMUNITY DEVELOPMENT:					
SALARIES	\$ 58,512	\$ 1,887	\$ 60,399	\$ 60,199	\$ 200
HEALTH INSURANCE	16,512	(750)	15,762	14,794	968
DENTAL INSURANCE	1,337	0	1,337	655	682
LIFE/DISABILITY INSURANCE	1,019	0	1,019	999	20
SOCIAL SECURITY	4,476	145	4,621	4,334	287
RETIREMENT	4,096	132	4,228	4,240	(12)
UNEMPLOYMENT COMP	208	0	208	312	(104)
WORKERS COMPENSATION	230	8	238	183	55
PERSONNEL DEVELOPMENT	1,000	0	1,000	1,693	(693)
DUES & PUBLICATIONS	800	0	800	1,141	(341)
PROFESSIONAL SERVICES	8,000	(3,000)	5,000	3,278	1,722
LEGAL	0	0	0	638	(638)
UTILITIES	691	0	691	552	139
TELEPHONE	297	0	297	0	297
VEHICLE MAINT & TRANSPORTATION	700	0	700	259	441
MAINTENANCE - TOWN OFFICE	211	0	211	404	(193)
ADVERTISING	300	0	300	287	13
PRINTING & BINDING	2,000	0	2,000	312	1,688
OPERATING SUPPLIES	150	0	150	308	(158)
POSTAGE	100	0	100	0	100
SOFTWARE	400	0	400	0	400
MISCELLANEOUS	0	0	0	186	(186)
PUBLIC RELATIONS	0	0	0	1,000	(1,000)
TOTAL COMMUNITY DEVELOPMENT	101,039	(1,578)	99,461	95,774	3,687
FINANCE:					
SALARIES	169,493	3,846	173,339	174,013	(674)
OVERTIME	2,750	0	2,750	1,857	893
HEALTH INSURANCE	31,722	(41)	31,681	23,174	8,507
DENTAL INSURANCE	3,404	0	3,404	2,540	864
LIFE/DISABILITY INSURANCE	2,562	0	2,562	2,511	51
INSURANCE-PACIF/CL BOND/E&O	5,292	0	5,292	5,487	(195)
SOCIAL SECURITY	13,177	294	13,471	13,245	226
RETIREMENT	11,864	270	12,134	10,646	1,488
UNEMPLOYMENT COMP	833	0	833	1,249	(416)
WORKERS COMPENSATION	706	16	722	561	161
PERSONNEL DEVELOPMENT	800	0	800	2,368	(1,568)
DUES & PUBLICATIONS	675	0	675	349	326
PROFESSIONAL SERVICES	34,224	0	34,224	37,470	(3,246)
UTILITIES	3,579	0	3,579	2,242	1,337
TELEPHONE	675	0	675	566	109
MAINTENANCE - TOWN OFFICE	1,094	0	1,094	1,302	(208)
OFFICE SUPPLIES	2,800	0	2,800	3,025	(225)
OPERATING SUPPLIES	0	0	0	64	(64)
POSTAGE	1,618	0	1,618	1,793	(175)
COMPUTERS	17,850	0	17,850	20,229	(2,379)
MISCELLANEOUS	250	0	250	50	200
TOTAL FINANCE	305,368	4,385	309,753	304,741	5,012
ASSESSOR:					
SALARIES	97,871	2,728	100,599	92,835	7,764
LISTER SALARIES	500	0	500	48	452
HEALTH INSURANCE	22,808	(1,078)	21,730	15,004	6,726
DENTAL INSURANCE	1,655	0	1,655	1,656	(1)
LIFE/DISABILITY INSURANCE	1,651	0	1,651	1,200	451
INSURANCE-PACIF/CL BOND/E&O	3,415	0	3,415	3,541	(126)
SOCIAL SECURITY	7,525	209	7,734	6,781	953
RETIREMENT	6,851	191	7,042	6,098	944
UNEMPLOYMENT COMP	391	0	391	586	(195)
WORKERS COMPENSATION	401	11	412	318	94
PERSONNEL DEVELOPMENT	350	0	350	400	(50)

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
ASSESSOR/(CONT'D):					
DUES & PUBLICATIONS	\$ 1,140	\$ 0	\$ 1,140	\$ 411	\$ 729
PROFESSIONAL SERVICES	10,575	0	10,575	8,376	2,199
LEGAL	5,500	0	5,500	7,297	(1,797)
REAPPRAISAL DEFENSE	77,608	(47,000)	30,608	0	30,608
UTILITIES	1,543	0	1,543	1,537	6
TELEPHONE	331	0	331	226	105
VEHICLE MAINT & TRANSPORTATION	400	0	400	144	256
MAINTENANCE - TOWN OFFICE	471	0	471	529	(58)
ADV - RECRUITING	0	0	0	434	(434)
OPERATING SUPPLIES	600	0	600	220	380
POSTAGE	816	0	816	552	264
GASOLINE	700	0	700	781	(81)
COMPUTERS	1,500	0	1,500	0	1,500
MISCELLANEOUS	0	0	0	185	(185)
TRANSFER TO RESERVE FUND	0	0	0	56,046	(56,046)
TOTAL ASSESSOR	244,602	(44,939)	199,663	205,205	(5,542)
TOWN CLERK/TREASURER:					
SALARIES	181,945	6,127	188,072	191,791	(3,719)
OVERTIME	1,000	0	1,000	0	1,000
HEALTH INSURANCE	50,983	(1,962)	49,021	45,093	3,928
DENTAL INSURANCE	4,931	0	4,931	3,476	1,455
LIFE/DISABILITY INSURANCE	3,231	0	3,231	3,166	65
INSURANCE-PACIF/CL BOND/E&O	5,154	0	5,154	5,345	(191)
SOCIAL SECURITY	13,995	0	13,995	14,719	(724)
RETIREMENT	12,736	469	13,205	13,425	(220)
UNEMPLOYMENT COMP	680	429	1,109	1,010	99
WORKERS COMPENSATION	762	(6)	756	605	151
PERSONNEL DEVELOPMENT	1,000	25	1,025	1,523	(498)
DUES & PUBLICATIONS	500	0	500	235	265
LEGAL	3,000	0	3,000	4,812	(1,812)
UTILITIES	8,295	0	8,295	7,764	531
TELEPHONE	1,019	0	1,019	906	113
MAINTENANCE - TOWN OFFICE	2,535	0	2,535	2,268	267
OFFICE SUPPLIES	0	0	0	66	(66)
OPERATING SUPPLIES	32,740	0	32,740	11,391	21,349
POSTAGE	5,374	0	5,374	6,666	(1,292)
MACHINERY & EQUIPMENT	1,000	0	1,000	0	1,000
COMPUTERS	1,500	0	1,500	50	1,450
MISCELLANEOUS	300	0	300	700	(400)
TOTAL TOWN CLERK/TREASURER	332,680	5,082	337,762	315,011	22,751
PURCHASE/MAINTAIN EQUIPMENT:					
INSURANCE-PACIF/CL BOND/E&O	673	0	673	698	(25)
TELEPHONE	0	0	0	(248)	
EQUIP - REPAIR/MAINTAIN	3,000	0	3,000	658	2,342
EQUIP - RENTALS/LEASES	32,000	(11,000)	21,000	16,646	4,354
OFFICE SUPPLIES	8,200	0	8,200	5,294	2,906
POSTAGE	413	0	413	(1,292)	1,705
TOTAL PURCHASE/MAINTAIN EQUIPMENT	44,286	(11,000)	33,286	21,756	11,530
PLANNING / ZONING:					
SALARIES	364,162	11,232	375,394	308,351	67,043
SALARIES - PLAN COMM/DRB	3,900	0	3,900	3,534	366
OVERTIME	2,500	0	2,500	4,585	(2,085)
HEALTH INSURANCE	70,211	(2,610)	67,601	56,317	11,284
DENTAL INSURANCE	6,777	0	6,777	7,306	(529)
LIFE/DISABILITY INSURANCE	6,075	0	6,075	4,652	1,423
INSURANCE-PACIF/CL BOND/E&O	9,606	0	9,606	9,962	(356)
SOCIAL SECURITY	28,050	1,157	29,207	24,419	4,788

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
PLANNING / ZONING/(CONT'D):					
RETIREMENT	\$ 25,491	\$ 787	\$ 26,278	\$ 19,768	\$ 6,510
UNEMPLOYMENT COMP	1,693	0	1,693	2,538	(845)
WORKERS COMPENSATION	6,554	202	6,756	5,203	1,553
PERSONNEL DEVELOPMENT	1,500	0	1,500	7,237	(5,737)
DUES & PUBLICATIONS	1,500	0	1,500	2,207	(707)
PROFESSIONAL SERVICES	7,000	0	7,000	3,619	3,381
LEGAL	19,000	0	19,000	35,112	(16,112)
MASTER PLAN REWRITE	500	0	500	0	500
UTILITIES	6,808	0	6,808	4,738	2,070
TELEPHONE	1,133	0	1,133	1,019	114
COMMUNICATIONS	468	0	468	211	257
VEHICLE MAINT & TRANSPORTATION	2,000	0	2,000	2,603	(603)
MAINTENANCE - TOWN OFFICE	2,080	0	2,080	2,419	(339)
ADV - RECRUITING	500	0	500	979	(479)
ADV-PUBLIC MEETINGS	2,200	0	2,200	2,228	(28)
PRINTING & BINDING	2,400	0	2,400	1,119	1,281
OFFICE SUPPLIES	0	0	0	25	(25)
OPERATING SUPPLIES	4,000	0	4,000	3,278	722
POSTAGE	2,108	0	2,108	1,940	168
GASOLINE	2,000	0	2,000	709	1,291
COMPUTERS	2,000	0	2,000	2,748	(748)
GIS	3,000	0	3,000	1,710	1,290
TOTAL PLANNING / ZONING	585,216	10,768	595,984	520,536	75,448
INFORMATION TECHNOLOGY:					
SALARIES	74,737	3,008	77,745	64,330	13,415
HEALTH INSURANCE	12,042	(750)	11,292	10,780	512
DENTAL INSURANCE	695	0	695	842	(147)
LIFE/DISABILITY INSURANCE	657	0	657	699	(42)
INSURANCE-PACIF/CL BOND/E&O	1,996	0	1,996	2,070	(74)
SOCIAL SECURITY	5,717	230	5,947	4,748	1,199
RETIREMENT	2,993	151	3,144	2,966	178
UNEMPLOYMENT COMP	417	0	417	625	(208)
WORKERS COMPENSATION	293	13	306	233	73
PERSONNEL DEVELOPMENT	1,600	0	1,600	1,014	586
INTERNET PROVIDER	1,200	0	1,200	1,265	(65)
WEB FILE MAINTENANCE	1,400	0	1,400	1,463	(63)
UTILITIES	1,842	0	1,842	1,716	126
TELEPHONE	297	0	297	0	297
REPAIRS & MAINTENANCE	4,500	0	4,500	5,317	(817)
VEHICLE MAINT & TRANSPORTATION	563	0	563	429	134
OFFICE SUPPLIES	2,000	0	2,000	1,033	967
MACHINERY & EQUIPMENT	1,000	0	1,000	140	860
COMPUTERS	15,000	(6,200)	8,800	16,210	(7,410)
SOFTWARE	6,000	(1,000)	5,000	7,304	(2,304)
MISCELLANEOUS	0	0	0	795	(795)
TOTAL INFORMATION TECHNOLOGY	134,949	(4,548)	130,401	123,979	6,422
POLICE:					
SALARIES	1,647,440	33,440	1,680,880	1,571,787	109,093
SHIFT DIFFERENTIAL	21,215	0	21,215	20,195	1,020
LONGEVITY DIFFERENTIAL	0	0	0	979	(979)
SUPERVISOR DIFFERENTIAL	0	0	0	1,645	(1,645)
SEASONAL STAFF	4,200	0	4,200	4,167	33
OVERTIME	153,760	0	153,760	189,574	(35,814)
OVERTIME 2.0	23,530	0	23,530	8,202	15,328
OVERTIME 3.0	26,254	0	26,254	6,744	19,510
HEALTH INSURANCE	398,508	(43,308)	355,200	290,970	64,230

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
POLICE/(CONT'D):					
DENTAL INSURANCE	\$ 32,944	\$ 0	\$ 32,944	\$ 19,102	\$ 13,842
LIFE/DISABILITY INSURANCE	28,334	0	28,334	25,568	2,766
INSURANCE-PACIF/CL BOND/E&O	88,158	0	88,158	91,858	(3,700)
SOCIAL SECURITY	143,889	2,558	146,447	138,571	7,876
RETIREMENT	115,075	2,039	117,114	113,892	3,222
RETIREMENT HEALTH SAVINGS	1,263	22	1,285	0	1,285
UNEMPLOYMENT COMP	6,359	0	6,359	9,532	(3,173)
WORKERS COMPENSATION	71,849	1,257	73,106	56,278	16,828
MISCELLANEOUS BENEFIT	0	0	0	30	(30)
PERSONNEL DEVELOPMENT	1,000	0	1,000	196	804
DUES & PUBLICATIONS	1,400	0	1,400	1,350	50
TRAINING	16,370	0	16,370	14,665	1,705
UNIFORMS & EQUIP (PD)	39,196	0	39,196	40,620	(1,424)
LEGAL	500	0	500	420	80
UTILITIES	20,000	0	20,000	18,007	1,993
TELEPHONE	8,949	0	8,949	7,674	1,275
COMMUNICATIONS	31,797	0	31,797	28,898	2,899
COMMUNICATIONS PUBLIC SAFETY	24,500	0	24,500	17,169	7,331
VEHICLE MAINT & TRANSPORTATION	29,695	(4,500)	25,195	50,061	(24,866)
MAINTENANCE - TOWN OFFICE	17,760	0	17,760	9,960	7,800
OFFICE SUPPLIES	8,000	0	8,000	8,313	(313)
OPERATING SUPPLIES	0	0	0	730	(730)
POLICE - PHOTO & FINGERPRINT	6,728	0	6,728	5,536	1,192
POSTAGE	949	0	949	1,107	(158)
GASOLINE	72,600	0	72,600	46,738	25,862
MILEAGE ALLOW & REIMBURSEMENT	0	4,500	4,500	4,517	(17)
MACHINERY AND EQUIPMENT	0	0	0	275	(275)
COMPUTERS	10,300	0	10,300	9,206	1,094
MISCELLANEOUS	10,500	0	10,500	9,297	1,203
HARBORMASTER	8,500	0	8,500	7,776	724
SPECIAL PROGRAMS	2,300	0	2,300	3,689	(1,389)
TRANSFER TO CAPITAL EQUIP FUND	20,000	0	20,000	58,912	(38,912)
TRANSFER TO CAPITAL EQUIP FUND	0	0	0	208,500	(208,500)
TOTAL POLICE	3,093,822	(3,992)	3,089,830	3,102,710	(12,880)
FIRE DEPARTMENTS:					
MBFD COMMUNICATION PUB SAFETY	15,500	0	15,500	15,431	69
CCFD COMM PUB SAFETY	16,500	0	16,500	16,893	(393)
COLCHESTER CENTER VOL FIRE CO	364,700	0	364,700	364,700	0
MALLETS BAY FIRE DEPT	283,564	0	283,564	283,564	0
TOTAL FIRE DEPARTMENTS	680,264	0	680,264	680,588	(324)
RESCUE:					
SALARIES	188,588	5,018	193,606	202,444	(8,838)
AMBULANCE PERSONNEL	22,800	0	22,800	23,420	(620)
OVERTIME	23,000	0	23,000	21,859	1,141
HEALTH INSURANCE	46,079	2,072	48,151	27,576	20,575
DENTAL INSURANCE	3,146	0	3,146	1,483	1,663
LIFE/DISABILITY INSURANCE	3,700	0	3,700	2,955	745
INSURANCE-PACIF/CL BOND/E&O	7,334	0	7,334	7,605	(271)
SOCIAL SECURITY	17,931	384	18,315	17,847	468
RETIREMENT	14,797	351	15,148	13,000	2,148
UNEMPLOYMENT COMP	1,250	0	1,250	1,874	(624)
WORKERS COMPENSATION	17,490	374	17,864	13,886	3,978
TRAINING	7,000	0	7,000	26,058	(19,058)
UNIFORMS	4,000	0	4,000	3,828	172
LEGAL	3,500	0	3,500	2,250	1,250
HEALTH & SAFETY	600	0	600	529	71
UTILITIES	11,250	0	11,250	8,260	2,990
TELEPHONE	673	0	673	912	(239)
COMMUNICATIONS	1,000	0	1,000	1,316	(316)
COMMUNICATIONS PUBLIC SAFETY	4,000	0	4,000	260	3,740
VEHICLE MAINT & TRANSPORTATION	4,500	0	4,500	3,489	1,011

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
RESCUE/(CONT'D):					
EQUIP - REPAIR/MAINTAIN	\$ 1,000	\$ 0	\$ 1,000	\$ 387	\$ 613
MAINTENANCE - BUILDING	5,500	0	5,500	5,676	(176)
COMMUNICATIONS MAINT/REPAIR	500	0	500	302	198
OFFICE SUPPLIES	1,800	0	1,800	1,715	85
OPERATING SUPPLIES	9,700	0	9,700	10,512	(812)
POSTAGE	254	0	254	214	40
GASOLINE	9,000	0	9,000	5,871	3,129
MACHINERY & EQUIPMENT	1,000	0	1,000	2,350	(1,350)
TECHNOLOGY UPGRADES	3,500	0	3,500	3,207	293
MISCELLANEOUS	2,750	0	2,750	2,790	(40)
AMB PERSONNEL DONATIONS TO CRS	1,500	0	1,500	603	897
SPECIAL PROGRAMS	500	0	500	331	169
TRANSFER TO RESCUE CAP EQUIP	0	0	0	2,000	(2,000)
TOTAL RESCUE	419,642	8,199	427,841	416,809	11,032
TECHNICAL RESCUE:					
SALARIES	9,000	0	9,000	7,500	1,500
SOCIAL SECURITY	689	0	689	767	(78)
WORKERS COMPENSATION	689	0	689	547	142
TRAINING	3,000	0	3,000	4,474	(1,474)
UNIFORMS	3,000	0	3,000	2,643	357
HEALTH & SAFETY	2,500	0	2,500	170	2,330
COMMUNICATIONS	3,800	0	3,800	3,528	272
COMMUNICATIONS PUBLIC SAFETY	2,000	0	2,000	505	1,495
VEHICLE MAINT & TRANSPORTATION	1,500	0	1,500	1,527	(27)
EQUIP - REPAIR/MAINTAIN	2,500	0	2,500	2,420	80
COMMUNICATIONS MAINT/REPAIR	500	0	500	355	145
GASOLINE	2,200	0	2,200	624	1,576
MACHINERY & EQUIPMENT	2,500	0	2,500	16,504	(14,004)
MISCELLANEOUS	0	0	0	559	(559)
TR TECH RES CAPITAL EQUIP	0	0	0	62,000	(62,000)
TOTAL TECHNICAL RESCUE	33,878	0	33,878	104,123	(70,245)
POLICE DISPATCH:					
SALARIES	226,019	5,650	231,669	245,714	(14,045)
SHIFT DIFFERENTIAL	9,966	0	9,966	7,535	2,431
SALARIES PT DISPATCH	35,950	1,283	37,233	6,074	31,159
SHIFT DIFFERENTIAL PT DISPATCH	0	0	0	187	(187)
OVERTIME	25,772	0	25,772	35,825	(10,053)
OVERTIME 2.0	9,147	0	9,147	10,554	(1,407)
HEALTH INSURANCE	63,001	(3,560)	59,441	63,649	(4,208)
DENTAL INSURANCE	4,476	0	4,476	4,760	(284)
LIFE/DISABILITY INSURANCE	3,935	0	3,935	3,838	97
SOCIAL SECURITY	23,474	531	24,005	23,710	295
RETIREMENT	15,821	396	16,217	16,101	116
UNEMPLOYMENT COMP	2,186	33	2,219	3,326	(1,107)
WORKERS COMPENSATION	1,258	28	1,286	999	287
TOTAL POLICE DISPATCH	421,005	4,361	425,366	422,272	3,094
DPW - ADMINISTRATION:					
SALARIES	205,379	5,571	210,950	227,223	(16,273)
HEALTH INSURANCE	47,285	0	47,285	46,277	1,008
DENTAL INSURANCE	4,010	0	4,010	3,919	91
LIFE/DISABILITY INSURANCE	3,533	0	3,533	3,595	(62)
INSURANCE-PACIF/CL BOND/E&O	6,320	0	6,320	6,554	(234)

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
DPW - ADMIN/(CONT'D):					
SOCIAL SECURITY	\$ 16,056	\$ 426	\$ 16,482	\$ 17,135	\$ (653)
RETIREMENT	14,692	389	15,081	15,906	(825)
UNEMPLOYMENT COMP	625	0	625	937	(312)
WORKERS COMPENSATION	12,448	338	12,786	9,883	2,903
PERSONNEL DEVELOPMENT	2,000	0	2,000	3,361	(1,361)
DUES & PUBLICATIONS	550	0	550	652	(102)
PROFESSIONAL SERVICES	32,700	0	32,700	8,197	24,503
LEGAL	2,500	0	2,500	932	1,568
UTILITIES	5,458	0	5,458	3,497	1,961
TELEPHONE	1,821	0	1,821	1,698	123
COMMUNICATIONS	864	0	864	914	(50)
VEHICLE MAINT & TRANSPORTATION	0	0	0	1,112	(1,112)
MAINTENANCE - TOWN OFFICE	1,668	0	1,668	1,339	329
ADVERTISING	0	0	0	816	(816)
ADV - RECRUITING	500	0	500	50	450
OFFICE SUPPLIES	400	0	400	842	(442)
OPERATING SUPPLIES	500	0	500	189	311
POSTAGE	501	0	501	1,013	(512)
GASOLINE	0	0	0	1,115	(1,115)
MILEAGE ALLOW & REIMBURSEMENT	6,000	0	6,000	4,521	1,479
COMPUTERS	0	0	0	0	0
TOTAL DPW - ADMINISTRATION	365,810	6,724	372,534	361,677	10,857
DPW - HIGHWAY DEPT:					
SALARIES	346,468	7,872	354,340	355,533	(1,193)
SHIFT DIFFERENTIAL	11,000	0	11,000	8,183	2,817
OVERTIME	42,000	0	42,000	25,051	16,949
OVERTIME 2.0	8,000	0	8,000	2,003	5,997
HEALTH INSURANCE	77,758	(6,658)	71,100	69,479	1,621
DENTAL INSURANCE	6,785	0	6,785	4,624	2,161
LIFE/DISABILITY INSURANCE	6,024	0	6,024	5,878	146
INSURANCE-PACIF/CL BOND/E&O	16,638	0	16,638	17,981	(1,343)
SOCIAL SECURITY	31,171	603	31,774	30,176	1,598
RETIREMENT	24,253	551	24,804	24,887	(83)
UNEMPLOYMENT COMP	1,667	0	1,667	2,499	(832)
WORKERS COMPENSATION	26,362	510	26,872	20,930	5,942
MISCELLANEOUS BENEFIT	0	0	0	146	(146)
UNIFORMS	6,643	0	6,643	6,142	501
COMMERCIAL DRIVERS LICENSES	75	0	75	75	0
STREET LIGHTS	107,159	0	107,159	119,875	(12,716)
TRAFFIC SIGNALS	6,700	0	6,700	8,132	(1,432)
COMMUNICATIONS	1,663	0	1,663	1,712	(49)
TREE MAINTENANCE	5,400	0	5,400	4,942	458
TIRES AND TUBES	8,544	0	8,544	8,590	(46)
STRIPING	20,131	0	20,131	15,732	4,399
CATCH BASINS	0	0	0	3	(3)
TRUCK 1 - 2003 INTL	750	0	750	259	491
TRUCK 2 - 2003 INTL	750	0	750	268	482
TRUCK 3 - 2007 INTERNATIONAL	750	0	750	1,433	(683)
TRUCK 4 - 2008 CHEVY	500	0	500	530	(30)
TRUCK 5 - 2007 INTERNATIONAL	750	0	750	3	747
TRUCK 6 - 2006 INTERNATIONAL	750	0	750	521	229
GRADER	6,180	0	6,180	1,770	4,410
LOADER	4,055	0	4,055	1,466	2,589
TRACTOR/MOWER	750	0	750	824	(74)
DROT	750	0	750	155	595
HOLDER	1,600	0	1,600	2,328	(728)
TRUCK 18 - 2009 INTERNATIONAL	750	0	750	173	577
TRUCK 8 - 2006 CHEVY	500	0	500	989	(489)
TRUCK 9 - 2002 CHEVY CREW CAB	500	0	500	1,071	(571)
TRUCK 10 2004 CHEVY 4X4	250	0	250	466	(216)
CHAIN SAWS	400	0	400	401	(1)
SANDERS	3,000	0	3,000	860	2,140

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
DPW - HIGHWAY DEPT/(CONT'D):					
SNOWPLOWES	\$ 11,390	\$ 0	\$ 11,390	\$ 10,598	\$ 792
BRIDGES	500	0	500	0	500
ROLLER/TRAILER	100	0	100	104	(4)
HIRED EQUIPMENT - WINTER	1,000	0	1,000	0	1,000
HIRED EQUIPMENT - SUMMER	1,400	0	1,400	585	815
OPERATING SUPPLIES	4,275	0	4,275	3,558	717
EQUIPMENT SUPPLIES	2,000	0	2,000	1,691	309
SMALL TOOLS & EQUIPMENT	400	0	400	133	267
CHLORIDE	11,117	0	11,117	7,515	3,602
CULVERTS	0	0	0	13	(13)
GRAVEL	17,181	0	17,181	16,826	355
ASPHALT REPAIR	3,000	0	3,000	1,887	1,113
SIGNS	8,000	0	8,000	8,954	(954)
WINTER SAND	25,356	0	25,356	12,445	12,911
WINTER SALT	109,824	0	109,824	67,792	42,032
GASOLINE	74,359	0	74,359	45,431	28,928
MISCELLANEOUS	0	0	0	584	(584)
TOTAL DPW - HIGHWAY DEPT	1,047,328	2,878	1,050,206	924,206	126,000
DPW - MAINTENANCE FACILITY:					
SALARIES	154,127	3,853	157,980	158,124	(144)
SHIFT DIFFERENTIAL	625	0	625	445	180
SEASONAL LABOR	10,700	182	10,882	10,738	144
OVERTIME	4,100	0	4,100	942	3,158
OVERTIME 2.0	833	0	833	0	833
HEALTH INSURANCE	36,965	(3,208)	33,757	31,931	1,826
DENTAL INSURANCE	3,350	0	3,350	3,961	(611)
LIFE/DISABILITY INSURANCE	2,681	0	2,681	2,618	63
INSURANCE-PACIF/CL BOND/E&O	4,788	0	4,788	4,165	623
SOCIAL SECURITY	13,034	309	13,343	13,105	238
RETIREMENT	10,789	270	11,059	11,069	(10)
UNEMPLOYMENT COMP	833	0	833	1,249	(416)
WORKERS COMPENSATION	11,735	279	12,014	9,317	2,697
TRAINING	975	0	975	975	0
UNIFORMS	2,965	0	2,965	3,044	(79)
UTILITIES	17,200	0	17,200	14,061	3,139
TELEPHONE	154	0	154	0	154
REPAIRS & MAINTENANCE	11,024	0	11,024	12,293	(1,269)
VEHICLE MAINT & TRANSPORTATION	1,182	0	1,182	1,116	66
OFFICE SUPPLIES	270	0	270	152	118
OPERATING SUPPLIES	4,000	0	4,000	3,895	105
EQUIPMENT SUPPLIES	15,000	0	15,000	14,090	910
WELDING SUPPLIES	900	0	900	588	312
GASOLINE	0	0	0	236	(236)
MACHINERY & EQUIPMENT	3,000	0	3,000	2,877	123
COMPUTERS	200	0	200	317	(117)
MISCELLANEOUS	0	0	0	0	0
TOTAL DPW - MAINTENANCE FACILITY	311,430	1,685	313,115	301,308	11,807
STORMWATER:					
SALARIES	69,743	1,743	71,486	73,953	(2,467)
OVERTIME	0	0	0	2,437	(2,437)
HEALTH INSURANCE	15,422	(1,279)	14,143	12,785	1,358
DENTAL INSURANCE	728	0	728	544	184
LIFE/DISABILITY INSURANCE	1,215	0	1,215	1,185	30
INSURANCE-PACIF/CL BOND/E&O	2,673	0	2,673	2,772	(99)
SOCIAL SECURITY	5,335	134	5,469	5,704	(235)
RETIREMENT	4,882	122	5,004	5,013	(9)
UNEMPLOYMENT COMP	417	0	417	1,789	(1,372)
WORKERS COMPENSATION	4,512	113	4,625	3,582	1,043
MISCELLANEOUS BENEFIT	0	0	0	12	(12)

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
STORMWATER/(CONT'D):					
UNIFORMS	\$ 1,661	\$ 0	\$ 1,661	\$ 638	\$ 1,023
LEGAL	1,500	0	1,500	0	1,500
CATCH BASINS	4,900	0	4,900	5,176	(276)
SWEEPER	2,685	0	2,685	2,248	437
SWEEPER-2007 STERLING	2,685	0	2,685	2,880	(195)
STORM WATER PUMPS	8,785	0	8,785	7,642	1,143
STORMWATER PERMITTING	4,000	0	4,000	4,035	(35)
TREATMENT STRUCTURES	3,000	0	3,000	864	2,136
SMALL TOOLS & EQUIPMENT	100	0	100	32	68
CULVERTS	8,500	0	8,500	3,549	4,951
GASOLINE	0	0	0	2,563	(2,563)
PUBLIC OUTREACH & EDUCATION	5,000	0	5,000	5,019	(19)
WATER QUALITY TESTING	5,000	0	5,000	6,736	(1,736)
TOTAL STORMWATER	152,743	833	153,576	151,158	2,418
BUILDINGS:					
SALARIES	36,231	906	37,137	36,313	824
OVERTIME	1,500	0	1,500	777	723
OVERTIME 2.0	0	0	0	179	(179)
HEALTH INSURANCE	18,011	(1,749)	16,262	15,294	968
DENTAL INSURANCE	1,337	0	1,337	267	1,070
LIFE/DISABILITY INSURANCE	637	0	637	616	21
INSURANCE-PACIF/CL BOND/E&O	2,051	0	2,051	2,127	(76)
SOCIAL SECURITY	2,886	70	2,956	2,696	260
RETIREMENT	2,641	64	2,705	2,542	163
UNEMPLOYMENT COMP	208	0	208	312	(104)
WORKERS COMPENSATION	1,650	40	1,690	1,310	380
PERSONNEL DEVELOPMENT	250	0	250	128	122
UTILITIES	0	0	0	1,926	(1,926)
UTILITIES - MEETING HOUSE	6,427	0	6,427	5,044	1,383
UTILITIES - SENIOR CENTER	2,472	0	2,472	2,019	453
HISTORICAL SOCIETY UTILITIES	2,668	0	2,668	2,206	462
COMMUNICATIONS	972	0	972	270	702
JANITORIAL SERVICES	28,000	0	28,000	29,450	(1,450)
VEHICLE MAINT & TRANSPORTATION	0	0	0	79	(79)
MAINTENANCE - SENIOR CENTER	2,000	0	2,000	2,463	(463)
MAINTENANCE - MEETING HOUSE	3,000	0	3,000	7,757	(4,757)
MAINTENANCE-HISTORICAL SOCIETY	2,000	0	2,000	208	1,792
OPERATING SUPPLIES	2,000	0	2,000	1,973	27
GASOLINE	3,000	0	3,000	1,361	1,639
BUILDINGS & IMPROVEMENTS	3,000	0	3,000	2,044	956
TRANSFER TO RESERVE	0	0	0	42,392	(42,392)
MISCELLANEOUS	0	0	0	500	(500)
TOTAL BUILDINGS	122,941	(669)	122,272	162,253	(39,981)
HEALTH SERVICES:					
VISITING NURSE ASSOCIATION	18,000	0	18,000	18,000	0
HOWARD MENTAL HEALTH	2,694	0	2,694	2,694	0
CHAMPLAIN VALLEY AGY ON AGING	2,880	0	2,880	2,880	0
WOMEN HELPING BATTERED WOMEN	1,950	0	1,950	1,950	0
ANIMAL CONTROL CONTRACT	15,333	0	15,333	15,333	0
ANIMAL CONTROL FEES	3,000	0	3,000	3,476	(476)
VERMONT CARES	1,250	0	1,250	1,250	0
TOTAL HEALTH SERVICES	45,107	0	45,107	45,583	(476)

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
PARKS:					
SALARIES	\$ 51,056	\$ 1,276	\$ 52,332	\$ 52,534.00	\$ (202)
SEASONAL LABOR	126,005	0	126,005	116,512	9,493
OVERTIME	2,500	0	2,500	3,405	(905)
OVERTIME 2.0	0	0	0	503	(503)
HEALTH INSURANCE	18,011	(1,749)	16,262	16,669	(407)
DENTAL INSURANCE	1,337	0	1,337	781	556
LIFE/DISABILITY INSURANCE	889	0	889	1,112	(223)
VT HEALTH CARE CONTRIBUTIONS	912	0	912	842	70
INSURANCE-PACIF/CL BOND/E&O	4,990	0	4,990	5,559	(569)
SOCIAL SECURITY	13,736	98	13,834	13,063	771
RETIREMENT	3,574	89	3,663	3,678	(15)
UNEMPLOYMENT COMP	1,875	0	1,875	1,647	228
WORKERS COMPENSATION	7,586	56	7,642	6,023	1,619
PERSONNEL DEVELOPMENT	500	0	500	206	294
CONTRACTUAL SERVICES	9,100	0	9,100	2,591	6,509
UTILITIES - PARKS	17,040	0	17,040	16,682	358
TELEPHONE	551	0	551	677	(126)
COMMUNICATIONS	468	0	468	181	287
REPAIRS & MAINTENANCE	10,000	0	10,000	10,902	(902)
VEHICLE MAINT & TRANSPORTATION	7,000	0	7,000	2,418	4,582
EQUIP - REPAIR/MAINTAIN	4,100	0	4,100	3,448	652
EQUIP - RENTALS/LEASES	1,000	0	1,000	715	285
OPERATING SUPPLIES	13,000	0	13,000	15,722	(2,722)
GRASS SEED	2,100	0	2,100	1,140	960
FERTILIZER	10,000	0	10,000	8,637	1,363
GASOLINE	10,679	0	10,679	10,300	379
MACHINERY & EQUIPMENT	9,000	0	9,000	9,620	(620)
TRANSFERS TO PARKS CA	0	0	0	24,000	(24,000)
TOTAL PARKS	327,009	(230)	326,779	329,567	(2,788)
RECREATION:					
SALARIES	150,633	4,716	155,349	155,904	(555)
HEALTH INSURANCE	27,128	41	27,169	23,701	3,468
DENTAL INSURANCE	3,972	0	3,972	1,182	2,790
LIFE/DISABILITY INSURANCE	2,617	0	2,617	2,572	45
INSURANCE-PACIF/CL BOND/E&O	5,551	0	5,551	5,756	(205)
SOCIAL SECURITY	11,868	360	12,228	12,779	(551)
RETIREMENT	10,544	330	10,874	10,916	(42)
UNEMPLOYMENT COMP	625	0	625	937	(312)
WORKERS COMPENSATION	5,159	159	5,318	4,096	1,222
PERSONNEL DEVELOPMENT	2,000	0	2,000	1,433	567
DUES & PUBLICATIONS	1,000	0	1,000	320	680
LEGAL	1,000	0	1,000	350	650
UTILITIES	4,242	0	4,242	2,442	1,800
TELEPHONE	889	0	889	818	71
COMMUNICATIONS	900	0	900	531	369
VEHICLES MAINTENANCE & TRANS	0	0	0	152	(152)
MAINTENANCE - TOWN OFFICE	1,296	0	1,296	1,241	55
PRINTING/PUBLICITY	1,000	0	1,000	252	748
OFFICE SUPPLIES	1,500	0	1,500	1,530	(30)
OPERATING SUPPLIES	1,400	0	1,400	718	682
POSTAGE	2,623	0	2,623	1,460	1,163
GASOLINE	500	0	500	0	500
MILEAGE ALLOW & REIMBURSEMENT	4,500	0	4,500	4,517	(17)
COMPUTERS	4,500	0	4,500	3,894	606
SPECIAL PROGRAMS	7,000	0	7,000	5,895	1,105
FAIR DAY	7,500	0	7,500	7,500	0
TRANSFER TO RAD	4,000	0	4,000	4,000	0
WINOOSKI VALLEY PARK DISTRICT	41,000	0	41,000	41,000	0
TOTAL RECREATION	304,947	5,606	310,553	295,896	14,657

TOWN OF COLCHESTER, VERMONT
SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	Original Budget	Amendments	Final Budget	Actual	Variance Favorable (Unfavorable)
LIBRARY:					
SALARIES	\$ 287,228	\$ 10,452	\$ 297,680	\$ 295,031	\$ 2,649
TEMPORARY SUBS	5,687	0	5,687	10,285	(4,598)
HEALTH INSURANCE	69,011	3,418	72,429	62,339	10,090
DENTAL INSURANCE	7,095	0	7,095	6,731	364
LIFE/DISABILITY INSURANCE	3,577	0	3,577	2,715	862
INSURANCE-PACIF/CL BOND/E&O	9,280	0	9,280	9,623	(343)
SOCIAL SECURITY	22,408	800	23,208	22,784	424
RETIREMENT	20,106	732	20,838	20,636	202
UNEMPLOYMENT COMP	2,023	0	2,023	3,032	(1,009)
WORKERS COMPENSATION	1,201	43	1,244	954	290
DUES & PUBLICATIONS	690	0	690	691	(1)
PROGRAMMING	1,000	0	1,000	1,425	(425)
UTILITIES	15,644	0	15,644	12,418	3,226
TELEPHONE	2,956	0	2,956	2,260	696
COMMUNICATIONS	2,976	0	2,976	2,190	786
JANITORIAL SERVICES	8,320	0	8,320	8,420	(100)
EQUIP - REPAIR AND MAINT	75	0	75	0	75
MAINTENANCE - LIBRARY	11,031	0	11,031	6,437	4,594
MAINTENANCE - BUILDING	4,500	0	4,500	3,082	1,418
ADV - RECRUITING	100	0	100	0	100
PRINTING/PUBLICITY	600	0	600	878	(278)
OPERATING SUPPLIES	5,340	0	5,340	5,696	(356)
POSTAGE	4,200	0	4,200	3,845	355
MILEAGE ALLOW & REIMBURSEMENT	2,486	0	2,486	1,941	545
BOOKS - ADULT	17,500	0	17,500	17,671	(171)
BOOKS- JUVENILE	13,800	0	13,800	13,839	(39)
PERIODICALS	4,280	0	4,280	3,375	905
AUDIO/VISUAL MATERIALS	2,723	0	2,723	2,817	(94)
COMPUTERS	9,889	0	9,889	9,925	(36)
ELECTRONIC RESOURCES	2,539	0	2,539	3,427	(888)
MISCELLANEOUS	3,000	0	3,000	2,982	18
TOTAL LIBRARY	541,265	15,445	556,710	537,449	19,261
CEMETERY:					
REPAIRS & MAINTENANCE	20,000	0	20,000	18,089	1,911
MISCELLANEOUS	2,660	0	2,660	2,455	205
TOTAL CEMETERY	22,660	0	22,660	20,544	2,116
INTERGOVERNMENTAL EXPENDITURES:					
VT COUNCIL ON WORLD AFFAIRS	500	0	500	500	0
GBIC	6,000	0	6,000	6,000	0
CHITTENDEN CO REGIONAL PLNG	12,633	0	12,633	12,633	0
VT LEAGUE OF CITIES & TOWNS	15,349	0	15,349	15,348	1
HANDICAP TRANSPORTATION	66,000	0	66,000	35,149	30,851
METROPOLITAN PLANNING ORG	11,965	0	11,965	11,965	0
COUNTY TAX	96,676	0	96,676	97,195	(519)
TOTAL INTERGOVERNMENTAL EXPENDITURES	209,123	0	209,123	178,790	30,333
TOTAL EXPENDITURES	10,400,758	0	10,400,758	10,117,704	283,054
EXCESS/(DEFICIENCY) OF REVENUE OVER EXPENDITURES	\$ (385,000)	\$ 0	\$ (385,000)	22,445	\$ 407,445
FUND BALANCE - JULY 1, 2009				1,513,586	
FUND BALANCE - JUNE 30, 2010				\$ 1,536,031	

TOWN OF COLCHESTER, VERMONT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Fund Burnham Memorial Library Fund	Total
ASSETS					
Cash	\$ 188,248	\$ 10,335	\$ 0	\$ 8,896	\$ 207,479
Investments	208,102	140,000	0	0	348,102
Receivables (Net of Allowance for Doubtful Accounts)	1,955	0	0	0	1,955
Notes Receivable (Net of Allowance for Doubtful Accounts)	187,285	0	0	0	187,285
Due From Other Funds	<u>374,204</u>	<u>6,244</u>	<u>138</u>	<u>0</u>	<u>380,586</u>
Total Assets	<u>\$ 959,794</u>	<u>\$ 156,579</u>	<u>\$ 138</u>	<u>\$ 8,896</u>	<u>\$ 1,125,407</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 10,225	\$ 19,303	\$ 0	\$ 0	\$ 29,528
Accrued Payroll and Benefits Payable	17,473	0	0	0	17,473
Due to Other Funds	0	166,932	0	0	166,932
Deferred Revenue	<u>297,119</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>297,119</u>
Total Liabilities	<u>324,817</u>	<u>186,235</u>	<u>0</u>	<u>0</u>	<u>511,052</u>
Fund Balances/(Deficit):					
Reserved	416,670	70,557	0	8,896	496,123
Unreserved:					
Undesignated	0	(100,213)	0	0	(100,213)
Designated	<u>218,307</u>	<u>0</u>	<u>138</u>	<u>0</u>	<u>218,445</u>
Total Fund Balances/(Deficit)	<u>634,977</u>	<u>(29,656)</u>	<u>138</u>	<u>8,896</u>	<u>614,355</u>
Total Liabilities and Fund Balances	<u>\$ 959,794</u>	<u>\$ 156,579</u>	<u>\$ 138</u>	<u>\$ 8,896</u>	<u>\$ 1,125,407</u>

TOWN OF COLCHESTER, VERMONT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

	Special Revenue Funds	Capital Projects Funds	Debt Service Fund	Permanent Fund Burnham Memorial Library Fund	Total
Revenues:					
Property Taxes	\$ 0	\$ 291,570	\$ 772,399	\$ 0	\$ 1,063,969
Intergovernmental Revenues	5,800	0	0	0	5,800
Impact Fees	0	9,555	0	0	9,555
Donations	61,328	0	0	0	61,328
Charges for Services	542,728	0	0	9,552	552,280
Investment Income	12,550	2,869	0	15	15,434
Loan Repayments	5,756	0	0	0	5,756
Other Income	0	3,563	0	0	3,563
Total Revenues	628,162	307,557	772,399	9,567	1,717,685
Expenditures:					
Current Expenditures					
Public Safety	2,650	4,252	0	0	6,902
Public Works	15,583	15,309	0	0	30,892
Culture & Recreation	469,338	7,095	0	11,744	488,177
Capital Outlay:					
Public Safety	0	97,365	0	0	97,365
Public Works	0	403,856	0	0	403,856
Culture & Recreation	14,928	163,180	0	0	178,108
Debt Service:					
Principal	9,815	0	575,420	0	585,235
Interest	4,300	0	293,698	0	297,998
Total Expenditures	516,614	691,057	869,118	11,744	2,088,533
Excess/(Deficiency) of Revenues Over Expenditures	111,548	(383,500)	(96,719)	(2,177)	(370,848)
Other Financing Sources:					
Transfers in	0	62,912	0	0	62,912
Total Other Financing Sources	0	62,912	0	0	62,912
Net Change in Fund Balances	111,548	(320,588)	(96,719)	(2,177)	(307,936)
Fund Balances - July 1, 2009	523,429	290,932	96,857	11,073	922,291
Fund Balances/(Deficit) - June 30, 2010	\$ 634,977	\$ (29,656)	\$ 138	\$ 8,896	\$ 614,355

TOWN OF COLCHESTER, VERMONT
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010

	Revolving Loan Fund	Police Special Revenue Fund	Recreation Program Fund	Cemetery Fund	Total
<u>ASSETS</u>					
Cash	\$ 0	\$ 102,105	\$ 0	\$ 86,143	\$ 188,248
Investments	0	100,000	0	108,102	208,102
Receivables (Net of Allowance for Doubtful Accounts)	0	0	0	1,955	1,955
Notes Receivable - (Net of Allowance for Doubtful Accounts)	187,285	0	0	0	187,285
Due From Other Funds	18,365	0	355,839	0	374,204
Total Assets	<u>\$ 205,650</u>	<u>\$ 202,105</u>	<u>\$ 355,839</u>	<u>\$ 196,200</u>	<u>\$ 959,794</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts Payable	\$ 0	\$ 0	\$ 10,225	\$ 0	\$ 10,225
Accrued Payroll and Benefits Payable	0	0	17,473	0	17,473
Deferred Revenue	187,285	0	109,834	0	297,119
Total Liabilities	<u>187,285</u>	<u>0</u>	<u>137,532</u>	<u>0</u>	<u>324,817</u>
Fund Balances:					
Reserved	18,365	202,105	0	196,200	416,670
Unreserved:					
Designated	0	0	218,307	0	218,307
Total Fund Balances	<u>18,365</u>	<u>202,105</u>	<u>218,307</u>	<u>196,200</u>	<u>634,977</u>
Total Liabilities and Fund Balances	<u>\$ 205,650</u>	<u>\$ 202,105</u>	<u>\$ 355,839</u>	<u>\$ 196,200</u>	<u>\$ 959,794</u>

TOWN OF COLCHESTER, VERMONT
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

	Revolving Loan Fund	Police Special Revenue Fund	Recreation Program Fund	Cemetery Fund	Total
Revenues:					
Intergovernmental Revenues	\$ 0	\$ 5,800	\$ 0	\$ 0	\$ 5,800
Donations	0	0	0	61,328	61,328
Charges for Services	0	0	539,263	3,465	542,728
Investment Income	3,987	2,964	0	5,599	12,550
Loan Repayments	5,756	0	0	0	5,756
Total Revenues	<u>9,743</u>	<u>8,764</u>	<u>539,263</u>	<u>70,392</u>	<u>628,162</u>
Expenditures:					
Current Expenditures					
Public Safety	0	2,650	0	0	2,650
Public Works	15,583	0	0	0	15,583
Culture & Recreation	0	0	469,338	0	469,338
Capital Outlay:					
Culture & Recreation	0	0	14,928	0	14,928
Debt Service:					
Principal	9,815	0	0	0	9,815
Interest	4,300	0	0	0	4,300
Total Expenditures	<u>29,698</u>	<u>2,650</u>	<u>484,266</u>	<u>0</u>	<u>516,614</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(19,955)</u>	<u>6,114</u>	<u>54,997</u>	<u>70,392</u>	<u>111,548</u>
Net Change in Fund Balances	(19,955)	6,114	54,997	70,392	111,548
Fund Balances - July 1, 2009	<u>38,320</u>	<u>195,991</u>	<u>163,310</u>	<u>125,808</u>	<u>523,429</u>
Fund Balances - June 30, 2010	<u>\$ 18,365</u>	<u>\$ 202,105</u>	<u>\$ 218,307</u>	<u>\$ 196,200</u>	<u>\$ 634,977</u>

TOWN OF COLCHESTER, VERMONT
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2010

	Recreation Acquisition and Development Fund	Capital Equipment Fund	Total
	<u> </u>	<u> </u>	<u> </u>
<u>ASSETS</u>			
Cash	\$ 9,773	\$ 562	\$ 10,335
Investments	70,000	70,000	140,000
Due From Other Funds	<u>6,244</u>	<u>0</u>	<u>6,244</u>
Total Assets	<u>\$ 86,017</u>	<u>\$ 70,562</u>	<u>\$ 156,579</u>
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts Payable	\$ 15,460	\$ 3,843	\$ 19,303
Due To Other Funds	<u>0</u>	<u>166,932</u>	<u>166,932</u>
Total Liabilities	<u>15,460</u>	<u>170,775</u>	<u>186,235</u>
Fund Balances/(Deficit):			
Reserved	70,557	0	70,557
Unreserved:			
Undesignated	<u>0</u>	<u>(100,213)</u>	<u>(100,213)</u>
Total Fund Balances/(Deficit)	<u>70,557</u>	<u>(100,213)</u>	<u>(29,656)</u>
Total Liabilities and Fund Balances	<u>\$ 86,017</u>	<u>\$ 70,562</u>	<u>\$ 156,579</u>

TOWN OF COLCHESTER, VERMONT
NONMAJOR CAPITAL PROJECTS FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2010

	Recreation Acquisition and Development Fund	Capital Equipment Fund	Total
	<u>Fund</u>	<u>Fund</u>	<u>Total</u>
Revenues:			
Property Taxes	\$ 0	\$ 291,570	\$ 291,570
Impact Fees	9,555	0	9,555
Other Income	0	3,563	3,563
Investment Income	<u>2,150</u>	<u>719</u>	<u>2,869</u>
Total Revenues	<u>11,705</u>	<u>295,852</u>	<u>307,557</u>
Expenditures:			
Public Safety	0	4,252	4,252
Public Works	1,648	13,661	15,309
Culture and Recreation	0	7,095	7,095
Capital Outlay:			
Public Safety	0	97,365	97,365
Public Works	0	403,856	403,856
Culture and Recreation	<u>88,447</u>	<u>74,733</u>	<u>163,180</u>
Total Expenditures	<u>90,095</u>	<u>600,962</u>	<u>691,057</u>
Excess/(Deficiency) of Revenues Over Expenditures	<u>(78,390)</u>	<u>(305,110)</u>	<u>(383,500)</u>
Other Financing Sources:			
Transfers in	<u>4,000</u>	<u>58,912</u>	<u>62,912</u>
Total Other Financing Sources	<u>4,000</u>	<u>58,912</u>	<u>62,912</u>
Net Change in Fund Balances	(74,390)	(246,198)	(320,588)
Fund Balances - July 1, 2009	<u>144,947</u>	<u>145,985</u>	<u>290,932</u>
Fund Balances/(Deficit) - June 30, 2010	<u>\$ 70,557</u>	<u>\$ (100,213)</u>	<u>\$ (29,656)</u>