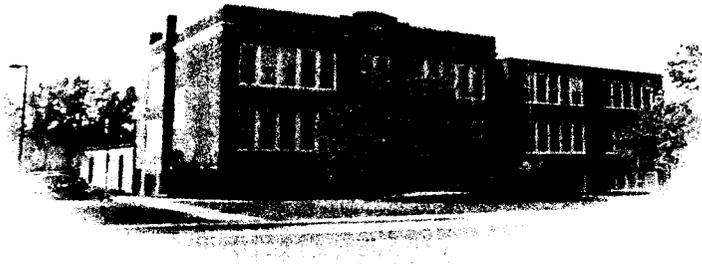


Town of Shelburne, Vermont



216th Annual Town Report

Fiscal Year 2003

DEDICATION



This town report is dedicated to the volunteers who serve on the Shelburne Board of Civil Authority ("BCA"). The BCA is made up of the elected Justices of the Peace, the Selectboard and the Town Clerk.

A town-wide reappraisal was conducted in 2003, with the purpose of adjusting the assessed value of all properties to fair market value. Property owners have the right to appeal the assessed value assigned to their property by the Town. The appeal process includes a hearing before the Board of Civil Authority. Approximately 160 cases were appealed to the BCA during the past year. Hearings have been scheduled from July 2003 through May 2004. The Board meets weekly often late into the evening to hear the appeals and issue decisions. Inspection sub-committees are assigned to visit each property and prepare a recommendation to the full BCA. Each property decision can require several hours of time for the initial hearing, site visit, preparation of inspection reports and issuing the final decision.

The BCA members put in long hours under sometimes-contentious situations and endeavor to issue decisions that are fair for both the property owner and town. They serve in this position with no compensation and little recognition. We would like to recognize this group of volunteers for their dedication, hard work, and willingness to serve in this necessary position. The BCA members this past year included: David Webster, Chair; Colleen Haag, Clerk; Barbara Snelling, George Schiavone, John Hasen, Fred Schmidt, Frances Kahn, Catherine Spaulding, Richard Lednicky, Thomas Little, Jennifer Leopold, Barbara Mann, William White, Sally Martel, Carroll Ockert, Steve Dates, Norm Silcox, Steve Good, George Faris and Jim Dudley.

Cover Photo: Shelburne Town Center, Photo by David Martin

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GENERAL INFORMATION

Town phone numbers	inside back cover
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NOTE: All financial statements in this report cover the Fiscal Year from July 1 through June 30. FY 2002-2003 (FY 2003) covers the period from July 1, 2002, to June 30, 2003. Some departmental and committee written reports may cover periods not precisely coinciding with the Fiscal Year.

ELECTED OFFICIALS

Thomas A. Little, Moderator - 1 year term.....Term Expires 2004
Colleen T. Haag, Town Clerk and Treasurer - 3 year term.....Term Expires 2006
Thomas T. Bessette, Constable - 2 year termTerm Expires 2004

SELECTBOARD

Steve Good - 3 year term.....Term Expires 2004
Norman Silcox - 2 year termTerm Expires 2004
George T. Faris IV - 3 year term (resigned 12/03)Term Expires 2005
Steve Dates, Chair - 2 year termTerm Expires 2005
Jim Dudley - 3 year term.....Term Expires 2006

TOWN SCHOOL DIRECTORS

Grant Bush - 3 year termTerm Expires 2004
Mary Kirkpatrick - 2 year termTerm Expires 2004
Jed Graef, Chair - 3 year termTerm Expires 2005
Tom Clavelle - 2 year term (resigned 11/03)Term Expires 2005
Jody Breckenridge Hilker – (appointed 11/03 to replace
Clavelle until March 2004 elections)Term Expires 2004
Susan Holson - 3 year termTerm Expires 2006

CHAMPLAIN VALLEY UNION HIGH SCHOOL DIRECTORS

3 Year Term

Joan LenesTerm Expires 2004
Robert Mason (resigned 7/03).....Term Expires 2005
Tom Clavelle – (appointed 10/03 to replace Mason until
March 2004 elections).....Term Expires 2004
Jeff ParkerTerm Expires 2006

JUSTICES OF THE PEACE

Barbara Snelling	George Schiavone	John Hasen
Fred Schmidt	Frances Kahn	Catherine Spaulding
Richard Lednicky	Thomas Little	Jennifer Leopold
David Webster	Barbara Mann	William White
Sally Martel	Jeremy Spaulding (resigned 10/03)	Carroll Ockert

REPRESENTATIVES - CHITTENDEN DISTRICT # 5: (2 Year Term)

Joyce Errecart, 5-1.....Term Expires 2004
George Schiavone, 5-2Term Expires 2004

CHAMPLAIN WATER DISTRICT

Thomas T. Bessette - 3 year termTerm Expires 2006

**APPOINTED TOWN OFFICIALS
BY THE SELECTBOARD**

Town Manager	Paul W. Bohne III
Town Attorney and Agent.....	Steven Stitzel
Emergency Management Director	Paul W. Bohne III
Emergency Management Coordinator	Craig Wooster
Grand Juror	Paul W. Bohne III
Health Officer.....	Thomas T. Bessette
Deputy Health Officer.....	Paul W. Bohne III
Town Service Officer	Paul W. Bohne III
Town Assessor	Spencer Potter
Fence Viewer.....	Vacant
Harbormaster	Dan Couture
Tree Warden	Paul W. Bohne III

**PLANNING COMMISSION
3 Year Term**

Rick Peterson, Chair.....	Term Expires 2004
Reg Gignoux.....	Term Expires 2004
Chris Neme	Term Expires 2004
Claude Lapierre	Term Expires 2005
Hilda White	Term Expires 2005
Kay Kraushaar.....	Term Expires 2006
Fred Schmidt	Term Expires 2006

**ZONING BOARD OF ADJUSTMENT
3 Year Term**

Thomas Koerner, Chair	Term Expires 2004
Gwen Webster	Term Expires 2004
Milton Edelman.....	Term Expires 2005
Stevenson H. Waltien, Jr.	Term Expires 2005
Boris Funtow.	Term Expires 2006

RECREATION COMMITTEE: 3 Year Term

Peggy Coutu, Chair	Term Expires 2004
Linda Barker.....	Term Expires 2004
Ann Clark	Term Expires 2005
Marvin Thomas	Term Expires 2005
Joe Hameline	Term Expires 2006
David Stroupe.....	Term Expires 2006
Bridget Shover.....	Term Expires 2006

WATER COMMISSION

3 Year Term

Peter Gadue, Chair	Term Expires 2004
Robert Schumacher	Term Expires 2005
Ronald A. Bouchard	Term Expires 2006

PIERSON LIBRARY TRUSTEES

3 Year Term

Elaine Dates, Chair	Term Expires 2004
Holly Crawford	Term Expires 2004
Lisa Perrault	Term Expires 2005
Alice Winn	Term Expires 2005
Robert Dilts	Term Expires 2006

CEMETERY COMMISSION

3 Year Term

Stuart Morrow, Chair	Term Expires 2004
Ruth Morrow	Term Expires 2004
Gladys Oakes.....	Term Expires 2005
Stephen Gregory	Term Expires 2006
Robert Wooster	Term Expires 2006

HISTORIC PRESERVATION AND REVIEW COMMISSION

3 Year Term

Warren Sanderson	Term Expires 2004
Bruce Beeken	Term Expires 2004
Fritz Horton, Chair	Term Expires 2005
Tom Koerner	Term Expires 2005
Oda Hubbard	Term Expires 2006
Dorothea Fraver Penar	Term Expires 2006
Pamela Daly (resigned 6/03).....	Term Expires 2006
Barbara Hamblett (appointed 7/03 to Daly's unexpired term) ..	Term Expires 2006

HISTORIC SITES COMMITTEE

3 Year Term

Carroll Ockert, Chair	Term Expires 2004
Stuart Morrow	Term Expires 2004
Cathy O'Shea (resigned 1/03).....	Term Expires 2005
Carol Casey	Term Expires 2006
Ellen Janson.....	Term Expires 2006

NATURAL RESOURCES AND CONSERVATION COMMITTEE

3 Year Term

Laurel Abrams NemeTerm Expires 2004
David Hillman (resigned 7/03).....Term Expires 2005
Becky WangTerm Expires 2005
Brandie Benoit (resigned 3/03)Term Expires 2005
Steve Morris (resigned 1/03).....Term Expires 2005
Sean MacFaden (appointed 5/03 to Morris' unexpired term)...Term Expires 2005
Gail Albert.....Term Expires 2006
Sue Dixon (resigned 7/03).....Term Expires 2006
Kevin Kenlan (appointed 1/04 to Dixon's unexpired term).....Term Expires 2006
Andrea Van Hoven, ChairTerm Expires 2006

NEIGHBORHOOD PATHS COMMITTEE

Carol Cherhoniak Laurie Thompson
Dorothea Fraver Penar James Brangan
Gail Henderson-King, Chair Clark Hermance
Rob Donahue

MOORING COMMITTEE

Ann Clark, Chair Barbara Mann
Dan Couture, Harbormaster Bob Schumacher
Gerry Klempner Rick Stoner
Dick Lednický Ron Tatro
George Faris IV

SOCIAL SERVICE COMMITTEE

David Sokol Fred Koch, Chair Jane Zenaty

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

2 Year Term

George Faris IV (resigned 12/03).....Term Expires 2005
Jeff Nick, AlternateTerm Expires 2005

METROPOLITAN PLANNING ORGANIZATION

2 Year Term

Norm SilcoxTerm Expires 2005
George Faris IV, Alternate (resigned 12/03).....Term Expires 2005

CHITTENDEN COUNTY TRANSPORTATION AUTHORITY

3 Year Term

Dick WaltersTerm Expires 2005
Dave DavisTerm Expires 2006

CHITTENDEN SOLID WASTE MANAGEMENT DISTRICT

2 Year Term

Steve GoodTerm Expires 2005
Paul W. Bohne III, Alternate

TOWN DEPARTMENT HEADS

Town Manager Paul W. Bohne III
Chief of Police..... James Warden
Highway Superintendent Paul Goodrich
Planning & Zoning Director Dean Pierce
Finance Director Peter Frankenburg
Parks and Recreation Director..... Betsy Cieplicki
Maintenance Director Darwin Norris
Town Librarian..... Martine Fiske
Water Superintendent Rick Lewis
Chief Wastewater Treatment Plant Operator David Rathburn
Chief of Fire Department Craig Wooster
Chief of Rescue Lynn Carlson
Zoning Administrator..... Paul W. Bohne III
Zoning Coordinator Brian Bigelow
Tax Collector Paul W. Bohne III

TOWN CLERK'S APPOINTMENTS

Assistant Town TreasurersSandra Lewis
Pat Morrow
Assistant Town Clerks Lisa Mann
Pat Morrow

OTHER TOWN OFFICIALS

Walter Nardelli Community School K-5 Principal
John Bossange Community School 6-8 Principal
Val Gardner CVUHS Principal
Brian O'Regan CSSU Superintendent

TAX NOTICE

Town Property Tax payments are due each year on:

AUGUST 15, NOVEMBER 15, AND MARCH 15.

If the due date falls on either a weekend or a Town holiday, that tax payment is due on the next business day. Late payments will be assessed an 8% penalty and 1.5% interest for each month or portion thereof.

Property tax payments may be left at the Town offices on weekdays between 8:00 A.M. and 4:30 P.M., and after hours at the Police Dept. Dispatch Center. Questions about tax payments can be answered by calling 985-5120. Please enclose the tax form stub with your payment to ensure proper crediting of your account.

We offer an automatic payment service, where property tax payments are automatically withdrawn from the property owner's bank account on each tax installment due date. Please contact the Town offices or call 264-5034 if you would like to take advantage of this service.

TAX RATE COMPARISONS

<u>Year</u>	<u>Town Grand List</u>	<u>Education Grand List</u>	<u>Town Rate</u>	<u>State Educ. Rate</u>	<u>Local Educ. Rate</u>	<u>Total Tax Rate</u>	<u>Total Taxes Billed</u>
1998-99	5,667,192	5,616,645	0.43	1.22	0.47	2.12	\$11,906,264
1999-00	5,771,047	5,738,980	0.435	1.16	0.559	2.154	\$12,372,688
2000-01	5,900,326	5,888,811	0.464	1.162	0.632	2.258	\$13,302,252
2001-02	5,963,000	5,976,000	0.512	1.218	0.544	2.274	\$13,578,713
2002-03	6,026,700	6,040,000	0.538	1.279	0.799	2.616	\$15,793,000
2003-04*	9,347,104*	9,363,881*	0.395	0.873	0.533	1.801	\$16,857,700

** Note: A Town-wide Reappraisal was completed prior to 2003-04*

ESTIMATE OF TAX RATE FOR 2004-05

Chapter 6 of the Town Charter requires the Selectboard to estimate the tax rate for the ensuing year. Act 60, Vermont's education funding law was modified by Act 68 in the 2003 legislative session. At the time this estimate is being prepared, further modifications are being considered by the legislature in bill H540. The estimated education tax rates shown below are based on the methodology used in H540.

	<u>Homestead Property *</u>	<u>Non-Homestead Property *</u>
Estimated Rates:		
Town Tax Rate	\$0.404	\$0.404
Education Tax Rate	\$1.369	\$1.436
	-----	-----
Total School + Town	\$1.773	\$1.840
 <u>Articles Voted Separately, if Approved:</u>		
Town Article VII (Open Space) \$0.007		\$0.007
Town Article IX (Davis Park) \$0.004		\$0.004
	-----	-----
Sub-Total, Separate Articles	\$0.011	\$0.011
 Total Estimated Rate:		
Town+School+Articles	\$1.784	\$1.851
	=====	=====

* Under the Act 68, the State Education Funding Law, "Homestead" property is defined as residential property where the owner resides. "Non-Homestead" property includes all other properties. (See the report of the Property Assessor in this town report for further information.)

TOWN OF SHELBURNE
WARNING
ANNUAL TOWN MEETING

The legal voters of the Town of Shelburne are hereby notified and warned to meet at the Shelburne Community School in said town on Monday, March 1, 2004 at 7:30 P.M. to act upon any of the following articles not involving voting by Australian Ballot; said meeting to be adjourned and to reconvene in the Municipal Offices in said Town on Tuesday, March 2, 2004 to vote for Town Officers and to transact any business involving voting by Australian Ballot to begin at 7:00 A.M. and to close at 7:00 P.M.

- Article I To hear and act on the report of the Town officers and the Auditor's report for the budgetary period July 1, 2002 through June 30, 2003 [FY2003].
- Article II Shall the Shelburne Selectboard be authorized to borrow money by issuance of bonds or notes not in excess of anticipated revenues for the next fiscal year?
- Article III Will the voters determine the compensation to be paid to the Selectboard for Fiscal Year 2004-2005?
[Note: Current salaries are Chair \$400.00, all others are \$300.00.]
- Article IV To transact any other business proper to come before said meeting.

BALLOT QUESTIONS

- Article V To elect all Town officers as required by law.
- Article VI Shall the Town adopt the Selectboard's proposed budget of \$ 5,184,091 of which \$ 3,775,075 is to be raised by taxes?
- Article VII Shall the Town raise taxes in the amount of \$65,000 for the purpose of obtaining options and/or the acquisition of lands, or those rights in land, which would preserve open space and natural resources; any unexpended portion of such sum to be placed in the Natural Resources/Conservation Land Preservation Fund?
*[Note: Approval of this article would add \$0.007 to the tax rate.
The current fund balance is \$351,719.]*
- Article VIII Shall the Shelburne Selectboard be authorized to expend funds from the Natural Resources/Conservation Land Preservation Fund for the purposes of obtaining options and/or the acquisition of lands, or those rights in land, which would preserve open space and natural resources.
[Note: The current fund balance is \$351,719.]

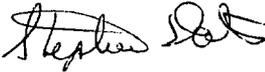
Town of Shelburne
Annual Town Meeting
2004 Warning - Page 2

Article IX Shall the Shelburne Selectboard be authorized to borrow money for a term not longer than 5 years in the amount not to exceed \$150,000 for the purpose of reconstructing the tennis and basketball courts located in Davis Park?

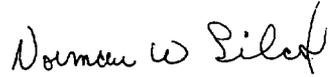
[Note: It is anticipated that the Lillian Davis Fund would be liquidated to reduce the needed amount by +/- \$40,000.]

Dated at Shelburne, Vermont this

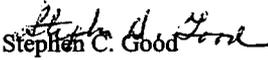
Day of January, 2004.



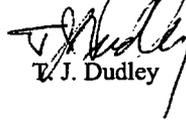
Stephen B. Dates, Chair



Norman W. Silcox



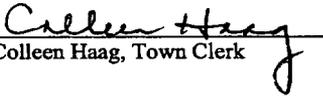
Stephen C. Good



E. J. Dudley

SELECTBOARD

Filed this 28 day of January, 2004 in the office of the Shelburne Town Clerk.



Colleen Haag, Town Clerk



SCS Math Counts Team



Participants in the Town Halloween costume contest

TOWN OF SHELBURNE

PROPOSED GENERAL FUND BUDGET

FY 2004-2005

**TOWN OF SHELBURNE
GENERAL FUND BUDGET
REVENUE & EXPENDITURE SUMMARY**

REVENUE CATEGORIES	FY 2003	FY 2003	FY 2004	FY 2005	FY 2005	%
	2002-03	2002-03	2003-04	2004-05		
	BUDGET	ACTUAL	BUDGET	PROPOSED BUDGET	INCR (DECR)	Change
Taxes, Penalties & Interest	\$3,322,502	\$3,383,930	\$3,779,040	\$3,858,075	\$79,036	2.1%
Administration	62,550	143,805	77,475	73,930	(3,545)	-4.6%
Highways	162,400	164,248	131,400	148,168	16,768	12.8%
Sidewalk Fund / Grants	20,000	55,240	20,000	33,332	13,332	66.7%
Police & Emergency Dispatch	134,954	205,910	132,492	169,838	37,346	28.2%
Water & Sewer Admin.	66,332	66,332	70,260	125,265	55,005	78.3%
Cemetery	1,500	1,300	4,500	4,500	0	0.0%
Planning & Zoning	36,700	30,447	52,100	47,950	(4,150)	-8.0%
Recreation	86,982	125,808	117,120	131,625	14,505	12.4%
Library	23,400	16,495	17,030	20,409	3,379	19.8%
Investment Interest	95,000	39,385	40,000	37,000	(3,000)	-7.5%
Applied Surplus	151,000	0	160,000	150,000	(10,000)	-6.3%
Rescue	27,500	27,500	201,700	27,500	(174,200)	-86.4%
Building Use/Lease Income	97,000	93,686	98,000	97,500	(500)	-0.5%
Transfer From Reappraisal fund	45,800	45,800	46,743	25,000	(21,743)	-46.5%
Transfer From Town Ctr. Fund	75,000	75,000	25,000	8,000	(17,000)	-68.0%
Transfer from Funds / Misc.	104,501	235,643	101,400	226,000	124,600	122.9%
TOTAL REVENUES	\$4,513,121	\$4,710,530	\$5,074,259	\$5,184,091	\$109,833	2.2%
EXPENDITURE CATEGORIES						
Selectboard	\$15,214	\$14,446	\$15,602	\$14,356	(1,246)	-8.0%
Legal	40,000	30,546	50,000	60,000	10,000	20.0%
Town Manager's Office	102,144	98,491	105,566	108,553	2,987	2.8%
Administrative Services	58,900	75,052	64,000	73,800	9,800	15.3%
Elections	18,000	16,918	10,000	17,200	7,200	72.0%
Finance & Insurance	254,165	243,176	260,761	269,257	8,496	3.3%
Town Clerk's Office	113,629	124,387	121,654	126,300	4,646	3.8%
Planning & Zoning	124,049	135,202	144,463	150,762	6,298	4.4%
Assessing/Reappraisal	80,023	78,355	81,500	88,759	7,260	8.9%
Buildings & Grounds	177,708	155,200	165,551	189,179	23,628	14.3%
Public Works				80,400	80,400	
Police	701,159	720,267	718,424	742,930	24,506	3.4%
Fire Dept.	77,965	77,575	76,900	202,500	125,600	163.3%
Public Safety/Dispatch	212,995	206,929	211,072	220,539	9,467	4.5%
Highway	791,906	798,795	752,651	805,237	52,587	7.0%
Health/Social Services	32,163	32,050	32,494	32,832	338	1.0%
Rescue	77,400	64,156	251,000	70,250	(180,750)	-72.0%
Cemetery	29,951	30,106	30,116	30,378	262	0.9%
Recreation	165,075	199,577	197,629	191,845	(5,784)	-2.9%
Harbormaster				19,071	19,071	
Library	148,614	138,425	148,092	170,017	21,925	14.8%
Debt Service	618,726	618,714	594,721	549,128	(45,593)	-7.7%
Inter-Governmental Transfers	107,009	105,751	124,793	118,537	(6,256)	-5.0%
Benefits	483,259	485,244	536,972	623,262	86,290	16.1%
Selectbrd Discr./Other Projects	19,800	14,204	317,300	226,000	(91,300)	-28.8%
Community Improvement	63,267	60,733	63,000	3,000	(60,000)	-95.2%
TOTAL EXPENDITURES	\$4,513,121	\$4,524,300	\$5,074,259	\$5,184,091	\$109,833	2.2%
Revenue - Expenditures		186,230	0	0		
Grand List		6,026,716	9,347,104	9,343,000	(4,104)	-0.04%
Tax Rate		\$0.538	\$0.395	\$0.404	\$0.009	2.28%
Tax rate Change From Prior Yr.		\$0.026	-\$0.143	\$0.009		

REVENUE CATEGORIES	FY 2003	FY 2003	FY 2004	FY 2005	FY 2005	Notes
	2002-03	2002-03	2003-04	2004-05	2005	
	BUDGET	ACTUAL	BUDGET	BUDGET	INCR (DECR)	
TAXES						
Property Taxes	3,240,502	3,286,240	3,692,040	3,775,075	83,036	
Prior Year Taxes/Tax sale procds		17,933				
Penalty Income	51,000	54,934	56,000	55,000	(1,000)	
Interest Income	31,000	24,822	31,000	28,000	(3,000)	
SUB-TOTAL TAXES	3,322,502	3,383,930	3,779,040	3,858,075	79,036	
ADMINISTRATION						
Liquor Licenses	2,300	2,270	2,300	2,400	100	
Animal Licenses	5,500	5,187	5,500	5,200	(300)	
Fish & Game Licenses	125	212	125	180	55	
Marriage/Civil Union Licenses	300	448	600	600	0	
Deed Recordings	40,000	114,826	47,000	50,000	3,000	
Misc. Income	1,500	1,123	1,500	1,000	(500)	
Green Mtn Passports	25	78	50	50	0	
Vault Time Fee	2,000	3,231	2,000	2,000	0	
Copier Use	5,500	7,911	6,500	5,500	(1,000)	
Vital Statistics Copies	3,200	4,164	4,000	4,000	0	
Passport Fees	1,500	3,225	2,000	2,000	0	
Motor Vehicle Registrations	600	1,131	900	1,000	100	
Transfer from Preservation Fund			5,000		(5,000)	
SUB-TOTAL ADMINISTRATION	62,550	143,805	77,475	73,930	(3,545)	
HIGHWAYS						
Hwy State Aid	125,000	131,236	130,000	131,000	1,000	
Hwy Permits	1,400	1,512	1,400	1,500	100	
Road Cut Permits				4,000	4,000	
Webster Rd/Spear St. Hwy Gmt.	36,000	31,500			0	
Rte 7/Village Sidewalk Grant		35,240			0	
Transfer fr. Sidewlk/Lndscp Fnd.	20,000	20,000	20,000	33,332	13,332	
Transfer from HW Retirement Fnd				11,668	11,668	
SUB-TOTAL HIGHWAYS	182,400	219,488	151,400	181,500	30,100	
POLICE & EMERGENCY DISPATCH						
Judicial Fees	44,000	63,471	50,000	50,000	0	
Special Duty Reimbursement	28,163	71,509	28,163	28,163	0	
Other Fees	100	470	100	175	75	
Animal Enforcement	500	449	500	500	0	
Insurance Reports	600	1,117	400	1,000	600	
Dispatch Contracts	48,391	49,327	39,329	76,000	36,671	Note 1
Alarm Monitoring Fees	5,200	3,450	6,000	6,000	0	
Alarm Permits	8,000	7,104	8,000	8,000	0	
Grant Revenues		9,013				
SUB-TOTAL POLICE/DISPATCH	134,954	205,910	132,492	169,838	37,346	

REVENUE CATEGORIES	FY 2003	FY 2003	FY 2004	FY 2005	FY 2005	Notes
	2002-03	2002-03	2003-04	2004-05	2005	
	BUDGET	ACTUAL	BUDGET	BUDGET	INCR	
				PROPOSED	(DECR)	
WATER & SEWER ADMINISTRATION						
Sewer Dept. Admin.	31,550	31,550	35,130	62,633	27,503	Note 2
Water Dept. Admin.	34,782	34,782	35,130	62,633	27,503	Note 2
SUB-TOTAL						
WATER & SEWER ADMIN.	66,332	66,332	70,260	125,265	55,005	
CEMETERY						
Cemetery Interest		1,300	3,000	3,000	0	
Cemetery Other	1,500		1,500	1,500	0	
SUB-TOTAL CEMETERY	1,500	1,300	4,500	4,500	0	
PLANNING/ZONING:						
Building Permits	19,500	12,530	21,869	18,500	(3,369)	
Site Plan/Subdiv Fees	5,600	12,514	9,711	9,750	39	
Sign Permits	1,600	875	1,337	1,500	163	
Town Regs/Plan/Public Wk spec.	300	520	500	600	100	
Zoning Board Fees	2,500	2,558	3,383	2,700	(683)	
Project Eng./Septic Fees	7,000	1,250	1,900	1,500	(400)	
Planning/Zoning Other	200	200	400	400	0	
Indep. Technical Review Reimb.			7,000	6,000	(1,000)	
Grant Revenues			6,000	7,000	1,000	
SUB-TOTAL						
PLANNING/ZONING	36,700	30,447	52,100	47,950	(4,150)	
RECREATION						
Sports League Fees	4,650	4,902	0	0	0	
Beach Stickers/Fees	7,250	7,047	12,250	13,930	1,680	
Davis Fund Interest/Principal	2,400	2,400	0	0	0	
Recreation Programs	15,982	26,579	9,700	14,680	4,980	
Adult Leagues	1,000	467	1,650	2,025	375	
Little League	5,125	12,540	14,350	13,600	(750)	
Babe Ruth	1,500	2,790	2,250	3,600	1,350	
Softball			1,290	895	(395)	
Swimming Lessons	1,050	80	1,050	1,050	0	
Dog Obedience	4,800	7,506	4,800	5,000	200	
Martial Arts	2,400	3,872	2,580	2,880	300	
Youth Basketball	3,775	4,266	4,650	5,400	750	
Soccer	13,200	16,988	19,250	17,500	(1,750)	
Summer Soccer Camp	6,800	11,588	5,650	13,825	8,175	
Ski Program	11,550	11,911	14,000	11,890	(2,110)	
Concerts/Special Events	5,500	11,098	11,500	11,750	250	
French Program				5,400	5,400	
Lacrosse		1,776	2,150	5,200	3,050	
Donations			10,000	500	(9,500)	
Recreation Facility Fees				2,500	2,500	
SUB-TOTAL RECREATION	86,982	125,808	117,120	131,625	14,505	

REVENUE CATEGORIES	FY 2003	FY 2003	FY 2004	FY 2005	FY 2005	Notes
	2002-03	2002-03	2003-04	2004-05	2005	
	BUDGET	ACTUAL	BUDGET	BUDGET	INCR	
			PROPOSED	(DECR)		
LIBRARY						
Grant: Youth Svs. Librarian	23,100	16,060	16,730	20,109	3,379	Note 3
Fines	200	268	200	200	0	
Copier Fees	100	167	100	100	0	
SUB-TOTAL LIBRARY	23,400	16,495	17,030	20,409	3,379	
FINANCIAL MANAGEMENT						
Investment Interest	95,000	39,385	40,000	37,000	(3,000)	
Applied Surplus	151,000		160,000	150,000	(10,000)	
SUB-TOTAL FINANCIAL MANAGEMENT	246,000	39,385	200,000	187,000	(13,000)	
RESCUE						
Trsfr. From Ambulance Fund	27,500	27,500	201,700	27,500	(174,200)	Note 4
SUB-TOTAL RESCUE	27,500	27,500	201,700	27,500	(174,200)	
MISCELLANEOUS						
Miscellaneous	1,000	6,018	2,500	2,500	0	
FEMA Fire Trk Grant				112,500	112,500	Note 5
Fire Dept. Sale of Utility Truck				4,000	4,000	Note 5
Aiken Fire Dept. Grant		876				
Insurance Claims		3,011				
Pymt. in Lieu of Taxes		195	3,200	4,500	1,300	
Current Use Payment	25,000	31,570	26,600	27,000	400	
Current Use Land Withdrawal		106,986				
Transfer From Town Center Fund	75,000	75,000	25,000	8,000	(17,000)	
Transfer From Spec. Rev. Funds	15,092	20,398			0	
Transfer From Bay Park Fund	22,909	15,529	23,800		(23,800)	Note 6
Mooring Fees				30,000	30,000	Note 6
Transfer From Reappraisal Fund	45,800	45,800	46,743	25,000	(21,743)	
Town Ctr./ Tn Hall Facilities Use	4,000	7,124	7,000	4,500	(2,500)	
Act 60 Admin	5,500	7,039	9,800	10,000	200	
Pierson Bldg. Lease		386	500	500	0	
CSSU Village Ctr. Lease	64,000	64,000	64,000	64,000	0	
CSSU Bldg. Maint. Allocation	29,000	22,562	27,000	29,000	2,000	
Loan Proceeds: Bldg/Gr Truck		8,000				
Cellular Tower Fees	35,000	35,635	35,000	35,000	0	
MISCELLANEOUS	322,301	450,129	271,143	356,500	85,357	
Total Non-Tax Revenue	\$1,272,619	\$1,406,356	\$1,382,219	\$1,409,016	26,797	
GRAND TOTAL	\$4,513,121	\$4,710,530	\$5,074,259	\$5,184,091	109,833	
Grand List			9,347,104	9,343,000	(4,104)	
Tax Rate		\$ 0.538	\$0.395	\$0.404	0.009	
Tax Rate Change From Prior Yr.		\$ 0.026	(\$0.143)	\$0.009		

EXPENDITURE CATEGORIES ITEM	FY 2003	FY 2003	FY 2004	FY 2005	FY 2005	Notes
	2002-03 BUDGET	2002-03 ACTUAL	2003-04 BUDGET	2004-05 BUDGET PROPOSED	INC (DECR)	
SELECTBOARD						
Selectboard Salaries	1,600	1,600	1,600		(1,600)	Note 7
Expenses	5,600	5,326	5,600	5,600	0	
VLCT Dues	4,514	4,514	4,902	5,256	354	
Town Reports	3,500	3,006	3,500	3,500	0	
SUB-TOTAL SELECTBOARD	15,214	14,446	15,602	14,356	(1,246)	
Legal Expense	40,000	30,546	50,000	60,000	10,000	
SUB-TOTAL LEGAL EXPENSE	40,000	30,546	50,000	60,000	10,000	
MANAGER'S OFFICE						
Salaries	95,144	95,843	99,566	102,553	2,987	
Manager's Expenses	2,500	196	2,500	2,500	0	
Vehicle Expense	2,500	2,452	2,500	2,500	0	
Emergency Management	2,000		1,000	1,000	0	
SUB-TOTAL MANAGER'S OFFICE	102,144	98,491	105,566	108,553	2,987	
ADMINISTRATIVE SERVICES						
Technical Assistance	11,000	18,654	11,000	5,700	(5,300)	
Training	4,000	2,868	3,000	5,500	2,500	Note 8
Office Equipment & Repairs	1,000	565	1,000	1,000	0	
Postage	10,000	11,922	10,000	12,000	2,000	
Copier Expenses	7,500	7,015	7,900	8,100	200	
Office Supplies	8,000	8,135	8,000	8,500	500	
Computer Software		8,443	2,500	2,000	(500)	
Computer Hardware	4,000		4,000	4,500	500	
Computer Tech. Assistance				8,300	8,300	
Telephone Exp. (Tn. Ctr & Libr)	13,400	17,450	16,600	18,200	1,600	
SUB-TOTAL ADMINISTRATIVE SVC	58,900	75,052	64,000	73,800	9,800	
ELECTIONS						
Election Salaries	7,000	4,293	2,000	5,500	3,500	
Election Expense	7,000	8,383	3,000	8,500	5,500	
Capital Expense	3,000	3,000	2,000	2,000	0	
BCA Expenses	1,000	1,243	3,000	1,200	(1,800)	
SUB-TOTAL ELECTIONS	18,000	16,918	10,000	17,200	7,200	Note 9
FINANCE & INSURANCE						
Salaries	125,665	125,775	132,261	136,257	3,996	
Property/Liability Insurance	120,000	106,878	122,000	120,000	(2,000)	
Insurance Claims		5,381		5,000	5,000	
Computer	2,500	1,538				
Auditing	6,000	3,604	6,500	8,000	1,500	
SUB-TOTAL FINANCE& INSURANC	254,165	243,176	260,761	269,257	8,496	
TOWN CLERK/TREASURER						
Salaries	98,279	98,775	103,554	108,000	4,446	
Expenses	2,750	2,596	2,900	3,100	200	
Office Expense	8,100	11,402	8,000	8,500	500	
Microfilming/Pres.	2,000	2,729	2,200	2,200	0	
Records Automation	2,500	675	5,000	2,500	(2,500)	
Records Restoration		8,210				
Computer Software/Hardware				2,000	2,000	
SUB-TOTAL TOWN CLERK/TREAS.	113,629	124,387	121,654	126,300	4,646	

EXPENDITURE CATEGORIES ITEM	FY 2003	FY 2003	FY 2004	FY 2005	FY 2005	Notes
	2002-03	2002-03	2003-04	2004-05	INC	
	BUDGET	ACTUAL	BUDGET	BUDGET PROPOSED	(DECR)	
PLANNING & ZONING						
Salaries	100,549	100,331	103,363	106,462	3,098	
Planning Expense	8,000	6,575	7,500	8,000	500	
Town Plan & Spec Projects	500	14,292	21,600	13,800	(7,800)	
Planning Assistance	15,000	14,005	5,000	6,500	1,500	
Independent Technical Review			7,000	6,000	(1,000)	
Orthophotos				10,000	10,000	
SUB-TOTAL PLANNING AND ZONING	124,049	135,202	144,463	150,762	6,298	
ASSESSING						
Assessor Contract	28,016	72,488	28,577	29,434	857	
Expenses	6,180	5,867	6,180	6,180	0	
Reappraisal Contract	45,827		46,743	53,145	6,402	
SUB-TOTAL ASSESSING	80,023	78,355	81,500	88,759	7,260	
BUILDINGS & GROUNDS						
Salaries	69,008	63,395	73,251	75,279	2,028	
Town Center Operating expense	6,000	15,482	15,000	17,000	2,000	
Town Center Bldg. Maintenance	6,000	5,939	5,000	6,000	1,000	
Town Center Park		1,551				
Town Hall Operating expense	1,900	566	1,900	2,000	100	
Town Hall Bldg. Maintenance	2,500	4,192	2,500	3,000	500	
Town Hall Heating Fuel	3,000	3,041	2,100	3,500	1,400	
Town Center Heating Fuel	20,300	14,976	14,000	16,800	2,800	
Town Center Utilities	44,000	35,801	39,000	36,500	(2,500)	
Pierson Building Utilities/Maint	1,000	206	1,000	12,500	11,500	Note 10
Maint Trk Debt pmt./Purchase	5,000	10,051	4,300	9,100	4,800	Note 11
Noonan House	19,000					
Library Fuel Oil to Gas Conv.			7,500	7,500	0	
SUB-TOTAL BUILDINGS & GROUNDS	177,708	155,200	165,551	189,179	23,628	
PUBLIC WORKS						
Salaries				60,000	60,000	
Stormwater Engineering/Planning				20,400	20,400	
SUB-TOTAL PUBLIC WORKS				80,400	80,400	Note 2
HARBORMASTER						
Salary				4,000	4,000	
Mooring Inspections/Maint.				5,700	5,700	
Zebra Mussel Removal				3,600	3,600	
Seasonal Dock Install. & Removal				1,600	1,600	
Maintenance/Admin exp.				1,515	1,515	
Capital Improvements				1,700	1,700	
Transfer to Bay Park Fund				956	956	
SUB-TOTAL HARBORMASTER				19,071	19,071	Note 6

EXPENDITURE CATEGORIES ITEM	FY 2003	FY 2003	FY 2004	FY 2005	FY 2005	Notes
	2002-03 BUDGET	2002-03 ACTUAL	2003-04 BUDGET	2004-05 BUDGET PROPOSED	INCR (DECR)	
POLICE						
Salaries	460,810	445,757	477,498	496,269	18,771	
Overtime	67,019	59,389	70,052	62,696	(7,356)	
Special Duty details	25,000	64,970	25,000	25,000	0	
Office Expense	8,400	7,618	8,844	8,844	0	
Telephones	10,000	10,459	10,000	10,000	0	
Radio Expense	2,000	3,089	2,000	3,000	1,000	
Travel/Conferences	2,500	2,214	2,500	2,500	0	
Police Photos	4,500	2,378	3,500	3,500	0	
Police Training	8,500	9,668	8,000	8,000	0	
Gasoline	20,000	15,618	18,000	18,000	0	
Tires	2,600	1,524	2,600	2,800	200	
Vehicle Maint.	8,000	10,060	8,000	8,000	0	
General Equipment	4,000	6,878	4,000	4,500	500	
Uniform Purchase	10,000	11,956	10,000	10,000	0	
Uniform Cleaning	2,400	2,699	2,400	2,400	0	
Building expense	1,500	2,900	1,500	1,500	0	
Computer Use	7,000	6,697	8,200	9,700	1,500	
Computer Maint	1,510	1,496	1,510	2,000	490	
Matching Funds for Grants	1,500		1,500	3,000	1,500	
Capital Improvements	4,800	3,556	4,200	3,600	(600)	
Transfer to Cruiser Fund	40,750	40,750	40,750	41,050	300	
Animal Enforcement	2,800	1,999	2,800	2,800	0	
C.U.S.I	5,570	7,592	5,570	13,771	8,201	Note 12
Law Enforcement Grant		1,000				
SUB-TOTAL POLICE	701,159	720,267	718,424	742,930	24,506	
FIRE DEPARTMENT						
Salaries	18,500	18,467	18,500	18,500	0	
Office Supplies/Phones	3,040	3,165	3,000	3,200	200	
Heating Fuel/service	3,300	4,438	3,000	4,500	1,500	
Fire Prev. & Training	4,600	3,906	4,300	4,300	0	
Radio Maintenance	2,600	3,368	3,000	2,600	(400)	
Fire Prot. Clothing	9,000	3,756	9,000	6,500	(2,500)	
Gas & Oil	2,000	1,595	2,000	2,000	0	
Firefighting Supplies	2,000	1,690	2,000	3,000	1,000	
Equipment Maint.	5,000	8,702	5,400	7,000	1,600	
Building Maint.	4,000	1,841	4,000	3,500	(500)	
Fire Equipment	4,300	6,300	5,000	5,000	0	
Capital Improvements	17,000	18,696	15,000		(15,000)	
Fire Brush Truck (FEMA Grant)				139,000	139,000	Note 5
Periodicals & Memberships	625	1,007	700	800	100	
Physicals/ PF Testing	2,000	644	2,000	2,600	600	
SUB-TOTAL FIRE DEPARTMENT	77,965	77,575	76,900	202,500	125,600	
PUBLIC SAFETY & DISPATCH						
Dispatch Salaries	164,725	158,868	171,075	176,775	5,700	
Overtime	22,505	27,532	23,237	28,253	5,016	
Training	3,000	2,024	3,000	3,000	0	
Uniforms	4,000	2,899	4,000	3,500	(500)	
Uniform Cleaning	450	205	250	250	0	
Capital Improvements	9,700	8,313	1,600	1,000	(600)	
Dispatch Radio Equipment	3,500	1,977	3,000	3,000	0	
Alarm Panel purchase	5,115	5,111	4,910	4,760	(149)	
SUB-TOTAL PUBLIC SAFETY & DISPATCH	212,995	206,929	211,072	220,539	9,467	

EXPENDITURE CATEGORIES ITEM	FY 2003	FY 2003	FY 2004	FY 2005	FY 2005	Notes
	2002-03 BUDGET	2002-03 ACTUAL	2003-04 BUDGET	2004-05 BUDGET PROPOSED	INCR (DECR)	
HIGHWAY						
Salaries	190,879	164,647	200,895	201,933	1,038	
Overtime	26,551	23,288	27,044	27,584	541	
Road&Drainage Syst. Maint.	45,000	24,852	45,000	45,000	0	
Culverts		15,827			0	
Capital Construction Projects	62,500	70,052	62,500	62,500	0	
Retreatment	147,000	172,933	147,000	172,000	25,000	
Sidewalk Construction	30,000	22,117	20,000	20,000	0	
Rte 7 / Village Sidewalk Project		44,492			0	
Engineering Svcs.	3,000	2,079	3,000	7,000	4,000	Note 13
Street Signs	2,500	3,039	2,500	2,500	0	
Winter Sand	12,500	7,660	10,500	10,500	0	
Salt	53,000	56,909	53,000	58,000	5,000	
Garage Heating Fuel	6,000	5,968	5,500	5,500	0	
Garage Utilities	7,000	7,135	7,000	7,700	700	
Uniforms	3,000	3,324	3,000	3,500	500	
Gas & Diesel	9,900	9,644	9,900	9,900	0	
Equip.Rental/Summer		750			0	
Equip. Repair & Maint	43,000	50,118	43,000	43,000	0	
Transfer To Equip. Repl. Fund	50,000	50,000	57,500	72,000	14,500	Note 14
Garage Expense & Supplies	6,000	4,432	6,000	6,000	0	
Building Maintenance	1,500		1,500	2,500	1,000	
Street & Caution Lights	41,000	40,854	41,500	42,000	500	
Webster Rd/Spear St. Intersection	45,000	12,103			0	
Equipment Lift	6,576	6,574	6,312	6,120	(192)	
SUB-TOTAL HIGHWAY	791,906	798,795	752,651	805,237	52,587	
HEALTH & SOCIAL SERVICES						
Salary - Health Officer	700	700	700	700	0	
Visiting Nurse Association	16,563	16,563	16,894	17,232	338	
Social Services	14,500	14,500	14,500	14,500	0	
Health Officer Expense	400	287	400	400	0	
SUB-TOTAL HEALTH & SOCIAL SERVICES	32,163	32,050	32,494	32,832	338	
RESCUE						
Compensation	14,000	14,098	14,000	14,000	0	
Medical Supplies	8,200	7,090	8,200	8,200	0	
Uniforms	4,250	463	2,500	1,500	(1,000)	
Operational Expense	6,900	8,922	5,500	5,500	0	
Oxygen			2,000	2,100	100	
Training	5,000	6,021	6,000	6,750	750	
Office Expense	2,100	1,763	2,100	1,700	(400)	
Office Equip.	2,000	353	1,500	1,000	(500)	
Communications	6,000	6,595	6,250	6,100	(150)	
Vehicle Expense	6,500	3,039	6,700	5,000	(1,700)	
Building Heating Fuel	1,700	1,738	1,700	1,900	200	
Building Utilities	3,500	3,234	4,100	4,000	(100)	
Building Maintenance	10,000	7,896	10,000	8,000	(2,000)	
Immunizations	1,000	30	1,000	750	(250)	
Public Education	4,000	665	3,000	1,500	(1,500)	
Membership Incentive	2,250	2,250	2,250	2,250	0	
Defibrilators			24,200		(24,200)	Note 4
Replace Ambulance			150,000		(150,000)	Note 4
SUB-TOTAL RESCUE	77,400	64,156	251,000	70,250	(180,750)	

EXPENDITURE CATEGORIES ITEM	FY 2003	FY 2003	FY 2004	FY 2005	FY 2005	Notes
	2002-03 BUDGET	2002-03 ACTUAL	2003-04 BUDGET	2004-05 BUDGET PROPOSED	INCR (DECR)	
CEMETERIES						
Salaries	18,591	18,324	18,991	19,553	562	
Supplies & Tools	600	813	600	500	(100)	
Committee Expenses	500	53	500	400	(100)	
Gas Expense	400	532	400	500	100	
Equip. Maint.	500	386	500	500	0	
Equip. Purchases	300	298	300	300	0	
Capital Projects	5,000	6,500	5,000	5,000	0	
Transfer to Tractor Fund	1,600	1,600	1,600	1,600	0	
Cemetery Markers	260		225	225	0	
Outside Services	1,700	1,228	1,500	1,200	(300)	
Cremation Garden	500	373	500	600	100	
SUB-TOTAL CEMETERIES	29,951	30,106	30,116	30,378	262	
RECREATION						
Admin Salaries	47,344	53,497	54,888	55,328	439	
Beach Salaries	16,625	14,726	16,947	17,400	454	
Admin. Expenses	5,475	8,019	4,800	4,870	70	
Public Information	8,050	7,024	5,100	5,000	(100)	
Beach Maint.	3,700	2,164	15,200	3,750	(11,450)	
Beach Equipment	2,500	1,064	2,800	1,750	(1,050)	
Beach Admin. & Utilities	2,185	2,747	2,185	2,600	415	
Adult Sports Leagues	7,950	1,151	1,920	330	(1,590)	
Dog Obedience	2,400	3,223	2,400	2,850	450	
Swim Lesson Supplies	600	34	200	150	(50)	
Youth Basketball	2,150	1,234	3,430	4,495	1,065	
Little League Baseball	5,910	18,896	14,200	13,125	(1,075)	
Babe Ruth Baseball		5,111	1,400	4,000	2,600	
Softball			1,350	735	(615)	
Summer Soccer Camp	5,175	7,801	5,175	12,060	6,885	
Youth Soccer	12,570	10,995	13,100	11,700	(1,400)	
Recreation Programs	11,791	27,328	7,360	12,875	5,515	
Special Events/Concerts/Firewrks	8,800	11,217	12,500	12,500	0	
Ski Program	11,550	9,921	14,000	10,273	(3,727)	
Davis Park	5,300	6,519	8,800	1,400	(7,400)	
Park Maintenance	5,000	3,544	3,500	4,130	630	
Marial Arts			2,064	2,304	240	
Lacrosse Programs		3,365	4,310	4,020	(290)	
French Program				4,200	4,200	
SUB-TOTAL RECREATION	165,075	199,577	197,629	191,845	(5,784)	
LIBRARY						
Salaries	96,779	96,095	100,672	121,067	20,395	Note 15
Supplies	2,200	2,558	2,200	2,500	300	
Adult Books	6,475	6,243	6,725	7,000	275	
Juvenile Books	6,025	5,368	6,260	6,500	240	
Periodicals	3,700	3,673	3,700	3,700	0	
Audio-Visual	1,200	1,116	1,600	1,600	0	
Library Heating Fuel	4,300	3,138	4,000	4,300	300	
Building Maint. Expense	2,000	2,234	2,000	2,000	0	
Library Utilities	17,000	9,636	12,000	12,000	0	
Equip.Maint & Repair	900	194	900	900	0	
Administrative Expense	1,585	1,699	1,585	1,700	115	
Story Hour	800	680	800	800	0	
Computer Hardware & Software	4,500	4,815	4,500	4,500	0	
Programs	900	878	900	1,200	300	
Office Equipment	250	99	250	250	0	
SUB-TOTAL LIBRARY	148,614	138,425	148,092	170,017	21,925	

EXPENDITURE CATEGORIES ITEM	FY 2003	FY 2003	FY 2004	FY 2005	FY 2005	Notes
	2002-03 BUDGET	2002-03 ACTUAL	2003-04 BUDGET	2004-05 BUDGET PROPOSED	INCR (DECR)	
DEBT PAYMENTS						
Fire Truck Note (1994)	11,200	11,187	5,709	8,200	2,491	
Town Hall Renovation	11,362	11,361	5,659	5,508	(151)	
Noonan (Lavalette) House	37,190	37,190	35,735		(35,735)	
Fire Pumper Truck (1998)	38,484	38,485	37,238	35,970	(1,268)	
Longmeadow Storm Drain	82,967	82,967	79,836	76,626	(3,210)	
Town Center Project	437,523	437,523	430,544	422,824	(7,720)	
SUB-TOTAL						
DEBT PAYMENTS	618,726	618,714	594,721	549,128	(45,593)	
INTER-GOVERNMENTAL TRANSFERS						
County Tax	46,400	45,378	57,572	51,000	(6,572)	
GBIC	1,200	1,200	1,200	1,200	0	
Regional Planning	6,431	6,857	6,657	6,900	243	
MPO	5,398	4,736	5,507	5,600	93	
CCTA	47,580	47,580	53,857	53,837	(20)	
SUB-TOTAL INTER-GOVERNMENTAL TRANSF.	107,009	105,751	124,793	118,537	(6,256)	
BENEFITS						
Retirement	71,290	66,920	75,450	82,249	6,799	
Unemployment	4,500	3,647	4,500	5,200	700	
Social Security	125,668	128,254	133,461	142,880	9,418	
Health Insurance Admin/Deduct.	15,000	17,066	15,500	5,000	(10,500)	
Health Insurance	214,480	225,324	254,703	319,407	64,704	Note 16
Long Term Disability & Life Ins.	18,465	16,185	19,087	28,050	8,963	
Dental Insurance	28,356	26,651	28,771	34,976	6,206	
Employee Assistance Program	1,000	648	1,000	1,000	0	
Immunizations	4,500	549	4,500	4,500	0	
SUB-TOTAL BENEFITS	483,259	485,244	536,972	623,262	86,290	
MISCELLANEOUS						
Discretionary Fund	14,000	7,061	14,000	14,000	0	
Salary Parity Adjustments	3,000			8,000	8,000	
Halloween Events	1,300	2,221	1,300	2,000	700	
Tree Conservation	1,000	2,100	2,000	2,000	0	
Village School Purch			300,000	200,000	(100,000)	
Summer Concert Fireworks		2,822				
SUB-TOTAL MISC.	19,800	14,204	317,300	226,000	(91,300)	
COMMUNITY IMPROVEMENT						
Historic Preservation	500	67	500	500	0	
Open Space Fund	60,267	60,267	60,000		(60,000)	Note 17
Nat. Res. & Conserv.	500	233	500	500	0	
Neighborhood Paths	1,000	166	1,000	1,000	0	
Historic Sites	500		500	500	0	
E 911 Implementation	500		500	500	0	
SUB-TOTAL						
COMMUNITY IMPROVEMENT	63,267	60,733	63,000	3,000	(60,000)	
GRAND TOTAL EXPENDIT.	\$4,513,121	\$4,524,300	\$5,074,259	\$5,184,091	\$109,833	

NOTES

1. Dispatch Contract revenue includes revenues received from outside agencies that Shelburne provides emergency dispatching services for.
2. The proposed budget includes a new employee position of Public Works Director. This position would oversee and coordinate the operations of the highway, water and sewer departments and would coordinate the town compliance with stormwater regulations. The total costs of this department are reflected in the town budget. These costs are proposed to be shared equally between the Town, Water and Sewer Department budgets. Revenues from the Water and Sewer Department (see Water/Sewer Administration revenue line items) in FY 2005 reflect this cost sharing.
3. The Youth Services Librarian position is currently funded by a grant from the Freeman Foundation. This grant is expected to be fully expended in FY 2005
4. Shelburne Rescue purchased replacement defibrillators and a replacement ambulance in FY 2004. These items were fully paid for in that year from revenues received by Shelburne Rescue from donations and patient transports.
5. The Fire Department has secured a federal grant to purchase a brush firefighting truck, which will replace the 1985 truck currently used for this purpose. The total cost of the apparatus is estimated to be \$139,000. Of this amount, \$112,500 or 83% will be funded by the grant and \$4,000 will be applied towards the purchase from the sale of the existing truck. The remaining balance of \$22,500 will be paid from property taxes in FY 2005.
6. The Shelburne Bay Park budget was previously reported separately outside of the Town Budget. Beginning in FY 2005, it is now included as part of the Town budget. The expenditures are supported by mooring fees, which are paid for 60 moorings maintained by the town. Revenues collected from the mooring fees are used to pay the harbormaster salary and expenses as well as maintenance costs for the Town parks and walking paths. Any remaining funds from mooring fees after these expenditures are transferred to the Shelburne Bay Park Fund for future capital improvements to the mooring area or town parks and walking paths.
7. Selectboard salaries for FY 2004-05 will be established at the March 2004 Town Meeting.
8. Training costs include funding for an employee tuition assistance benefit as well as costs for job-related training activities
9. Election expenses in FY 2005 reflect the cost of primary and general elections in 2004, which is a presidential election year
10. Pierson Building maintenance costs in FY 2005 include the cost of replacing roofing on the pitched roof of the building.
11. Maintenance Dept. truck debt and purchase expense includes the final debt payment for a utility truck and the initial down payment for replacement of a 1987 pickup truck.
12. CUSI is the Chittenden Unit for Special Investigations, which investigates abuse and assault crimes. The assessment to the town for these services is based on the proportion of caseloads the agency handles from Shelburne as well as the operating budget of the CUSI organization
13. Highway engineering services in FY 2005 reflect the cost of design and permitting new sand and road salt storage facilities in compliance with environmental regulations.
14. The Highway equipment replacement funding amount is based on the cost of replacing vehicles and equipment used by the highway department
15. Library salaries are increased in FY 2005 for staffing to extend the library hours of operation by 8 hours per week
16. Health insurance costs reflect anticipated annual premium increases of 20%
17. The Funding level for the open space fund for FY 2005 will be voted by separate article.

WARNING

SHELBURNE TOWN SCHOOL DISTRICT

ANNUAL MEETING

March 1, 2004 and March 2, 2004

The legal voters of the Shelburne Town School District are hereby notified and warned to meet at the Shelburne Community School gymnasium on **Monday, March 1, 2004, at 7:30 p.m.** to transact any of the following business not involving voting by Australian Ballot. Upon the conclusion of business not involving Australian Ballot, the meeting is to be adjourned and reconvened in the Shelburne Municipal Offices in said Town on **Tuesday, March 2, 2004 at 7:00 a.m.** at which time the polls will open, until **7:00 p.m.** at which time the polls will close, to vote for school directors and transact any business involving voting by Australian Ballot.

- ARTICLE I: To authorize the Board of School Directors to make available school facilities and equipment for specified public purposes if those purposes appear to be in the best interest of the residents of the District, due consideration being given to efficient, economical, and appropriate use of facilities and equipment.
- ARTICLE II: To authorize the Board of School Directors to borrow money by issuance of bonds or notes not in excess of anticipated revenues for the next fiscal year.
- ARTICLE III: To hear and act upon the reports of the Town School District Officers.
- ARTICLE IV: To transact any other business proper to come before said meeting.

BALLOT QUESTIONS

- ARTICLE V: Shall the voters of the Shelburne Town School District appropriate Eight Million, Eight Hundred Forty-Five Thousand, Eight Hundred and Thirty Two Dollars (\$8,845,832.00) necessary for the support of its school for the year beginning July 1, 2004 and ending June 30, 2005?
- ARTICLE VI: To authorize the Board of School Directors to borrow money by issuance of notes not in excess of Seventy Eight Thousand Dollars (\$78,000) for the purpose of purchasing one (1) school bus to be financed over five years.
- ARTICLE VII: To authorize the Shelburne Town School District to purchase the existing leased modular classrooms at the Shelburne Community School in an amount not to exceed One Hundred Fifty Thousand Dollars (\$150,000), to be financed over a period not to exceed five years.
- ARTICLE VIII: To authorize the Shelburne Town School District to institute building refurbishments including heating, ventilation and air changing system improvements and kitchen facility improvements at the Shelburne Community

School in an amount not to exceed One Hundred Fifty Five Thousand Dollars (\$155,000.00).

ARTICLE IX: To authorize the Shelburne Town School District to implement a technology upgrade program costing an amount not to exceed One Hundred Thousand Dollars (\$100,000.00) for the purpose of providing new computer equipment for the Shelburne Community School, to be financed over a period not to exceed three years.

ARTICLE X: Shall the voters of the Shelburne School District vote to establish the Lake Champlain Regional Technical School District as described in the Governance Planning Committee Report approved by the State Board of Education, a copy of which is on file in the Shelburne Clerk's Office?

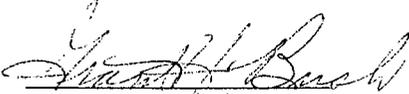
ARTICLE XI: To elect one (1) Town School Board Director for a term of three (3) years and to elect one (1) Town School Board Director for a term of two (2) years, both beginning in March, 2004.

ARTICLE XII: To elect for the Champlain Valley Union High School District No. 15, one (1) Director for term of three (3) years, beginning in March, 2004.

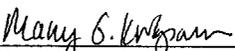
Dated this 26th day of January, 2004.



Jed Graef, Chair



Grant Bush, Director



Mary Kirkpatrick, Director

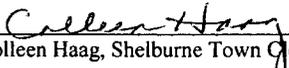


Susan Holson, Director



Jodi Hiker, Director

Received for record and recorded prior to posting this 27 day of January, 2004.



Colleen Haag, Shelburne Town Clerk

WARNING

CHAMPLAIN VALLEY UNION HIGH SCHOOL No. 15

March 1, 2004 and March 2, 2004

The legal voters of the Champlain Valley Union High School District No. 15 consisting of the towns of Charlotte, Hinesburg, Shelburne, and Williston are hereby notified and warned to meet at the Champlain Valley Union High School Learning Center on **Monday, March 1, 2004, at 5:00 p.m.** to transact any of the following business not involving voting by Australian Ballot. Upon the conclusion of the business not involving Australian Ballot, the meeting is to be adjourned and reconvened in the respective polling places hereinafter named for each of the above-referenced towns on **Tuesday, March 2, 2004 at 7:00 a.m.** at which time the polls will open, until **7:00 p.m.** at which time the polls will close, to transact any business involving voting by Australian Ballot.

- ARTICLE I: To elect the following officers and fix their compensation:
1. Moderator
 2. Clerk
 3. Treasurer
- ARTICLE II: To hear and act upon the reports of the Union High School District Officers.
- ARTICLE III: To authorize the Board of School Directors to borrow money by issuance of bonds or notes not in excess of anticipated revenues for the next fiscal year.
- ARTICLE IV: To authorize the Board of School Directors to make available school facilities and equipment for specified public purposes if those purposes appear to be in the best interest of the residents of the District, due consideration being given to efficient, economical, and appropriate use of the facilities and equipment.
- ARTICLE V: To exempt the Champlain Valley Union High School District No. 15 from the requirement to operate a school breakfast program for the 2004-2005 school year subject to the provisions of Sections 1264 and 1265 of Title 16, Vermont Statutes Annotated.
- ARTICLE VI: To transact any other business proper to come before said meeting.

MARCH 2, 2004

BALLOT QUESTIONS

- ARTICLE VII:** Shall the voters of the Champlain Valley Union High School District No. 15 appropriate \$14,614,540.00 necessary for the support of its school for the year beginning July 1, 2004 and ending June 30, 2005.
- ARTICLE VIII:** To authorize the Board of School Directors to borrow money by issuance of notes not in excess of \$224,000 for the purpose of purchasing three (3) school buses.

Upon closing of the polls, the ballot boxes will be sealed, re-opened at Champlain Valley Union High School in the Town of Hinesburg, the ballots commingled and publicly counted by representative of the Boards of Civil Authority of the Towns of Charlotte, Hinesburg, Williston and Shelburne, under the supervision of the Clerk of Champlain Valley Union High School District No. 15.

The legal voters of Champlain Valley Union High School District No. 15 are further notified that voter qualification, registration and absentee voting relative to said special meeting shall be as provided in Sections 706u-706w of Title 16, and Chapters 43, 51 and 55 of Title 17, Vermont Statutes Annotated.

Adopted and approved at a meeting of the Board of School Directors of Champlain Valley Union High School District No. 15 held on January 12, 2004. Received for record and recorded in the records of Champlain Valley Union High School District No. 15 on January 13, 2004.

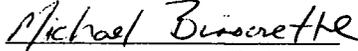
Said voters and persons warned, are further notified that voter qualifications, registration, absentee voting, and voter procedures shall be in accordance with Chapters 43 and 51 of Title 17 Vermont Status Annotated.

Polling Places

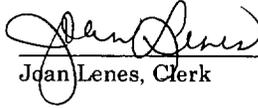
The voters residing in each member district will cast their ballots in the polling places designated for their district as follows:

Charlotte	-	Charlotte Central School
Hinesburg	-	Hinesburg Town Hall - Upstairs
Shelburne	-	Shelburne Town Center Gymnasium
Williston	-	Williston Central School Gymnasium

Dated this 12th day of January, 2004.

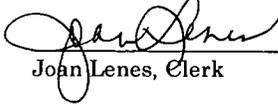


Michael Bissonette, Chairman



Joan Lenes, Clerk

Received for record and recorded prior to posting this 12th day of January, 2004.



Joan Lenes, Clerk

Three Prior Years Comparisons - Required by ACT 68, Sec 48 - Provided by State DOE

District: **Shelburne**
 County: **Chittenden**

LEA: **186**
 S.U.: **Chittenden South**

Expenditures

	FY2002	FY2003	FY2004	FY2005
Budget (local budget approved in prior years)	7,534,000	7,978,000	8,133,000	8,845,832
82% of base payment per FTE paid by the State on behalf of the district	not applicable	not applicable	not applicable	83,176
S.U. assessment (included in local budget)	595,411	571,316	577,504	741,549
Deficit (if included in local budget)	-	-	-	not applicable
Block grant paid by State to tech center in prior years	54,317	67,293	73,497	not applicable
1. Separately named article passed at town meeting	-	-	-	-
2. Separately named article passed at town meeting	-	-	-	-
3. Separately named article passed at town meeting	-	-	-	-
Act 144 Expenditures, (excluded from "Education Spending")	-	-	-	-
Act 68 local adopted budget	7,588,317	8,045,293	8,206,497	8,845,832
Union school assessment	2,892,732	3,166,364	3,629,792	3,940,279
Deficit if not included in budget or revenues	-	-	-	-
Special programs expenditures (if not included in local budget)	10,481,049	11,211,657	11,836,289	12,786,111
Gross Act 68 Budget	-	-	-	-
Act 144 expenditures (if any - excluded from "Education Spending")	-	-	-	-

	FY2002	FY2003	FY2004	FY2005
Local revenues (categorical grants, donations, tuition, surplus, etc., including Act 144 revenues)	1,197,252	1,742,123	1,786,165	1,655,560
Capital debt aid	92,544	64,450	60,780	-
Special program revenues (if not included in local budget)	-	-	-	-
Deficit if not included in budget or expenditures	-	-	-	-
Act 144 revenues	1,285,796	1,806,573	1,825,816	1,655,560
Total revenues	484,000	1,806,573	1,825,816	1,655,560
Fund raising (if any)	805,796	1,806,573	1,825,816	1,655,560
Adjusted local revenues	9,675,253	9,405,084	10,010,473	11,130,551

	FY2002	FY2003	FY2004	FY2005
Education Spending (Act 68 definition)	1,146,751	1,145,901	1,165,431	1,180,341
Equalized Pupils	8,437	8,208	8,590	9,430
Excess Spending per Equalized Pupil (if any)	not applicable	not applicable	not applicable	not applicable
Per pupil figure used for calculating District Adjustment	not applicable	not applicable	not applicable	9,430
District spending adjustment	not applicable	not applicable	not applicable	138.676%
District spending adjustment (\$9,430 / \$6,800)	not applicable	not applicable	not applicable	\$1,525
Anticipated homestead tax rate, equalized (138.676% x \$1.10)	not applicable	not applicable	not applicable	2.77%
Household Income Percentage for income sensitivity (138.676% x 2.0%)	not applicable	not applicable	not applicable	2.77%

Shelburne Community School
Proposed 2004 - 2005 Budget
Summary by Function

FUNCTION DESCRIPTION	ADOPTED BUDGET 2003-2004	PROPOSED BUDGET 2004-2005	VARIANCE
<u>INSTRUCTIONAL PROGRAMS</u>			
1100 Instructional Program	\$ 3,994,449	\$ 4,156,795	\$ 162,346
1101-1120 Teams	\$ 56,420	\$ 56,420	\$ -
1121 Fine/Practical Arts Program	\$ 11,880	\$ 11,880	\$ -
1127 French Program	\$ 5,484	\$ 5,484	\$ -
1130 Physical Education Program	\$ 5,000	\$ 5,000	\$ -
1142 Music Program	\$ 15,000	\$ 15,000	\$ -
1100 Regular Instructional Programs	\$ 4,088,233	\$ 4,250,579	\$ 162,346
<u>INSTRUCTIONAL/SPECIAL PROGRAMS (continued)</u>			
1210 Special Education Programs	\$ 1,023,191	\$ 1,130,908	\$ 107,717
1215 Early Essential Education Program	\$ 121,694	\$ 134,269	\$ 12,575
1300 Vocational Education Program	\$ 58,032	\$ 73,613	\$ 15,581
1400 Co-Curricular Program	\$ 71,042	\$ 67,630	\$ (3,412)
Totals - Instructional/Special Programs	\$ 5,362,192	\$ 5,656,999	\$ 132,461
<u>INSTRUCTIONAL SUPPORT</u>			
2120 Guidance Services	\$ 266,410	\$ 305,278	\$ 38,868
2130 Health Services	\$ 72,883	\$ 71,278	\$ (1,605)
2140 Psychological Services	\$ 46,512	\$ 50,550	\$ 4,038
2150 Speech & Language Program	\$ 126,989	\$ 127,963	\$ 974
2210 Instructional Improvement Services	\$ 35,000	\$ 45,000	\$ 10,000
2220 Library Services	\$ 253,962	\$ 287,575	\$ 33,613
Totals - Instructional Support	\$ 801,756	\$ 887,644	\$ 85,888
<u>ADMINISTRATIVE/OTHER SUPPORT</u>			
2310 Board of Education	\$ 30,487	\$ 34,903	\$ 4,416
2320 Executive Administrative Services	\$ 137,296	\$ 146,404	\$ 9,108
2390 Other Administrative Support	\$ 35,837	\$ 54,567	\$ 18,730
2410 Principal's Office	\$ 375,098	\$ 370,969	\$ (4,129)
2490 Other School Administrative Services	\$ 56,200	\$ 64,200	\$ 8,000
2520 Fiscal Services	\$ 41,030	\$ 53,487	\$ 12,457
2600 Operations & Maintenance Services	\$ 556,432	\$ 698,720	\$ 142,288
2711 Transportation Svcs (Daily Academic Runs)	\$ 294,592	\$ 318,501	\$ 23,909
2720 Transportation Svcs (Co-Curr./Field Trips)	\$ 9,500	\$ 9,500	\$ -
2800 Computer Services	\$ 183,950	\$ 213,538	\$ 29,588
2900 Other Support Services	\$ 3,841	\$ 14,425	\$ 10,584
5100 Debt Service	\$ 244,789	\$ 258,799	\$ 14,010
Totals - Administrative/Other Support	\$ 1,969,052	\$ 2,238,013	\$ 268,961
TOTALS	\$ 8,133,000	\$ 8,782,656	\$ 649,656 7.988%
Vocational Center Block Grant		\$ 63,176	\$ 63,176
GRAND TOTAL	\$ 8,133,000	\$ 8,845,832	\$ 712,832

CHITTENDEN SOUTH SUPERVISORY UNION

Proposed 2004-2005 Budget
Revenue Summary by Program

	2001-2002 Adopted Budget	2002-2003 Adopted Budget	2002-2003 Amended Budget	2003-2004 Adopted Budget	2003-2004 Amended Budget	2004-2005 Proposed Budget
Central Office Services						
Assessments to Local School Districts	\$ 1,046,450	\$ 1,009,500	\$ 1,009,500	\$ 1,035,561	\$ 1,079,656	\$ 1,547,343
Balance Carryover and Pmt in Lieu of Services	\$ -	\$ 47,500	\$ 47,500	\$ 40,000	\$ 43,768	\$ 40,500
Funds from Federal Programs	\$ -	\$ -	\$ -	\$ 21,000	\$ 71,240	\$ 55,000
Interest Earnings	\$ 35,000	\$ 35,000	\$ 35,000	\$ 20,000	\$ 20,000	\$ 15,000
Transfer - Interfund	\$ -	\$ -	\$ 112,400	\$ 60,000	\$ 60,000	\$ -
E-Rate Funds	\$ -	\$ -	\$ -	\$ 55,000	\$ 55,000	\$ 55,000
Payment from CVU for CSSU Office	\$ 15,000	\$ 15,000	\$ 15,000	\$ 14,500	\$ 14,500	\$ 14,500
IDEA-B Funds - Student Services Administration	\$ 60,000	\$ 85,000	\$ 103,437	\$ 105,000	\$ 105,000	\$ 116,000
Totals - Central Office Services	\$ 1,156,450	\$ 1,192,000	\$ 1,322,837	\$ 1,351,061	\$ 1,449,164	\$ 1,843,343
Shared Services						
<u>Assessments to Local School Districts</u>						
C.S.S.U. Maintenance Center	\$ 157,059	\$ 160,000	\$ 160,000	\$ 165,422	\$ 165,422	\$ 172,565
Courier Service	\$ 6,530	\$ 7,000	\$ 7,000	\$ 7,393	\$ 7,393	\$ 20,779
Student Assistance Program	\$ 34,610	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 48,510
Telecommunications Program	\$ 52,253	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
C.S.S.U. Transportation Services	\$ 1,184,914	\$ 1,234,000	\$ 1,234,000	\$ 1,459,703	\$ 1,352,783	\$ 1,433,882
Totals - Shared Services	\$ 1,435,366	\$ 1,496,000	\$ 1,496,000	\$ 1,727,518	\$ 1,620,598	\$ 1,675,736
Student Services						
<u>Family, Infant & Toddler Program</u>						
-Local Assessment	\$ 84,424	\$ 83,851	\$ 83,851	\$ 90,663	\$ 90,663	\$ 111,233
-IDEA-B	\$ 23,034	\$ 24,149	\$ 24,149	\$ 24,149	\$ 24,149	\$ 23,874
Psychological Services-Local Assessment	\$ 179,211	\$ 183,000	\$ 183,000	\$ 203,665	\$ 203,665	\$ 266,233
Student Services - IDEA-B	\$ 152,580	\$ 302,617	\$ 302,617	\$ 302,617	\$ -	\$ -
Community Skills Program - IDEA-B	\$ 123,059	\$ 127,000	\$ 127,000	\$ 146,685	\$ -	\$ -
Occupational Therapy - Local Assessment	\$ -	\$ -	\$ -	\$ -	\$ 85,300	\$ 87,495
English Language Learners - Local Assessment	\$ -	\$ -	\$ -	\$ -	\$ 40,880	\$ 43,985
Totals - Student Services	\$ 562,308	\$ 720,617	\$ 720,617	\$ 767,779	\$ 444,657	\$ 532,820
Sub-total Chittenden South Supervisory Union	\$ 3,154,124	\$ 3,408,617	\$ 3,539,454	\$ 3,846,358	\$ 3,514,419	\$ 4,051,899
Grant Programs						
IDEA - B Grant	\$ -	\$ -	\$ -	\$ -	\$ 621,093	\$ 610,368
IDEA - B (PreSchool) Grant	\$ -	\$ -	\$ -	\$ -	\$ 24,895	\$ 24,895
Title V-A - Innovative Programs	\$ 65,676	\$ 55,517	\$ 56,154	\$ 56,154	\$ 90,091	\$ 57,198
Title IV - Safe & Drug Free Schools & Communities	\$ 55,846	\$ 56,725	\$ 45,850	\$ 45,850	\$ 51,336	\$ 44,575
Title II-D Technology	\$ 57,664	\$ 77,151	\$ 20,678	\$ 20,678	\$ 21,895	\$ 18,883
Title II-A Teacher Quality	\$ 118,298	\$ 152,667	\$ 274,141	\$ 274,141	\$ 330,004	\$ 283,210
Title I-Part A	\$ -	\$ -	\$ -	\$ -	\$ 297,062	\$ 275,317
Class Size Reduction Grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Medicaid - EPSDT	\$ -	\$ -	\$ -	\$ -	\$ 38,171	\$ 38,171
Gates Leadership Grant	\$ -	\$ -	\$ 152,469	\$ 152,469	\$ 125,045	\$ 125,045
SAELP Leadership Grant	\$ -	\$ -	\$ 57,708	\$ 57,708	\$ 93,118	\$ -
SAELP #2 Leadership Grant	\$ -	\$ -	\$ -	\$ -	\$ 34,030	\$ -
SAELP Demo Site Grant	\$ -	\$ -	\$ -	\$ -	\$ 29,750	\$ -
Peer Prevention Educator #2	\$ -	\$ -	\$ 39,189	\$ 39,189	\$ -	\$ -
Peer Prevention Educator #3	\$ 99,133	\$ 99,133	\$ 99,133	\$ 99,133	\$ 22,209	\$ -
Peer Prevention Educator #4	\$ -	\$ -	\$ -	\$ -	\$ 74,350	\$ 74,350
Tobacco Use Prevention Grant	\$ 28,031	\$ 27,390	\$ 26,448	\$ 26,448	\$ 26,652	\$ 26,652
Community Tobacco Grant	\$ -	\$ -	\$ -	\$ -	\$ 29,380	\$ 29,380
Drug Free Schools Project	\$ -	\$ -	\$ -	\$ -	\$ 12,443	\$ 12,443
Goals 2000	\$ 90,000	\$ 90,000	\$ -	\$ -	\$ -	\$ -
New Directions - SAP	\$ 41,082	\$ 44,643	\$ 48,600	\$ 48,600	\$ 66,460	\$ 66,460
New Directions - Coalition	\$ -	\$ -	\$ 16,051	\$ 16,051	\$ 44,706	\$ 36,628
Community Learning Center	\$ 92,290	\$ 93,478	\$ 24,952	\$ 24,952	\$ -	\$ -
Capacity Building	\$ -	\$ -	\$ -	\$ -	\$ 3,500	\$ -
Waters Foundation	\$ -	\$ -	\$ -	\$ -	\$ 92,470	\$ 92,470
Act 230 - Training	\$ -	\$ -	\$ -	\$ -	\$ 10,500	\$ 10,500
Totals - Grant Programs	\$ 648,020	\$ 696,704	\$ 861,373	\$ 861,373	\$ 2,139,160	\$ 1,826,545
Total - Chittenden South Supervisory Union Budget	\$ 3,802,144	\$ 4,105,321	\$ 4,400,827	\$ 4,707,731	\$ 5,653,579	\$ 5,878,444

CHITTENDEN SOUTH SUPERVISORY UNION

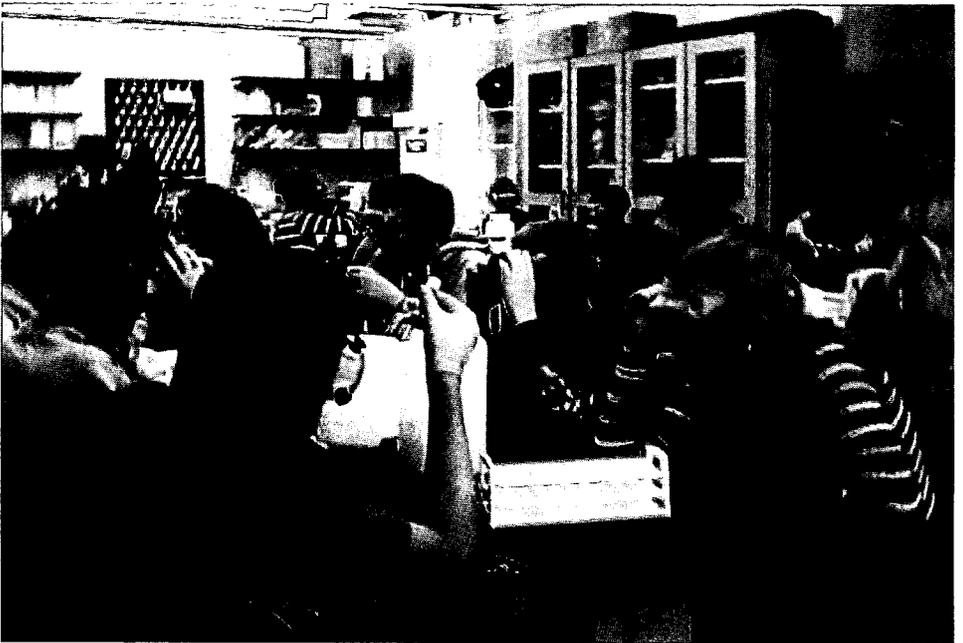
Proposed 2004-2005 Budget

Expense Summary by Program

	2001-2002 Adopted Budget	2002-2003 Adopted Budget	2002-2003 Amended Budget	2003-2004 Adopted Budget	2003-2004 Amended Budget	2004-2005 Proposed Budget
Central Office Services						
Executive Administration	\$ 523,858	\$ 535,000	\$ 535,000	\$ 528,976	\$ 528,976	\$ 572,414
Fiscal Services	\$ 244,525	\$ 259,000	\$ 259,000	\$ 252,640	\$ 290,438	\$ 314,898
Human Resources	\$ 261,096	\$ 247,000	\$ 247,000	\$ 264,704	\$ 280,914	\$ 309,211
Student Services Administration	\$ 126,971	\$ 151,000	\$ 169,437	\$ 168,842	\$ 168,842	\$ 181,953
Technology Services	\$ -	\$ -	\$ 112,400	\$ 135,899	\$ 179,994	\$ 464,867
Totals - Central Office Services	\$ 1,156,450	\$ 1,192,000	\$ 1,322,837	\$ 1,351,061	\$ 1,449,164	\$ 1,843,343
Shared Services						
C.S.S.U. Maintenance Center	\$ 157,059	\$ 160,000	\$ 160,000	\$ 165,422	\$ 165,422	\$ 172,565
Courier Service	\$ 6,530	\$ 7,000	\$ 7,000	\$ 7,393	\$ 7,393	\$ 20,779
Student Assistance Program	\$ 34,610	\$ 35,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 48,510
Telecommunications Program	\$ 52,253	\$ 60,000	\$ 60,000	\$ 60,000	\$ 60,000	\$ -
C.S.S.U. Transportation Services	\$ 1,184,914	\$ 1,234,000	\$ 1,234,000	\$ 1,459,703	\$ 1,352,783	\$ 1,433,882
Totals - Shared Services	\$ 1,435,366	\$ 1,496,000	\$ 1,496,000	\$ 1,727,518	\$ 1,620,598	\$ 1,675,736
Student Services						
Family, Infant & Toddler Program	\$ 107,458	\$ 108,000	\$ 108,000	\$ 114,812	\$ 114,812	\$ 135,107
Psychological Services	\$ 179,211	\$ 183,000	\$ 183,000	\$ 203,665	\$ 203,665	\$ 266,233
Student Services - IDEA-B	\$ 152,580	\$ 302,617	\$ 302,617	\$ 302,617	\$ -	\$ -
Community Skills Program	\$ 123,059	\$ 127,000	\$ 127,000	\$ 146,685	\$ -	\$ -
Occupational Therapy	\$ -	\$ -	\$ -	\$ -	\$ 85,300	\$ 87,495
English Language Learners	\$ -	\$ -	\$ -	\$ -	\$ 40,880	\$ 43,985
Totals - Student Services	\$ 562,308	\$ 720,617	\$ 720,617	\$ 767,779	\$ 444,657	\$ 532,820
Sub-total Chittenden South Supervisory Union	\$ 3,154,124	\$ 3,408,617	\$ 3,539,454	\$ 3,846,358	\$ 3,514,419	\$ 4,051,899
Grant Programs						
IDEA - B Grant	\$ -	\$ -	\$ -	\$ -	\$ 621,093	\$ 610,368
IDEA - B (PreSchool) Grant	\$ -	\$ -	\$ -	\$ -	\$ 24,895	\$ 24,895
Title V-A - Innovative Programs	\$ 65,676	\$ 55,517	\$ 56,154	\$ 56,154	\$ 90,091	\$ 57,198
Title IV - Safe & Drug Free Schools & Communities	\$ 55,846	\$ 56,725	\$ 45,850	\$ 45,850	\$ 51,336	\$ 44,575
Title II-D Technology	\$ 57,664	\$ 77,151	\$ 20,678	\$ 20,678	\$ 21,895	\$ 18,883
Title II-A Teacher Quality	\$ 118,298	\$ 152,667	\$ 274,141	\$ 274,141	\$ 330,004	\$ 283,210
Title I-Part A	\$ -	\$ -	\$ -	\$ -	\$ 297,062	\$ 275,317
Medicaid - EPSDT	\$ -	\$ -	\$ -	\$ -	\$ 38,171	\$ 38,171
Gates Leadership Grant	\$ -	\$ -	\$ 152,469	\$ 152,469	\$ 125,045	\$ 125,045
SAELP Leadership Grant	\$ -	\$ -	\$ 57,708	\$ 57,708	\$ 93,118	\$ -
SAELP #2 Leadership Grant	\$ -	\$ -	\$ -	\$ -	\$ 34,030	\$ -
SAELP Demo Site Grant	\$ -	\$ -	\$ -	\$ -	\$ 29,750	\$ -
Peer Prevention Educator #2	\$ -	\$ -	\$ 39,189	\$ 39,189	\$ -	\$ -
Peer Prevention Educator #3	\$ 99,133	\$ 99,133	\$ 99,133	\$ 99,133	\$ 22,209	\$ -
Peer Prevention Educator #4	\$ -	\$ -	\$ -	\$ -	\$ 74,350	\$ 74,350
Tobacco Use Prevention Grant	\$ 28,031	\$ 27,390	\$ 26,448	\$ 26,448	\$ 26,652	\$ 26,652
Community Tobacco Grant	\$ -	\$ -	\$ -	\$ -	\$ 29,380	\$ 29,380
Drug Free Schools Project	\$ -	\$ -	\$ -	\$ -	\$ 12,443	\$ 12,443
Goals 2000	\$ 90,000	\$ 90,000	\$ -	\$ -	\$ -	\$ -
New Directions - SAP	\$ 41,082	\$ 44,643	\$ 48,600	\$ 48,600	\$ 66,460	\$ 66,460
New Directions - Coalition	\$ -	\$ -	\$ 16,051	\$ 16,051	\$ 44,706	\$ 36,628
Community Learning Center	\$ 92,290	\$ 93,478	\$ 24,952	\$ 24,952	\$ -	\$ -
Capacity Building	\$ -	\$ -	\$ -	\$ -	\$ 3,500	\$ -
Waters Foundation	\$ -	\$ -	\$ -	\$ -	\$ 92,470	\$ 92,470
Act 230 - Training	\$ -	\$ -	\$ -	\$ -	\$ 10,500	\$ 10,500
Totals - Grant Programs	\$ 648,020	\$ 696,704	\$ 861,373	\$ 861,373	\$ 2,139,160	\$ 1,826,545
Total - Chittenden South Supervisory Union Budget	\$ 3,802,144	\$ 4,105,321	\$ 4,400,827	\$ 4,707,731	\$ 5,653,579	\$ 5,878,444



SCS Discovery Team students working on a Social Studies project



SCS Students studying in the school science lab



Max Keve participated in the state GeoBee competition with his advisor, David Southworth



Harmony Team students enjoying a family breakfast at school

TOWN OF SHELBURNE, VERMONT
AUDIT REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2003

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TOWN OF SHELBURNE, VERMONT
AUDIT REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2003

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FOTHERGILL SEGALE & VALLEY

Certified Public Accountants



John E. (Jeff) Fothergill, CPA
Michael L. Segale, CPA
Sheila R. Valley, CPA
Teresa H. Kajenski, CPA
Jane M. Burroughs, CPA

INDEPENDENT AUDITOR'S REPORT

September 3, 2003

To the Selectboard
Town of Shelburne, Vermont
Shelburne, Vermont

We have audited the accompanying general purpose financial statements of the Town of Shelburne, Vermont as of and for the year ended June 30, 2003, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the Town of Shelburne, Vermont's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A Statement of General Fixed Assets is not included in the general purpose financial statements which is a departure from U.S. generally accepted accounting principles. The amount that should be recorded in the General Fixed Assets Account Group has not been determined.

In our opinion, except for the effects on the financial statements of the omission noted above, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Shelburne, Vermont as of June 30, 2003, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 3, 2003, on our consideration of the Town of Shelburne, Vermont's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. Supplemental Schedules 1 – 10, as listed in the Table of Contents, are presented for purposes of additional analysis and are not required parts of the general purpose financial statements of the Town of Shelburne, Vermont. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Respectfully submitted,

Fothergill Segal & Valley, CPAs

FOTHERGILL SEGALE & VALLEY, CPAs
Vermont Public Accountancy License #110

TOWN OF SHELBURNE, VERMONT
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2003

EXHIBIT A

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		ACCOUNT GROUPS	
	General Fund	Special Revenue Funds	Capital Project Funds	Enterprise Funds	Trust and Agency Funds	General	Long-term Debt	Totals (Memorandum only)	
Cash	\$ 788,836	323,548	\$ 1,364,041	\$ 697,354	\$ 5,602	\$ 0	\$ 0	\$ 3,179,381	
Investments	0	449,385	1,588,894	0	217,077	0	0	2,255,356	
Due from State of Vermont	0	48,062	136,524	0	0	0	0	184,586	
User fee receivables:									
Billed user fees	0	0	0	49,235	0	0	0	49,235	
Unbilled user fees	0	0	0	390,501	0	0	0	390,501	
Allowance for doubtful accounts	0	0	0	(10,000)	0	0	0	(10,000)	
Accounts receivable - other	10,465	0	3,346	3,518	0	0	0	17,329	
Delinquent taxes receivable	96,599	0	0	0	0	0	0	96,599	
Due from other funds	57,068	0	658,838	0	352,503	0	0	1,068,409	
Inventory	0	0	0	2,500	0	0	0	2,500	
Prepaid expenses	89,053	0	0	5,760	0	0	0	94,813	
Loan receivable	0	145,800	0	0	0	0	0	145,800	
Plant and equipment - net of accumulated depreciation	0	0	0	14,157,210	0	0	0	14,157,210	
Amount to be provided for the retirement of long-term debt	0	0	0	0	0	0	0	5,107,259	
Total assets	\$ 1,042,021	\$ 966,795	\$ 3,751,643	\$ 15,296,078	\$ 575,182	\$ 5,107,259	\$ 5,107,259	\$ 26,738,978	

ASSETS

Cash
 Investments
 Due from State of Vermont
 User fee receivables:
 Billed user fees
 Unbilled user fees
 Allowance for doubtful accounts
 Accounts receivable - other
 Delinquent taxes receivable
 Due from other funds
 Inventory
 Prepaid expenses
 Loan receivable
 Plant and equipment - net of accumulated depreciation
 Amount to be provided for the retirement of long-term debt
 Total assets

See Notes to Financial Statements.

TOWN OF SHELburnE, VERMONT
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 2003

EXHIBIT A

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES		ACCOUNT GROUPS		Totals (Memorandum only)
	General Fund	Special Revenue Funds	Capital Project Funds	Enterprise Funds	Trust and Agency Funds	General Long-term Debt				
		\$	\$						\$	
LIABILITIES AND FUND EQUITY										
Liabilities:										
Accounts payable	\$ 276,534	\$ 6,533	\$ 53,693	\$ 98,633	\$ 0	\$ 0	\$ 0	\$ 0	\$ 435,393	\$ 0
Due to other funds	0	348,492	50,197	647,633	22,087	0	0	0	1,068,409	0
Deferred revenue	72,343	145,800	0	7,850	0	0	0	0	225,993	0
Notes payable - short term	0	0	1,160,000	0	0	0	0	0	1,160,000	0
Bonds and notes payable	0	0	0	10,790,947	0	0	0	0	15,725,740	0
Accrued compensated absences	0	0	0	39,934	0	0	0	0	172,466	0
Total liabilities	348,877	500,825	1,263,890	11,584,997	22,087	0	0	0	18,827,935	0
Fund Equity										
Contributed capital	0	0	0	949,913	0	0	0	0	949,913	0
Retained Earnings:										
Reserved	0	0	0	327,145	0	0	0	0	327,145	0
Unreserved:										
Net investment in plant & equipment	0	0	0	2,416,350	0	0	0	0	2,416,350	0
Undesignated	0	0	0	17,673	0	0	0	0	17,673	0
Fund Balances:										
Reserved for endowments	0	0	0	0	84,694	0	0	0	84,694	0
Reserved - other	179,000	465,970	2,487,753	0	468,401	0	0	0	3,601,124	0
Unreserved	514,144	0	0	0	0	0	0	0	514,144	0
Total fund equity	693,144	465,970	2,487,753	3,711,081	553,095	0	0	0	7,911,043	0
Total liabilities and fund equity	\$ 1,042,021	\$ 966,795	\$ 3,751,643	\$ 15,296,078	\$ 575,182	\$ 0	\$ 0	\$ 5,107,259	\$ 26,738,978	\$ 0

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
 COMBINED STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
 ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS
 YEAR ENDED JUNE 30, 2003

	GOVERNMENTAL FUND TYPES			FIDUCIARY FUND TYPES	Totals (Memorandum Only)
	General Fund	Special Revenue Funds	Capital Project Funds	Expendable Trust Funds	
REVENUE					
Property taxes	\$ 3,304,174	\$ 0	\$ 0	\$ 0	\$ 3,304,174
Penalties and interest	79,756	0	0	0	79,756
Intergovernmental	245,598	144,623	69,405	0	459,626
Charges for services	66,332	0	0	0	66,332
Interest and dividends	39,385	9,545	99,427	2,662	151,019
Fees and licenses	608,261	197,675	111,677	0	917,613
Building rental and lease	94,021	0	0	0	94,021
Other	58,375	22,995	53,066	9,900	144,336
Loss on fair value of marketable securities	0	0	0	(738)	(738)
Total revenue	4,495,902	374,838	333,575	11,824	5,216,139
EXPENDITURES					
General government	1,087,873	80,301	169,015	0	1,337,189
Public safety	1,028,177	87,612	0	0	1,115,789
Highway department	748,795	0	500	0	749,295
Water and sewer	0	0	1,662,972	0	1,662,972
Health and welfare	60,557	4,700	0	0	65,257
Recreation and parks	212,398	107,850	18,076	0	338,324
Debt service	618,714	0	86,890	0	705,604
Library	138,425	0	0	0	138,425
Employee benefits	485,244	0	0	0	485,244
Total expenditures	4,380,183	280,463	1,937,453	0	6,598,099
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	115,719	94,375	(1,603,878)	11,824	(1,381,960)
OTHER FINANCING SOURCES (USES)					
Operating transfers in	206,628	80,344	84,463	50,361	421,796
Operating transfers out	(144,117)	(119,218)	(125,061)	0	(388,396)
Loan proceeds	8,000	0	1,576,305	0	1,584,305
Total other financing sources (uses)	70,511	(38,874)	1,535,707	50,361	1,617,705
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	186,230	55,501	(68,171)	62,185	235,745
FUND BALANCES - JULY 1, 2002	506,914	410,469	2,555,924	378,833	3,852,140
FUND BALANCES - JUNE 30, 2003	\$ 693,144	\$ 465,970	\$ 2,487,753	\$ 441,018	\$ 4,087,885

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
 COMBINED STATEMENT OF REVENUE, EXPENSES AND
 CHANGES IN FUND BALANCES/RETAINED EARNINGS
 ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
 YEAR ENDED JUNE 30, 2003

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	Totals (Memorandum Only)
	Enterprise Funds		Nonexpendable Trust Funds	
	Water Fund	Sewer Fund		
OPERATING REVENUE				
Usage fees	\$ 544,160	\$ 947,702	\$ 0	\$ 1,491,862
Cut-in fees & tank space rent	15,500	0	0	15,500
Interest and penalties	7,415	15,561	0	22,976
Other	6,678	52,696	5,726	65,100
Total operating revenue	<u>573,753</u>	<u>1,015,959</u>	<u>5,726</u>	<u>1,595,438</u>
OPERATING EXPENSES				
Personnel services and benefits	144,723	262,915	0	407,638
Administrative expenses	42,112	31,550	0	73,662
Library/recreation	0	0	32,892	32,892
Water supply/engineering	236,578	0	0	236,578
Sludge removal	0	77,747	0	77,747
Facilities maintenance and utilities	76,912	132,984	0	209,896
Electricity	0	143,841	0	143,841
General insurance	9,150	12,525	0	21,675
Other	6,258	113,939	0	120,197
Total operating expenses	<u>515,733</u>	<u>775,501</u>	<u>32,892</u>	<u>1,324,126</u>
OPERATING INCOME (LOSS)	<u>58,020</u>	<u>240,458</u>	<u>(27,166)</u>	<u>271,312</u>
NONOPERATING REVENUE (EXPENSES)				
Investment gain	0	0	477	477
Interest and dividend revenue	11,576	0	5,076	16,652
Depreciation	(48,489)	(307,047)	0	(355,536)
Interest expense	(22,235)	(44,796)	0	(67,031)
Total nonoperating revenue (expenses)	<u>(59,148)</u>	<u>(351,843)</u>	<u>5,553</u>	<u>(405,438)</u>
NET INCOME (LOSS) BEFORE TRANSFERS	<u>(1,128)</u>	<u>(111,385)</u>	<u>(21,613)</u>	<u>(134,126)</u>
TRANSFERS				
Transfers out	<u>(31,000)</u>	<u>0</u>	<u>(2,400)</u>	<u>(33,400)</u>
NET INCOME (LOSS)	<u>(32,128)</u>	<u>(111,385)</u>	<u>(24,013)</u>	<u>(167,526)</u>
Amortization of contributed capital	<u>7,285</u>	<u>16,564</u>	<u>0</u>	<u>23,849</u>
INCREASE (DECREASE) IN RETAINED EARNINGS/FUND BALANCES	<u>(24,843)</u>	<u>(94,821)</u>	<u>(24,013)</u>	<u>(143,677)</u>
RETAINED EARNINGS/FUND BALANCES - JULY 1, 2002 - RESTATED	<u>870,979</u>	<u>2,009,853</u>	<u>136,090</u>	<u>3,016,922</u>
RETAINED EARNINGS/FUND BALANCES - JUNE 30, 2003	<u>\$ 846,136</u>	<u>\$ 1,915,032</u>	<u>\$ 112,077</u>	<u>\$ 2,873,245</u>

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS
 YEAR ENDED JUNE 30, 2003

	PROPRIETARY FUND TYPES		FIDUCIARY FUND TYPES	Totals (Memorandum Only)
	Enterprise Funds		Nonexpendable Trust Funds	
	Water Fund	Sewer Fund		
CASH FLOWS FROM (TO) OPERATING ACTIVITIES				
Operating income (loss)	\$ 58,020	\$ 240,458	\$ (27,166)	\$ 271,312
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Increase in accounts receivable	(24,490)	(23,072)	0	(47,562)
Increase in prepaid expenses	(134)	(156)	0	(290)
Decrease in accounts payable	(4,271)	(12,367)	0	(16,638)
Increase in customer deposits	7,850	0	0	7,850
Net cash from (to) operating activities	<u>36,975</u>	<u>204,863</u>	<u>(27,166)</u>	<u>214,672</u>
CASH FLOWS FROM (TO) NON-CAPITAL FINANCING ACTIVITIES				
Transfers out	<u>(31,000)</u>	<u>0</u>	<u>(2,400)</u>	<u>(33,400)</u>
CASH FLOWS FROM (TO) CAPITAL AND RELATED FINANCING ACTIVITIES				
Increase (decrease) in due to other funds	47,382	(86,998)	21,267	(18,349)
Principal proceeds	0	1,638,804	0	1,638,804
Interest payments	(22,235)	(44,796)	0	(67,031)
Principal payments	(31,122)	(57,021)	0	(88,143)
Contributed capital proceeds	<u>0</u>	<u>6,906</u>	<u>0</u>	<u>6,906</u>
Net cash from (to) capital and related financing activities	<u>(5,975)</u>	<u>1,456,895</u>	<u>21,267</u>	<u>1,472,187</u>
CASH FLOWS FROM (TO) INVESTING ACTIVITIES				
Receipts of interest and dividends	11,576	0	5,076	16,652
Plant and equipment purchases	<u>0</u>	<u>(1,661,758)</u>	<u>0</u>	<u>(1,661,758)</u>
Net cash from (to) investing activities	<u>11,576</u>	<u>(1,661,758)</u>	<u>5,076</u>	<u>(1,645,106)</u>
NET INCREASE (DECREASE) IN CASH	11,576	0	(3,223)	8,353
CASH BALANCES - JULY 1, 2002	<u>685,778</u>	<u>0</u>	<u>8,825</u>	<u>694,603</u>
CASH BALANCES - JUNE 30, 2003	<u>\$ 697,354</u>	<u>\$ 0</u>	<u>\$ 5,602</u>	<u>\$ 702,956</u>

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2003

REVENUE	Budget	Actual	Variance Favorable (Unfavorable)
Taxes			
Property taxes	\$ 3,240,502	\$ 3,304,174	\$ 63,672
Penalties and interest on delinquent taxes	82,000	79,756	(2,244)
Total taxes	<u>3,322,502</u>	<u>3,383,930</u>	<u>61,428</u>
Administration			
Liquor licenses	2,300	2,270	(30)
Animal licenses	5,500	5,187	(313)
Fish and game licenses	125	212	87
Marriage licenses	300	448	148
Recording fees	40,000	114,826	74,826
Miscellaneous	1,500	1,123	(377)
Other fees	12,825	19,740	6,915
Total administration	<u>62,550</u>	<u>143,806</u>	<u>81,256</u>
Police department			
Judicial fees	44,000	63,471	19,471
Special duty reimbursement	28,163	71,509	43,346
Contracts	48,391	49,327	936
State grants	0	9,013	9,013
Other	14,400	12,590	(1,810)
Total police department	<u>134,954</u>	<u>205,910</u>	<u>70,956</u>
Highways			
Received for state aid/grant	161,000	197,976	36,976
Permits	1,400	1,512	112
Total highways	<u>162,400</u>	<u>199,488</u>	<u>37,088</u>
Planning and Zoning Fees	<u>36,700</u>	<u>30,447</u>	<u>(6,253)</u>
Cemeteries	<u>1,500</u>	<u>1,300</u>	<u>(200)</u>
Investment interest	<u>95,000</u>	<u>39,385</u>	<u>(55,615)</u>
Recreation department			
Sale of beach stickers	7,250	7,047	(203)
Fees & recreation programs	77,332	116,361	39,029
Total recreation department	<u>84,582</u>	<u>123,408</u>	<u>38,826</u>
Library	<u>23,400</u>	<u>16,495</u>	<u>(6,905)</u>

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2003

REVENUE (Continued)	Budget	Actual	Variance Favorable (Unfavorable)
Miscellaneous			
Administration - water and sewer	66,332	66,332	0
Other	1,000	9,955	8,955
Payment in lieu of taxes	0	195	195
Current use land charge	0	106,986	106,986
State current use tax payment	25,000	31,570	6,570
Act 60 Administration	5,500	7,039	1,539
Cellular tower fees	35,000	35,635	635
CSSU Village center lease	64,000	64,000	0
CSSU building maint. allocation	29,000	22,562	(6,438)
Other building rentals	4,000	7,459	3,459
Total miscellaneous	<u>229,832</u>	<u>351,733</u>	<u>121,901</u>
Total revenue	<u>4,153,420</u>	<u>4,495,902</u>	<u>342,482</u>
EXPENDITURES			
Selectboard			
Salaries	1,600	1,600	0
Expenses	5,600	5,326	274
VLCT dues	4,514	4,514	0
Printing of town reports	3,500	3,006	494
Total selectboard	<u>15,214</u>	<u>14,446</u>	<u>768</u>
Town manager office			
Salaries	95,144	95,795	(651)
Manager expenses	2,500	196	2,304
Vehicle expense	2,500	2,500	0
Emergency management	2,000	0	2,000
Total manager office	<u>102,144</u>	<u>98,491</u>	<u>3,653</u>
Elections			
Salaries	7,000	4,293	2,707
Expenses	11,000	12,625	(1,625)
Total elections	<u>18,000</u>	<u>16,918</u>	<u>1,082</u>
Finance and Insurance			
Salaries	125,665	125,775	(110)
Property and liability insurance	120,000	112,259	7,741
Computer	2,500	1,538	962
Auditing	6,000	3,604	2,396
Total finance and insurance	<u>254,165</u>	<u>243,176</u>	<u>10,989</u>
Legal services	<u>40,000</u>	<u>30,546</u>	<u>9,454</u>

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2003

EXPENDITURES (Continued)	Budget	Actual	Variance Favorable (Unfavorable)
Administration - Municipal Offices			
Office equipment and repair	1,000	565	435
Office supplies	8,000	8,135	(135)
Copier expense	7,500	7,015	485
Telephone	13,400	17,450	(4,050)
Technical assistance	11,000	18,654	(7,654)
Training	4,000	2,868	1,132
Computer hardware/software	4,000	8,443	(4,443)
Postage	10,000	11,922	(1,922)
	<u>58,900</u>	<u>75,052</u>	<u>(16,152)</u>
Total administration - municipal offices			
Town Clerk/Treasurer			
Salaries	98,279	98,775	(496)
Microfilming	2,000	2,729	(729)
Town Clerk expenses	2,750	2,596	154
Records automation and restoration	2,500	8,885	(6,385)
Office expenses	8,100	11,402	(3,302)
	<u>113,629</u>	<u>124,387</u>	<u>(10,758)</u>
Total Town Clerk/Treasurer			
Assessor's Office			
Assessor contract and reappraisal update	73,843	72,488	1,355
Expenses	6,180	5,867	313
	<u>80,023</u>	<u>78,355</u>	<u>1,668</u>
Total assessor's office			
Zoning and planning			
Salaries	100,549	100,331	218
Planner expenses	8,000	6,575	1,425
Planner assistance	15,000	14,005	995
Stormwater compliance	0	14,291	(14,291)
Town planning and special projects	500	0	500
	<u>124,049</u>	<u>135,202</u>	<u>(11,153)</u>
Total zoning and planning			
Buildings and Grounds			
Salaries	69,008	63,395	5,613
Village Ctr. operating and maintenance	12,000	22,972	(10,972)
Town Hall operating and maintenance	7,400	7,799	(399)
Village Ctr. heat and utilities	64,300	50,777	13,523
Pierson building utilities and maintenance	1,000	206	794
Maintenance truck	5,000	10,051	(5,051)
Noonan house	19,000	0	19,000
	<u>177,708</u>	<u>155,200</u>	<u>22,508</u>
Total buildings and grounds			

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2003

EXPENDITURES (Continued)	Budget	Actual	Variance Favorable (Unfavorable)
Police department			
Salaries	460,810	445,757	15,053
Overtime salaries	67,019	59,389	7,630
Special duty details	25,000	64,970	(39,970)
Office expense	8,400	7,618	782
Telephone	10,000	10,459	(459)
Radio expense	2,000	3,089	(1,089)
Travel and conferences	2,500	2,214	286
Photos	4,500	2,378	2,122
Training	8,500	9,668	(1,168)
Gasoline	20,000	15,618	4,382
Tires	2,600	1,524	1,076
Vehicle maintenance and repairs	8,000	10,060	(2,060)
General equipment	4,000	6,878	(2,878)
Uniform purchases	10,000	11,956	(1,956)
Uniform cleaning	2,400	2,699	(299)
Matching funds	1,500	0	1,500
Capital improvements	4,800	4,253	547
Building maintenance	1,500	2,203	(703)
Computer use	7,000	6,697	303
Computer maintenance	1,510	1,496	14
Police/C.U.S.I.	5,570	7,592	(2,022)
Animal enforcement	2,800	1,999	801
State law enforcement grant	0	1,000	(1,000)
Total police department	660,409	679,517	(19,108)
Public safety - other			
Dispatch salaries	164,725	158,868	5,857
Overtime salaries	22,505	27,532	(5,027)
Capital improvements	9,700	8,313	1,387
Training	3,000	2,024	976
Radio and other equipment	8,615	7,088	1,527
Uniforms/cleaning	4,450	3,104	1,346
Total public safety - other	212,995	206,929	6,066
Fire Department			
Salaries	18,500	18,467	33
Office supplies and phones	3,040	3,165	(125)
Building heat	3,300	4,438	(1,138)
Fire prevention - training	4,600	3,906	694
Radio maintenance	2,600	3,368	(768)
Protective clothing	9,000	3,756	5,244
Gas and oil	2,000	1,595	405
Fire fighting supplies	2,000	1,690	310
Equipment maintenance	5,000	8,702	(3,702)
Building maintenance	4,000	1,841	2,159
Equipment	4,300	6,300	(2,000)

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2003

EXPENDITURES (Continued)	Budget	Actual	Variance Favorable (Unfavorable)
Fire department - (Continued)			
Capital improvements	17,000	18,696	(1,696)
Other	2,625	1,651	974
Total fire department	<u>77,965</u>	<u>77,575</u>	<u>390</u>
Public works - highways			
Salaries	190,879	164,647	26,232
Overtime salaries	26,551	23,288	3,263
Drainage, maintenance and culverts	45,000	40,229	4,771
Construction	62,500	70,052	(7,552)
Retreatment	147,000	172,933	(25,933)
Sidewalks	30,000	22,117	7,883
Village sidewalk project	0	44,490	(44,490)
Garage heating fuel	6,000	5,968	32
Engineering services	3,000	2,079	921
Street signs	2,500	3,039	(539)
Winter sand	12,500	7,660	4,840
Winter salt	53,000	56,909	(3,909)
Garage utilities	7,000	7,135	(135)
Uniforms	3,000	3,324	(324)
Gas and diesel	9,900	9,644	256
Equipment rental	0	750	(750)
Equipment repair and maintenance	43,000	50,118	(7,118)
Street and caution lights	41,000	40,854	146
Garage expense and supplies	6,000	4,432	1,568
Equipment lift	6,576	6,574	2
Building maintenance	1,500	0	1,500
Webster/Spear intersection	45,000	12,103	32,897
Maeck Farm Road drainage	0	450	(450)
Total public works - highways	<u>741,906</u>	<u>748,795</u>	<u>(6,889)</u>
Health and Social Services			
Health officer salary	700	700	0
Health officer expense	400	287	113
Visiting Nurse Association	16,563	16,563	0
Social services	14,500	14,500	0
Total health and social services	<u>32,163</u>	<u>32,050</u>	<u>113</u>
Rescue			
Compensation	14,000	14,098	(98)
Medical expenses	8,200	7,090	1,110
Uniforms	4,250	463	3,787
Operating expenses	6,900	8,922	(2,022)
Training	5,000	6,021	(1,021)
Office expenses	2,100	1,763	337
Office equipment	2,000	353	1,647

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED JUNE 30, 2003

EXPENDITURES (Continued)	Budget	Actual	Variance Favorable (Unfavorable)
Rescue - (Continued)			
Communications	6,000	6,595	(595)
Vehicle expense	6,500	3,039	3,461
Building maintenance and utilities	15,200	12,867	2,333
Immunizations	1,000	30	970
Public education	4,000	665	3,335
Membership incentive	2,250	2,250	0
Total rescue	77,400	64,156	13,244
Cemetery department			
Salaries	18,591	18,324	267
Supplies and tools	600	813	(213)
Committee expenses	500	53	447
Repairs and maintenance	500	386	114
New equipment	300	298	2
Capital improvements	5,000	6,500	(1,500)
Gas	400	532	(132)
Outside services	2,460	1,601	859
Total cemetery department	28,351	28,507	(156)
Recreation department			
Salaries	47,344	53,497	(6,153)
Administration	5,475	8,019	(2,544)
Public information	8,050	7,024	1,026
Park maintenance	10,300	10,063	237
Beach related expenditures	25,010	20,701	4,309
Sports leagues	33,755	48,934	(15,179)
Other recreation programs/events	35,141	51,339	(16,198)
Total recreation department	165,075	199,577	(34,502)
Library			
Salaries	96,779	96,095	684
Books/periodicals/audiovisuals	17,400	16,399	1,001
Supplies	2,200	2,558	(358)
Fuel oil	4,300	3,138	1,162
Building expense	2,000	2,234	(234)
Utilities	17,000	9,636	7,364
Equipment purchase and maintenance	1,150	293	857
Administrative expense	1,585	1,699	(114)
Computer hardware and software	4,500	4,815	(315)
Story hour/programs	1,700	1,558	142
Total library	148,614	138,425	10,189

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES (Continued)			
Debt management			
Village Center project	437,523	437,523	0
Fire trucks	49,684	49,672	12
Town hall/police expansion	11,362	11,362	0
Lavalette house	37,190	37,190	0
Longmeadow storm drain	82,967	82,967	0
Total debt management	<u>618,726</u>	<u>618,714</u>	<u>12</u>
Intergovernmental			
County tax	46,400	45,378	1,022
G.B.I.C.	1,200	1,200	0
Chittenden County Regional planning	6,431	6,857	(426)
Chittenden County Transit Authority	47,580	47,580	0
Metropolitan Planning Organization	5,398	4,736	662
Total intergovernmental	<u>107,009</u>	<u>105,751</u>	<u>1,258</u>
Employee benefits			
Retirement	71,290	66,920	4,370
Unemployment compensation	4,500	3,647	853
Social security	125,668	128,254	(2,586)
Health insurance	214,480	225,324	(10,844)
Health insurance - admin.	15,000	17,066	(2,066)
Long-term disability insurance	18,465	16,185	2,280
Dental and life insurance	28,356	26,651	1,705
Employee assistance program	1,000	648	352
Immunizations	4,500	549	3,951
Total employee benefits	<u>483,259</u>	<u>485,244</u>	<u>(1,985)</u>
Miscellaneous			
Discretionary	14,000	7,061	6,939
Halloween events	1,300	2,221	(921)
Tree conservation	1,000	2,100	(1,100)
Shelburne Craft center	500	0	500
Salary parity adjustments	3,000	0	3,000
Open space expenditure	8,500	8,500	0
Historic Preservation	500	67	433
Other	2,500	399	2,101
Abatements and adjustments	0	2,822	(2,822)
Total miscellaneous	<u>31,300</u>	<u>23,170</u>	<u>8,130</u>
Total expenditures	<u>4,369,004</u>	<u>4,380,183</u>	<u>(11,179)</u>
EXCESS REVENUE (EXPENDITURES)	<u>(215,584)</u>	<u>115,719</u>	<u>331,303</u>

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
 STATEMENT OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -
 BUDGET AND ACTUAL
 GENERAL FUND
 YEAR ENDED JUNE 30, 2003

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
OTHER FINANCING SOURCES (USES)			
Transfer from Landscape and Sidewalk Fund	20,000	20,000	0
Transfer from Ambulance Fund	27,500	27,500	0
Transfer from Reappraisal Fund	45,800	45,800	0
Transfer from Town Center Fund	75,000	75,000	0
Transfer from Bay Park Fund	22,909	15,529	(7,380)
Transfer from other Funds	15,092	20,399	5,307
Transfer from Lillian Davis Fund	2,400	2,400	0
Transfer to Police Cruiser Fund	(40,750)	(40,750)	0
Transfer to Highway Equipment Fund	(50,000)	(50,000)	0
Transfer to Cemetery Tractor Fund	(1,600)	(1,600)	0
Transfer to Open Space Fund	(51,767)	(51,767)	0
Loan proceeds	0	8,000	8,000
	<u>64,584</u>	<u>70,511</u>	<u>5,927</u>
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES			
	<u>\$ (151,000)</u>	186,230	<u>\$ 337,230</u>
FUND BALANCE - JULY 1, 2002		<u>506,914</u>	
FUND BALANCE - JUNE 30, 2003		<u>\$ 693,144</u>	

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

The Town of Shelburne, Vermont ("Town") is organized according to Vermont State Law and Town charter, under Selectboard management form of governance to provide the following services for the Town of Shelburne: public health and safety, highways and streets, culture and recreation, public improvements, sanitation, planning and zoning, water and sewer, and general administration.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements include all of the funds relevant to the Town and are prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP). The Town applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. The following is a summary of the more significant policies.

Reporting Entity

Specific criteria are used in the determination of which funds are included in the general purpose financial statements of the Town and in the definition of the Town as a separate reporting entity from any other unit of government. These criteria are: (1) oversight responsibility, which addresses the extent of the governing authority of elected officials, (2) scope of public service which addresses the type of services provided in the geographic service area and (3) the existence of any special financing relationships which exist between the Town and other entities. Based on these criteria, there are no other agencies or entities which should be combined with the general purpose financial statements of the Town.

Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operation of each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenue and expenditures, or expenses, as appropriate. Town resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped as follows:

Governmental Funds

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

TOWN OF SHELBURNE, VERMONT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Capital Projects Funds – Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

Proprietary Funds

Enterprise Funds – Enterprise Funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Fiduciary Funds

Trust Funds - Trust Funds are used to account for assets held by the Town in a trustee capacity. These include Expendable Trust, and Nonexpendable Trust Funds. Nonexpendable Trust Funds are accounted for in essentially the same manner as Proprietary Funds since capital maintenance is critical. Expendable Trust Funds are accounted for in essentially the same manner as Governmental Funds.

Account Groups

General Fixed Asset Account Group – General fixed assets used in Governmental Fund Type operations are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the General Fixed Assets Account Group. The Town of Shelburne does not maintain the historical cost information needed for establishment of a Statement of General Fixed Assets. General fixed assets used in the Proprietary Funds are capitalized and reported as an asset on the balance sheet. Depreciation on all exhaustible fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on the Proprietary Fund balance sheets.

General Long-Term Debt Account Group - This is not a fund but rather an account group that is used to account for the outstanding principal balances of long-term debt.

TOWN OF SHELBURNE, VERMONT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

Basis of accounting refers to when revenue 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.

All Governmental Funds and Expendable Trust Funds are accounted for using the modified accrual basis of accounting. Under this method, revenues are recognized when they become measurable and available as net current assets. Licenses and permits, charges for services, fines and forfeits, and miscellaneous revenues are recorded as revenue when received. General property taxes, self-assessed taxes, and investment earnings are recorded when earned (when they are measurable and available). Expenditures are generally recognized in the accounting period in which the fund liability is incurred. The exception to this general rule is to recognize principal and interest on general long-term debt when paid.

All Proprietary Funds and Nonexpendable Trust Funds are accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when incurred.

Budgetary Accounting

The Town approves a budget for the General Fund at an annual Town Meeting and the Selectboard based on the budget and Grand List determines the tax rate. Formal budgetary accounting is employed as a management control device during the year for the General Fund. The budget for the General Fund is adopted on a basis consistent with U.S. generally accepted accounting principles (GAAP).

Cash and Cash Equivalents

Cash includes amounts in demand deposits as well as short-term investments with a maturity date of less than three months of the date acquired by the Town.

Investments

Investments are stated at fair market value. Unrealized gains and losses are included in revenue.

TOWN OF SHELBURNE, VERMONT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Short-term Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided and services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

Prepaid Expenses

The Town uses the allocation method to account for prepaids. The prepaids are established at the date of payment and subsequently amortized over the accounting periods that are expected to benefit from the initial payment.

Inventory

Inventories of Proprietary Funds (Water Fund) are valued at cost using the first-in/first-out (FIFO) method.

Accrued Compensated Absences

Governmental Funds - Vested or accumulated vacation leave, compensatory time and sick leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave, compensatory time and sick leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group.

Proprietary Fund - Vested or accumulated vacation leave, compensatory time and sick leave is recorded as an expense and liability of those funds as the benefits accrue to employees.

Fund Balances/Retained Earnings

Equity is classified in the following categories:

Reserved - Indicates the portion of equity that has been legally segregated or encumbered for specific future uses or not appropriate for expenditure.

Unreserved - Indicates the portion of fund equity that is available for appropriation and expenditure in future periods.

TOWN OF SHELBURNE, VERMONT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003
(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Total Columns on the Combined Statements

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation, as interfund eliminations have not been made in the aggregation of this data.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – CASH, INVESTMENTS, AND CATEGORIES OF RISK

Cash

The Treasurer invests excess cash according to policies established by the Selectboard.

At June 30, 2003 the book balance of the Town's deposits was \$3,179,381 and the bank balance was \$3,413,511. The difference between the book and bank balance is due to outstanding checks and deposits in transit.

The Town deposits are categorized to give an indication of the level of risk assumed by the Town. The bank balance at June 30, 2003 is categorized as follows:

1. Insured by the FDIC or collateralized with securities held by the Town or by the Town's agent in the Town's name.
2. Collateralized with securities held by the pledging financial institution's trust department or its agent in the Town's name.
3. Uncollateralized (this includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the Town's name).

TOWN OF SHELBURNE, VERMONT
 NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003
 (Continued)

NOTE 2 – CASH, INVESTMENTS, AND CATEGORIES OF RISK (Continued)

Category 1	\$ 200,000
Category 2	3,213,511
Category 3	<u>0</u>
Total cash bank balance	<u>\$ 3,413,511</u>

Investments

The Town's investments are categorized to provide an indication of the level of risk assumed by the Town. Category 1 includes investments that are insured or registered or for which the securities are held by the Town or its agent in the Town's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the Town's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent but not in the Town's name.

	Category			Carrying Amount	Market Value
	1	2	3		
Certificate of Deposits (with terms of 90 days or greater)	\$ 2,038,279	\$ 0	\$ 0	\$ 2,038,279	\$ 2,038,279
VT Community Foundation	0	0	83,381	83,381	83,381
Common Stock	45,181	0	0	45,181	45,181
	<u>\$ 2,083,460</u>	<u>\$ 0</u>	<u>\$ 83,381</u>	2,166,841	2,166,841
Mutual Funds				88,515	88,515
				<u>\$ 2,255,356</u>	<u>\$ 2,255,356</u>

Investments in mutual funds are not required to be categorized by risk.

NOTE 3 – LOAN RECEIVABLE

The loan receivable in the special revenue funds consist of the following:

Community Development Block Grant	
Loan receivable, 47 Court Street Property, Inc.	
0.0% interest, due December 31, 2004	<u>\$ 145,800</u>

Since the future receipt of these funds will only occur if the property is sold for an unrelated use on or before December 31, 2004, the entire amount has also been reported as deferred revenue.

TOWN OF SHELBURNE, VERMONT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003
(Continued)

NOTE 4 – INTERFUND RECEIVABLES AND PAYABLES

Individual fund interfund receivable and payable balances at June 30, 2003, were:

	Interfund Receivables	Interfund Payables
General Fund	\$ 57,068	\$ 0
Special Revenue Funds:		
Ambulance Fund	0	13,560
Other Funds	0	334,932
Total Special Revenue Funds	0	348,492
Capital Project Funds:		
Bay Park Fund	21,920	0
Highway Equipment Fund	31,158	0
Library Building Fund	1,826	0
Sewer Expansion Funds	472,209	0
Landscape Escrow Fund	74,235	0
Town Center Fund	0	50,197
Water Project Funds	45,190	0
Streets Improvement Funds	12,300	0
Total Capital Projects Funds	658,838	50,197
Enterprise Funds:		
Water Fund	0	475,898
Sewer Fund	0	171,735
Total Enterprise Funds	0	647,633
Trust and Agency Funds		
Pierson Library Fund - nonexpendable	0	8,531
Lillian Davis Memorial Fund - nonexpendable	0	13,556
Open Land Trust Fund - expendable	291,719	0
Cemetery Trust Fund - expendable	52,253	0
Tracey Maeck Pierson Fund - expendable	8,531	0
Total Trust and Agency Funds	352,503	22,087
Total	\$ 1,068,409	\$ 1,068,409

TOWN OF SHELBURNE, VERMONT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003
(Continued)

NOTE 5 – PLANT AND EQUIPMENT

Proprietary Funds (Water and Sewer Funds)

As of June 30, 2003, plant and equipment consisted of the following:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
<u>Water Fund</u>			
Garage	\$ 40,000	\$ (22,963)	\$ 17,037
Vehicles and equipment	105,338	(89,656)	15,682
Water systems	1,463,643	(601,572)	862,071
Water tanks	240,068	(159,219)	80,849
Shop improvements	1,989	(1,989)	0
Total Water Fund	<u>\$ 1,851,038</u>	<u>\$ (875,399)</u>	<u>\$ 975,639</u>
<u>Sewer Fund</u>			
Land	\$ 11,000	\$ 0	\$ 11,000
Sewer and wastewater facilities	15,888,279	(2,717,708)	13,170,571
Vehicles	35,571	(35,571)	0
Total Sewer Fund	<u>\$ 15,934,850</u>	<u>\$ (2,753,279)</u>	<u>\$ 13,181,571</u>

Depreciation is being provided for over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Building and facilities	50 years
Vehicles and equipment	5 - 10 years
Water and sewer lines	30 - 50 years

NOTE 6 – NOTE PAYABLE – SHORT-TERM

Note payable – short-term at June 30, 2003 consist of the following:

Capital Project Funds:

Bond Anticipation Note - Chittenden Bank, interest at 1.75%, principal and interest due August 15, 2003, Route 7 Waterline Project.	\$ 960,000
Bond Anticipation Note - Chittenden Bank, interest at 1.75%, principal and interest due December 10, 2003, Sewer Expansion Project.	<u>200,000</u>
Total capital project fund notes payable	<u>\$ 1,160,000</u>

TOWN OF SHELBURNE, VERMONT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003
(Continued)

NOTE 7 - LONG-TERM DEBT

Long-term debt at June 30, 2003 consists of the following:

Governmental Funds

Town Center payable to Vermont Municipal Bond Bank, annual principal payments of \$235,000 plus semi-annual interest payments at 2.8% to 5.18%, due December 1, 2021.	\$ 4,465,000
Fire truck note payable to the Chittenden Bank, annual principal payments of \$10,380, interest at 2.3%.	20,760
Town Hall renovation note payable to the Chittenden Bank, annual principal payments of \$10,800, interest at 2.4%.	10,800
Capital equipment note payable to the Chittenden Bank, annual principal payments of \$4,000, interest at 2.6%.	8,000
Property acquisition bond payable to the Vermont Municipal Bond Bank, annual principal payments of \$65,000 through December 1, 2003, \$30,000 thereafter, interest at 4.193%, matures December 1, 2008.	215,000
Longmeadow bond payable to the Vermont Municipal Bond Bank, annual principal payments of \$75,000, interest at 4.152%, matures December 1, 2004.	150,000
Capital equipment (truck) note payable to the Vermont Municipal Equipment Loan Fund, interest at 2.0%, annual principal payments of \$15,121, matures December 31, 2003.	15,121
Capital equipment (truck) note payable to the Vermont Municipal Equipment Loan Fund, interest at 2.0%, annual principal payments of \$14,879, matures December 31, 2003.	14,879
Capital equipment (truck) note payable to the Vermont Municipal Equipment Loan Fund, interest at 2.0%, annual principal payments of \$13,900, matures June 30, 2004.	13,900

TOWN OF SHELBURNE, VERMONT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003
(Continued)

NOTE 7 - LONG-TERM DEBT (Continued)

Capital equipment (lift and alarm panel) note payable to the Chittenden Bank, interest at 2.6%, annual principal payments of \$10,667, matures August, 2004.	21,333
Total general long-term bond and notes payable	4,934,793
Accrued compensated absences	172,466
Total general long-term debt	<u>\$ 5,107,259</u>

Enterprise Funds

Sewer upgrade note payable to State of Vermont revolving loan fund, total available \$7,783,835, non-interest-bearing, annual principal payments of \$389,192 beginning in fiscal year 2004.	\$ 7,495,636
Sewer upgrade note payable to State of Vermont revolving loan fund, total available \$1,620,247 non-interest-bearing, annual principal payments of \$81,012 beginning in fiscal year 2005.	1,496,727
Shelburne Heights sewer upgrade note payable to State of Vermont revolving loan fund, total available \$1,030,000 non-interest-bearing, annual principal payments of \$51,500 beginning in fiscal year 2004.	1,010,443
Sewer bond payable to the Vermont Municipal Bond Bank, annual principal payments currently at \$25,000 with \$5,000 increase every two years, interest at 6.927%, matures December 1, 2011.	370,000
Sewer bond payable to the Vermont Municipal Bond Bank, annual principal payments of \$20,000 plus interest at 7.234% less refunds of \$4,172 per year for three years starting in fiscal year 2004, matures December 1, 2007.	100,000
Water bond payable to the Vermont Municipal Bond Bank, annual principal payments of between \$25,000 and \$45,000 plus interest at 6.929%, matures December 1, 2011.	305,000

TOWN OF SHELBURNE, VERMONT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003
(Continued)

NOTE 7 - LONG-TERM DEBT (Continued)

Capital equipment (sewer truck) note payable to the Vermont Municipal Equipment Loan Fund, interest at 2.0%, annual principal payments of \$7,020, matures June 30, 2004.	7,020
Capital equipment (water truck) note payable to the Vermont Municipal Equipment Loan Fund, interest at 2.0%, annual principal payments of \$6,121, matures June 30, 2004.	<u>6,121</u>
Total enterprise funds long-term bond and notes payable	<u><u>\$ 10,790,947</u></u>

Long-term debt will mature in the next five years approximately as follows:

	Principal	Interest	Total
2004	\$ 981,300	\$ 258,489	\$ 1,239,789
2005	964,471	238,355	1,202,826
2006	869,425	220,596	1,090,021
2007	874,425	208,599	1,083,024
2008	879,425	191,620	1,071,045
Thereafter	11,156,694	1,195,250	12,351,944
	<u>\$ 15,725,740</u>	<u>\$ 2,312,909</u>	<u>\$ 18,038,649</u>

Changes in long-term debt were as follows:

	Total	General Bonds, Notes	Enterprise Bonds, Notes	Accrued Absences
Balance - June 30, 2002	\$ 14,769,048	\$ 5,397,540	\$ 9,240,286	\$ 131,222
Increase in accrued absences	41,244	0	0	41,244
Principal payments	(558,890)	(470,747)	(88,143)	0
Loan proceeds	1,646,804	8,000	1,638,804	0
Balance - June 30, 2003	<u>\$ 15,898,206</u>	<u>\$ 4,934,793</u>	<u>\$ 10,790,947</u>	<u>\$ 172,466</u>

TOWN OF SHELBURNE, VERMONT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003
(Continued)

NOTE 8 – DEFERRED REVENUE

Deferred revenue at June 30, 2003 consists of the following:

	General Fund	Special Revenue Fund	Enterprise Funds
Amount of delinquent property taxes not collected within 60 days from the balance sheet date	\$ 41,773	\$ 0	\$ 0
Property taxes and assessments received in advance	5,253	0	7,850
Registrations received in advance	19,984	0	0
Rental security deposit	5,333	0	0
Community Development Loan	0	145,800	0
Total deferred revenue	\$ 72,343	\$ 145,800	\$ 7,850

NOTE 9 – CONTRIBUTED CAPITAL

The balance sheet account “contributed capital” for the Water Fund represents financial contributions from the State and Federal government prior to fiscal year 1976. The balance sheet account “contributed capital” for the Sewer Fund represents financial contributions from the State of Vermont related to the sewer expansion project. Contributed capital is stated net of depreciation charged on assets purchased with this contributed capital.

<i>Water Fund</i>	
Contributed capital - July 1, 2002	\$ 161,964
Less: Depreciation on assets purchased with contributed capital	(7,285)
Contributed capital - June 30, 2003	\$ 154,679
<i>Sewer Fund</i>	
Contributed capital - July 1, 2002	\$ 804,892
Less: Depreciation on assets purchased with contributed capital	(16,564)
Add: current year additions	6,906
Contributed capital - June 30, 2003	\$ 795,234

NOTE 10 – RESERVED RETAINED EARNINGS

The \$327,145 represents the amount reserved for water plant improvements.

TOWN OF SHELBURNE, VERMONT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003
(Continued)

NOTE 11 – RESERVED FUND BALANCES

General Fund:

Fiscal year 2004 expenditures	\$	160,000
Noonan House		19,000
Total General Fund	\$	179,000

Special Revenue Funds

Education Impact Fees Fund	\$	12,232
Recreation Related Funds		47,157
Police Fund		48,645
Ambulance Fund		164,165
Act 60 reappraisal grants		85,660
Library - Freeman Fund Grant		13,082
Planning grants funds		3,229
Record Preservation Fund		63,462
Others:		
Bike Path grant		(896)
Cemetery Tractor Fund		4,851
Emergency - 911		423
Fire truck Fund		479
Ireland Stone Gate Fund		3,969
Neighborhood Path		5,860
Open space Fund		2,746
Preservation Committee		102
Smardon Garden		404
Town Hall/Chair Fund		483
Ti-Haul Road Fund		7,580
Vietnam Vet Memorial		1,038
Repar. Justice Grant Fund		1,299
Total Special Revenue Funds	\$	465,970

Capital Project Funds

Bay Park Fund	\$	21,528
Highway Equipment Fund		31,158
Library Building Construction		1,826
Sewer Expansion Fund		2,304,490
Landscape Escrow Fund		75,015
Town Center Fund		32,952
Water Project Route 7 Waterline		(36,705)
Water other projects		45,189
Streets Improvement Funds		12,300
Total Capital Project Funds	\$	2,487,753

TOWN OF SHELBURNE, VERMONT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003
(Continued)

NOTE 11 – RESERVED FUND BALANCES (Continued)

Fiduciary Funds

Pierson Library Fund	\$	80,452
Lillian Davis Memorial Fund		31,625
Open Land Trust Fund		291,719
Cemetery Trust Fund		140,768
Tracey Maeck Pierson Fund		8,531
Total Fiduciary Funds	\$	553,095

NOTE 12 - PROPERTY TAXES

The Town is responsible for assessing and collecting property taxes for both the Town and Town School District. Property taxes are assessed based on valuations as of April 1, annually. Property taxes were due in three equal installments on August 15, November 15, and March 15. All late payments are subject to an 8.0% penalty, and interest is calculated at 1.5% per month.

Town property tax revenue is recognized when levied to the extent they result in current receivables, which will be collected within 60 days of the fiscal year end. The tax rate for fiscal year 2002/2003 was \$2.616. The school rate was \$2.078 and the general rate was \$.538.

NOTE 13 - PENSION PLAN

All eligible employees of the Town are enrolled for coverage by the Vermont Municipal Employees' Retirement System (VMERS) immediately upon employment. VMERS has a defined benefit plan and a defined contribution plan that the Town participates in as follows:

Defined Benefit Plan

VMERS defined benefit plan is a cost sharing multiple-employer public employees' retirement system. Vermont State statutes provide the authority under which benefit provisions and the obligation to contribute are established. The Town and the employees make required contributions to the System based upon a valuation report prepared by the System's actuary.

There are four levels of contributions and benefits in the System called Group A, Group B, Group C and Group D. The Town participates only in Group B. Employee contributions are 4.5% of gross pay and employer contributions are 5% of gross pay.

TOWN OF SHELBURNE, VERMONT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003
(Continued)

NOTE 13 - PENSION PLAN (Continued)

Of the Town's total payroll of \$1,979,453, \$712,829 was covered under the VMERS defined benefit plan. The total employer contribution to this plan was \$35,641 for fiscal year 2003, \$34,141 for fiscal year 2002 and \$32,234 for fiscal year 2001.

The State of Vermont issues an audited Financial Report that includes financial statements and required disclosures. This report may be obtained by writing the State Auditor of Accounts, 132 State Street, Montpelier, VT 05602.

Defined Contribution Plan

The State of Vermont authorized VMERS to establish a new defined contribution (DC) plan available to members on July 1, 2000. The DC plan is a tax-sheltered money purchase plan under IRC 401(a). The plan includes a 5% employee contribution and a 5% employer contribution. 100% vesting occurs after one year of municipal service.

Of the Town's total payroll of \$1,979,453, \$909,822 was covered under the VMERS defined contribution plan. The total contributions to this plan by the employer were \$45,491 and by the employees were \$45,491.

NOTE 14 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. The Town maintains insurance coverage from the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund that covers 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 (3) fiscal years.

NOTE 15 – COMMITMENTS AND SUBSEQUENT EVENTS

SEWER PROJECTS:

The Voters have approved issuing bonds totaling \$11,408,000 for various sewer projects. Sewer projects include a plant expansion project, a sewer collection project and the Shelburne Heights project.

The total estimated cost of the plant expansion project is approximately \$8,640,000 and is being financed 90% by a non-interest-bearing loan from the Clean Water State Revolving Loan Fund. The other 10% is being financed by a grant from the State of Vermont Agency of Natural Resources. Approximately \$8,323,000 has been spent as of June 30, 2003 on this project.

TOWN OF SHELBURNE, VERMONT
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003
(Continued)

NOTE 15 – COMMITMENTS AND SUBSEQUENT EVENTS (Continued)

The sewer collection project is expected to cost \$2,300,000 and is being financed 100% by a non-interest-bearing loan from the Clean Water State Revolving Loan Fund. Approximately \$1,497,000 has been spent as of June 30, 2003 on this project.

The Shelburne Heights project is expected to cost \$1,081,000 and is being financed 100% by a non-interest-bearing loan from the Clean Water State Revolving Loan Fund. Approximately \$1,010,400 has been spent as of June 30, 2003 on this project.

OTHER PROJECTS:

The Voters have approved issuing bonds totaling \$1,375,000 for the purpose of relocating and interconnecting a water main on Shelburne Road. The estimated cost of the project is \$1,500,000. The remainder of the cost will be covered from fund balances of the Water Fund. Approximately \$40,000 has been spent as of June 30, 2003 on this project.

The Voters have authorized the Town to purchase the former Shelburne School building and associated land (currently Town offices) for \$500,000 with \$300,000 of the purchase price to be raised by taxes in fiscal year 2004 and \$200,000 to be raised by taxes in fiscal year 2005.

The Voters have approved issuing bonds totaling \$160,000 for the purpose of acquiring certain real property to provide for future cemetery purposes.

In July and August 2003 the Town borrowed a total of \$108,800 from the Chittenden Bank for the purpose of purchasing highway equipment. The notes are due to be repaid within one year of the time when received but are expected to be repaid over a longer period of time that has not yet been determined. The interest rate being charged is 2%.

NOTE 16 – CONTINGENCY

The Town participates in a number of federally assisted and state grant programs that are subject to audits by the grantors or their representatives. The audits of these programs for or including the year ended June 30, 2003+ have not yet been reviewed by the grantor agencies. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

NOTE 17 – RESTATED FUND EQUITY

The Sewer Fund fund equity as of June 30, 2002 has been reduced by \$12,646 to correct an error related to recording prior plant and equipment.

TOWN OF SHELBURNE, VERMONT
 COMBINING BALANCE SHEET
 SPECIAL REVENUE FUNDS
 JUNE 30, 2003

SCHEDULE 1

	Community Development Fund	Education Impact Fees Fund	Recreation Related Funds	Police Fund	Ambulance Fund	Act 60 Reappraisal Fund	Library Freeman Fd Grant	Planning Grants	Record Preservation Fund	Other	Total
ASSETS											
Cash	\$ 0	\$ 0	\$ 0	\$ 724	\$178,181	\$ 0	\$ 0	\$ 0	\$ 0	\$ 144,643	\$ 323,548
Investments	0	12,232	51,335	47,921	0	85,660	13,522	3,229	63,462	172,024	449,385
Due from State	0	0	0	0	0	0	0	0	0	48,062	48,062
Note receivable	145,800	0	0	0	0	0	0	0	0	0	145,800
Total assets	\$ 145,800	\$ 12,232	\$ 51,335	\$ 48,645	\$178,181	\$ 85,660	\$ 13,522	\$ 3,229	\$ 63,462	\$ 364,729	\$ 966,795
LIABILITIES AND FUND BALANCES											
Liabilities											
Accounts payable	\$ 0	\$ 0	\$ 4,178	\$ 0	\$ 456	\$ 0	\$ 440	\$ 0	\$ 0	\$ 1,459	\$ 6,533
Due to other funds	0	0	0	0	13,560	0	0	0	0	334,932	348,492
Deferred revenue	145,800	0	0	0	0	0	0	0	0	0	145,800
Total liabilities	145,800	0	4,178	0	14,016	0	440	0	0	336,391	500,825
Fund Balances Reserved	0	12,232	47,157	48,645	164,165	85,660	13,082	3,229	63,462	28,338	465,970
Total liabilities and fund balances	\$ 145,800	\$ 12,232	\$ 51,335	\$ 48,645	\$178,181	\$ 85,660	\$ 13,522	\$ 3,229	\$ 63,462	\$ 364,729	\$ 966,795

See Notes to Financial Statements.

TOWN OF SHELburnE, VERMONT
 COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCES
 SPECIAL REVENUE FUNDS
 YEAR ENDED JUNE 30, 2003

	Education Impact Fees	Recreation Related Funds	Police Fund	Ambulance Fund	Act 60 Reappraisal Fund	Library Freeman Fd Grant	Planning Grants	Record Preservation Fund	Other	Total
REVENUE										
Intergovernmental	\$ 0	0	\$ 26,459	\$ 0	\$ 19,110	\$ 0	\$ 8,400	\$ 0	\$ 90,654	\$ 144,623
Fees and licenses	12,143	37,499	0	130,405	0	0	0	17,628	0	197,675
Interest on investments	89	1,222	706	1,917	3,506	442	145	736	782	9,545
Other	0	1,060	15,106	0	0	0	0	829	6,000	22,995
Total revenue	12,232	39,781	42,271	132,322	22,616	442	8,545	19,193	97,436	374,838
EXPENDITURES										
General government	0	0	0	0	0	32,405	10,873	0	37,023	80,301
Public safety	0	0	70,438	13,995	0	0	0	0	3,179	87,612
Health and welfare	0	0	0	0	0	0	0	0	4,700	4,700
Recreation	0	22,349	0	0	0	0	0	0	85,501	107,850
Total expenditures	0	22,349	70,438	13,995	0	32,405	10,873	0	130,403	280,463
EXCESS REVENUE (EXPENDITURES)	12,232	17,432	(28,167)	118,327	22,616	(31,963)	(2,328)	19,193	(32,967)	94,375
OTHER FINANCING SOURCES (USES)										
Operating transfers in	0	0	40,750	0	0	0	0	0	39,594	80,344
Operating transfers out	0	(40,705)	0	(27,500)	(45,800)	0	0	0	(5,213)	(119,218)
Total other financing sources (uses)	0	(40,705)	40,750	(27,500)	(45,800)	0	0	0	34,381	(38,874)
EXCESS OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	12,232	(23,273)	12,583	90,827	(23,184)	(31,963)	(2,328)	19,193	1,414	55,501
FUND BALANCES - JULY 1, 2002	0	70,430	36,062	73,338	108,844	45,045	5,557	44,269	26,924	410,469
FUND BALANCES - JUNE 30, 2003	12,232	\$ 47,157	\$ 48,645	\$ 164,165	\$ 85,660	\$ 13,082	\$ 3,229	\$ 63,462	\$ 28,338	\$ 465,970

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
 COMBINING BALANCE SHEET
 CAPITAL PROJECT FUNDS
 JUNE 30, 2003

SCHEDULE 3

	Bay Park Fund	Highway Equipment Fund	Library Building Fund	Sewer Expansion Funds	Laplatte Bridge Fund	Landscape Escrow Fund	Town Center Fund	Water Project Funds	Streets Improvement Funds	Total
ASSETS										
Cash	\$ 0	\$ 0	\$ 0	\$ 320,272	\$ 0	\$ 0	\$ 80,583	\$ 963,186	\$ 0	\$ 1,364,041
Investments	0	0	0	1,588,894	0	0	0	0	0	1,588,894
Due from State	0	0	0	136,524	0	0	0	0	0	136,524
Accounts receivable	0	0	0	0	0	780	2,566	0	0	3,346
Due from other funds	21,920	31,158	1,826	472,209	0	74,235	0	45,190	12,300	658,838
Total assets	\$ 21,920	\$ 31,158	\$ 1,826	\$ 2,517,899	\$ 0	\$ 75,015	\$ 83,149	\$ 1,008,376	\$ 12,300	\$ 3,751,643

LIABILITIES AND FUND BALANCES

Liabilities										
Accounts Payable	\$ 392	\$ 0	\$ 0	\$ 13,409	\$ 0	\$ 0	\$ 0	\$ 39,892	\$ 0	\$ 53,693
Note payable	0	0	0	200,000	0	0	0	960,000	0	1,160,000
Due to other funds	0	0	0	0	0	0	50,197	0	0	50,197
Total liabilities	392	0	0	213,409	0	0	50,197	999,892	0	1,263,890
Fund Balances Reserved	21,528	31,158	1,826	2,304,490	0	75,015	32,952	8,484	12,300	2,487,753
Total liabilities and fund balances	\$ 21,920	\$ 31,158	\$ 1,826	\$ 2,517,899	\$ 0	\$ 75,015	\$ 83,149	\$ 1,008,376	\$ 12,300	\$ 3,751,643

See Notes to Financial Statements.

TOWN OF SHELburnE, VERMONT
 COMBINING SCHEDULE OF REVENUE, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 CAPITAL PROJECT FUNDS
 YEAR ENDED JUNE 30, 2003

	Bay Park Fund	Highway Equipment Fund	Library Building Fund	Sewer Expansion Funds	Laplatte Bridge Fund	Landscape Escrow Fund	Town Center Fund	Water Project Funds	Streets Improvement Funds	Total
REVENUE										
Intergovernmental	\$ 0	\$ 0	\$ 0	\$ 69,405	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 69,405
Fees	29,265	5,850	0	72,532	0	4,030	0	0	0	111,677
Interest	512	558	62	89,744	206	2,827	1,575	3,643	300	99,427
Other	0	0	0	15,000	0	0	38,066	0	0	53,066
Total revenue	29,777	6,408	62	246,681	206	6,857	39,641	3,643	300	333,575
EXPENDITURES										
General government	0	0	0	0	0	0	169,015	0	0	169,015
Recreation	18,076	0	0	0	0	0	0	0	0	18,076
Water and sewer	0	0	0	1,612,230	0	0	0	50,742	0	1,662,972
Highway	0	0	0	0	0	0	0	0	500	500
Debt service	0	66,056	0	20,834	0	0	0	0	0	86,890
Total expenditures	18,076	66,056	0	1,633,064	0	0	169,015	50,742	500	1,937,453
EXCESS REVENUE (EXPENDITURES)	11,701	(59,648)	62	(1,386,383)	206	6,857	(129,374)	(47,099)	(200)	(1,603,878)
OTHER FINANCING SOURCES (USES)										
Proceeds of long-term debt	0	0	0	1,576,305	0	0	0	0	0	1,576,305
Transfer in	0	50,000	0	0	0	0	0	31,000	3,463	84,463
Transfer out	(20,529)	0	0	0	(6,069)	(14,417)	(75,000)	0	(9,046)	(125,061)
Total other financing sources (uses)	(20,529)	50,000	0	1,576,305	(6,069)	(14,417)	(75,000)	31,000	(5,583)	1,535,707
EXCESS REVENUE OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(8,828)	(9,648)	62	189,922	(5,863)	(7,560)	(204,374)	(16,099)	(5,783)	(68,171)
FUND BALANCES - JULY 1, 2002	30,356	40,806	1,764	2,114,568	5,863	82,575	237,326	24,583	18,083	2,555,924
FUND BALANCES - JUNE 30, 2003	\$ 21,528	\$ 31,158	\$ 1,826	\$ 2,304,490	\$ 0	\$ 75,015	\$ 32,952	\$ 8,484	\$ 12,300	\$ 2,487,753

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
 COMBINING BALANCE SHEET
 PROPRIETARY FUNDS
 JUNE 30, 2003

SCHEDULE 5

	Water Fund	Sewer Fund	Total
ASSETS			
Cash	\$ 697,354	\$ 0	\$ 697,354
User fees receivable	13,516	35,719	49,235
Unbilled user fees	149,678	240,823	390,501
Accounts receivable - other	731	2,787	3,518
Allowance for doubtful accounts	0	(10,000)	(10,000)
Inventory	2,500	0	2,500
Prepaid expenses	1,642	4,118	5,760
Plant and equipment - net of accumulated depreciation	975,639	13,181,571	14,157,210
 Total assets	 \$ 1,841,060	 \$ 13,455,018	 \$ 15,296,078
 LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable	\$ 31,684	\$ 66,949	\$ 98,633
Customer deposits/overpayments	7,850	0	7,850
Due to other funds	475,898	171,735	647,633
Bonds and notes payable	311,121	10,479,826	10,790,947
Accrued compensated absences	13,692	26,242	39,934
 Total liabilities	 840,245	 10,744,752	 11,584,997
 Fund Equity			
Contributed capital	154,679	795,234	949,913
Retained earnings			
Reserved	327,145	0	327,145
Unreserved:			
Net investment in plant & equipment	509,839	1,906,511	2,416,350
Undesignated	9,152	8,521	17,673
 Total equity	 1,000,815	 2,710,266	 3,711,081
 Total liabilities and fund equity	 \$ 1,841,060	 \$ 13,455,018	 \$ 15,296,078

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
SCHEDULE OF INCOME
BUDGET AND ACTUAL - WATER FUND
YEAR ENDED JUNE 30, 2003

REVENUE	Budget	Actual	Variance Favorable (Unfavorable)
Water sales	\$ 533,266	\$ 544,160	\$ 10,894
Cut-ins	2,500	2,500	0
Interest income	20,000	11,576	(8,424)
Tank space rent	13,000	13,000	0
Interest & penalties	3,500	7,415	3,915
Other	2,900	6,678	3,778
Total revenue	575,166	585,329	10,163
EXPENDITURES AND TRANSFERS			
Accounting/auditing	1,500	1,500	0
Building upkeep	1,000	249	751
Computer services	3,000	0	3,000
Debt service	53,356	53,356	0
Engineering	6,000	19,221	(13,221)
Equipment and large tools	4,000	2,074	1,926
Equipment rental	20,000	47,670	(27,670)
Hydrant replacement	6,500	4,580	1,920
Insurance - dental, disability and life	3,124	2,963	161
Insurance - general	9,150	9,150	0
Insurance - health	16,596	14,477	2,119
Legal	1,000	38	962
Materials	4,000	4,042	(42)
Meter replacement	5,000	5,338	(338)
Mileage	250	25	225
Miscellaneous	6,000	7,664	(1,664)
Pinehurst Dr. waterline	0	600	(600)
Office supplies	1,500	1,263	237
Postage	2,000	1,558	442
Pump station	4,000	3,669	331
Radio maintenance	450	258	192
Rent/administration	34,782	34,782	0
Retirement	5,514	5,665	(151)
Salaries - regular	92,249	93,033	(784)
Salaries - overtime and on-call	18,024	18,209	(185)
Small tools	500	770	(270)
Social security	8,436	7,898	538
State water quality fee	5,500	5,105	395
Telephones/pagers	2,820	2,870	(50)
Training	2,000	683	1,317
Uniforms	1,855	1,796	59
Valve replacement	2,000	75	1,925
Vehicle gas and oil	3,000	2,501	499
Vehicle repair and maintenance	1,500	3,757	(2,257)
Water purchases	217,560	212,251	5,309
Transfer to capital improvement fund	31,000	31,000	0
Total expenditures and transfers	575,166	600,090	(24,924)
EXCESS REVENUE (EXPENDITURES)	\$ 0	\$ (14,761)	\$ (14,761)

This schedule is presented using the basis of accounting used for budgeting purposes which is different than generally accepted accounting principles. The above schedule presents principal payments on long term debt as an expenditure and does not reflect depreciation expense or amortization of contributed capital.

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
SCHEDULE OF INCOME
BUDGET AND ACTUAL - SEWER FUND
YEAR ENDED JUNE 30, 2003

	Budget	Actual	Variance Favorable (Unfavorable)
REVENUE AND TRANSFERS			
User fees	\$ 899,466	\$ 947,702	\$ 48,236
Interest and penalties	11,000	15,561	4,561
Other	3,000	52,696	49,696
Transfer from Sewer Expansion Fund	357,000	0	(357,000)
Total revenue and transfers	<u>1,270,466</u>	<u>1,015,959</u>	<u>(254,507)</u>
EXPENDITURES			
Wages - regular	172,269	170,978	1,291
Wages - overtime and on-call	22,318	21,387	931
Administration	31,549	31,550	(1)
Health and dental insurance	54,456	46,018	8,438
Social security	14,886	15,032	(146)
Employee retirement	9,729	9,500	229
Electricity	138,980	143,841	(4,861)
Telephone	8,000	8,848	(848)
Water	1,200	2,137	(937)
Heating fuel	25,100	30,272	(5,172)
Plant maintenance	29,000	43,322	(14,322)
Collection system maintenance	55,000	59,390	(4,390)
Chemicals and internal lab expenses	21,200	33,853	(12,653)
Outside lab expense	15,500	19,790	(4,290)
Property and liability insurance	11,250	12,525	(1,275)
Truck expense	10,000	3,094	6,906
Training/travel	3,000	1,316	1,684
Outside services	8,000	11,504	(3,504)
Sludge disposal	100,000	77,747	22,253
Safety equipment	4,500	9,142	(4,642)
Debt service	502,029	112,838	389,191
Office expense	4,000	3,291	709
Professional services	11,000	12,873	(1,873)
Construction contingency	14,000	315	13,685
Other	3,500	7,777	(4,277)
Total expenditures	<u>1,270,466</u>	<u>888,340</u>	<u>382,126</u>
EXCESS REVENUE AND TRANSFERS	<u>\$ 0</u>	<u>\$ 127,619</u>	<u>\$ 127,619</u>

This schedule is presented using the basis of accounting used for budgeting purposes which is different than generally accepted accounting principles. The above schedule presents principal payments on long term debt as an expenditure and does not reflect depreciation expense or amortization of contributed capital.

See Notes to Financial Statements.

TOWN OF SHELburnE, VERMONT
 COMBINING BALANCE SHEET
 FIDUCIARY FUNDS
 JUNE 30, 2003

	NONEXPENDABLE TRUST FUNDS		EXPENDABLE TRUST FUNDS					Total (Memorandum only)
	Pierson Library Fund	Lillian Davis Memorial Fund	Special Services Fund	Open Land Trust Fund	Cemetery Trust Fund	Tracey Maeck Pierson Fund		
ASSETS								
Cash	\$ 5,602	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,602	
Investments	83,381	45,181	0	0	88,515	0	217,077	
Due from other funds	0	0	0	291,719	52,253	8,531	352,503	
Total assets	\$ 88,983	\$ 45,181	\$ 0	\$ 291,719	\$ 140,768	\$ 8,531	\$ 575,182	
LIABILITIES AND FUND BALANCES								
Liabilities								
Due to other funds	\$ 8,531	\$ 13,556	\$ 0	\$ 0	\$ 0	\$ 0	\$ 22,087	
Fund Balances								
Reserved	9,528	17,855	0	291,719	140,768	8,531	468,401	
Reserved for endowments	70,924	13,770	0	0	0	0	84,694	
Total fund balances	80,452	31,625	0	291,719	140,768	8,531	553,095	
Total liabilities and fund balances	\$ 88,983	\$ 45,181	\$ 0	\$ 291,719	\$ 140,768	\$ 8,531	\$ 575,182	

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
 COMBINING SCHEDULE OF REVENUE, EXPENDITURES
 AND CHANGES IN FUND BALANCES
 FIDUCIARY FUND TYPES - EXPENDABLE TRUST FUNDS
 YEAR ENDED JUNE 30, 2003

	Special Services Fund	Open Land Trust Fund	Cemetery Trust Fund	Tracey Maeck Pierson Fund	Total
REVENUE					
Unrealized gain on fair value of marketable securities	\$ 0	\$ 0	\$ 7,037	\$ 0	\$ 7,037
Loss on security sales	0	0	(7,775)	0	(7,775)
Interest & dividends	0	0	2,662	0	2,662
Other	0	0	9,900	0	9,900
Total revenue	0	0	11,824	0	11,824
EXPENDITURES	0	0	0	0	0
EXCESS REVENUE OVER (UNDER) EXPENDITURES BEFORE TRANSFERS	0	0	11,824	0	11,824
OPERATING TRANSFER IN (OUT)	(1,406)	51,767	0	0	50,361
EXCESS REVENUE OVER (UNDER) EXPENDITURES AFTER TRANSFERS	(1,406)	51,767	11,824	0	62,185
FUND BALANCES - JULY 1, 2002	1,406	239,952	128,944	8,531	378,833
FUND BALANCES - JUNE 30, 2003	\$ 0	\$ 291,719	\$ 140,768	\$ 8,531	\$ 441,018

See Notes to Financial Statements.

TOWN OF SHELBURNE, VERMONT
 COMBINING SCHEDULE OF REVENUE, EXPENSES
 AND CHANGES IN FUND BALANCES
 FIDUCIARY FUND TYPES - NONEXPENDABLE TRUST FUNDS
 YEAR ENDED JUNE 30, 2003

	Pierson Library Fund	Lillian Davis Memorial Fund	Total
OPERATING REVENUE			
Fees and licenses	\$ 1,876	\$ 3,850	\$ 5,726
OPERATING EXPENSES			
Library/recreation	<u>10,169</u>	<u>22,723</u>	<u>32,892</u>
OPERATING INCOME (LOSS)	<u>(8,293)</u>	<u>(18,873)</u>	<u>(27,166)</u>
NONOPERATING REVENUE			
Unrealized gain on investments	477	0	477
Interest and dividends	<u>5,070</u>	<u>6</u>	<u>5,076</u>
Total nonoperating revenue	<u>5,547</u>	<u>6</u>	<u>5,553</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(2,746)	(18,867)	(21,613)
OPERATING TRANSFER OUT	<u>0</u>	<u>(2,400)</u>	<u>(2,400)</u>
NET LOSS	(2,746)	(21,267)	(24,013)
FUND BALANCES - JULY 1, 2002	<u>83,198</u>	<u>52,892</u>	<u>136,090</u>
FUND BALANCES - JUNE 30, 2003	<u>\$ 80,452</u>	<u>\$ 31,625</u>	<u>\$ 112,077</u>

See Notes to Financial Statements.

TOWN OF SHELBURNE
STATEMENT OF DELINQUENT TAXES : FY 2002-03

For the year ended June 30, 2003, property taxes were assessed and accounted for as follows:

	<u>Town</u>	<u>School</u>	<u>Total</u>
Adjusted Grand List after Grievance	6,026,716	6,039,940	
x Tax Rate	0.538	2.078	2.616
	\$3,242,373	\$12,550,969	\$15,793,342

Recognition of FY 2003 Property Tax Revenue

Property Taxes Billed in FY 2003	\$15,793,342
Add: Deferred Revenue: Property Taxes	23,149
Add: Prior Year Tax Settlement	17,441
Adjustments/Abatements/Appeals	16,709
Less: Act 60 Admin. Allowance retained by town	(7,039)
Less: Education Taxes Paid to State	(1,400,798)
Less: Education Taxes Paid to School District	(11,138,630)
	\$3,304,174
Town Property Tax revenue for FY 2002-03	\$3,304,174

Delinquent Tax Accounts:

	<u>30-Jun-02</u>	<u>30-Jun-03</u>	<u>Increase/(Decrease)</u>
Total Delinquent Taxes \$	103,824 \$	96,599 \$	(7,225)

Delinquent Tax Status at 30-Jun-03

<u>Tax Year</u>	<u>No. Parcels</u>	<u>Principal</u>	<u>Interest</u>	<u>Penalty</u>	<u>Total</u>
2002-03	46	\$81,377	\$6,480	\$5,669	\$93,526
2001-02	2	\$545	\$254	\$69	\$867
2000-01	2	\$714	\$335	\$57	\$1,106
1999-00	2	\$648	\$402	\$49	\$1,099
Prior to 99-00			\$0	\$0	\$0
Totals		\$83,284	\$7,471	\$5,844	\$96,599

ABSTRACT OF TOWN MEETING
MARCH 3 & 4, 2003

Town Moderator Tom Little called the 215th Town Meeting to order on Monday, March 3, 2003 at 7:32 p.m. at the Shelburne Community School Gymnasium. David Murphy, First United Methodist Church pastor, gave the invocation. Part of the invocation included: "We pray for the young men and women of our armed services, that if they are sent into harm's way return to us safe and sound. We even dare tonight to pray for those we might call enemies."

Haley Perkins led Girl Scout Troop #209 in the salute and Allegiance to the flag. Flag bearers were Allie Sullivan and Stephanie Lokenberg. The Color Guard members were Lindsey Cope, Jillian Bouchard, Sydney Bouchard, Kyala Schenck, Clarice Cutler and Jules O'Brien.

Moderator Little introduced Selectboard Chair Ken Albert, School Director Vice-Chair Mary Kirkpatrick and Town Manager Paul Bohne. Paul Bohne then introduced Town department heads who were present and thanked them for their service to the town.

Moderator Little stated the meeting would be run according to Roberts Rules of Order, and explained what the general procedures would be and what would and wouldn't be voted on this evening.

Moderator Little recognized Peg Meunier and her staff for their hard work and dedication in preparing the community dinner each year.

The Town meeting was called to order at 7:45 p.m. by Moderator Little. Ken Albert, Chair of the Selectboard introduced the other Board members; Steve Dates, George Faris and Steve Good. Norm Silcox was not present.

ARTICLE I: Voted to hear and act on the report of Town Officers and the Auditor's report for the budgetary period July 1, 2001 through June 30, 2002 (FY2002). Passed by show of pink ballots.

ARTICLE II: Shall the Shelburne Selectboard be authorized to borrow money by issuance of bonds or notes not in excess of anticipated revenues for the next fiscal year? Passed by show of pink ballots.

George Schiavone read the following State of Vermont House of Representative's resolution:

Whereas, in 1973, just two years after his arrival in Shelburne, Ken Albert commenced his three decades of municipal service on behalf of the town's residents, and

Whereas, his career as a municipal public servant has coincided with the near

doubling of the town's population, and

Whereas, his introduction to Shelburne municipal government occurred when he assumed a seat on the planning commission, a position he retained until 1984, and

Whereas, as a planning commission member, he supported policies promoting balanced growth and the conservation of open space, and

Whereas, in 1985, having completed an 11-year-long tenure on the planning commission during which time he earned the respect of his colleagues and the entire community, Ken Albert successfully stood for election to the Shelburne selectboard, and

Whereas, as a selectboard member, he represented his fellow citizens with great diligence, devoting his attention to the myriad problems that arise in a rapidly expanding suburban community, and

Whereas, his fellow selectboard members were so impressed with his contribution to their deliberations, they chose him to act as their chair, a role he has performed in an exemplary manner for the last four years, and

Whereas, having served as a role model for citizen participants in local government, Ken Albert has decided to retire on Town Meeting Day 2003 and pass the reins of municipal legislating over to a newly-elected selectboard member, and

Whereas, in honor of his three decades of distinguished public service, the town of Shelburne is recognizing him in a very special way by dedicating the 2003 town report in his honor, and

Whereas, he leaves an outstanding legacy for his successor to follow, now therefore be it

RESOLVED BY THE HOUSE OF REPRESENTATIVES:

That this legislative body congratulates Ken Albert on three decades of distinguished public service in the town of Shelburne and extends to him best wishes in his future endeavors, and be it further

RESOLVED: That the Clerk of the House be directed to send a copy of this resolution to Ken Albert in Shelburne.

Selectboard Vice Chairman Steve Dates also presented a plaque with the gavel to Ken Albert for his service to the Board and the town of Shelburne.

ARTICLE V: Steve Dates presented the budget. There were no questions on the budget from the floor.

ARTICLE VI: Selectboard member George Faris presented the details of Article VI. Andrea Van Hoven, Chairperson of the Natural Resource Committee also gave a brief overview of the article. This article is presented as an Australian ballot item.

ARTICLE VII: Selectboard member Steve Dates presented the details of this article which is presented as an Australian ballot item. There was discussion on the cost of maintenance and keeping the rural character of the Pond Road area.

ARTICLE VIII: Steve Dates presented the details of this article. There was no discussion on this ballot question that will be presented as an Australian ballot item.

ARTICLE IX: Steve Dates presented the details of this article. There was no discussion on this ballot question that will be presented as an Australian ballot item.

ARTICLE III: There was no additional business to transact and the meeting was recessed at 9:02 p.m. until Tuesday, March 4, 2003 to reconvene in the Shelburne Town Center at 7:00 a.m. for voting by Australian ballot. There were 4439 registered voters on the checklist at the time of this meeting. 168 voters from the Town of Shelburne appeared at this March 3, 2003 meeting.

Tuesday, March 4, 2003 the Town Meeting was reconvened at the Town Center gymnasium at 7:00 a.m. The ballot clerks were sworn in at 7:00 a.m. by Town Constable Tom Bessette.

VOTED IN THE BOOTH

ARTICLE IV: TOWN OFFICERS

Moderator for one year: Thomas A. Little

Town Clerk for three years: Colleen Thomas Haag

Town Treasurer for three years: Colleen Thomas Haag

Selectman for three years: Jim Dudley

Selectman for two years: Stephen Dates

Champlain Water District Commissioner for three years: Thomas T. Bessette

ARTICLE V: (TOWN)

Shall the Town adopt the Selectboard's proposed budget of \$4,714,259 of which \$3,332,040 is to be raised by taxes?

Yes 1125

No 704

ARTICLE VI: (TOWN)

Shall the Town raise taxes in the amount of \$60,000 for the purpose of obtaining options and/or the acquisition of lands, or those rights in land, which would preserve open space and natural resources; any unexpended portion of such sum to be placed in the Natural Resources/Conservation Land Preservation Fund? (Note: In

2002, an article to add \$0.01 to the tax rate raised \$60,267. The current fund balance is \$300,219.)

Yes 1062

No 816

ARTICLE VII: (TOWN)

Shall the bonds of the Town of Shelburne, in the amount not to exceed \$100,000, be issued for the purpose of paving Pond Road, the estimated cost being \$100,000? (Note: The anticipated payments for the \$100,000 Bond will be less than the current cost of maintaining the road in its current unpaved condition.)

Yes 617

No 1257

TOWN ORDINANCES ADOPTED OR AMENDED IN 2002-2003

Temporary Sign Ordinance

This ordinance was adopted April 8, 2003 to regulate temporary signs for commercial purposes. The ordinance is enforced by the Shelburne Administrative Officer through the Judicial Bureau rather than through the Superior Court. Prohibitions are consistent with those contained in the Zoning Bylaws.

Parking Ordinance Amendment

The 1993 ordinance was amended June 10, 2003, prohibiting parking at the Shelburne Town Center except in spaces designated and marked for this purpose.

Parking Ordinance Amendment

The 1993 ordinance was amended June 24, 2003, designating nine parking spaces on the north side of the Fire Station as reserved for members of the Shelburne Fire Department only.

Stop Sign Ordinance Amendment

The 1993 ordinance was amended June 24, 2003, adding stop signs at Richmond Drive and Longmeadow Drive, both east and west.

The full text of these ordinance changes and regulations is available in the Town Clerk's Office.

SELECTBOARD REPORT

Looking Back - FY 2003:

FY 2003 was a year of significant activity for the Town of Shelburne. The long awaited revisions to Act 60, now known as Act 68, were passed in 2003. While these revisions are widely viewed as a "band aid" for the next year or two, they will provide significant financial relief in the short term while our legislature continues to work on the longer term revisions. This, combined with an improved national economic performance, provided a firm platform for 2003.

Accomplishments for FY 2003 include the completion of the Ti-Haul road pathway, the renovation of the Pierson Building for the Shelburne Craft School and the town-wide reappraisal which yielded a 55% increase in the Grand List with a corresponding reduction in the tax rate. Work began on the improvements to the Bay Road fishing access. In addition, the stage was set for FY 2004 with the approval of 20 units of affordable housing, 18 on Ockert Lane plus 2 as part of the Noonan House restoration project. Plans were cast to replace the Bostwick Road bridge and to relocate the water mains along Route 7 in anticipation of the State's project to widen Route 7.

The Town finished FY 2003 with a surplus of \$186,000.

Current Activity - FY 2004

Construction is well under way on both affordable housing projects, the temporary bridge is in place over the RR tracks along Bostwick Road with work already started on the new permanent bridge. The water mains along Route 7 have been relocated.

FY 2004 has two controversial issues that are still on-going.

A. Recreation Fields - The town has been searching for a site for expanded recreation fields for over a decade. A committee appointed by the Selectboard narrowed the 11 potential sites to two from which the Selectboard selected the LaPlatte Nature Park. This location is opposed by many residents that desire this area to remain an open, passive recreation area. The Selectboard has put this project on "Hold" while an alternative site is being investigated. While the details of this alternative cannot be made public at this time, it is hoped that this option will come to fruition in the next few months.

B. Velco NRP - Velco provides the power transmission lines for Vermont. They have applied to the Public Service Board (PSB) for an upgrade of the lines, which is referred to as the NRP or Northwest Reliability Project, that

extends from New Haven to Burlington and will pass through Shelburne. The Selectboard appointed a committee to investigate and make recommendations on routing and technical methods that include buried vs above ground lines. The PSB will hold hearings on the testimony given beginning in February of 2004 and have set a decision target date of June, 2004.

The budget for FY 2004 passed in March, 2003 tried to hold the line on Town spending in an attempt to offset the rising education costs driven by Act 60. As of this printing, it appears that the town will come very close to meeting both the revenue and spending levels approved by the voters.

Looking Forward - FY 2005

In FY 2004, the Regional Planning Office (RPO) provided a Build-out Analysis report to the Town of Shelburne. This report looked at each parcel of property with respect to the existing zoning bylaws and its particular physical limitations. The RPO projected the maximum number of houses that could potentially be built in Shelburne. This was combined with data from the past Census reports on people per household and established a maximum population for Shelburne to be about 11,000 people. Each town department was asked to look at the services they provide and to project the capital impact for their area due to population expansion. This work is nearly complete and is being used as a tool in planning the FY 2005 Capital Budget.

A new position of Public Works Director is included in the FY 2005 General Budget. This position will oversee the Water, Waste Water and Highway Departments and will, also, address the anticipated needs required to meet Federal & State stormwater regulations.

As you will see, the FY 2005 recommended budget contained in this annual report continues to try and hold the line on Town spending while maintaining excellent programs and services.

Respectively submitted,
Stephen Dates, Chair
985-9494
dates@adelphia.net

TOWN MANAGER'S REPORT

As you read the reports provided by various components of Town government, you will readily see how busy the Town was again last year. In my report to you last year, I wrote that Shelburne is showing all of the indicators of being a community in transition. That observation continues to ring true.

This report will provide a quick overview of the activities during the past year and of those to come in the following year. The Town continues to upgrade its infrastructure. Stormwater has gotten a fair amount of attention in Chittenden County. During the past year the Town received a Water Improvement permit from the State which was later revoked. The Town did receive a General Permit which requires the Town to carry out several initiatives over the next 5 years. Over the next year the Town will participate in a public educational program in conjunction with other Chittenden County organizations including municipalities, UVM and the airport. In addition, the Town will be searching for illicit discharges and will be identifying storm sewer catch basins with stenciled letters.

The Town initiated efforts to have expired stormwater permits from 9 developments assigned to the responsibility of the Town. There will be more attention to expired permits over the next few years.

Stormwater has been identified as nearly 50% of the cause of pollution and degradation of the State's lakes and streams. Shelburne has taken a responsible position on this issue and will initiate a number of activities and construction projects to help improve the waterways within Shelburne.

The upgrade to the sewer pump stations was completed and is now operational with a few bugs yet to be worked out.

Sidewalk was replaced on Marsett Road and Falls Road.

In anticipation of the start of the reconstruction of U.S. Route 7, the Town replaced over 2 miles of water main along Route 7.

The Planning and Zoning Department will document the high level of activity that has occurred during the past year. I only mention that here as continued evidence of the change in growth pressure that Shelburne is witnessing. It has been a number of years since Shelburne has had as many houses under construction and as many in the pipeline.

As we look ahead to the final few months of this fiscal year, Shelburne will continue to be a busy place.

The Town Plan will be finalized in the next few months and the Planning Commission will then move on to the process of updating the Zoning Bylaws and the Subdivision Regulations. These are both vital tools to enable the Town to deal with development in a manner explicitly agreed to by its residents. There will continue to be opportunities for you to provide input on these critical documents.

Construction projects to improve the Town's infrastructure will be of a more normal nature this year, with small improvements to the water and sewer systems and continued paving and drainage work.

The major construction project in Shelburne to look forward to is the reconstruction of Route 7. Construction should begin in the spring of 2004 and will continue until the fall of 2005. The Town's participation in the project is the reconstruction of most of the Town's sewer main which is in the Route 7 corridor. The State's contractor will do the work to the Town's specifications and with Town oversight. Most of the cost of the sewer main replacement will be paid by the Town.

Housing starts will likely increase with the Rice Woods project getting underway. The project's local zoning permit is under appeal by several Shelburne residents at the Environmental Court. Construction at Boulder Hill will continue. The Noonan House will be finished and the housing on Ockert Lane will be near completion by summer's end.

I would like to commend the talented employees who work for the Town. As the work load has grown, very few employees have been added. The Town has found ways to increase productivity and provide the same excellent services to the residents of Shelburne.

Town personnel endeavor to provide high quality services to the residents of Shelburne. Only you can be the judge as to whether you believe you are receiving such services. We mostly hear from residents who have a problem that needs solving. While we welcome the opportunity to solve problems, please do not hesitate to call the Manager's Office or any other Town Department, or stop by and let us know how you think we are doing, good or otherwise.

I would like to acknowledge the following new employees:

Betsy Cieplicki	Recreation Director
Robert LeBeau	Highway Department
Cynthia Messier	Pierson Library
Stanislav Hvorikov	Police Department
Jen McAdams & Hilda Tallman	Emergency Communications Center

In summary, the past year was busy and productive. A number of important issues face the Town as we look forward. With the support of Shelburne's residents, the employees, boards and commissions will continue to represent Shelburne well with reasoned decisions and positive outcomes.

I would like to thank retiring Selectboard member Steve Good for his support for me and other Town employees. He was a good Board member. I would also like to acknowledge George Faris. George served the Town well as both a member of the Planning Commission, where he served most ably as its Chair, and also as an articulate member of the Selectboard. His humor and counsel will be missed.

Respectfully submitted,

Paul W. Bohne III
Town Manager

TOWN CLERK & TREASURER'S REPORT

The refinancing of home and commercial property mortgages continued at a record pace during 2003 and filled over 24 volumes. This was an increase of income for recordings in our office of \$40,000 over the previous year and \$74,000 over the projected budget which clearly helped add to the 2002-2003 town revenues. In addition our office did not add any extra personnel to cope with the increased workload. I would be remiss not to recognize the hard work, support and cooperation of my assistants Pat Morrow and Lisa Mann during this busy and difficult year.

We filed the following vital statistics:

71 births 79 deaths 22 burials 52 marriages 5 civil unions

We also processed the following:

112 passports 322 motor vehicle registrations 353 notary services
201 Fish & Game licenses

We are still in the midst of implementing the 2003 Help America Vote Act which includes a statewide voter checklist, statewide tabulator machines, provisional ballots and a driver's license requirement identity for registration. This process will continue to be a challenge to us in a year in which we will add a Presidential Primary, State Primary and General Election to our yearly Town Meeting election.

Our office still provides eighth grade students with community service projects in coordination with Community School Co-Principal John Bossange. They receive hands-on civics lessons and we receive the benefit of their time and energy.

We continue with our yearly ongoing projects of restoring and re-indexing our records which are paid in whole by the Town Clerk's Record Restoration fund and at no cost to the taxpayer.

The Town underwent a town-wide reappraisal which reflected new assessments as of April 1, 2003. Our office handled over 160 separate grievance appeals to the Board of Civil Authority. The Town Clerk also serves as its Clerk. The Board has met almost every week since July 2003 and the grievance schedule is set through April 2004. This volunteer committee is to be commended for their time, diligence and stamina in hearing appeals, visiting sites, writing reports, discussing and coming to consensus on a fair appraisal for all who grieve their assessments.

I was honored to serve as the President of the New England Association of City and Town Clerks from October 2002 to October 2003 which culminated in a conference in South Burlington, Vermont. Serving on this Board was very rewarding because of the caliber, commitment and knowledge demonstrated by this special group of city and town clerks from all over New England.

I am in the midst of 21 years of service to the Town and I still appreciate the opportunity to serve the residents of Shelburne in so many ways each and every day.

Respectfully submitted,

Colleen T. Haag
Town Clerk/Treasurer

ASSESSOR'S REPORT

The 2003 town-wide reappraisal is in the appeals stage. The Grievance Hearings are complete and the Board of Civil Authority is hard at work with their appeals. I would like to thank the BCA for all of their efforts. They have a difficult and sometimes unpleasant task. Your Shelburne BCA has acted in a very professional manner. Some of the BCA decisions have been appealed to the next level. Those appeals have not been scheduled.

Act 68 will introduce a new wrinkle into the tax code. Based on the April 1, 2004 Grand List properties will fall into one of two categories, homestead and non-homestead. The two categories of property will have different tax rates. Each property in Shelburne will have to be classified as a homestead property or a non-homestead property. Properties are determined to be in the homestead category if a form HS-131 has been properly completed. Property owners **MUST** file this form with the State if they are a Vermont resident as of January 1, 2004 and they own and occupy their home on April 1, 2004. This form is due to the Vermont Department of Taxes by April 15, 2004. Non-residential properties do not have to file a form. It is my understanding that this form must be completed each year, it is not a one time declaration.

In the past we have used the term homestead to refer to the assessment of a house and up to two acres around the house. Some structures such as in-ground swimming pools and tennis courts were not included in the old homestead. Act 68 has changed the old "homestead" term to now be called a "housesite". Act 68 also eliminated the exemption for pools and tennis courts. The "housesite" is now a house and two acres and all structures on the two acres.

Some properties have a mixed use. If you own property that is your residence but some of the property has a business use, you should refer to the instructions for Line 5 of form HS-131. If you rent a portion of your dwelling you should refer to the instructions for Line 6 of form HS-131. Line 7 of Form HS-131 also wants to know if there are any improvements or other buildings located on your parcel, other than the dwelling, used for business or rented out.

Act 68 will result in properties having three values associated with the assessment. They are the (1) total assessment, the (2) homestead, and the (3) housesite. If you file Form HS-131 and have no business use of your home and none of your property is rented out and you have no out-buildings with business use and you own two acres or less, all three values will be the same. However, if you file Form HS-131 and you own more than two acres and Line 5 or 6 of Form HS-131 is greater than zero or Line 7 is yes, all three values associated with the assessment will be

different.

Act 68 has complicated the grand list. I will not get a list of those properties that have filed a Form HS-131 until late spring. The task of matching the grand list to the filings and then sorting out the percentages for the mixed use properties is expected to keep us very busy. We are already working on the new homesite calculations.

I look forward to working with the BCA as they wrap up the appeals from the reappraisal. Act 68 has created additional requirements and I hope to be able to lodge the 2004 grand list with the new homestead and the new housesite values on time.



Shelburne Highway Department's new John Deere Backhoe

ZONING BOARD OF ADJUSTMENT

2003 Zoning Board of Adjustment members:

Thomas Koerner, Chair, Gwen Webster, Vice Chair, Milton Edelman, Boris Funtow, and Steve Waltien.

Productive Year. The Board had another challenging year and considered many (33) complex applications. The Board spent many hours carefully considering the impact of development in the Town of Shelburne especially on, Lake Champlain, Shelburne Road and proposals for Town-owned properties.

ZONING BOARD OF ADJUSTMENT MEETING RESULTS			
	2001 Calendar Year	2002 Calendar Year	2003 Calendar Year
Conditional Uses	Approved - 21 Denied - 2 Withdrawn - 4	Approved - 19 Denied - 2 Withdrawn - 2	Approved - 25 Denied - 0 Withdrawn - 2
Variances	Approved - 6 Denied - 2 Withdrawn - 2	Approved - 5 Denied - 5 Withdrawn - 4	Approved - 0 Denied - 2 Withdrawn - 1
Appeals	Approved - 2 Denied - 0 Withdrawn - 1	Approved - 1 Denied - 0 Withdrawn - 0	Approved - 1 Denied - 3 Withdrawn - 0

Public Notice and Information. The Planning Commission, Zoning Board and staff welcome citizen participation and comments. The following public hearings, meetings and permits are listed in the Shelburne News and/or the Burlington Free Press:

1. Public hearings to change the Comprehensive Plan, Zoning Bylaws, Subdivision Regulations, Design Specifications, etc.;
2. Zoning Board of Adjustment meeting date, time and agenda;
3. Planning Commission meeting date, time and agenda; and,
4. Building permits.

Zoning Board of Adjustment meetings are typically scheduled for the first Monday of the month. In the event of a conflict with a holiday weekend, the meeting will be

held on the second Monday. Additional meetings are scheduled as quantity and complexity of the agenda dictate. Applications for a hearing with the Zoning Board of Adjustment must be received 21 days prior to the meeting date.

BUILDING PERMITS			
	2001 Calendar Year	2002 Calendar Year	2003 Calendar Year
Single Family House Permits Issued	23	22	6*
Building Permit Construction Costs	\$14,345,668	\$10,420,664	\$10,088,967
Total Building Permits Issued	170	187	157

*Additional living units permitted in 2003 include 9 duplexes and 3 apartments.

Generally a building permit is required prior to commencing land development within the Town of Shelburne. In addition to new construction, permits are required for: additions, individual septic systems, fences, sheds, signs, moving or adding walls, doors or windows, etc. A building permit is generally not required for routine repairs. Please contact the Planning & Zoning office with any questions.

Judicial decisions, statutory changes and purchaser's expectation continue to accentuate the importance of a clear and complete record of compliance with state and local land use regulations.

Please visit the Planning & Zoning office or contact Dean Pierce (Town Planner) or Brian Bigelow (Zoning Coordinator) by phone at 985-5118 for copies of the Comprehensive Plan, Zoning Bylaws, Building permit application, etc. or additional information pertaining to Planning and Zoning.

Respectfully Submitted,

Thomas Koerner, Chair

PLANNING COMMISSION

The Planning Commission remained busy in 2003. As in past years, Planning Commission members conscientiously reviewed a number of proposed subdivisions and site plans. Members also spent an increasing amount of time working on the update of the Shelburne Comprehensive Plan. Commissioners hope to complete the new Town Plan in June of 2004.

The following planning-related development applications, including amendments, were acted upon in FY 2003:

Site Plan/Boundary/Design Reviews	Applications in FY 2003
Site Plan Review	9
Boundary Line Adjustment	3
Design Review	13
Subdivisions/PRDs/PUDs Reviews	
Sketch Plan	8
Preliminary	4
Final	4

As part of the above figures, a total of 63 new single family residential lots were approved during the fiscal year. An appeal by interested parties to Vermont Environmental Court pertains to 25 of these lots. If this approval is altered on appeal, the number of new single family residential lots may fall below 63.

In addition to single family residential lots, a total of 57 other residential units (apartments and duplexes, triplexes, quadplexes not on individual lots) were approved during the fiscal year. The Environmental Court appeal cited above pertains to 37 of these units. If changed as a result of this appeal, the number of other residential units may become fewer than 57.

Membership of the Planning Commission remains largely unchanged. The one change in the last year saw Chris Neme replacing Herb Shartle, who relocated to Virginia.

The Planning Department continues to be involved in local efforts to comply with state and federal stormwater management regulations.

In staffing news, Brian Bigelow resumed his duties as the Town's Zoning Coordinator, replacing Interim Zoning Coordinator Shannon Courville. Brian returns to the Town after being on active duty with the Air National Guard. Dean

Pierce continues to serve as Director of Planning and Zoning, while Susan Cannizzaro continues as the Planning Department's Administrative Assistant.

Regular Planning Commission meetings are held on the second and fourth Thursdays of the month. Agendas are published a week before the meetings in the *Shelburne News*. Information on agendas and specific projects is available at the Planning and Zoning Office.

Respectfully submitted,
Rick Peterson, Chairperson



Shelburne Town Center "pocket" park. This was a joint project involving the Town, the Shelburne Garden Club and the Shelburne-Charlotte Rotary Club. The park also includes several memorial benches.

**SHELBURNE POLICE DEPARTMENT
AND COMMUNICATIONS CENTER**

Help us Help You—Confidential Crime Watchers Tip line: 864-6666

<u>Police Personnel</u>	<u>Emergency Communication Personnel (ECT)</u>
Chief of Police James W. Warden	ECT Supervisor James Mack
Adm. Assistant Sharon H. Palady	ECT Patricia Shepard
Sergeant Allen A. Fortin	ECT Bruce Beuerlein
Corporal Aaron Noble	ECT Brenda Badger
Corporal Joshua Flore	ECT Ker Walker
Patrol Officer Terri McKnight	ECT (part-time) Craig Wooster
Patrol Officer Paul Poynter	ECT (part-time) Barbara Brisson
Patrol Officer Kevin LeBlanc	ECT (part-time) Hilda Tallman
Patrol Officer David MacDonough	ECT (part-time) Jenn McAdams
Patrol Officer Robert Barrows	
Patrol Officer Seth Disanto	
Patrol Officer (part-time) Jonathan Marcoux	Animal Enforcement Officer:
Patrol Officer (part-time) David Maciejewski	David Palmer
Patrol Officer (part-time) Daniel Eickenberg	Crossing Guard: David Palmer
Patrol Officer (part-time) Clyde Yarnell	
Patrol Officer (part-time) James McKnight	
Patrol Officer (part-time) Peter King	
Patrol Officer (part-time) Steve Salengo	
Patrol Officer (part-time) Douglas Babcock	
Patrol Officer (part-time) Greg Shelley	
Patrol Officer (part-time) Stas Hvorikov	

A Message from Chief James W. Warden to Citizens, Businesses and Visitors:

The Shelburne Police and Communication Departments are committed to their mission through the development and pursuit of goals designed to enhance police services to the community. Our mission is, "To Protect and Serve" life, individual liberty and property of all people within the town; to develop and maintain a positive relationship with members of the community; and to foster a positive working environment for police employees.

PERSONNEL: The Shelburne Police recently hired Stas Hvorikov, as a part-time patrol officer and presently has one full-time opening, while Shelburne Communications promoted Ker Walker to full-time Emergency Communication Technician and hired Hilda Tallman and Jen McAdams as part-time E.C.T.'s.

TRAINING: The Shelburne Police completed 1,438 hours of training in all areas of

law enforcement this year and the Shelburne Communications completed 1,915 hours of E911 and in-house training.

CALL VOLUME: This past year the Shelburne Police answered 7,366 complaints. The following is a breakdown of some of the complaints:

	<u>2001</u>	<u>2002</u>	<u>2003</u>
Arrests:	193	243	222
Traffic Tickets:	892	1,162	1,438
Traffic Warnings:	931	1,355	1,435

Part I and II Crimes	1998	1999	2000	2001	2002	2003
Rape	10	4	3	2	2	1
Robbery	0	1	2	1	0	0
Assault	10	47	16	13	19	21
Burglary	29	46	15	25	22	35
Larceny	122	116	82	55	69	95
Vehicle Theft	4	9	3	2	8	6
Arson	1	0	0	3	2	0
Forgery	4	2	1	2	3	2
Fraud	51	55	58	44	61	59
Embezzlement			0	1	1	1
Vandalism	50	55	77	57	50	27
Sex Offenses	1	8	1	3	11	8
Drug Violations	22	15	17	9	13	24
Domestic Violence	14	11	18	23	22	11
DUI	69	69	68	50	55	70
Liquor Law Violations			18	39	57	43
Disorderly Conduct	22	44	40	24	50	66
Other Reported	82	99	75	50	65	92

Miscellaneous Crimes/Services	2001	2002	2003
Motor Vehicle Collisions	225	254	211
Alarms	281	288	316
Motor Vehicle Violations	2020	2517	3519
Lost/Found	73	65	57
Suicides	2	4	7
E911 Hang-up/Mis-dial			394
Special Agency Projects	20	45	37
Assist Other Agencies	477	300	615
Miscellaneous Public Services	1763	2276	1636

The Shelburne Police Truck Enforcement Team is enforced by a five certified

officer team, at various times of the day and night. The teams run from 2 officers to 5. This past year the team performed 270 inspections, netting 497 violations. Violations included faulty brakes, lighting, speeding, weight, unsecured loads, emergency equipment, following too closely and improper log book data to name a few.

The Shelburne Communication Center processed 269,076 telephone and radio inquiries during 2003. Of these, 2835 were E911 calls.

PLEASE NOTE: If you accidentally dial 911, please do not hang up. Let us know you have made a mistake and dialed the incorrect number. If you hang up, emergency procedures will have started, resulting in unnecessary cost and mobilization of personnel.

We are a full-service Police Department, accessible to the public 24 hours a day, year round. Feel free to call or stop by to discuss any problems you are having or to seek information. We also carry a supply of motor vehicle forms and information on domestic violence, E911, Fish and Game, and child restraint laws, as well as information regarding you and your children's safety while using the Internet. The Shelburne Police Department provides vacant house checks, child safety seat inspections (the Department currently has 3 State Certified Child Passenger Safety Technicians) and vacation holiday tips.

On behalf of the men and women of the Shelburne Police and Communication Departments,

Respectfully submitted,
James W. Warden, Chief of Police

SHELBURNE FIRE DEPARTMENT

The Shelburne Fire Department responded to 158 calls for assistance during 2003. Of those, 12 were building fires, 8 vehicle fires, 4 grass and brush fires, 63 fire alarms, 7 hazardous materials incidents, 42 motor vehicle accidents, 9 good intent calls, 8 mutual aid calls, 3 water rescue calls, and 9 miscellaneous calls, including assisting police, smoke removal, and unauthorized burning.

The exciting news is the receipt of grant funding for a brush truck. The Federal Emergency Management Agency awarded the Town and Fire Department \$112,500 towards the purchase of this truck. It is expected to be received around October 2004. In addition, grant requests were approved to fund the replacement of fire department portable radios and to purchase additional water rescue vests and ice

suits. This grant money has saved the community close to \$150,000 in future purchases.

The department also purchased a 1994 Ford Explorer to be used as a command vehicle. This vehicle is equipped with preplan information, radios, and other equipment necessary to communicate with various area agencies during emergencies. It has proved to be an asset to the department and community.

The fire officers chose John Goodrich for the Firefighter of the Year award. John was recognized for his enthusiasm and determination exhibited throughout the year. John completed the Firefighter I course and has served on several committees. The firefighters chose Chief Craig Wooster as Fire Officer of the Year in recognition of his years of service to the Department and Town.

If you are interested in joining the fire department, or wish to find out more information about the fire service, please call our direct membership line at 264-5062.

Call Stats	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
Structure/Vehicle/Brush Fires	29	16	32	30	24
Vehicle Accidents or Extrication	86	42	49	64	40
False Alarms	60	19	29	39	43
Smoke or Carbon Monoxide Alarm	13	28	20	29	20
Public Assist	19	19	22	27	15
Mutual Aid to other Depts	22	20	13	13	6
Electrical problems /Power Lines	10	5	7	12	6
Other	<u>13</u>	<u>9</u>	<u>16</u>	<u>18</u>	<u>4</u>
Total Calls	252	158	189	232	158

SHELBURNE RESCUE

Shelburne Rescue has completed a very good year. We have 3 junior members, again doing their Project Challenge at CVU, 2 new EMT's, and 5 new EMT-I's that have completed higher education on drug administering that the District 3 has added to the ambulance. At the 2003 Annual Banquet, Gregg Thweatt was awarded the Rescuer of the Year, Gwyn Engelken was awarded the Joan Foster Award and Lynn Carlson was awarded the Charlie Phelps Award. Congratulations to all the recipients. Our call volume has remained at approximately 600 calls per year, but we are always on the lookout for new volunteers. Shelburne Rescue was awarded \$32,750 from Homeland Security and this will help purchase four Automatic Defibrillators, 2 new stairchairs, and new radios. Our biggest news is that we are purchasing a new ambulance to be delivered in March. Remember, we are always looking for volunteers so if you have a spare moment, give any of our members a call. To the Town employees, police and fire...thank you for all of your help this year.

SHELBURNE HIGHWAY DEPARTMENT

Shelburne Highway continues to provide services year-round to the town with three full-time employees, one full-time mechanic and myself. During the summer months we hired one part-time employee to mow roadsides.

In addition to the usual winter and summer road maintenance the department paved approximately 3 1/2 miles of Shelburne roads. Storm drains were installed on part of Woodbine Road and Hullcrest Road. The residents paid for the culverts and the town installed them.

Other major projects during 2003 included the replacement of sidewalk on Marsett Road from Hillside Terrace to Route 7. A new sidewalk was installed on Route 7 from Meadow Lane north 400 feet. Also, a new sidewalk was installed on Falls Road from the Post office north 1200 feet. The highway department replaced miscellaneous culverts around town and the shoulders were widened on Irish Hill Road and some of Shelburne Hinesburg Road. Miscellaneous work was completed on Pond Road.

The Town of Shelburne continues to grow each year. The Highway budget should reflect an amount to properly maintain and retreat the roads in existence, as well as, budgeting for future staff, equipment and maintenance needs.

Respectfully submitted,
Paul Goodrich, Highway Superintendent

PIERSON LIBRARY TRUSTEES ANNUAL REPORT

According to *A Manual for Vermont Library Trustees*, "The primary job of the library trustee is to be an advocate for the Library. In addition, Vermont statutes outline the responsibilities of the municipal library trustee as follows "...have full power to manage the public library, make by-laws, elect officers, establish a library policy and receive, control and manage property which shall come into the hands of the municipality by gift, purchase, or devise or bequest for the use and benefit of the library." The five library trustees are appointed by the Selectboard. They are Elaine Dates, Bob Dilts, Holly Crawford, Lisa Perrault, and Alice Winn. We meet on the second Tuesday of the month at 5 p.m. at the library and visitors are welcome. Minutes of the meetings are available on the library's link from the Town website.

The major project of the past year has year has been the fundraising for and construction of a vestibule for the front of the building. The lobby of the library can be uncomfortably cool in the winter months for patrons and for staff. This is the area where books are checked out and in, information is provided, and questions answered. In short, there is a lot of activity here.

The Trustees decided the best solution for the problem was a heated vestibule. Shelburne residents generously contributed to the project as did the Friends of the Pierson Library, the Trustees, and the Town of Shelburne. A number of businesses provided their services at either a reduced charge or no charge: Design and construction help from Tom Koerner, Steve Vock and Chris Farrington; materials from Rice Lumber, The Lighting House, and Gary Marcotte; electrical services from B&R Electric; and publicity by the Shelburne News. Construction began in November and was completed in early January, 2004. Come see the vestibule, it truly looks as if it has always been part of the building.

In addition, the Trustees have begun work on an emergency plan for the library as well as some planning for future needs. We hosted a tea to thank the volunteers for their invaluable assistance and for National Library Week, the trustees held an open house with door prizes donated by the wonderful merchants in Shelburne.

We are very grateful for the donations the library has received for the construction of the vestibule. We hope your library experience will be even better because of it, especially during the winter months! Again, we appreciate the work of our volunteers and the support of the residents.

Respectfully submitted,
Alice Winn, Secretary

LIBRARIAN'S REPORT

It has been a banner year for the Pierson Library. The patrons of the library have been finding the new building and the infusion of money from the Vermont Library Foundation Grant (a.k.a. the Freeman Grant) has given the library a chance to do some great things. There has been a tremendous increase in usage of the Pierson Library. Statistics are kept by fiscal year, which for the last year runs from July 1, 2002 to June 30, 2003.

This last fiscal year Pierson Library loaned out 44,203 items. This is 9,553 more items than the previous year, an increase of over 27%. We had 2,624 users spending 1,993 hours and 57 minutes on the library's five public access computers. This average of 51 users per week is up from an average of 24 users per week the previous year, a nearly 113% increase. Pierson Library had an estimated 30,264 visits to the library, or an average of 582 visits per week. This is up from 330 visits per week, a 76 % increase.

One reason we've had such an increase in visits is because the library is now holding almost all programs within the library or in the attached town hall. Previously few people would visit the library after programs when they had to drive to a different building and try to find one of the few parking spaces available. We are also holding more programs thanks to a grant from the Vermont Library Foundation which has also paid for the first two years of a youth services position (Sue Furry-Irish). The Pierson Library increased the number of events offered by 158%. We had a total of 124 programs (including story times) last fiscal year with 2,670 people attending. That breaks down to 497 people attending 18 events for adults and 2,173 people attending 106 events for children. The previous year (before funding from the grant) the library had 48 events in total attended by 1,044 people.

While all but one of this summer's programs for children actually fall in the current fiscal year (2003-2004) it is another great example of how the library's patrons are responding to additional funding and a larger building. During the summer of 2003 (FY 2003-2004) there were six events in the summer reading program for children with 708 people attending, for an average of 118 people at each event! Also, this summer 165 children kept reading logs. By way of comparison...the previous year (FY 2002-2003)—which was the library's best to date—we had five events with 485 attendees, for an average of 97 people at each event, with 130 children keeping reading logs. That's an increase of nearly 22 % in average event attendance and a nearly 27 % increase in reading logs. With the addition of a youth services assistant the library is now able to make story times visits with book deliveries available to Shelburne daycares. From January to June of 2003, 57 visits were made to

daycares.

We have subscriptions to 102 print magazines and newspapers; 91 for adults and 11 for children. The Pierson Library was very fortunate to have so many members of the community come forward to lend a hand when our subscriptions lapsed due to the bankruptcy of our subscriptions manager, Rowe Com/divine. Several people donated cash to renew subscriptions or brought in their personal copies of magazines for us to offer our patrons. It made an awkward incident much more bearable.

Shelburne residents asked for 554 items from other library, 35 from out-of-state libraries, for interlibrary loan. Our request-to-fill rate was 94%. The Pierson Library also filled requests for 203 items to other libraries.

Pierson Library could not do all that it has if it wasn't for our wonderful volunteers. These volunteers do everything from work at the circulation desk, to repair books, prepare new items for loan, pack books for the annual book sale (a year-round job!), make deliveries to homebound patrons, sit on the Boards of the Trustees and Friends and many other jobs. Because of our volunteers the transition to a new building and automation of the records went very smoothly. Now the community can reap the benefits of everyone's work.

Respectfully submitted,

Marti Fiske
Town Librarian



The Annual Friends of Pierson Library book sale fills the Town Center Gym with books of all types. Save the dates for the Friends 40th annual book sale, which will be October 9th-10th, 2004.

SHELBURNE PARKS & RECREATION COMMITTEE

The year of 2003 brought both success and change to Shelburne Recreation. Kim Benish, Director, resigned effective in June, 2003. During the search for a new director, Sue Craig, Administrative Assistant, and members of the Recreation Committee kept the office and programs running smoothly. In August, we were very fortunate to have Betsy Cieplicki join us as our new Parks and Recreation Director. We are very excited to have Betsy as our director and we feel very confident that our department will continue to provide services to meet the needs for all of our community.

We are extremely grateful for the time and energy that our numerous community volunteers and committee members have dedicated to our programs. Without their continued support, these programs would not be able to serve the community to the extent that they do. In addition, we would like to thank: Darwin Norris and Bob Wooster for the extra effort and support they provide to maintain our facilities and fields, Paul Goodrich and his staff for their collaboration on special projects and events, Jim Warden and his staff for their assistance throughout the year; Fire and Rescue for their support during special events. We also appreciate the efforts of Irv Rose and the Charlotte-Shelburne Rotary in connection with Halloween festivities and Matt Chandler for directing the Champlain Classic Road Race. We have enjoyed continued success this year with our "Making Shelburne Special" campaign and send a gracious, "Thank-you" to all the donors. A special thank you goes out to AlMartin Volvo and The Automaster for their sponsorship of our summer concerts.

We would like to recognize the generosity of Shelburne Farms and thank their staff for their help throughout the year.

Due to the efforts of our many volunteers our youth sports programs have continued to thrive and grow. This year we have worked very hard to find a place for our much needed new fields. We will continue on this path and hope that by 2005 we will be on our way to new improved fields for programs for all ages. This year the fields served 525 participants in our soccer program, 117 in lacrosse, 25 in softball, and 220 in baseball. Furthermore, they served the needs of school sports and activities and private ventures as well. The popularity and attendance at our numerous special events has also increased and was enjoyed by many community members this year. We continue to strive to meet the needs of all ages in our community and welcome any suggestions.

In addition to programs, our department has many beautiful parks that you should enjoy: Davis Park with ice skating when weather permits, tennis, basketball and a small play area with a picnic table; Hullcrest park with ice skating when weather permits, play area, basketball, and picnic table; Shelburne Bay Park with a picturesque walking path; and our "gem" on the lake, Shelburne Town Beach for Shelburne residents and their guests with volleyball, horseshoes, picnic area,

playground, small craft boat launch, and of course, swimming.

The Recreation Committee meets on the third Monday each month at 6:00 p.m. in the Town Activity Room. We welcome citizens to attend these meetings. This year Jeff Parker and Kris Anderson resigned, and we will miss their positive energy and willingness to help at all of our events. Our current members are: Peggy Coutu, Chair; Marvin Thomas, Vice-chair; Bridget Shover, secretary; Linda Barker, Ann Clark, Joe Hameline, and David Stroupe.

Respectfully Submitted

Peggy Coutu, Chair

A message from the Parks & Recreation Director~

I want to express my gratitude to the Shelburne community for your warm reception and patience during the time of transition this past summer and early fall. I am so grateful to all of you who helped provide support and feedback during my first few months here. I am looking forward to enriching the services of the Recreation Department and getting to know more of you in the year ahead.

Yours in Recreation,
Betsy Cieplicki



Hans Puck, Coordinator, working in the Shelburne Community Gardens. Think spring! Garden plots are available by contacting the Town Recreation department.

SHELBURNE NEIGHBORHOOD PATHS COMMITTEE

We've been busy this past year with our planning efforts for a town wide alternative transportation network and the Longmeadow-Webster Road path project.

We received a grant from the Vermont Agency of Transportation to further study this and a consultant, Wilbur Smith Associates, began working with us in the winter of 2003. The Longmeadow-Webster Road Path project Conceptual Alignment Alternatives report is wrapping up now, and we will be looking for funding sources to keep this project moving towards construction. We are also exploring the possibility of acquiring federal funding for constructing a large portion of the path. With several possible phases, we hope to begin construction on at least one segment soon. The proposed Boulder Hill subdivision on Webster Road has begun construction and one piece of this path will be done as part of this project, which is exciting.

The reconstruction of the Ti Haul Road Path (connecting Bay Rd and Harbor Rd.) was completed in the Spring. The Ti Haul Road Path connects the Shelburne Bay Park Recreation Path with Harbor Road near the Shelburne Community School and will eventually be part of a larger path network throughout the town. The Path has been a success with increased usage.

We have taken part in a regional committee that has been looking at the feasibility of a bicycle/pedestrian path along the railway right-of-way that would connect Burlington to Shelburne and Charlotte. An official planning and feasibility study studying options for this path was recently completed and a final report is due out soon.

We have received technical support from the Chittenden County Metropolitan Planning Organization to begin the process of updating Shelburne's Alternative Transportation Master Plan that was originally done in 1993. Consultants from Dufresne-Henry assisted us with preparing an inventory of our existing paths, sidewalks, easements and known destinations. Several very useful plans were created and have assisted us with preparing information for the Planning Commission to use in the Town Plan update, which is underway.

We meet on the third Monday of each month and we welcome your input, suggestions and support.

Respectively submitted,
Gail Henderson-King, Chair

SHELBURNE CEMETERY COMMISSION

During the FY2003 year, there were ten burial lots along with twelve cremation lots sold. There were fifteen conventional burials and four cremation burials.

The Commission would like to thank Phyllis McEntee for keeping the Cremation Garden looking as well as it does. The Cemetery had Roger Lewis, Tom Walker and Glenn Johnson taking care of the rest of the grounds for the first half of FY 2003. Ernie Goodrich joined Roger and Tom for the summer of 2003 and the Commission appreciates their efforts.

The capital improvement project for FY 2003 was cleaning of the stones in the Spear Street Cemetery. This was completed successfully. The scheduled project for FY 2004 is to expand the Cremation Garden. Hopefully, with the expansion, there will be enough lots for 7 to 8 years.

Respectfully submitted,
Stuart J. Morrow, Chairman

HISTORIC PRESERVATION AND REVIEW COMMISSION

In 2003, the Commission sponsored the "Shelburne Agricultural Context/National Register Project", a grant-funded study of Shelburne's agricultural properties with the goal being a nomination of one of the properties for the National Register of Historic Places. Deborah Noble Associates was hired to conduct the study and prepare the nomination.

The Commission also sponsored the Place-based Landscape Analysis and Community Education (PLACE) Program in partnership with Shelburne Farms and the Shelburne Natural Resources and Conservation Committee. Several Commission members assisted in preparation and presentations for the forum. Visit the PLACE website (<http://www.uvm.edu/place/>) for more information.

The Commission reviewed proposals for two affordable housing projects and a wide variety of minor renovations and sign designs to be completed in the Village. As always, these reviews are intended to assist owners in their projects and not to regulate design. The Commission's recommendations to the Planning Commission are advisory only.

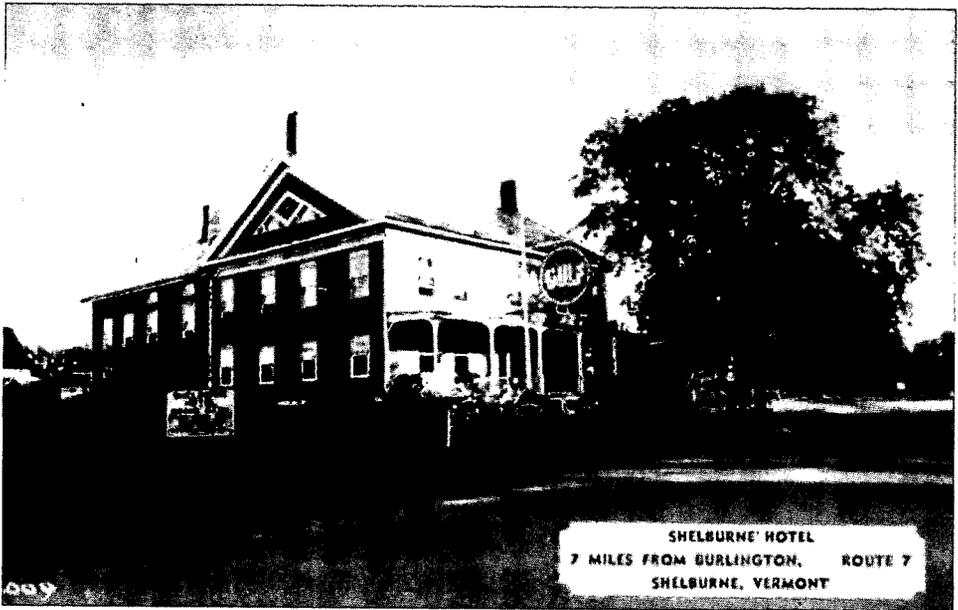
Though Pam Daly resigned from the Commission due to relocation to another state, Barbara Knapp Hamblett joined the Commission and has made many contributions to the Commission's proceedings. Remaining members are Tom Koerner, Warren Sanderson, Oda Hubbard, Bruce Beeken and Dorothea Penar.

Citizens with education and/or experience in historic preservation and related issues

who are interested in joining the Commission are encouraged to forward letters of interest to Susan Cannizzaro in the Town Planner's office.

Of course, the SHPRC would not function without assistance by Dean Pierce, Shelburne's Town Planner, and his staff to maintain the level and quality of service the Commission offers the Town and its residents.

Respectfully Submitted,
Fritz Horton, AIA, CSI, Chairperson



A post card photo of the Shelburne Inn taken around 1938 describes the Shelburne Hotel as the "home of real steak dinners"

NATURAL RESOURCES AND CONSERVATION COMMITTEE

Over the past year the Natural Resources and Conservation Committee expanded its participation in activities to protect the natural resources that make our town unique. It worked both within our own town boundaries and strengthened connections with neighboring towns. The Committee's main priorities for 2003, which will continue during the coming year, were: (1) open space planning; (2) participation in the development review process; and (3) coordination with other town committees.

The Committee started work on the Open Space Plan, which will become an input into the Town planning process. The Open Space Plan will involve an inventory and map of Shelburne's natural and agricultural resources, definition of the process for allocating Open Space Funds, development of evaluative tools for prioritizing open space parcels, and review of Town zoning regulations to see if they are aligned to support the Town Plan. The Committee's work in 2003 involved: public outreach to garner citizen input about their visions for Shelburne's open space and Open Space funding priorities, developing a draft of Shelburne's Open Space Plan, presentation of draft plan to the Planning Commission and Selectboard, development of maps of Shelburne's natural and agricultural resources for inclusion in the plan, development of an evaluative tool to prioritize parcels for conservation.

In April and May 2003, the Committee sponsored, with Shelburne Farms and UVM, three PLACE presentations: Shelburne's Landscape and Geology, Shelburne's Cultural Landscape and The Natural Communities of Shelburne. Huge numbers of Shelburne residents responded to this program, with well over 100 participants at each session. The public lectures were followed by field trips. Each of the field trips had a special focus on educators.

The Committee also participated in the development review process with the Shelburne Planning Commission. Committee members attended meetings, went on site walks, and submitted written comments on many projects that came before the Commission. Examples of development projects reviewed by the Committee include the proposed Wake Robin expansion, the Holland (Bayview Farms) subdivision, the Philip sketch plan proposal, the Swenson subdivision (Crescent Ridge) proposal, and the Ethan Allen Holdings (Rice Woods) subdivision. Committee members were also asked by the Selectboard to sit on Playing Fields and VELCO ad hoc committees.

The Committee actively sought to increase communication with other Town committees. It did so by participating in a joint meeting of Town Committees and organizing and participating in several meetings with specific Committees (e.g., the Paths Committee) on specific topics. The Committee also continued to support and

work with local regional organizations that help us connect Shelburne's goals with those of surrounding communities. These included: the Conservation Partners of Chittenden County and the LaPlatte Partnership, a grassroots watershed protection group that aims to protect and improve the quality of the water and the natural resources surrounding the LaPlatte River and its tributaries. Because the LaPlatte River watershed encompasses several towns the work of the LaPlatte Partnership provides a much-needed avenue for collaboration between neighboring towns.

Committee member Becky Wang continued to organize and inspire volunteers participating in the wildlife habitat-monitoring project, Shelburne Tracking. Trained teams are up and running trekking through the woods and meadows to collect data on a wide variety of wildlife. This data is being used to better understand how wildlife moves through Shelburne and the larger region, something that will prove useful during the development review process.

This year the Natural Resources and Conservation Committee did not recommended the expenditure of Open Space Funds for land acquisition or purchase of easements, in part due to delays in land deals and the need to retain funds in anticipation of the purchase of a conservation easement of several large (and expensive) areas with high natural resource-value.

For the fourth year in a row, this committee requested the yearly contribution to the Town's Open Space Fund be set at one cent on the tax rate. Over 300 citizens signed a petition to include this as a ballot item. However, after discussion with the Selectboard and recognizing concern over property assessments and higher taxes, it was agreed to lower the yearly contribution request to \$60,000 (less than one cent on the tax rate). Again, Shelburne voters approved this measure by a significant margin. We will be asking for this same level of funding this year and encourage your support.

We continue to be thankful for the hard work of our town planner, Dean Pierce, who is an invaluable resource for our committee. He is both experienced with land conservation issues and a pleasure to work with. This year, Brandie Benoit, Sue Dixon and David Hillman left our committee. We were happy to welcome Sean MacFaden to the committee this year. The following members have continued: Andrea Van Hoven, Laurel Neme, Gail Albert and Becky Wang.

Respectfully submitted,
Andrea Van Hoven, Chair

SHELBURNE SOCIAL SERVICES COMMITTEE

For a number of years, the Town of Shelburne has set aside a designated amount of money from the general fund to help support local non-profit social service agencies. The Shelburne Social Services Committee reviews grant requests made to the Town from these agencies and makes recommendations to the Selectboard on how the available monies might be disbursed to them. The committee has established criteria to follow in its decision-making. These criteria include consideration of the number of townspeople served by the agency, prior town requests made and/or received by the agency, the nature of the agency and purpose of its request, unique services offered, other funding sources, percentage of administrative costs to overall budget, and percentage of the request to the agency's overall budget.

Following is a breakdown of the FY 2004 funding to social service agencies, and the funding proposed for FY 2005:

	<u>FY 2004</u> <u>BUDGET</u>	<u>FY 2005</u> <u>(PROPOSED)</u>
Champlain Valley Agency on Aging	\$ 930	\$ 850
Childcare Resource & Referral	100	100
Chittenden County Community Action	1,080	1,050
Chittenden Cty. Court Diversion	385	385
Chittenden Emergency Food Shelf	540	540
Committee on Temporary Shelter	2,100	2,000
Howard Center	2,100	1,900
Lund Family Center	620	500
Home Share VT	800	660
Recycle North	450	450
Retired Senior Volunteer Program	150	150
Shelburne/Charl/Hinesb. Interfaith Project	---	800
Vt. Assoc. Blind & Visually Impaired	300	300
Vt. Cares	485	485
Vt. Center for Independent Living	190	190
Vt. Children's Aid Society	930	800
Vermont Adult Learning	250	250
Women Helping Battered Women	930	930
Women's Rape Crisis Center	410	410
Maple Leaf Farm	1,350	1,000
Alzheimer's Assoc. of Vt. (no request FY05)	100	--
Parent To Parent	400	400
	-----	-----
TOTAL	\$14,500	\$14,500

SHELBURNE WASTEWATER TREATMENT DEPARTMENT

Another year has come and gone. This is our third year of operation of the new treatment plants built in 2000. Many of the problems experienced before the upgrade have been solved. As with any new technology we have identified some new problems. We are now computer dependent and as we all know, computer programs and equipment are not infallible. We sometimes wonder, Why did it do that? We have worked out many of the bugs that plagued us but still work on more.

The attitude of the Wastewater Dept. Staff is that we will overcome and succeed. Even with the problems, we have discharged to the environment the best product ever, Clean Water, and at a fairly consistent rate.

On a more personal note. I have had the privilege of working in this Dept. for thirty-four years. There have been trying times to be sure but the overwhelming time has been a very satisfying experience. Just knowing that what we do improves our environment every day and that we have a community committed to doing just that truly makes us all proud. My plans are to retire on September 1st 2004 and pass control on to personnel that have the same pride and determination to make Shelburne the best place to live.

Respectfully Submitted,

David E. Rathburn

Wastewater Staff: Kevin Wooster, Chris Robinson, Andy Hubinger



Wastewater Supt. David Rathburn operates controls at the Shelburne Wastewater Treatment Plant #1 on Crown Road.

WATER DEPARTMENT

The Town of Shelburne's water is supplied by the Champlain Water District (CWD). CWD treats water from Lake Champlain and pumps it via transmission mains to its member towns. CWD is governed by a board of commissioners comprised of one member from each town. Shelburne owns and operates its own distribution system, storage tanks and pump stations around town. We also maintain our own meters and billing system.

A board of commissioners governs the Shelburne Water Department. Peter Gadue (Chairman), Bob Schumacher and Ronald A. Bouchard are the commissioners. Our department is staffed by a superintendent, Rick Lewis and operator Josh Wolyneec, maintenance technician Chris Carlson and administrative assistant, Sandra Lewis.

Our major project during 2003 will be the relocation and replacement of all water mains, hydrants and water service lines on Route 7 from the Laplatte River Bridge to the South Burlington town line. Phase I of this project started in June and is expected to be completed the beginning of December 2003. Phase II will start in the spring of 2004 and requires all water main and service lines on the west side of Route 7 to also be replaced.

The Town of Shelburne water system continues to grow each year and should budget accordingly to provide adequate staff so we can continue to provide a high quality water supply to our customers.

In the fiscal year 2002-03 we purchased 191,217,100 gallons of water from CWD at a rate of \$1.11 per thousand gallons. Shelburne's retail rate was \$2.97 per thousand gallons in FY 2002-03.

Respectfully submitted,

Rick Lewis
Superintendent, Water Department

CHAMPLAIN WATER DISTRICT

Over the past year the Champlain Water District (CWD) has been very busy in prioritizing the recommendations from our Twenty-Year Master Plan into the initial five-year implementation schedule. The Twenty-Year Master Plan by Dufresne and Associates was reported in September of 2002. Fortunately, CWD has for the last ten years designed its annual budget approval process to also include future capital investments. This budget process also utilizes a financial model to predict the uniform wholesale water rate as part of the overall planning approach.

Projects of interest over the past year include:

- Design and installation of upsized High Service pumping at the water treatment facility site
- Installation of potassium permanganate addition for the treatment of zebra mussels
- Complete recoating of two water storage tanks
- Design and installation of new HVAC system at Lake Water Pump Station
- Completion and submittal of Vulnerability Assessment to USEPA as required under the federal Bioterrorism legislation
- Coordination of design, permitting, and bidding for a regional water storage tank serving six served water systems
- Completion of a natural freeze/dry approach to treat filter and clarifier backwash residuals
- Design/construction for infrastructure relocation as dictated by new future Lime Kiln Bridge

As the District works to prepare the fiscal year 2004-2005 budget, we are planning to maintain the existing uniform wholesale water rate at \$1.24 per 1000 gallons of water. We have worked very diligently to cut expenses where possible to be able to comply with master plan recommendations while managing declining industrial water sales revenue. We thank our employees and elected officials for their effort and support in allowing CWD to be proactively managed and operated to supply a drinking water product protective of public health. As always, we welcome groups of any size to tour our facility. Please call 864-7454 to arrange a tour, or if you have questions, or need further information on the Champlain Water District.

Respectfully Submitted,

Peter L. Jacob, Chair CWD Board of Water Commissioners

Jim Fay, General Manager CWD

This report was condensed due to space limitations. A full copy is available in the town offices.

CHITTENDEN COUNTY TRANSPORTATION AUTHORITY (CCTA)

The Chittenden County Transportation Authority (CCTA) was founded in 1973 by the Vermont Legislature and provides transit services to seven municipalities in Chittenden County. CCTA is a full service public transportation provider, offering multi-modal transportation services including: fixed route bus service, parking lot, supermarket and neighborhood shuttles, a county-wide ridesharing program, transportation for Medicaid recipients, and contracted paratransit service for people who cannot use the bus. CCTA is governed by a ten member Board of Commissioners with two Commissioners each representing CCTA's member governments.

In fiscal year 2003, CCTA provided approximately 1.66 million rides on its fixed route bus services and 28,975 rides on its contracted paratransit services throughout the seven municipalities. The South End/Shelburne route recognized a 4.2% increase in ridership over fiscal year 2002. CCTA also operates shuttle services including the Downtown PARC and CATMA program, local shopping shuttles, and neighborhood service. The Downtown PARC and CATMA shuttles bring employees from affordable parking on Pine Street to downtown Burlington businesses, conserving scarce parking for shoppers and visitors. CCTA also provides shuttles from senior housing complexes to local supermarkets. In addition, CCTA coordinates a ridesharing program to promote carpooling and vanpooling within the region. CCTA also works with the Vermont Public Transportation Association to provide Medicaid transportation to eligible recipients in Chittenden County.

CCTA staff accomplished many significant goals in fiscal year 2003. Shuttles funded by members of the Campus Area Transportation Management Association (CAMTA) were initiated in FY03. CCTA staff continued their education into alternative fuel technologies. A hybrid bus was brought to the CCTA operating area for demonstrations and was put into revenue service for a short time. As these vehicles begin to be mass produced, CCTA will attempt to secure funding to purchase these vehicles for our fleet. CCTA staff continued the timepoint analysis, which collects on-time performance data using a Global Positioning Systems (GPS) unit. The data from the first year of collection was analyzed and resulted in improvements to several routes.

In fiscal year 2004, CCTA plans to work on various strategic projects. First, CCTA staff will work on reconfiguring the current local assessment formula to allow staff to focus on creating successful, productive routes and ensure that all of the service works together to create accessible, convenient and sustainable transportation for the region. Currently, fixed route assessments are apportioned to each member municipality based on the number of miles traveled in each city or town. This sets

up a dynamic of fee for service and does not allow CCTA staff to create the best possible service for the region. Second, in order to provide better service and make connections between Vermont communities that replace the existing travel patterns of Vermonters, CCTA is seeking to transform itself into a Regional Transportation Authority. This regional transit authority would have a regional board and would secure alternative funding, other than the property tax, for the local contribution. The reliance on the property tax for funding public transportation has been cited by several different studies as the major impediment to creating a regional public transportation system that connects Vermont communities. Third, CCTA's Board of Commissioners has endorsed the use of Intelligent Transportation Systems (ITS) where appropriate. CCTA staff will initially pursue acquiring route scheduling software to achieve greater efficiencies in the utilization of personnel and equipment.

CCTA's mission is to make efficient transportation services available to all residents of and visitors to the Chittenden County region that are safe, accessible, reliable, clean, affordable and sustainable, thereby enhancing the quality of life for all. We look forward to working with Shelburne and other municipalities to achieve this mission. For route and schedule information or for questions about any of CCTA's programs, please call 864-0211 or visit CCTA's website at www.CCTAride.org.

This report was condensed due to space limitations. A full copy is available in the town offices.

CHITTENDEN COUNTY METROPOLITAN PLANNING ORGANIZATION

The CCMPO serves as a cooperative regional forum for the development of transportation system plans and programs that address transportation related issues.

The CCMPO is responsible to all citizens of the region to ensure the implementation of the best transportation plan for the region. Therefore, the CCMPO is composed of appointed officials from each of the 18 county municipalities, the Vermont Agency of Transportation (VTrans), the Chittenden County Transit Authority (CCTA), the Chittenden County Regional Planning Commission (CCRPC), the Federal Highway Administration (FHWA), Vermont Transportation Authority (VTA) and air and rail representatives. These officials are accountable to their respective constituencies. The implementation of the transportation plan is primarily carried out by VTrans.

In 2003 we completed the draft 2025 Metropolitan Transportation Plan and presented it to our member municipalities and hope to adopt it in early 2004.

During the next three federal fiscal years, more than \$174 million in federal dollars are slated for transportation projects throughout Chittenden County in the FY2004-2006 Transportation Improvement Program (TIP). It is the largest TIP in Chittenden County history. The TIP is a multi-year list of transportation projects in Chittenden County. To receive federal funds, each transportation project, program or operation must be authorized through the CCMPO's Transportation Improvement Program.

James C. Condos, Chair

CHITTENDEN COUNTY REGIONAL PLANNING COMMISSION

The Chittenden County Regional Planning Commission (CCRPC) was founded by an act of the Vermont legislature in 1966. CCRPC is a 24-member board consisting of one delegate from each of Chittenden County's 19 municipalities and five at-large members representing the interests of agriculture, conservation/environmental, industrial/business, socio-economic/housing and transportation.

CCRPC's mission is to "serve Chittenden County and its communities through an effective regional planning process characterized by communication, facilitation, collaboration and technical assistance."

CCRPC provides planning leadership in both policy guidance and technical analysis. Member communities benefit from the expertise of staff through its professional and technical assistance services.

Watershed planning is an integrated ecosystem approach to land use planning that is governed by the limits of the watershed. CCRPC is actively involved in the watershed plans currently being undertaken by the Agency of Natural Resources. CCRPC is working with municipalities and local emergency managers to develop multi-jurisdictional Hazard Mitigation Plans. Staff also worked with a diverse group of local representatives and technical experts to identify areas best suited for Open Space functions throughout the County. CCRPC is collaborating with GBIC to develop a regional strategic economic development plan.

CCRPC offers technical assistance in the form of Geographic Information System (GIS) maps, training and GIS analysis. In 2003, 14 municipalities took advantage these services. CCRPC staff visited with each town's planning commission and/or select board to present the findings from the Regional Build-out Analysis (RBA). The RBA provides each municipality with a visual and narrative depiction of the maximum build-out potential allowed under each municipality's current zoning policies. Each town was provided with a narrative report, showing the tabular results for each of its zoning districts, as well as a GIS file that could be used within

local planning processes. In collaboration with the Chittenden County Metropolitan Planning Organization, CCRPC completed the development of the Land Use-Transportation Decision Support System (DSS). This GIS-embedded modeling software will allow regional planners to visualize and examine the interactions between natural resources, transportation and municipal infrastructure, and development patterns

CCRPC reviews municipal plans as part of the statutory requirement to confirm municipal planning processes. In addition, the CCRPC regularly reviewed development applications governed by *Act 250* for compliance with the *2001 Chittenden County Regional Plan*.

Maintaining a balanced built and natural environment involves continued cooperation. CCRPC appreciates the opportunity to work with its members to plan appropriately for the region's future to protect the special quality of life that is shared throughout Chittenden County.

CHITTENDEN SOLID WASTE DISTRICT

CSWD owns and oversees 12 solid waste or recycling facilities in Chittenden County for its 17 member municipalities. A Board of Commissioners governs CSWD with one Commissioner appointed by each member community. Monthly meetings are held on the 4th Wednesday of each month, typically at the South Burlington City Hall. FY 2003 General Fund expenses were \$5,926,456.

All-In-One Recycling started in July 2003, allowing people to recycle bottles and cans together with mixed paper. CSWD invested about \$2 million to make recycling easier, more convenient, and more economical.

DROP-OFF CENTERS located in Burlington (new as of March 2003), Essex, South Burlington, Milton, Williston, Richmond, Colchester and Hinesburg are available to District members who prefer to self-haul their trash and recyclables. Drop Off Centers collected 3,099 tons of recyclables and 6,580 tons of household trash during FY '03. The MATERIALS RECOVERY FACILITY in Williston is owned by CSWD and is privately operated by Casella Waste Management, Inc. In FY '03, 20,956 tons of commingled recyclables were collected, sorted, baled and shipped to markets. The WOOD & YARD WASTE Program processed 6,088 tons of clean wood waste and brush in FY '03. Wood chips are sold to the McNeil Generating Station, and other facilities, where the chips are used to generate electricity. Chips are also sold for use in creating a colored mulch product.

The HAZARDOUS WASTE DEPOT and THE ROVER facilities, which collect

household and small business-generated hazardous waste, received 9,268 visits with 185 tons of hazardous waste from residents and 386 visits with 65 tons from businesses in FY '03. A variety of EDUCATIONAL PROGRAMS are available to assist residents and businesses to properly manage their wastes. The CSWD HOTLINE (872-8111), WEBSITE: (www.cswd.net), school programs, workshops, informational pamphlets, and waste assessments for businesses are part of this positive community outreach.

RESEARCH AND DEVELOPMENT efforts, which have dual goals of reducing the amount of waste generated and landfilled along with making programs more convenient and cost-effective, focused in FY '03 on drop-off food composting, construction and demolition waste reduction, and computer reuse and recycling.

CSWD provides funding and staff time to support GREEN UP DAY efforts in Chittenden County. In April 2003, 56 tons of litter were collected, including 1,421 tires and 62 cubic yards of scrap metal.

The COMMUNITY CLEAN UP FUND helps members keep their communities clean and litter free throughout the year. In FY '03, over \$8,400 was distributed to 12 of our 17 member municipalities through this program.

This report was condensed due to space limitations. A full copy is available in the town offices.

VISITING NURSE ASSOCIATION

During Fiscal Year 2003 the VNA cared for 139 people at the Adult Day Program, provided hospice services to 476 individuals at Vermont Respite House and through Hospice of the Champlain Valley; and served 1,123 families through the Maternal and Child Health Division. VNA caregivers made 198,274 visits while serving 5,359 clients in FY 2003

The following is a partial list of the programs and services VNA offers:

Adult Home Health Services

Adult Home Care: Provides high-quality care for adults with acute and long-term illnesses. In addition to providing skilled general nursing services, specialty nurses coordinate individualized care. Physical, occupational and speech therapists aid clients in their rehabilitation. Licensed Nursing Assistants assist with personal care and activities of daily living. Social Workers link clients with vital community services.

Hospice of the Champlain Valley is a home-based program that helps children and adults with a terminal illness, along with their families, cope with death by living life to the fullest. The interdisciplinary team emphasizes care directed toward expert pain and symptom control, maximizing independence, socialization and providing support during the last 6 months of life.

Palliative Care: Designed for people in earlier stages of a terminal illness, this program helps clients and families transition toward end-of-life goals. The focus is on symptom management and forming goals.

Vermont Respite House: A home-away-from-home in Williston for terminally ill individuals where quality of life is emphasized. Hospice nurse case managers, house managers and trained volunteers provide warm, personalized end-of-life care to residents and their families.

Maternal and Child Health Services

Perinatal/Pediatric Home Visiting: Medical treatment of perinatal women and young families with children up to five years.

Family Partnership: Home visiting and center-based services for families with young children with a desire for help with parenting skills and family goals.

The Family Room at H.O. Wheeler School: Center-based services for young families: preschool, parenting groups, a drop-in play space, and a variety of educational activities requested by parents.

Expectations: Childbirth, parenting, breast-feeding and sibling classes.

Long Term Care Services

The Care Connection provides a variety of health and support services that help individuals remain in their homes or the settings of their choice.

The Private Duty Registry offers skilled nursing, personal care and homemaker services in private homes, residential care facilities and hospitals 24

hours a day, 7 days a week.

The Medicaid Home and Community-Based Waiver Program promotes independent living for Medicaid-eligible clients who require nursing home care.

The Homemaker Program provides assistance with meals, housework and errands for low-income elders and adults with disabilities.

The Health Promotion & Wellness Program provides health screening and preventive services to businesses, schools and senior residential facilities.

Other services include the Medicaid High-Technology Program; EPSDT Personal Care Services Program for children; and Traumatic Brain Injury Program.

The Adult Day Program is a community-based social and recreational program offered at the VNA, FAHC's Fanny Allen Campus and Falcon Manor in Williston for elders and adults with physical and/or cognitive disabilities. The program provides health and social services, hourly respite and caregiver support.

Town of Shelburne VNA Fund Request FY 2005

Statistics listed below are for the VNA's fiscal year '03(July 2002- June 2003)

Total Shelburne Clients cared for: 191

<u>Breakdown of Visits:</u>	<u>Visits</u>	<u>Hours</u>
Nursing	3,176	
Physical Therapy	441	
Speech Therapy	38	
Occupational Therapy	72	
Social Service	71	
Licensed Nursing Assistant	910	825
Homemaker	177	373
Family Educator	2	2
Waiver Attendant	407	2,006
Home Care Provider	192	555
Continuous Care		<u>13</u>
Totals	<u>5,486</u>	<u>3,773</u>

Total cost of services \$502,624.33

Total cost of services reimbursed by Medicare, Medicaid, private insurance, contract and patient fees 474,313.53

Balance (\$28,310.80)

FY '03 Income from Town of Shelburne \$16,563.00

Gain (Loss) FY '03 (\$ 11,747.78)

Requested contribution for FY 2005 \$17,232

This report was condensed due to space limitations. A full copy is available in the town offices.

VERMONT LEAGUE OF CITIES AND TOWNS

The Vermont League of Cities and Towns' mission is to serve and strengthen Vermont local government. Vermont municipal officials are responsible for raising and expending nearly one-half of the non-federal taxes raised in the state. In large part, volunteer elected and appointed municipal officials lead these governments. VLCT provides the following services to its member cities and towns, to strengthen the ability of these officials to provide quality services at affordable levels of taxation:

- Advocacy representation before the State Legislature, administration and judiciary, ensuring that municipalities have the resources and authority to serve their citizens. VLCT is a leader in the education finance debate and in securing revenues for town highway and bridge maintenance programs.

- Training, technical assistance and publications to strengthen the ability of municipal officials to serve their communities. In the past year, we have responded to almost 50,000 telephone calls, 21,200 of them from local officials on the toll-free telephone line available to them. Our Municipal Assistance Center and Group Services staffs provided over 750 workshops and small group training sessions attended by over 4,000 municipal officials and answered over 2,300 legal questions posed by municipal officials. VLCT distributed over 575 copies of local government publications and distributed over 3,200 hard copies or electronic mail versions of VLCT's Weekly Legislative Report to municipal officials each week during the legislative session.

- Purchasing opportunities to provide needed services at the lowest cost. These include an array of municipal insurance programs, among many others. Examples of how this saves local taxpayers dollars are the securing of municipal employee health insurance and liability coverage for town operations. The VLCT Health Trust represents the most affordable option available to provide health insurance to municipal employees. The value of VLCT PACIF to all our members was made painfully clear last year when the major re-insurer for the largest private sector option available for municipal property and casualty insurance was declared insolvent by the State of Pennsylvania, threatening the payment of claims made under those policies.

All 246 Vermont cities and towns are members of VLCT, along with 140 other municipal entities including villages and fire districts. Membership dues are \$.72 per capita plus a \$250 service fee per year. VLCT maintains its offices in Montpelier and employs 42 staff members. It has an annual operating budget of approximately \$3.0 million. Individuals interested in finding out more about Vermont League of Cities and Towns, including reviewing its audited financial statements can visit its Web site at www.vlct.org.

SHELburnE TOWN SCHOOL DISTRICT
AUDIT REPORT AND FINANCIAL STATEMENTS

JUNE 30, 2003

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FOTHERGILL SEGALE & VALLEY

Certified Public Accountants



John E. (Jeff) Fothergill, CPA
Michael L. Segale, CPA
Sheila R. Valley, CPA
Teresa H. Kajenski, CPA
Jane M. Burroughs, CPA

INDEPENDENT AUDITOR'S REPORT

August 20, 2003

To the Board of School Directors
Shelburne Town School District
Shelburne, Vermont

We have audited the accompanying general purpose financial statements as listed in the Table of Contents of Shelburne Town School District as of and for the year ended June 30, 2003. These general purpose financial statements are the responsibility of Shelburne Town School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Shelburne Town School District, as of June 30, 2003, and the results of its operations and cash flows of its nonexpendable trust fund for the year then ended in conformity with U.S. generally accepted accounting principles.

Respectfully submitted,

Fothergill Segale Valley, CPAs

FOTHERGILL SEGALE & VALLEY, CPAs
Vermont Public Accountancy License #110

SHELburnE TOWN SCHOOL DISTRICT

EXHIBIT A

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 2003

	Governmental			Fiduciary	Account Groups			Total (Memorandum Only)
	General Fund	Special Revenue Funds	Capital Projects Fund		Trust and Agency Funds	General Fixed Assets	Long-Term Debt	
Cash and investments	\$ 234,560	\$ 1,030	\$ 7,186	\$ 85,300	\$ 0	\$ 0	\$ 0	\$ 328,076
Accounts receivable:								
Due from State of Vermont	69,490	4,520	0	0	0	0	0	74,010
Due from other school districts	2,341	0	0	0	0	0	0	2,341
Inventory	0	3,044	0	0	0	0	0	3,044
Due from other funds	0	0	23,876	0	0	0	0	23,876
Property & equipment (net of allowance for depreciation of \$4,338,087)	0	0	0	0	6,535,414	0	0	6,535,414
Amount to be provided for retirement of general long-term debt	0	0	0	0	0	0	1,834,813	1,834,813
Total assets	\$ 306,391	\$ 8,594	\$ 31,062	\$ 85,300	\$ 6,535,414	\$ 1,834,813	\$ 1,834,813	\$ 8,801,574

ASSETS

See Notes to Financial Statements.

SHELburnE TOWN SCHOOL DISTRICT

EXHIBIT A

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 2003

	Governmental			Fiduciary Trust and Agency Funds	Account Groups		Total (Memorandum Only)
	General Fund	Special Revenue Funds	Capital Projects Fund		General Fixed Assets	Long-Term Debt	
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ 32,942	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,942
Due to other funds	11,474	12,402	0	0	0	0	23,876
Due to student groups	0	0	0	72,954	0	0	72,954
Deferred revenue - grants	89,326	0	0	0	0	0	89,326
Accrued salaries	16,723	0	0	0	0	0	16,723
Accrued compensated absences	0	0	0	0	0	14,833	14,833
Career change assistance program	0	0	0	0	0	82,338	82,338
Bonds and notes payable	0	0	0	0	0	1,737,642	1,737,642
Total liabilities	150,465	12,402	0	72,954	0	1,834,813	2,070,634
FUND EQUITY							
Unreserved	141,039	(6,852)	0	11,561	0	0	145,748
Reserved for Education Fund	14,887	0	0	0	0	0	14,887
Reserved for endowments	0	0	0	785	0	0	785
Reserved for inventory	0	3,044	0	0	0	0	3,044
Reserved for capital improvements	0	0	31,062	0	0	0	31,062
Investment in general fixed assets	0	0	0	0	6,535,414	0	6,535,414
Total fund equity	155,926	(3,808)	31,062	12,346	6,535,414	0	6,730,940
Total liabilities and fund equity	\$ 306,391	\$ 8,594	\$ 31,062	\$ 85,300	\$ 6,535,414	\$ 1,834,813	\$ 8,801,574

See Notes to Financial Statements.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

	YEAR ENDED JUNE 30, 2003				Total (Memorandum Only)
	Governmental Fund Types			Fiduciary Fund Type	
	General Fund	Special Revenue	Capital Projects Fund	Expensible Trust Fund	
		Hot Lunch Fund			
REVENUES					
Property Tax - Local Share	\$ 3,010,284	\$ 0	\$ 0	\$ 0	\$ 3,010,284
Property Tax - Education Fund	1,817,560	0	0	0	1,817,560
Property Tax - State Share	6,310,786	0	0	0	6,310,786
State transportation aid	187,420	0	0	0	187,420
Tuition	36,920	0	0	0	36,920
Earnings on investments	23,244	0	73	131	23,448
State capital debt service aid	81,172	0	63,000	0	144,172
School lunch state aid	0	2,659	0	0	2,659
State Special Ed. - Block Grant	303,623	0	0	0	303,623
State Special Ed. - Intensive Reimb.	605,591	0	0	0	605,591
State Special Ed. - Extraordinary Reimb.	89,999	0	0	0	89,999
State Essential Early Education Grant	55,506	0	0	0	55,506
State care & custody	28,912	0	0	0	28,912
Other State & Federal revenues	100,867	38,512	0	0	139,379
Food sales	0	130,838	0	0	130,838
Donations	24,000	0	0	0	24,000
Miscellaneous	74,522	0	0	0	74,522
On behalf payments	186,500	0	0	0	186,500
Total revenues	12,936,906	172,009	63,073	131	13,172,119
EXPENDITURES					
Instructional program	4,048,606	0	0	0	4,048,606
Team Aurora	2,757	0	0	0	2,757
Adventures Team	2,590	0	0	0	2,590
Explorers Team	5,407	0	0	0	5,407
Harmony Team	7,010	0	0	0	7,010
Rainbow Team	4,227	0	0	0	4,227
Endeavor Team	3,779	0	0	0	3,779
Team Voyager	3,300	0	0	0	3,300
Discover Team	4,369	0	0	0	4,369
Odyssey Team	6,427	0	0	0	6,427
Sutton House Team	4,474	0	0	0	4,474
Alpha Team	4,551	0	0	0	4,551
Team Delta	3,947	0	0	0	3,947
Team Orion	4,638	0	0	0	4,638
Fine/practical art	10,916	0	0	0	10,916
French program	9,077	0	0	0	9,077

See Notes to Financial Statements.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

	YEAR ENDED JUNE 30, 2003			Fiduciary Fund Type	Total (Memorandum Only)
	Governmental Fund Types				
	General Fund	Special Revenue	Capital Projects Fund		
		Hot Lunch Fund			
EXPENDITURES (Continued)					
Physical education program	4,897	0	0	0	4,897
Music program	17,787	0	0	0	17,787
Vocational education	57,625	0	0	0	57,625
Athletics program	64,835	0	0	0	64,835
Special education	946,573	0	0	0	946,573
Essential early education	155,705	0	0	0	155,705
Guidance services	250,648	0	0	0	250,648
Health services	67,305	0	0	0	67,305
Psychological services	47,532	0	0	0	47,532
Speech & language services	116,634	0	0	0	116,634
Instructional improvement	42,246	0	0	0	42,246
Library services	276,929	0	0	0	276,929
Board of Education services	32,384	0	0	0	32,384
Executive administration	132,738	0	0	0	132,738
Other administrative support	48,248	0	0	0	48,248
Office of the Principal	354,516	0	0	0	354,516
Other school administrative services	48,006	0	0	0	48,006
Fiscal services	46,926	0	0	0	46,926
Operations & maintenance of					
buildings and grounds	516,669	0	266,383	0	783,052
Pupil transportation services	303,497	0	0	0	303,497
Other support services	17,825	0	0	0	17,825
Information services	159,269	0	0	0	159,269
Afterschool Program	7,712	0	0	0	7,712
Summer science program	670	0	0	0	670
Medicaid program expenses	57,451	0	0	0	57,451
Education fund expenses	9,113	0	0	0	9,113
CVU High School assessment	3,166,364	0	0	0	3,166,364
Food services	0	175,817	0	0	175,817
Debt service	230,709	0	0	0	230,709
State education fund payment	1,817,561	0	0	0	1,817,561
On behalf payments	186,500	0	0	0	186,500
Total expenditures	<u>13,310,949</u>	<u>175,817</u>	<u>266,383</u>	<u>0</u>	<u>13,753,149</u>

See Notes to Financial Statements.

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUNDS

	YEAR ENDED JUNE 30, 2003				Total (Memorandum Only)
	Governmental Fund Types			Fiduciary Fund Type	
	General Fund	Special Revenue	Capital Projects Fund	Expensible Trust Fund	
		Hot Lunch Fund			
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(374,043)</u>	<u>(3,808)</u>	<u>(203,310)</u>	<u>131</u>	<u>(581,030)</u>
OTHER FINANCING SOURCES (USES):					
Interfund transfers	(38,840)	23,840	15,000	0	0
Loan Proceeds	<u>57,642</u>	<u>0</u>	<u>210,000</u>	<u>0</u>	<u>267,642</u>
Other financing sources (uses)	<u>18,802</u>	<u>23,840</u>	<u>225,000</u>	<u>0</u>	<u>267,642</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	(355,241)	20,032	21,690	131	(313,388)
FUND BALANCES - JULY 1, 2002	<u>511,167</u>	<u>(23,840)</u>	<u>9,372</u>	<u>11,430</u>	<u>508,129</u>
FUND BALANCES - JUNE 30, 2003	<u>\$ 155,926</u>	<u>\$ (3,808)</u>	<u>\$ 31,062</u>	<u>\$ 11,561</u>	<u>\$ 194,741</u>

See Notes to Financial Statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPARED TO BUDGET - GENERAL FUND

YEAR ENDED JUNE 30, 2003

	Budget As Voted	Transfers	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
REVENUES					
Property Tax - Local Share	\$ 3,027,005	\$ (16,721)	\$ 3,010,284	\$ 3,010,284	\$ 0
Property Tax - Education	1,827,623	(10,063)	1,817,560	1,817,560	0
Property Tax - State Share	6,310,786	0	6,310,786	6,310,786	0
State transportation aid	160,000	0	160,000	187,420	27,420
State capital debt service aid	64,450	16,722	81,172	81,172	0
St Special Ed. - Block Grant	303,623	0	303,623	303,623	0
St Special Ed. - Intensive	709,002	0	709,002	605,591	(103,411)
St Special Ed. - Extraordinary	72,806	0	72,806	89,999	17,193
St. Essential Early Education	55,392	0	55,392	55,506	114
State care & custody	0	0	0	28,912	28,912
Tuition	27,300	0	27,300	36,920	9,620
Earnings on investments (net of interest expense on tax anticipation note)	60,000	0	60,000	23,244	(36,756)
IDEA-B Subgrants	54,000	0	54,000	43,413	(10,587)
Medicaid	0	0	0	57,454	57,454
Donations	0	0	0	24,000	24,000
Miscellaneous	0	0	0	74,522	74,522
Total revenues	12,671,987	(10,062)	12,661,925	12,750,406	88,481
EXPENDITURES					
Instructional program	3,955,353	41,870	3,997,223	4,048,606	(51,383)
Team Aurora	3,300	0	3,300	2,757	543
Adventures Team	2,775	0	2,775	2,590	185
Explorers Team	5,850	0	5,850	5,407	443
Harmony Team	7,125	0	7,125	7,010	115
Rainbow Team	4,275	0	4,275	4,227	48
Endeavor Team	4,950	0	4,950	3,779	1,171
Team Voyager	3,300	0	3,300	3,300	0
Discover Team	4,800	0	4,800	4,369	431
Odyssey Team	6,450	0	6,450	6,427	23
Sutton House Team	6,525	0	6,525	4,474	2,051
Alpha Team	5,100	0	5,100	4,551	549
Team Delta	5,025	0	5,025	3,947	1,078
Team Orion	6,150	0	6,150	4,638	1,512
Fine/practical art	11,880	0	11,880	10,916	964
French program	9,090	0	9,090	9,077	13
Physical education program	5,000	0	5,000	4,897	103
Music program	18,561	0	18,561	17,787	774

See Notes to Financial Statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPARED TO BUDGET - GENERAL FUND

YEAR ENDED JUNE 30, 2003

	Budget As Voted	Transfers	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES (Continued)					
Vocational education	58,032	0	58,032	57,625	407
Athletics program	68,322	0	68,322	64,835	3,487
Special education	954,698	(41,870)	912,828	946,573	(33,745)
Essential early education	175,117	0	175,117	155,705	19,412
Guidance services	258,164	0	258,164	250,648	7,516
Health services	76,693	0	76,693	67,305	9,388
Psychological services	47,532	0	47,532	47,532	0
Speech & language services	119,466	0	119,466	116,634	2,832
Instructional improvement	35,000	0	35,000	42,246	(7,246)
Library services	290,900	0	290,900	276,929	13,971
Board of Education services	31,687	0	31,687	32,384	(697)
Executive administration	132,793	0	132,793	132,738	55
Other administrative support	35,837	0	35,837	48,248	(12,411)
Office of the Principal	355,509	0	355,509	354,516	993
Other school administrative services	61,500	0	61,500	48,006	13,494
Fiscal services	47,059	0	47,059	46,926	133
Operations & maintenance of buildings and grounds	467,401	0	467,401	516,669	(49,268)
Pupil transportation services	293,500	0	293,500	303,497	(9,997)
Other support services	3,878	0	3,878	17,825	(13,947)
Information services	168,693	0	168,693	159,269	9,424
Afterschool Program	0	0	0	7,712	(7,712)
Summer science program	0	0	0	670	(670)
Medicaid program expenses	0	0	0	57,451	(57,451)
Education fund expenses	0	0	0	9,113	(9,113)
CVU High School assessment	3,166,364	0	3,166,364	3,166,364	0
Debt service:					
Interest	80,710	0	80,710	80,709	1
Principal	150,000	0	150,000	150,000	0
State education fund payment	1,827,623	(10,062)	1,817,561	1,817,561	0
Total expenditures	12,971,987	(10,062)	12,961,925	13,124,449	(162,524)

See Notes to Financial Statements.

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
COMPARED TO BUDGET - GENERAL FUND

YEAR ENDED JUNE 30, 2003

	Budget As Voted	Transfers	Adjusted Budget	Actual	Variance Favorable (Unfavorable)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(300,000)</u>	<u>0</u>	<u>(300,000)</u>	<u>(374,043)</u>	<u>(74,043)</u>
OTHER FINANCING SOURCES (USES):					
Transfer to Capital Projects	0	0	0	(15,000)	(15,000)
Transfer to Food Service	0	0	0	(23,840)	(23,840)
Loan Proceeds	0	0	0	57,642	57,642
Other financing sources (uses)	<u>0</u>	<u>0</u>	<u>0</u>	<u>18,802</u>	<u>18,802</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	<u>\$ (300,000)</u>	<u>\$ 0</u>	<u>\$ (300,000)</u>	<u>(355,241)</u>	<u>\$ (55,241)</u>
FUND BALANCE - JULY 1, 2002				<u>511,167</u>	
FUND BALANCE - JUNE 30, 2003				<u>\$ 155,926</u>	

See Notes to Financial Statements.

COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS/FUND BALANCES
AND
COMBINED STATEMENT OF CASH FLOWS

ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUNDS

YEAR ENDED JUNE 30, 2003

	<u>Fiduciary</u> <u>Fund Type</u> <u>Nonexpendable</u> <u>Trust Fund</u>
<u>REVENUE, EXPENSES AND CHANGES</u>	
<u>IN FUND BALANCE:</u>	
OPERATING REVENUES - Interest	\$ 34
OPERATING EXPENSES - Scholarships	<u>(110)</u>
NET INCOME	(76)
FUND BALANCES - JULY 1, 2002	<u>861</u>
FUND BALANCES - JUNE 30, 2003	<u>\$ 785</u>
 <u>CASH FLOWS:</u>	
CASH FLOWS (TO) FROM OPERATING	
ACTIVITIES:	
Net income	\$ (76)
CASH - BEGINNING OF YEAR	<u>861</u>
CASH - END OF YEAR	<u>\$ 785</u>

See Notes to Financial Statements.

SHELBURNE TOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

The Shelburne Town School District is organized according to Vermont Education Laws, under the governance of the Board of School Directors to provide public education for the Town of Shelburne.

The Shelburne Town School District is governed by a five member elected Board. The Shelburne Town School District, for financial reporting purposes, consists only of the funds and account groups of the School District. The Shelburne Town School District's elected Board of Directors has no oversight responsibility for any other governmental entity. Control or dependence on the Board was determined on the basis of budget adoptions, designation of management, influence over operations, and accountability for fiscal matters.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

Specific criteria are used in the determination of which funds are included in the general purpose financial statements of the District and in the definition of the District as a separate reporting entity from any other unit of government. These criteria are: (1) oversight responsibility, which addresses the extent of the governing authority of elected officials, (2) scope of public services, which addresses the type of services provided in the geographic service area and (3) the existence of any special financing relationships which exist between the District and other entities. Based on these criteria, there are no agencies or entities that should be combined with the general purpose financial statements of the District.

Concentration of Risk

Shelburne Town School District is a public school district located in the Town of Shelburne. The District receives the majority of its revenues from property taxes assessed on residences of the Town. Additionally, the District receives revenues from the State of Vermont as Federal and State aid to education and as special education grants.

Basis of Presentation

The accounts of Shelburne Town School District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for using a separate set of self-balancing accounts that 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 to be spent and the means by which spending activities are controlled.

SHELBURNE TOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

(Continued)

The various funds and account groups are grouped, in the financial statements in this report, as follows:

Governmental Funds

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

Special Revenue Fund - Special Revenue Funds are used to account for the financial resources of the food service program.

Capital Project Fund - Capital Project Funds account for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Funds

Trust and Agency Funds - Trust and Agency Funds are used to account for assets held by the District in a trustee capacity as an agent for individuals, private organizations, other governments and/or other funds. These include Expendable Trust Funds, Nonexpendable Trust Funds, and Agency Funds. Expendable Trust Funds are used to account for certain restricted assets, and are accounted for in essentially the same manner as Governmental Funds. Nonexpendable Trust funds are used to account for certain nonexpendable assets and are accounted for in essentially the same manner as Proprietary Funds, since capital maintenance is critical. The Agency Fund is used to record receipts and expenditures of the activities run for and by the student body. The Agency Funds are custodial in nature (assets equal liabilities) and do not involve the measurement of results of operations.

Account Groups

General Fixed Assets - Fixed assets used in Governmental Fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and expensed when purchased.

General fixed assets are not capitalized in the governmental funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds and the related assets are reported in the General Fixed Assets Account Group.

During the fiscal year June 30, 2003, the School District underwent a fixed asset inventory conducted by independent appraisers where fixed assets were evaluated at cost.

U.S generally accepted accounting principles require that fixed asset records be maintained at cost and updated for additions as well as for deletions and retirements.

SHELBURNE TOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

(Continued)

General Long-Term Debt - Long-term liabilities are accounted for in the General Long-Term Debt Account Group and are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

The Account Groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with results of operations.

Total Columns

Total columns in the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position in conformity with U.S. generally accepted accounting principles. Neither is such data comparable to a consolidation.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures 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 District keeps its records and prepares its financial statements on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than interest on long-term debt, are recorded when the related fund liability is incurred, if measurable.

Budget Adoption

The School District follows these procedures in establishing the budgetary data reflected in the general purpose financial statements:

The Superintendent's office prepares an operating budget in December for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures by line item and the means of financing them. The budget is approved at a meeting of the School District.

Budgetary integration is employed as a management control device during the year for the General Fund. From time to time during the year, transfers among budget line items are made in accordance with Board policy.

SHELBURNE TOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003
(Continued)

Cash and Cash Equivalents

Cash for purposes of the statement of cash flows includes all cash investments with a maturity of less than three months.

Inventories

Inventories consist of food and supplies for the Hot Lunch program. Quantities are determined by physical count. Inventory is stated at the lower of cost or market on the first-in, first-out basis. Commodity inventory is valued using the U.S. Government commodity prices.

Fund Equity

The fund equity of the funds is classified into the following categories:

Unreserved fund balances - Indicates the portion of fund equity which is available for appropriation and expenditure in future periods.

Reserved fund balances - Indicates the portion of fund equity which has been legally segregated or encumbered for a specific purpose or local programs.

Accrued Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the General Long-Term Debt Account Group. No expenditure is reported for these accounts. Unused sick days may be accumulated to use in the following year, but sick days are not accrued since they are not paid when the employee terminates employment.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

On Behalf Payments

On behalf payments are contributions made by the State of Vermont to the State Teachers' Retirement System on behalf of the District's teaching employees (See Note 8). The General Fund budget does not include on behalf payments as a revenue or expense.

SHELBURNE TOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

(Continued)

NOTE 2 – CASH, INVESTMENTS AND CATEGORIES OF RISK

The Treasurer invests excess cash according to policies established by the Board.

At June 30, 2003 the book balance of the School District's deposits was \$328,076 and the bank balance was \$356,519. The differences between the book and bank balance is due to outstanding checks that have been written and deposits in transit.

The School District deposits are categorized to give an indication of the level of risk assumed by the School District. The bank balance at June 30, 2003 is categorized as follows:

Amount insured by the FDIC or collateralized with securities held by the District in its name.	\$ 97,285
Amount collateralized with securities held by the pledging financial institution's trust department in the District's name.	259,234
Uncollateralized (this includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the District's name).	<u>0</u>
	<u>\$ 356,519</u>

NOTE 3 – CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	Buildings & Improvements	Furniture, Equipment & Buses	Allowance for Depreciation	Net
Balance - July 1, 2002	\$ 9,357,728	\$ 1,514,775	\$ (4,676,677)	\$ 6,195,826
Net Additions/Deletions and Adjustments	0	998	664,192	665,190
Depreciation	0	0	(325,602)	(325,602)
Balance - June 30, 2003	<u>\$ 9,357,728</u>	<u>\$ 1,515,773</u>	<u>\$ (4,338,087)</u>	<u>\$ 6,535,414</u>

Buildings and improvements are depreciated over 20 to 50 years by the straight-line method. Depreciation for the year ended June 30, 2003 was \$187,155.

Furniture, equipment and buses are depreciated over 5 to 20 years by the straight-line method. Depreciation for the year ended June 30, 2003 was \$138,447.

SHELBURNE TOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

(Continued)

NOTE 4 – GENERAL LONG-TERM DEBT

Bonds and notes payable of the Shelburne Town School District at June 30, 2003, are as follows:

Bond payable with the Depository Trust Co. 4.5% - 5.125%, interest payments semiannually, annual principal payments of \$150,000 through 2007, then \$145,000 annually through 2013.	\$ 1,470,000
Note payable with Chittenden Bank, 1.90%, annually principal payments of \$42,000 plus interest, due June 20, 2008.	210,000
Note payable with Chittenden Bank, 1.90% annual principal payments of \$11,529 plus interest, due June 18, 2008.	<u>57,642</u>
Total long-term bond and notes payable	1,737,642
Accrued compensated absences	14,833
Career Change Assistance Program	<u>82,338</u>
Total general long-term debt	<u><u>\$ 1,834,813</u></u>

The following is a summary of changes in long-term debt:

Balance - June 30, 2002	\$ 1,840,872
Increase in accrued compensated absences	1,987
Loan proceeds	267,642
Principal payments	(150,000)
Decrease in Career Change Assistance Program	<u>(125,688)</u>
Balance - June 30, 2003	<u><u>\$ 1,834,813</u></u>

Interest paid on long-term debt for the year ended June 30, 2003 was \$80,709.

Following is a summary of bond and notes payable principal maturities and interest requirements:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2004	\$ 203,529	\$ 78,744	\$ 282,273
2005	203,529	70,527	274,056
2006	203,529	62,235	265,764
2007	203,529	53,868	257,397
2008	198,526	45,351	243,877
Thereafter	<u>725,000</u>	<u>111,360</u>	<u>836,360</u>
	<u>\$ 1,737,642</u>	<u>\$ 422,085</u>	<u>\$ 2,159,727</u>

SHELBURNE TOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003
(Continued)

NOTE 4 – GENERAL LONG-TERM DEBT (Continued)

Career Change Assistance Program

During fiscal years ended June 30, 1999 through 2002, the District offered a one time opportunity for teachers who had reached the age of 50 and had 10 years of full-time teaching experience to participate in a Career Change Assistance Program. The program provides for a schedule of severance payments in return for the teacher's termination. Future remaining program payments consist of \$82,338 for the year ended June 30, 2003.

NOTE 5 – FUND BALANCES

Capital Projects Fund Balance

Fund balance in the Capital Project Fund is reserved for use in school improvements or payment of future debt service costs of debt issued for those improvements.

Special Revenue Fund Deficit

The District's Food Service Fund has a deficit as of June 30, 2003. Management continues to work on a plan to eliminate this deficit in the future.

NOTE 6 – TAXES AND ASSESSMENTS

Taxes

The residents of Shelburne in their annual Town Meeting approve a total budget on behalf of the Shelburne Town School District. The Town bills and collects all taxes on behalf of the School District. All costs incurred in collecting taxes are borne by the Town and the full amount of the tax levy is remitted to the School District.

Supervisory Union Assessment

The District is billed for its appropriate share of expenses relating to the Chittenden South Supervisory School District. The District paid \$568,991 of such expenses during the year ended June 30, 2003.

High School Assessment

The School District is billed for its appropriate share of expenses relating to Champlain Valley Union High School. The School District incurred such expenditures in the amount of \$3,166,364 during the year ended June 30, 2003.

SHELBURNE TOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

(Continued)

NOTE 7 – LEASE COMMITMENTS

On June 30, 2000 the School District entered into a lease for two Modular Classroom Buildings. The lease is for 48 months, August 1, 2000 through August 1, 2004, with required monthly payments of \$3,285. The School District also entered into a lease for a Bus on August 15, 2001. The lease is for 60 months, August 15, 2001 through August 15, 2006, with required annual payments of \$11,549. Future minimum annual rent payments for both leases are as follows:

2003-2004	\$ 50,969
2004-2005	14,834
2005-2006	11,549
2006-2007	<u>11,549</u>
Total	<u>\$ 88,901</u>

NOTE 8 – DEFINED BENEFIT PENSION PLAN

Vermont State Teachers' Retirement System

The teachers and other teacher-certified employees in the District are covered by the State Teachers' Retirement System, which is a single employer public employees' retirement system. Vermont State statutes provide the authority under which benefit provisions and the State's obligation to contribute are established. Required contributions to the System are made by the State of Vermont based upon a valuation report prepared by the System's actuary.

The contribution amount made by the State on behalf of the participants in the State Teachers' Retirement System is approximately \$186,500. The amount is estimated based on the prior year's contribution percentage.

Teachers become members of the retirement system upon employment. All teachers in this School District are Group C members and are required to contribute at a rate of 3.54% of earnable compensation. Vesting occurs upon reaching ten years of creditable service. Of the District's total payroll of \$5,390,538, \$3,820,571 was covered under the Vermont State Teachers' Retirement System.

The State of Vermont issues an audited Financial Report that includes financial statements and required disclosures. This report may be obtained by writing the State Auditor of Accounts, 132 State Street, Montpelier, VT 05602.

SHELBURNE TOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

(Continued)

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Vermont Municipal Employees' Retirement System

All other full-time employees who are not eligible to participate in the State Teachers' Retirement System are eligible for coverage by the Vermont Municipal Employees' Retirement System. The Vermont Municipal Employees' Retirement System is a cost sharing multiple-employer public employees' retirement system. Vermont State statutes provide the authority under which benefit provisions and the obligation to contribute are established. The School District and employees make required contributions to the System based upon a valuation report prepared by the System's actuary.

The School District participates in the Group A level of contributions and benefits of the System. Under Group A, the employee contributions are 2.5% of gross pay and employer contributions are 4% of gross pay. Of the District's total payroll of \$5,390,537, \$1,141,592 was covered under the Vermont Municipal Employees' Retirement System. Total employer contributions made to the System for years ended June 30, 2003, 2002, and 2001 were \$45,664, \$39,454, and \$35,355, respectively.

The State of Vermont issues an audited Financial Report that includes financial statements and required disclosures. This report may be obtained by writing the State Auditor of Accounts, 132 State Street, Montpelier, VT 05602.

NOTE 9 - RECONCILIATION OF EXHIBIT B TO EXHIBIT C

Amounts recorded in the Statement of Revenues, Expenditures and Changes in Fund Balance Compared to Budget – General Fund (Exhibit C) are reported on the basis budgeted by the School District. Amounts recorded in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances (Exhibit B) for the General Fund were adjusted for on behalf payments of fringe benefits (see Note 8) as follows:

	<u>Revenues</u>	<u>Expenditures</u>
Exhibit B	\$ 12,936,906	\$ 13,310,949
On behalf fringe benefits	<u>(186,500)</u>	<u>(186,500)</u>
Exhibit C	<u>\$ 12,750,406</u>	<u>\$ 13,124,449</u>

NOTE 10 - RISK MANAGEMENT

The School District 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 District maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the District. Settled claims have not exceeded this commercial coverage in any of the past three (3) fiscal years.

In addition, Shelburne Town School District is a member of Vermont School Boards Association Insurance Trust, Inc. (VSBIT) Medical Benefits Program. VSBIT is a nonprofit corporation formed in 1978 to provide insurance and risk management programs for Vermont school districts and is owned by the participating districts.

SHELBURNE TOWN SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2003

(Continued)

NOTE 10 - RISK MANAGEMENT (Continued)

To provide health insurance coverage, VSBIT has established a self-funded fully insured program in conjunction with Blue Cross and Blue Shield. A portion of member contributions is used to purchase reinsurance and to fund a reserve required by the reinsurance. Contributions in excess of claims requirements, reserve fund requirements, reinsurance and administrative costs are returned to participants. The pooling agreement does not permit the pool to make additional assessments to its members.

NOTE 11 – COMMITMENT AND CONTINGENCIES

The District participates in a number of federally-assisted and state grant programs that are subject to an audit by the grantors or their representatives. The audits of these programs for or including the year ended June 30, 2003 have not yet been reviewed by the grantor agencies. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

The General Fund is contingently liable at June 30, 2003 for the Special Revenue Fund deficit (Food Service Program) of \$3,808.

NOTE 12 – SUBSEQUENT EVENTS

The District signed a tax anticipation note on July 1, 2003 with Chittenden Bank and received \$2,000,000 at 1.44% per annum with principal and interest due June 11, 2004.

The District signed a capital equipment note on August 11, 2003 with Chittenden Bank and received \$98,191 at 1.75% per annum with annual principal payments of \$19,639 plus interest.

**ABSTRACT OF SCHOOL MEETING
MARCH 3 & 4, 2003**

The School Meeting was called to order on March 3, 2003 at 9:03 p.m. in the Shelburne School Gymnasium by Moderator Tom Little. School Director Vice Chair Mary Kirpatrick introduced the School Board members to the audience; Tom Clavelle and Grant Bush. Chairman Jed Graef was absent. Kirpatrick also introduced Walter Nardelli, Principal and John Bossange, Assistant Principal of the Shelburne Community School.

ARTICLE I: To authorize the Board of School Directors to make available school facilities and equipment for specified public purposes if those purposes appear to be in the best interest of the residents of the District, due consideration being given to efficient, economical and appropriate use of the facilities and equipment. Passed by show of pink ballots.

ARTICLE II: To authorize the Board of School Directors to borrow money by issuance of bonds or notes not in excess of anticipated revenues for the next fiscal year. Passed by show of pink ballots.

ARTICLE III: Shall the Shelburne Town School District, pursuant to the provisions of Act 144, 2001 (Adjourned Session), vote to remove spending for school district debt service on costs eligible for state school construction aid under 16 V.S.A. 3448(a)(8) from the School District's local education spending calculations for purposes of determining education expenses under Title 16, Chapter 133? Passed by show of pink ballots.

ARTICLE IV: To hear and act upon the reports of the Town School District Officers. Passed by show of pink ballots.

School Directors Tom Clavelle and Grant Bush presented the school budget (Article VI and VII which are ballot items). Discussion ensued on the Act 60 components and how it affects the town of Shelburne's tax rate. Rinald Precourt referred to the Burlington Free Press editorial which stated that a community should vote down the school budget in order to give the Legislature a message. Several other citizens asked about how the town wide reappraisal would affect their tax rate since no one knew what their appraisal will be as of April 1, 2003. Clarke Hermance made a motion to cut off debate. The motion was seconded. A 2/3 vote in favor of terminating debate was passed.

ARTICLE V: There was no additional business to transact.

Moderator Little stated the meeting was being broadcast as part of the Regional Educational TV network on Adelphia Channel 9. Moderator Little recognized Greg Thweatt, Annette Hebert, Judy Gover, Dave Cranmer and their staff who were bringing televised services to other citizens not present at the meeting.

A motion was made, seconded and carried to recess the School meeting at 10:30 p.m. until Tuesday, March 4, 2003 at 7:00 a.m. at Town Center. 168 voters out of a total of 4439 registered voters appeared at this March 3, 2003 School Meeting.

Tuesday, March 4, 2003 the School meeting was reconvened at the Shelburne Town Center Gymnasium at 7:00 a.m. The ballot clerks were sworn in at 7:00 a.m. by Town Constable Tom Bessette.

VOTED IN THE BOOTH

ARTICLE VI: (SCHOOL)

Shall the voters of the Shelburne Town School District appropriate \$8,133,000.00 necessary for the support of its school for the year beginning July 1, 2003 and ending June 30, 2004?

Yes 986

No 889

ARTICLE VII: (SCHOOL)

To authorize the Board of School Directors to borrow money by issuance of notes not in excess of \$105,000 for the purpose of purchasing two (2) school buses.

Yes 1166

No 711

ARTICLE VIII & IX:

School Director for three years: Susan Holson

School Director for two years: Thomas J. Clavelle

C.V.U. School Director for a three year term: Jeff Parker

A total of 1909 of registered voters appeared Tuesday, March 4, 2003 to cast their ballot in the Town Meeting vote. Of this total 385 were absentee ballots.

SCHOOL BOARD REPORT

In March of 2003, the Board welcomed Susan Holson who replaced Crea Lintlehaac. The Board also welcomed Tom Clavelle who was reelected. The Board officers are Chair, Jed Graef; Vice Chair, Mary Kirkpatrick; Clerk, Grant Bush. The Board elected Jed Graef, Mary Kirkpatrick, and Tom Clavelle to the CSSU (Chittenden South Supervisory Union) Board. Tom Clavelle was elected by the CSSU Board as Chair. In October, 2003, Tom Clavelle resigned from the Shelburne School Board to be appointed by the Shelburne Select Board to the CVU School Board. He continues to be the CSSU Board Chair. In November the Select Board subsequently appointed Jodi Hilker to the Shelburne School Board. At that time the Board also elected Susan Holson to the CSSU Board.

The major focus items for the Board and SCS school administration for 2003 have been as follows:

The Shelburne Community School (SCS) budget; the impact of reappraisal on Shelburne education taxes; the school action plan; understanding the new change to Act 60 – Act 68; understanding the new federal education law, No Child Left Behind, and its impact on Shelburne; continuing the update of all the policies that effect the Shelburne School District; the school action plan for improving education results on state mandated tests.

The Board was pleased to recognize Meg O'Donnell and Joan Cavallo as nationally certified teachers. The Board also recognized Jodi Hilker, Cathy Westphalen, and Gus Mercaldo for their contributions to the Shelburne Community School. Jodi, Cathy and Gus were also recognized as "Friends of Education" by the Vermont School Board Association at its annual meeting in October. The Board was also pleased that the Shelburne Community School was recognized as a 2003 Medallion School by the Vermont Business Roundtable for its performance results on the 2002 VT mandated tests. The results of the 2003 VT mandated tests showed improvement in 13 out of the 16 grade level subjects as a result of the directed effort of the SCS Action Plan.

The early effort developing the FY 04 budget resulted in substantial cuts to programs (K-5 French, Art and Music and generally to all other budgeted areas) enabled the budget increase to be held to 1.94%. It was approved by the Shelburne voters. The FY 04 education tax rate dropped by 32% as a result of reappraisal and the low increase of the SCS budget. SCS enrollment continues to decrease slightly from year to year easing some of the immediate need for expansion. However, Shelburne students attending CVU continue to increase. The Board and administration are continuing to carefully review all spending to assure that spending cuts have not harmed the ability to provide the best possible education to Shelburne students. The legislature passed Act 68 which will provide some tax relief to Shelburne for FY 05.

The Shelburne School Board would like to thank the SCS school leadership, the school staff and the community for all their efforts and support to make Shelburne Community School an outstanding school. Also, special thanks to the PTO and its leadership.

Respectfully submitted by
Grant Bush, Clerk

SUPERINTENDENT OF SCHOOLS REPORT

The 2003-2004 school year has involved a range of issues and initiatives intended to sustain and improve upon the quality of the education program opportunity offered to all students and ensure a high level of personal growth and learning by our pre-school through grade 12 student body.

Of continued importance is our supervisory union and local school district work focused on curriculum coordination in all subject areas. Amy Cole, Curriculum Director for the Chittenden South Supervisory Union (CSSU) has facilitated work with teams representing all schools to finalize curriculum frameworks that will serve as guiding documents to support K-12 program coordination. Emphasis in the areas of early literacy and mathematics continue as our goal remains one of providing a strong fundamental learning experience for all students in the areas of reading, language arts and math. The acquisition of these core skills enable advanced learning in these as well as all other content areas as students progress through the grade levels.

Evaluating student performance and developing school based action plans to identify and designate areas of school improvement occurs at each of our schools. Besides a supervisory union student assessment report reflecting individual and combined school performance in our elementary schools and CVU High School, more detailed local analyses are also completed annually. I am happy to inform our communities we continue to demonstrate positive growth and progress toward specific student performance goals.

Student performance data is also evaluated due to the recently enacted federal law entitled the No Child Left Behind Act (NCLBA). One of the requirements of the law is for schools to comply with requirements associated with annual yearly progress (AYP). The State of Vermont, through its approved federal reporting plan, has established performance targets for all of our schools to meet by the year 2013. School performance is evaluated in categories comprised of "all" students, students with disabilities, students eligible for free and reduced lunch, and students with specific minority ethnic backgrounds and students who are English language learners. All schools must meet the targets set for each of these five student categories in reading/language arts, mathematics and other subject areas for defined grade levels. We will continue

to monitor our progress and report to local boards and communities on AYP and assess the extent of student testing activity on the instructional program.

As a supervisory union, all school districts and boards have worked closely this year to improve the efficiencies of operational service support offered by CSSU along with ensuring continued focus by school based leaders on the instructional program quality. We have made significant progress in our finance, operations and human resource areas of service. Additionally, we are moving forward with an initiative to create a K-12 supervisory union technology department with the hope of creating greater efficiencies, cost savings and expanded services to all schools.

The transition from the Act 60 state school finance system to the newly established Act 68 version will result in reduced equalized tax rates in all of our communities for the 2004-2005 school year. The implementation process of this law continues to undergo refinements. Collective bargaining activities are underway between the school boards and education association for the purpose of establishing a new negotiated agreement to replace the existing agreement that expires June 30, 2004.

CVU High School's facility project has begun, thanks to the support of the communities last year in approving the \$18 million project. Construction at the school is expected to begin in March with a completion date of August, 2005. New athletic fields, site-work preparation and detailed facility planning reflected the work completed in the summer and fall of 2003.

An important issue facing voters from all towns in Chittenden County is whether to establish a Regional Technical Academy School District. Informational meetings will be held prior to the Town Meeting Day Australian ballot vote. If the March vote is affirmative, the newly created school board responsible for the operation of the Technical Academy would bring forward school construction project proposal to the same voters on the federal Election Day in November. A newly constructed facility would combine the current technical centers in Essex and Burlington. A copy of the Governance Planning Report is available at the Town Clerk's Office as well as CSSU offices.

I wish to acknowledge and share my appreciation for the work of the staff who serve your children and our students. State finance systems, federal laws, supervisory union and local school improvement initiatives provide an array of challenges for our professional and support staff in all of our schools. As communities, we are fortunate to have the leadership, the commitment and the competence among all of our staff to provide our young learners the opportunity to grow personally and academically. We strive to ensure that growth and development is a maximized experience for all of the students.

Your sustained support and involvement in our schools is greatly appreciated.

Lastly, I want to thank Art Thompson (33 years) and Rita Foley (24 years) for their services and contributions to the many students and colleagues they have impacted over their career at CVU High School as they retire at the end of this school year. I also want to thank Elizabeth Farman for her thirty-five years of service to the students, parents and community of Shelburne along with Sally McGreevy (22 years) and Susan Kiniry (19 years).

On behalf of the students and the staff, I thank you for your continued support.

Sincerely,
Brian C. O'Regan,
Superintendent of Schools

SHELBURNE COMMUNITY SCHOOL ANNUAL REPORT

The Shelburne Community School provides an excellent education to the children of our community. We do this by overcoming many economic challenges brought on since the passing of Act 60 by the Vermont legislature. Over the years we have improved education for students by shifting funds to the resources we know will have the greatest impact on the most number of children. However, in this process and due to budget constraints, we have had to reduce or eliminate programs that were not required or exceeded state standards. Reductions occurred in art and music at the K-5 level and the Kindergarten through fifth grade French program was eliminated. These were tough decisions to make because both programs have broad school and community support. Reductions were felt in all programs and aspects of the school from the purchase of new computers, to crayons, construction paper, glue, scissors, envelopes, etc.

We are implementing changes to be more efficient in all aspects of the school. We have created a Student Support Team to help teachers work with students experiencing behavior difficulties without hiring new staff. We have worked with a consultant to study our current operations in order to save money on electricity and we are already realizing savings. The installation of a new boiler that has the capability to use either oil or gas allows us to take advantage of the savings available by switching fuels as prices fluctuate. We have contracted through the Chittenden South Supervisory School District for shared resources in the areas of English Language Learner Teacher, Occupational Therapist, and Technology Network Administrator. We have worked closely with the PTO to provide enriching cultural experiences for our students at all levels. Taking full advantage of newly reorganized CSSU

resources in Technology, Human Resources, Fiscal Services, Executive Administration and Transportation has given Shelburne Community School employees additional time to focus on the educational needs of our children. We have also established a partnership with the University of Vermont and become a Professional Development Site for their students. In return, we receive special compensation for every student accepted to study at Shelburne and reductions in fees paid for course offerings. The School News is now published on our website rather than sending paper copies to every home and in general we are relying on technology rather than paper for communication at all levels of the school organization.

Under a new formula for school funding called Act 68, the relationship between the school budget percentage increase and the residential tax percentage increase is much more reasonable. Consequently, we have been able to increase our school budget and not have that cost passed on to the taxpayer in the same inflated manner as seen during the Act 60 years.

This year marks the retirement of three veteran teachers who all have at one time worked at the Village School. Liz Farman, a teacher on the Explorers Team (36 years), Sue Kiniry, Harmony Team (20 years) and Sally McGreevy, Rainbow (23 years) have dedicated their professional lives to the children of Shelburne. We thank them for all of the dedicated years of service to the school and community and wish them good health and happiness in retirement. They have made a difference in the lives of so many children.

The result of all of these changes is that the Shelburne Community School is still one of the finest educational institutions in the State of Vermont. This is supported by our test scores (see 2003 Shelburne Community School Report). It is also evident by the number of families with children who desire to move to Shelburne because of its easy access to Burlington and the surrounding communities, its beautiful scenery and location on the shores of Lake Champlain, and its great school system.

We continue to face fiscal challenges due to the current economic climate and the state educational funding formula. We are sensitive to the tax implications and strive to balance quality education with affordability for taxpayers. We continue to have the lowest per pupil cost in the Chittenden South Supervisory School District CSSU). We thank the community for its continued support of education.

Respectfully submitted,

Walter Nardelli

Scott Orselet

John Bossange

Lynn McDonald

CONNECTING YOUTH

CY--Connecting Youth in Chittenden South is a collaborative, community-based organization whose mission is to “promote a culture that develops in our youth the power and conviction to make healthy choices.” Representing students, parents, educators, law enforcement, the medical field, and local businesses, we provide education to youth and families and support a wide array of prevention activities in the Chittenden South area.

The good news is that our efforts to reduce teen drug use and violence appear to be working. Overall results from local surveys given to all Chittenden South 5th – 12th graders in 2003 show that the incidence of substance abuse and violence in our District remains much lower than the Vermont state average. Trend data for Chittenden South also reveals that physical violence is on the decline and fewer students are reporting to use alcohol and other drugs prior to age 13.

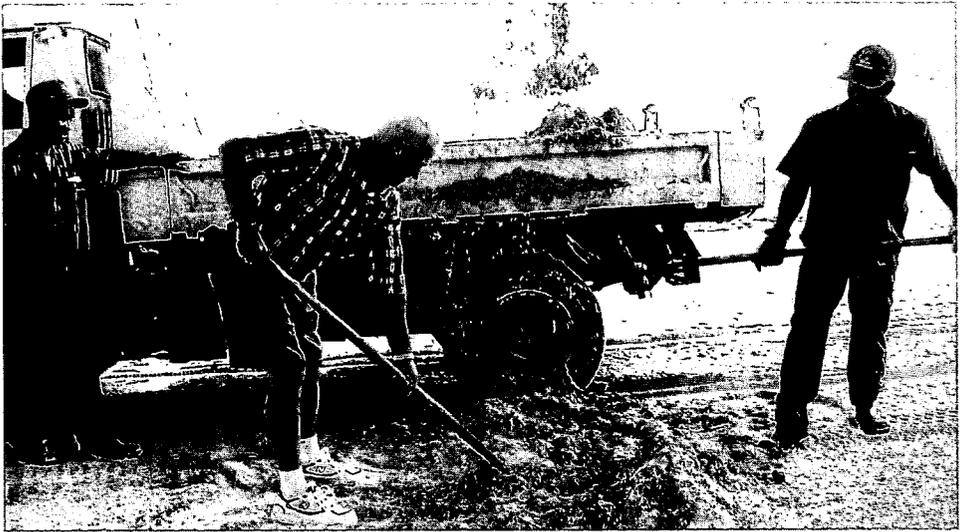
CY's success is due in part to an enormous amount of community support. While most of our funding comes from federal and state grants, we also receive donations from individuals and local businesses. Here are highlights from the 2002-2003 year:

- Seven students served on our Board of Directors.
- More than 250 young people participated in CY's peer prevention activities through our “LEAD” program, the See Why Improv Troupe, and the CY Diversity Dancers.
- The “Student Assistance Program” enabled more than 400 students to get professional help for issues related to drug use;
- More than 100 high school youth participated in CVU's “Summer Link” and 9th Grade Summer Camp designed to improve students' academics;
- The CY Mentoring Program paired 30 students with caring adults from the community.
- 11,000 families received our quarterly prevention newsletter.

If you are concerned about the future of our young people, we invite you to become a partner in prevention! Just call Dayna Scott, CY Coordinator, at 383-1211, e-mail Dayna@cssu.org or check out the CY website at www.seewhy.info.



Shelburne Community School students, statewide winners of the Vermont Stock Market Game.



Highway Supt. Paul Goodrich's family convinced him to take a vacation trip to the Dominican Republic last fall. This is Paul's idea of a relaxing day at the beach!

TOWN WEB SITE

<http://www.shelburnevt.org>

Please visit the Town web site for information about all town departments, meeting notices, agendas & minutes; upcoming events and programs; payment due dates; printable forms, election information & results; and special projects. The web site is continuously updated to provide the latest information of interest to town residents and visitors as well as links to related sites.

TOWN PHONE NUMBERS

EMERGENCY 911

FIRE.....985-2366
POLICE.....985-8051
RESCUE.....985-5125
TAX PAYMENT INFO.....985-5120
TOWN CLERK.....985-5116
TOWN MANAGER.....985-5111
ZONING.....264-5032
PLANNER.....264-5033
RECREATION.....985-9551
ASSESSING.....985-5115

NON-EMERGENCY PHONE NUMBERS

WATER - OFFICE985-5120
WATER - SHOP985-5122
SEWER PLANT #1985-3533
SEWER PLANT #2.....985-3700
HIGHWAY.....985-5123
PIERSON LIBRARY985-5124
COMMUNITY SCHOOL985-3331
CVU HIGH SCHOOL482-7100
FAX.....985-9550

MEETINGS

Selectboard - 2nd & 4th Tuesday of the month, call for evening starting times, Town Center
Planning Commission - 2nd & 4th Thursday of the month, 7:30 P.M., Town Center
Zoning Board - 1st Monday of the month, 7:00 P.M., Town Center
Water Commission - monthly meetings; notices posted in advance, Town Center
Pierson Library Board of Trustees - 3rd Tuesday of the month, 5:00 P.M., Pierson Library
Shelburne School Board - 2nd Wed. of the month, 6:30 P.M., CSSU Offices, Shelburne Town Center
CVU High School Board - 2nd & 4th Monday of the month, 7:00 P.M., CVU

CAT and DOG LICENSES

Cat and Dog Licenses are due on or before April 1. New registrations and renewals can be done by mail. A copy of a current certificate of rabies vaccination must be filed with the Town Clerk. After April 1 a 50% additional fee is charged. Fees are as follows:

Unneutered dog, cat, or wolf-hybrid \$11.00
Neutered dog, cat, or wolf-hybrid \$7.00

There is a leash law for dogs in Shelburne. Copies are available at the Town Clerk's Office.

YOU CAN CONTACT YOU LEGISLATOR...

By calling the Sergeant at Arms at 800-322-5616 or 802-828-2228, faxing to 802-828-2424, or email: sgtaterms@leg.state.vt.us

Also: Rep. George Schiavone nonitony@aol.com
Phone 985-2886 (home)
Rep. Joyce Errecart jerrecart@usa.net
Phone 985-2329 (home)

Take a look at the Legislative Web site at www.leg.state.vt.us for up to date information on what is taking place in the Legislature.

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