

Federal Compliance Audit

Town of Fair Haven, Vermont

June 30, 2010



Proven Expertise and Integrity

TOWN OF FAIR HAVEN, VERMONT

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JUNE 30, 2010

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INDEPENDENT AUDITORS' REPORT

October 26, 2010

Town Council
Town of Fair Haven
Fair Haven, Vermont

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Fair Haven, Vermont, as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Fair Haven, Vermont's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Fair Haven, Vermont as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and budgetary comparison information on pages 3 through 10 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Fair Haven, Vermont's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

RHR Smith & Company

Certified Public Accountants

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

(UNAUDITED)

The following management's discussion and analysis of the Town of Fair Haven, Vermont's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2010. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of Fair Haven's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule, and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government - Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short – term as well as long–term information in regards to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government–wide financial statements include the following two statements:

The Statement of Net Assets – this statement presents *all* of the government's assets and liabilities with the difference being reported as net assets.

The Statement of Activities – this statement presents information that shows how the government's net assets changed during the period. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above mentioned financial statements have separate columns for the two different types of town activities. The types of activities presented for the Town of Fair Haven are:

- *Governmental activities* – The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). Most of the Town's basic services are reported in governmental activities, which include general government, public safety, public works, cemetery, air park, health and welfare, solid waste management, education, recreation, and other unclassified.
- *Business-type activities* – These activities are normally intended to recover all or a significant portion of their costs through user fees and / or charges to external users for goods and / or services. These activities for the Town of Fair Haven include the water and sewer fund and the water and sewer reserve fund.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Fair Haven, like other local governments uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of Fair Haven can be divided into two categories: governmental funds and proprietary funds.

Governmental funds: Most of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government – wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These

reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of Fair Haven presents only three columns in the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund and the highway fund. All other funds are shown as nonmajor and are combined in the "All Nonmajor Funds" column on these statements.

The general fund and the highway fund are the only funds for which the Town legally adopted a budget. The Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund and Highway Fund provides a comparison of the original and final budget and the actual expenditures for the current year.

Proprietary Funds: The Town of Fair Haven maintains two proprietary funds, the water and sewer fund and the water and sewer reserve fund. These funds are used to show activities that operate more like those of commercial enterprises. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. Like the government-wide financial statements, proprietary fund financial statements use the accrual basis of accounting. No reconciliation is needed between the government-wide financial statements for business-type activities and the proprietary fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Statement of Cash Flows – Proprietary Funds.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a schedule of Budgetary Comparison Schedule – Budgetary Basis – Budget and Actual – General Fund and Highway Fund.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds, capital asset activity and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net assets, and changes in net assets of the Town's governmental activities. The Town's total net assets for governmental activities decreased by \$61,401 from \$3.93 million to \$3.87 million. For the business-type activities the Town's total net assets decreased by \$15,285 from \$2.91 million to \$2.90 million.

Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements - decreased for the governmental activities by \$16,215 to a balance of \$378,380 at the end of the fiscal year. For the business-type activities, the unrestricted net assets decreased by \$61,579 to a balance of \$82,477.

Table 1
Town of Fair Haven, Vermont
Net Assets
June 30,

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Assets:				
Current and other assets	\$ 1,546,423	\$ 1,541,934	\$ 124,338	\$ 168,609
Capital Assets	2,501,828	2,545,279	5,411,613	5,495,267
Total Assets	<u>\$ 4,048,251</u>	<u>\$ 4,087,213</u>	<u>\$ 5,535,951</u>	<u>\$ 5,663,876</u>
Liabilities:				
Current Liabilities	\$ 115,944	\$ 121,829	\$ 199,897	\$ 124,786
Long-term Debt Outstanding	60,727	32,403	2,436,970	2,624,721
Total Liabilities	<u>\$ 176,671</u>	<u>\$ 154,232</u>	<u>\$ 2,636,867</u>	<u>\$ 2,749,507</u>
Net Assets:				
Invested in Capital Assets, Net of related Debt	\$ 2,414,425	\$ 2,502,008	\$ 2,816,607	\$ 2,770,313
Restricted: Highway Fund	21,208	6,592	-	-
Special Revenue Funds	259,184	327,196	-	-
Capital Project Funds	653,552	559,319	-	-
Permanent Funds	144,831	143,271	-	-
Other Net Assets	378,380	394,595	82,477	144,056
Total Net Assets	<u>\$ 3,871,580</u>	<u>\$ 3,932,981</u>	<u>\$ 2,899,084</u>	<u>\$ 2,914,369</u>

Revenues and Expenses

Revenues for the Town's governmental activities decreased by 2.09%, while total expenses increased by 5.29%. For the business-type activities revenues decreased by 11.33%, while total expenses decreased by 8.84%.

Table 2
Town of Fair Haven, Vermont
Change in Net Assets
For the Years Ended June 30,

	Governmental Activities		Business-Type Activities	
	2010	2009	2010	2009
Revenue				
Taxes	\$ 3,359,091	\$ 3,673,225	\$ -	\$ -
Intergovernmental	229,588	151,581	-	-
Charges for services	230,487	197,690	722,792	757,211
Miscellaneous	214,164	96,864	13,880	73,609
Total Revenue	<u>4,033,330</u>	<u>4,119,360</u>	<u>736,672</u>	<u>830,820</u>
Expenses				
General government	259,786	363,359	-	-
Public safety	425,214	283,025	-	-
Public works	616,294	447,371	-	-
Cemetery	29,140	30,294	-	-
Air park	1,188	5,161	-	-
Health and welfare	4,280	3,987	-	-
Solid waste management	230,705	223,843	-	-
Education	1,806,071	2,015,083	-	-
Recreation	88,137	86,247	-	-
Intergovernmental	12,198	12,834	-	-
Judgements and damages	62	348	-	-
Benefits	294,580	262,017	-	-
Voter appropriations	137,406	155,381	-	-
Water and sewer	-	-	751,957	824,863
Capital outlay	189,670	-	-	-
Total Expenses	<u>4,094,731</u>	<u>3,888,950</u>	<u>751,957</u>	<u>824,863</u>
Change in Net Assets	(61,401)	230,410	(15,285)	5,957
Net Assets - July 1, Restated	<u>3,932,981</u>	<u>3,702,571</u>	<u>2,914,369</u>	<u>2,908,412</u>
Net Assets - June 30	<u>\$ 3,871,580</u>	<u>\$ 3,932,981</u>	<u>\$ 2,899,084</u>	<u>\$ 2,914,369</u>

Financial Analysis of the Town's Fund Statements

Governmental funds: The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's financial position at the end of the year, and the net resources available for spending.

Table 3
Town of Fair Haven, Vermont
Fund Balances - Governmental Funds
June 30,

	<u>2010</u>	<u>2009</u>
General Fund:		
Unreserved:		
Designated	\$ 113,607	\$ 143,904
Undesignated	144,468	113,607
Total General Fund	<u>\$ 258,075</u>	<u>\$ 257,511</u>
Highway Fund:		
Reserved:		
Designated	\$ 21,208	\$ 6,592
Undesignated	-	-
Total General Fund	<u>\$ 21,208</u>	<u>\$ 6,592</u>
Nonmajor Funds:		
Reserved:		
Special Revenue Funds:		
Designated	\$ 259,184	\$ 327,196
Capital Project Funds	653,552	559,319
Permanent Funds	144,831	143,271
Unreserved:		
Special Revenue Funds:		
Undesignated	(28,221)	(5,334)
Total Nonmajor Funds	<u>\$ 1,029,346</u>	<u>\$ 1,024,452</u>

The general fund total fund balance increased by \$564 over the prior fiscal year. The highway fund total fund balance increased by \$14,616. The non-major fund balances increased by \$4,894 over the prior fiscal year. Most of the increase in the highway fund came as a result of under-spent appropriations in total. The increase in the non-major fund balances came as a result of higher grant and other income and loan proceeds than expenditures in the special revenue, capital project and permanent funds.

Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The water and sewer fund had a deficit for the year of \$8,680. The water and sewer reserve fund had a deficit of \$6,605 for the year.

Budgetary Highlights

There was no significant difference between the original and final budget for the general fund or the highway fund.

The general fund actual revenues were more than budget by \$107,709. This was a result of property taxes and charges for services both being significantly over budget. The highway fund actual revenues were less than budget by \$7,896.

The general fund actual expenditures were under the budget by \$36,759. Most of the expenditure accounts were under-spent. The highway fund actual expenditures were under the budget by \$15,132. All but one of the expenditure accounts were over-spent.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2010, the net book value of capital assets recorded by the Town decreased by \$127,105 over the prior year. The decrease is the result of capital additions of \$84,185 less current year depreciation of \$211,290.

Table 4
Town of Fair Haven, Vermont
Capital Assets (Net of Depreciation)
June 30,

	<u>2010</u>	<u>2009</u>
Land	\$ 35,837	\$ 35,837
Construction in progress	-	1,918,163
Buildings	1,977,628	32,179
Building improvements	144,504	149,957
Equipment	393,770	426,969
Vehicles	263,064	251,271
Infrastructure	<u>5,098,638</u>	<u>5,226,170</u>
Total	<u>\$ 7,913,441</u>	<u>\$ 8,040,546</u>

Debt

At June 30, 2010, the Town had \$2,677,409 in notes and bonds outstanding versus \$2,766,057 last year, a decrease of 3.20%. Refer to Note 6 of the Notes to Financial Statements for detailed information.

Currently Known Facts, Decisions, or Conditions

Economic Factors and Next Year's Budgets and Rates

The Town has steadily maintained a sufficient undesignated fund balance to sustain government operations for a period of approximately two months while also maintaining significant reserves for future operations, capital and program needs.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at 3 North Park Place, Fair Haven, Vermont 05743.

TOWN OF FAIR HAVEN, VERMONT

STATEMENT OF NET ASSETS
JUNE 30, 2010

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 1,300,267	\$ 67,962	\$ 1,368,229
Accounts receivable (net of allowance for uncollectibles):			
Delinquent taxes receivable	190,497	-	190,497
Interest receivable	15,492	-	15,492
Penalties receivable	9,444	-	9,444
Other	2,804	56,376	59,180
Due from other funds	27,919	-	27,919
Total current assets	<u>1,546,423</u>	<u>124,338</u>	<u>1,670,761</u>
Noncurrent assets:			
Capital assets:			
Land, infrastructure, and other assets not being depreciated	35,085	752	35,837
Buildings and vehicles net of accumulated depreciation	2,466,743	5,410,861	7,877,604
Total noncurrent assets	<u>2,501,828</u>	<u>5,411,613</u>	<u>7,913,441</u>
TOTAL ASSETS	<u><u>\$ 4,048,251</u></u>	<u><u>\$ 5,535,951</u></u>	<u><u>\$ 9,584,202</u></u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 53,103	\$ 7,726	\$ 60,829
Accrued payroll	18,535	-	18,535
Other accrued payables	7,272	6,216	13,488
Due to other funds	-	27,919	27,919
Current portion of long-term obligations	37,034	158,036	195,070
Total current liabilities	<u>115,944</u>	<u>199,897</u>	<u>315,841</u>
Noncurrent liabilities			
Noncurrent portion of long-term obligations:			
Notes payable	50,369	3,334	53,703
Bonds payable	-	2,433,636	2,433,636
Accrued compensated absences	10,358	-	10,358
Accrued post retirement health	5,000	-	5,000
Total noncurrent liabilities	<u>60,727</u>	<u>2,436,970</u>	<u>2,497,697</u>
TOTAL LIABILITIES	<u>176,671</u>	<u>2,636,867</u>	<u>2,813,538</u>
NET ASSETS			
Invested in capital assets, net of related debt	2,414,425	2,816,607	5,231,032
Restricted	1,078,775	-	1,078,775
Unrestricted	378,380	82,477	460,857
TOTAL NET ASSETS	<u>3,871,580</u>	<u>2,899,084</u>	<u>6,770,664</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 4,048,251</u></u>	<u><u>\$ 5,535,951</u></u>	<u><u>\$ 9,584,202</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FAIR HAVEN, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities							
Current:							
General government	\$ 259,786	\$ 3,697	\$ 4,998	\$ -	\$ (251,091)	\$ -	\$ (251,091)
Public safety	425,214	67,040	44,517	-	(313,657)	-	(313,657)
Public works	616,294	143,449	180,073	-	(292,772)	-	(292,772)
Cemetery	29,140	15,071	-	-	(14,069)	-	(14,069)
Air park	1,188	-	-	-	(1,188)	-	(1,188)
Health and welfare	4,280	1,230	-	-	(3,050)	-	(3,050)
Solid waste management	230,705	-	-	-	(230,705)	-	(230,705)
Education	1,806,071	-	-	-	(1,806,071)	-	(1,806,071)
Recreation	88,137	-	-	-	(88,137)	-	(88,137)
Intergovernmental	12,198	-	-	-	(12,198)	-	(12,198)
Judgements and damages	62	-	-	-	(62)	-	(62)
Benefits	294,580	-	-	-	(294,580)	-	(294,580)
Voter appropriations	137,406	-	-	-	(137,406)	-	(137,406)
Capital outlay	189,670	-	-	-	(189,670)	-	(189,670)
Total governmental activities	<u>4,094,731</u>	<u>230,487</u>	<u>229,588</u>	<u>-</u>	<u>(3,634,656)</u>	<u>-</u>	<u>(3,634,656)</u>
Business-type activities:							
Water and sewer funds	708,413	722,792	-	-	-	14,379	14,379
Water and sewer reserve funds	43,544	-	-	-	-	(43,544)	(43,544)
Total business-type activities	<u>751,957</u>	<u>722,792</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,165)</u>	<u>(29,165)</u>
Total government	<u>4,846,688</u>	<u>953,279</u>	<u>229,588</u>	<u>-</u>	<u>(3,634,656)</u>	<u>(29,165)</u>	<u>(3,663,821)</u>

STATEMENT B (CONTINUED)

TOWN OF FAIR HAVEN, VERMONT

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Changes in net assets:			
Net (expense) revenue	<u>(3,634,656)</u>	<u>(29,165)</u>	<u>(3,663,821)</u>
General revenue:			
Taxes			
Property taxes, levied for general purposes	3,359,091	-	3,359,091
Miscellaneous	<u>214,164</u>	<u>13,880</u>	<u>228,044</u>
Total general revenue and transfers	<u>3,573,255</u>	<u>13,880</u>	<u>3,587,135</u>
Change in net assets	(61,401)	(15,285)	(76,686)
NET ASSETS - JULY 1, RESTATED	<u>3,932,981</u>	<u>2,914,369</u>	<u>6,847,350</u>
NET ASSETS - JUNE 30	<u><u>\$ 3,871,580</u></u>	<u><u>\$ 2,899,084</u></u>	<u><u>\$ 6,770,664</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FAIR HAVEN, VERMONT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Highway Fund	All Nonmajor Funds	Total
ASSETS				
Cash	\$ 244,077	\$ -	\$ 1,056,190	\$ 1,300,267
Receivables (net of allowance for uncollectibles):				
Delinquent taxes receivable	190,497	-	-	190,497
Interest receivable	15,492	-	-	15,492
Penalties receivable	9,444	-	-	9,444
Other	501	-	2,303	2,804
Due from other funds	850,878	52,845	801,762	1,705,485
TOTAL ASSETS	\$ 1,310,889	\$ 52,845	\$ 1,860,255	\$ 3,223,989
LIABILITIES AND FUND EQUITY				
Liabilities				
Accounts payable	\$ 18,675	\$ 26,478	\$ 7,950	\$ 53,103
Accrued payroll	13,376	5,159	-	18,535
Other accrued payables	7,272	-	-	7,272
Due to other funds	854,607	-	822,959	1,677,566
Deferred tax revenues	158,884	-	-	158,884
TOTAL LIABILITIES	1,052,814	31,637	830,909	1,915,360
Fund Equity				
Reserved:				
Special Revenue Fund:				
Designated	-	-	259,184	259,184
Capital Project funds	-	-	653,552	653,552
Permanent funds	-	-	144,831	144,831
Unreserved, reported in:				
General Fund:				
Designated	113,607	21,208	-	134,815
Undesignated	144,468	-	-	144,468
Special Revenue Fund:				
Undesignated	-	-	(28,221)	(28,221)
TOTAL FUND EQUITY	258,075	21,208	1,029,346	1,308,629
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,310,889	\$ 52,845	\$ 1,860,255	\$ 3,223,989

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FAIR HAVEN, VERMONT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2010

	<u>Total Governmental Funds</u>
Total Fund Equity	\$ 1,308,629
Amounts reported for governmental activities in the statement are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	2,501,828
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	158,884
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Notes payable	(82,403)
Accrued compensated absences	(10,358)
Accrued post retirement health	<u>(5,000)</u>
 Net assets of governmental activities	 <u>\$ 3,871,580</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FAIR HAVEN, VERMONT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	General Fund	Highway Fund	All Nonmajor Funds	Totals Governmental Funds
REVENUES				
Taxes	\$ 2,983,767	\$ 378,278	\$ -	\$ 3,362,045
Intergovernmental	-	84,866	144,722	229,588
Charges for services	230,487	-	-	230,487
Miscellaneous revenues	14,896	618	198,650	214,164
TOTAL REVENUES	<u>3,229,150</u>	<u>463,762</u>	<u>343,372</u>	<u>4,036,284</u>
EXPENDITURES				
Current:				
General government	242,658	-	16,346	259,004
Public safety	336,926	-	77,281	414,207
Public works	-	449,146	104,048	553,194
Cemetery	20,600	-	7,950	28,550
Air park	1,188	-	-	1,188
Health and welfare	4,280	-	-	4,280
Solid waste management	227,863	-	-	227,863
Education	1,806,071	-	-	1,806,071
Recreation	41,400	-	45,870	87,270
Intergovernmental	12,198	-	-	12,198
Judgements and damages	62	-	-	62
Benefits	294,580	-	-	294,580
Voter appropriations	137,406	-	-	137,406
Capital outlay	-	-	245,337	245,337
TOTAL EXPENDITURES	<u>3,125,232</u>	<u>449,146</u>	<u>496,832</u>	<u>4,071,210</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>103,918</u>	<u>14,616</u>	<u>(153,460)</u>	<u>(34,926)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from loan issuance	-	-	55,000	55,000
Transfers in	-	-	103,354	103,354
Transfers out	(103,354)	-	-	(103,354)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(103,354)</u>	<u>-</u>	<u>158,354</u>	<u>55,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	564	14,616	4,894	20,074
FUND BALANCES - JULY 1	<u>257,511</u>	<u>6,592</u>	<u>1,024,452</u>	<u>1,288,555</u>
FUND BALANCES - JUNE 30	<u>\$ 258,075</u>	<u>\$ 21,208</u>	<u>\$ 1,029,346</u>	<u>\$ 1,308,629</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FAIR HAVEN, VERMONT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2010

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 20,074</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocated those expenditures over the life of the assets:	
Capital asset purchases	55,667
Depreciation expense	<u>(99,118)</u>
	<u>(43,451)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported.	
Taxes and liens receivable	<u>(2,954)</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets	
	<u>15,867</u>
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets	
	<u>(55,000)</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	(937)
Accrued post retirement health	<u>5,000</u>
	<u>4,063</u>
Change in net assets of governmental activities (Statement B)	<u>\$ (61,401)</u>

See accompanying independent auditors' report and notes to financial statements.

STATEMENT G

TOWN OF FAIR HAVEN, VERMONT

BALANCE SHEET – PROPRIETARY FUNDS
JUNE 30, 2010

	Enterprise Funds		
	Water & Sewer Fund	Water & Sewer Reserve Fund	Total
ASSETS			
Current assets:			
Cash	\$ -	\$ 67,962	\$ 67,962
Accounts receivable (net of allowance)	56,376	-	56,376
Due from other funds	-	-	-
Prepaid expense	-	-	-
Total current assets	<u>56,376</u>	<u>67,962</u>	<u>124,338</u>
Capital assets:			
Sewer assets	5,430,951	-	5,430,951
Water assets	<u>3,155,871</u>	-	<u>3,155,871</u>
Total capital assets	8,586,822	-	8,586,822
Less: accumulated depreciation	<u>(3,175,209)</u>	-	<u>(3,175,209)</u>
Net capital assets	<u>5,411,613</u>	-	<u>5,411,613</u>
TOTAL ASSETS	<u>\$ 5,467,989</u>	<u>\$ 67,962</u>	<u>\$ 5,535,951</u>
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable	\$ 7,726	\$ -	\$ 7,726
Accrued expenses	6,216	-	6,216
Due to other funds	27,919	-	27,919
Current portion of long-term liabilities	<u>158,036</u>	-	<u>158,036</u>
Total current liabilities	<u>199,897</u>	-	<u>199,897</u>
Long-term liabilities:			
Notes payable, net of current portion	3,334	-	3,334
Bonds payable, net of current portion	<u>2,433,636</u>	-	<u>2,433,636</u>
Total long-term liabilities	<u>2,436,970</u>	-	<u>2,436,970</u>
Total liabilities	<u>2,636,867</u>	-	<u>2,636,867</u>
NET ASSETS			
Invested in capital assets, net of related debt	2,816,607	-	2,816,607
Unrestricted	<u>14,515</u>	<u>67,962</u>	<u>82,477</u>
TOTAL NET ASSETS	<u>2,831,122</u>	<u>67,962</u>	<u>2,899,084</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,467,989</u>	<u>\$ 67,962</u>	<u>\$ 5,535,951</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FAIR HAVEN, VERMONT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Enterprise Funds		Total
	Water & Sewer Fund	Water & Sewer Reserve Fund	
OPERATING REVENUES			
Charges for services	\$ 722,792	\$ -	\$ 722,792
Interest income	4,986	-	4,986
Other	5,955	-	5,955
TOTAL OPERATING REVENUES	<u>733,733</u>	<u>-</u>	<u>733,733</u>
OPERATING EXPENSES			
Payroll	248,849	-	248,849
Supplies	65,187	-	65,187
Equipment	29,066	-	29,066
Purchased services	32,561	-	
Repairs and maintenance	13,885	-	
Utilities	62,891	-	
Bio-solid management	32,814	-	
Benefits	108,064	-	
Miscellaneous	29,905	43,544	73,449
Depreciation	112,172	-	112,172
TOTAL OPERATING EXPENSES	<u>735,394</u>	<u>43,544</u>	<u>778,938</u>
OPERATING (LOSS)	<u>(1,661)</u>	<u>(43,544)</u>	<u>(45,205)</u>
NON-OPERATING INCOME (EXPENSE)			
Interest income	-	2,939	2,939
Interest expense	26,981	-	26,981
Transfers in	-	34,000	34,000
Transfers out	(34,000)	-	(34,000)
NET NON-OPERATING INCOME	<u>(7,019)</u>	<u>36,939</u>	<u>29,920</u>
CHANGE IN NET ASSETS	(8,680)	(6,605)	(15,285)
NET ASSETS - JULY 1, RESTATED	<u>2,839,802</u>	<u>74,567</u>	<u>2,914,369</u>
NET ASSETS - JUNE 30	<u>\$ 2,831,122</u>	<u>\$ 67,962</u>	<u>\$ 2,899,084</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FAIR HAVEN, VERMONT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Enterprise Funds		Total
	Water & Sewer Fund	Water & Sewer Reserve Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	\$ 742,799	\$ -	\$ 742,799
Internal activity - receipts (payments) from/to other funds	56,519	-	56,519
Payments to suppliers	(384,984)	(43,544)	(428,528)
Payments to employees	(248,849)	-	(248,849)
Net cash provided (used) by operating activities	<u>165,485</u>	<u>(43,544)</u>	<u>121,941</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	-	2,939	2,939
Net cash provided by investing activities	<u>-</u>	<u>2,939</u>	<u>2,939</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of capital assets	(28,518)	-	(28,518)
Transfer to/from reserve fund	(34,000)	34,000	-
Principal payments on bonds and notes payable	(129,948)	-	(129,948)
Interest payments on bonds and notes payable	26,981	-	26,981
Net cash provided (used) by capital and related financing activities	<u>(165,485)</u>	<u>34,000</u>	<u>(131,485)</u>
NET CHANGE IN CASH	-	(6,605)	(6,605)
CASH - JULY 1	-	74,567	74,567
CASH - JUNE 30	<u>\$ -</u>	<u>\$ 67,962</u>	<u>\$ 67,962</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating (loss)	\$ (1,661)	\$ (43,544)	\$ (45,205)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	112,172	-	112,172
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	9,066	-	9,066
(Increase) decrease in due from other funds	28,600	-	28,600
Increase (decrease) in accounts payable	(10,641)	-	(10,641)
Increase (decrease) in accrued expenses	30	-	30
Increase (decrease) in due to other funds	27,919	-	27,919
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 165,485</u>	<u>\$ (43,544)</u>	<u>\$ 121,941</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Interest	<u>\$ (26,981)</u>	<u>\$ -</u>	<u>\$ (26,981)</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of Fair Haven was incorporated under the laws of the State of Vermont. The Town operates under the selectboard-manager form of government and provides the following services: general government, public safety, public works, cemetery, air park, health and welfare, solid waste management, education, recreation, and other unclassified.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the Town has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the Town has chosen not to do so.

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statement No. 39.

Government – Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's water and sewer fund and the water and sewer reserve funds are categorized as business-type activities. All other activities of the Town are categorized as governmental.

In the government-wide Statement of Net Assets, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) are reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net assets are reported in three parts - invested in capital assets, net of related debt; restricted net assets; and unrestricted net assets. The Town first utilizes restricted resources to finance qualifying activities.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions and business-type activities (general government, protection, etc.). The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government – wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net assets resulting from the current year's activities.

Measurement Focus - Basic Financial Statements & Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the Town:

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the Town:

- a. The General Fund and the Highway Fund are the general operating funds of the Town. They are used to account for all financial resources except those required to be accounted for in another fund.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- b. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- c. Capital Project Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- d. Permanent Funds are used to account for assets held by the Town pursuant to a trust agreement. The principal portion of this fund type must remain intact, but the earnings may be used to achieve the objectives of the fund.

2. Proprietary Funds

The focus of proprietary fund measurement is upon determination of operating income, changes in net assets, financial position, and cash flows. The generally accepted accounting principles applicable are those similar to businesses in the private sector. Operating revenues include charges for services, intergovernmental reimbursements and other miscellaneous fees which are a direct result of the proprietary activity. Non-operating revenues are any revenues which are generated outside of the general proprietary activity, i.e. interest income. The following is a description of the proprietary funds of the Town:

- a. Enterprise Funds are required to be used to account for operations for which a fee is charged to external users for goods or services and the activity (a) is financed with debt that is solely secured by a pledge of net revenues, (b) has third party requirements that the cost of providing services, including capital costs, be recovered with fees and charges or (c) established fees and charges based on a pricing policy designed to recover similar costs.

The emphasis in fund financial statements is on the major funds in either the governmental or business-type activities categories. Non-major funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting

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

1. Accrual

Governmental activities in the government-wide financial statements and fiduciary fund financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented 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 are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. The Town does not adopt budgets for Special Revenue Funds.

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities.
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations, and credit unions.
- Repurchase agreements
- Money market mutual funds

The Town of Fair Haven has a formal investment policy which follows the State of Vermont Statutes.

Inventories

Inventories of supplies are considered to be expenditures at the time of purchase and are not included in the general fund balance sheet.

Interfund Receivables and Payables

Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances". Interfund balances and transactions have been eliminated in the government-wide financial statements.

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of both Governmental and Proprietary Funds.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts for the ambulance receivables is estimated to be \$0 as of June 30, 2010.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals, and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

Estimated useful lives are as follows:

Buildings and improvements	10 - 70 years
Infrastructure	20 - 50 years
Machinery and equipment	5 - 30 years
Vehicles	5 - 30 years

Long-term Obligations

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental and business-type resources is reported as liabilities in government-wide statements. The long-term debt consists primarily of notes or bonds payable, compensated absences and retirement benefits.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The Town's policies regarding vacation and sick time permit employees to accumulate earned but unused vacation and sick leave. The liability for these compensated absences is recorded as long-term debt in the government-wide financial statements. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources, while the proprietary funds report the liability as it is incurred.

Reserves

The Town records reserves to indicate that a portion of the fund balance is legally segregated for a specific future use, which is indicated by the title of each reserves listed in the balance sheet and statement of net assets. It is the Town's policy to first use restricted assets for restricted programs and only unrestricted assets after the restricted assets have been exhausted.

Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets, and adding back unspent proceeds. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied July 1, 2009 on the assessed value listed as of April 1, 2009, for all real and personal property located in the Town. Taxes were due on in two installments on August 31, 2009 and March 31, 2010. Interest on unpaid taxes commenced on September 1, 2009 and April 1, 2010, at 11% per annum.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year end. The remaining receivables have been recorded as deferred revenues.

Program Revenues

Program revenues include all directly related income items applicable to a particular program (grant income/expenses).

Operating/Non-operating Proprietary Fund Revenues

Operating revenues consist mainly of direct revenue sources and/or charges for services applicable to that fund.

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses / expenditures during the reporting period. Actual results may differ from these estimates.

TOWN OF FAIR HAVEN, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 2 - CASH AND INVESTMENTS

The Town's investment policies, which follow state statutes, authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all Town funds.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Town does not have a policy covering custodial credit risk.

At June 30, 2010, the Town's cash balance of \$1,368,229 was comprised of deposits amounting to \$1,541,086. Of these deposits, \$907,847 was insured by federal depository insurance and consequently was not exposed to custodial credit risk and \$633,239 was collateralized with securities held by the financial institution in the Town's name.

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 416,934
Savings accounts	1,032,930
Money market accounts	8,050
Certificates of deposit	83,172
	\$ 1,541,086

The Town has determined that it has complied with state and federal laws governing the investment of public funds.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 3 – INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2010 consisted of the following individual fund receivables and payables.

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General Fund	\$ 850,878	\$ 854,607
Highway Fund	52,845	-
Special Revenue Funds	252,760	28,964
Capital Project Funds	528,384	773,377
Permanent Funds	20,618	20,618
Enterprise Funds	-	27,919
	<u>\$ 1,705,485</u>	<u>\$ 1,705,485</u>

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2010:

	<u>Balance, 7/1/09</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance, 6/30/10</u>
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 35,085	\$ -	\$ -	\$ 35,085
	<u>35,085</u>	<u>-</u>	<u>-</u>	<u>35,085</u>
Depreciated assets:				
Buildings	36,939	-	-	36,939
Building improvements	85,218	-	-	85,218
Equipment	472,857	-	-	472,857
Vehicles	1,048,228	55,667	-	1,103,895
Infrastructure	1,914,848	-	-	1,914,848
	<u>3,558,090</u>	<u>55,667</u>	<u>-</u>	<u>3,613,757</u>
Less: accumulated depreciation	(1,047,896)	(99,118)	-	(1,147,014)
	<u>2,510,194</u>	<u>(43,451)</u>	<u>-</u>	<u>2,466,743</u>
Net governmental capital assets	<u>\$ 2,545,279</u>	<u>\$ (43,451)</u>	<u>\$ -</u>	<u>\$ 2,501,828</u>

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 4 - CAPITAL ASSETS (CONTINUED)

	Balance, 7/1/09	Additions	Disposals	Balance, 6/30/10
<u>Business-type activities</u>				
Non-depreciated assets:				
Land	\$ 752	\$ -	\$ -	\$ 752
Construction in progress	1,918,163	28,518	(1,946,681)	-
	<u>1,918,915</u>	<u>28,518</u>	<u>(1,946,681)</u>	<u>752</u>
Depreciated assets:				
Buildings	1,592,710	1,946,681	-	3,539,391
Building improvements	81,209	-	-	81,209
Equipment	158,811	-	-	158,811
Vehicles	97,174	-	-	97,174
Infrastructure	4,709,485	-	-	4,709,485
	6,639,389	1,946,681	-	8,586,070
Less: accumulated depreciation	(3,063,037)	(112,172)	-	(3,175,209)
	<u>3,576,352</u>	<u>1,834,509</u>	<u>-</u>	<u>5,410,861</u>
Net business-type capital assets	<u>\$ 5,495,267</u>	<u>\$ 1,863,027</u>	<u>\$ (1,946,681)</u>	<u>\$ 5,411,613</u>
General government				\$ 4,845
Public safety				11,007
Public works				78,967
Solid waste management				2,842
Cemetery				590
Recreation				867
				<u>99,118</u>
Water and Sewer Fund				112,172
Total depreciation expense				<u>\$ 211,290</u>

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 – LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2010:

	Balance, 7/1/09	Additions	Deletions	Balance, 6/30/10	Current Portion
Bonds payable	\$ 2,714,953	\$ -	\$ (126,614)	\$ 2,588,339	\$ 154,703
Notes payable	51,104	55,000	(17,034)	89,070	35,367
Capital leases payable	2,167	-	(2,167)	-	-
Accrued compensated absences	9,421	937	-	10,358	-
Accrued post retirement health	10,000	-	(5,000)	5,000	5,000
Totals	<u>\$ 2,787,645</u>	<u>\$ 55,937</u>	<u>\$ (150,815)</u>	<u>\$ 2,692,767</u>	<u>\$ 195,070</u>

The following is a summary of outstanding notes and bonds payable:

Governmental activities debt:

\$41,104, capital improvement note payable to Chittenden Bank, due in annual principal payments of \$13,701 through October of 2011. Interest is charged at a rate of 3.0% per annum.	\$ 27,403
\$55,000, capital improvement note payable to Merchants Bank, due in annual principal payments of \$18,333 through December of 2012. Interest is charged at a rate of 2.75% per annum.	<u>55,000</u>
Total governmental activities debt	<u>82,403</u>

Business-activities debt:

\$33,910, 1992 General Obligation Bonds payable to Vermont Municipal Bond Bank, due in annual payments varying from \$1,841 to \$3,029, through December of 2011. Interest is charged at a rate varying from 5.80% to 7.654% per annum.	\$ 5,416
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TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 5 – LONG TERM DEBT (CONTINUED)

<p>\$731,213, 1992 General Obligation Bonds payable to Vermont Municipal Bond Bank, due in annual payments varying from \$34,014 to \$61,646, through December of 2018. Interest is charged at a rate varying from 5.80% to 7.654% per annum.</p>	385,090
<p>\$536,383, 2001 General Obligation Bonds payable to Vermont Municipal Bond Bank, Environmental Protection Agency Pollution Control Revolving Fund, due in annual principal payments of \$26,819, through October of 2022. No interest is charged.</p>	348,649
<p>\$1,946,681, 2009 General Obligation Bonds payable to Vermont Municipal Bond Bank, Vermont Drinking Water State Revolving Fund, due in annual payments of \$39,097, through July of 2039. Interest is charged at a rate of -3.0% per annum.</p>	<u>1,849,184</u>
<p>Total business-type activities - bonds payable</p>	<u>2,588,339</u>
<p>\$10,000, capital equipment note payable to Chittenden Bank, due in annual principal payments of \$3,333 through October of 2012. Interest is charged at a rate of 3.5% per annum.</p>	<u>6,667</u>
<p>Total business-activities debt</p>	<u>2,595,006</u>
<p>Total Long-Term Debt</p>	<u><u>\$ 2,677,409</u></u>

TOWN OF FAIR HAVEN, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 5 – LONG TERM DEBT (CONTINUED)

The following is a summary of outstanding note and bond principal and interest requirements for the next five fiscal years ending June 30:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2011	\$ 190,070	\$ (24,293)	\$ 165,777
2012	189,935	(25,140)	164,795
2013	170,023	(26,172)	143,851
2014	151,926	(26,865)	125,061
2015	152,479	(27,364)	125,115
2016-2020	721,085	(154,097)	566,988
2021-2025	408,857	(100,073)	308,784
2026-2030	282,006	(53,681)	228,325
2031-2035	242,168	(13,844)	228,324
2036-2040	168,860	20,366	189,226
	<u>\$ 2,677,409</u>	<u>\$ (431,163)</u>	<u>\$ 2,246,246</u>

All bonds payable are direct obligations of the Town, for which its full faith and credit are pledged. The Town is not obligated for any special assessment debt. All debt is payable from taxes levied on all taxable property within the Town.

NOTE 6 – RESTRICTED NET ASSETS

The following net assets have been restricted at June 30, 2010 for the following purposes:

Restricted for highway fund	\$ 21,208
Restricted for special revenue funds	259,184
Restricted for capital project funds	653,552
Restricted for permanent funds	144,831
	<u>\$ 1,078,775</u>

TOWN OF FAIR HAVEN, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 7 – GENERAL FUND DESIGNATED FUND EQUITY

At June 30, 2010, the general fund designated fund balance was made up of the following account balances carried forward into the subsequent year's budget:

FY 10-11 Budget	\$	113,607
Highway fund		21,208
		134,815
	\$	134,815

NOTE 8 - EXPENDITURES OVER APPROPRIATIONS

The following appropriations were exceeded by actual expenditures:

		Excess
Selectboard	\$	1,950
Accounting department		321
Auditing department		2,962
Tax listers		460
Delinquent tax collecting		4,455
Police department		34,392
	\$	44,540

NOTE 9 – DEFICIT FUND BALANCES

The following special revenue funds have deficit fund balances as of June 30, 2010:

DUI Grant	\$	(109)
Task Force		(1,588)
Highway		(335)
COPS		(12,245)
Pedestrian Sidewalk		(10,128)
HS Laptops		(3,816)
	\$	(28,221)

TOWN OF FAIR HAVEN, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2010

NOTE 10 – PENSION PLAN

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Employees are eligible to participate in the Vermont Municipal Employees' Retirement System (MERS). All full-time employees of participating employers are eligible to participate in the plan on the first day of the month following the completion of one year of service. There are four levels of contributions and benefits in the System called Group A, Group B, Group C and Group D. The Town participates in Groups A, B, and C. Normal retirement for Group A members is age 65 or the completion of five years of service, whichever is later. Normal retirement for Group B members is age 62 and the completion of five years of creditable service. Normal retirement for Group C and D members is age 55 and the completion of five years of creditable service. A member may receive reduced benefits at age 55 if they have five years of service and have made contributions for at least two and a half years.

The System is an actuarial reserve, joint-contributory program. Both the members and the Town make contributions to the fund according to the following schedule:

	Group A	Group B	Group C	Group D
Employees' contributions (% of gross wages)	2.5%	4.5%	9.0%	11.0%
Town contributions (% of gross wages)	4.0%	5.0%	6.0%	9.0%

NOTE 11 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to limited torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Town carries commercial insurance. There have been no significant reductions in coverage from the prior year. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 11 – RISK MANAGEMENT (CONTINUED)

In addition, the Town is a member of the Vermont League of Cities and Towns (VLCT). The VLCT has set up three insurance trusts; the Property and Casualty Intermunicipal Fund, Inc. (PACIF) for multi-line insurance; the Vermont League of Cities and Towns Health Trust (VLCTHT) for health, life and disability coverage; and the Vermont League of Cities and Towns Unemployment Trust, Inc. (VLCTUT) for unemployment compensation. PACIF, VLCTHT and VLCTUT are nonprofit corporations formed to provide insurance and risk management programs for Vermont cities and towns and is owned by the participating members. The Trusts are not licensed insurance carriers and members are not protected by the Vermont Insurance Guaranty Association.

To provide insurance coverage, PACIF has established a self-funded insurance trust. It provides extensive coverage for losses to member municipalities for property damage, auto accidents, injured employees, public official liability and employment practices liability, members gain additional benefits from PACIF's unique public safety and risk management programs as well as dedicated in-house claims adjusters. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and PACIF is unable to meet its required obligations, the Program will be terminated with each members assessed their proportionate share of the deficit.

To provide insurance coverage, VLCTHT has established a self-funded fully insured program in conjunction with Blue Cross and Blue Shield (BCBS). A portion of member contributions is used to purchase reinsurance and to fund a reserve required by the reinsurance. Benefits available include dental insurance, flexible spending accounts, life insurance, disability insurance, and long-term care insurance. 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.

To provide unemployment coverage, VLCTUT has established a separate trust of funds from member contributions to pay administrative costs and unemployment claims, and provide excess reinsurance protection. Contributions are based on payroll expense and the previous two year unemployment compensation experience. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VLCTUT is unable to meet its required obligations, the Program will be terminated with each members assessed their proportionate share of the deficit.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 11 – RISK MANAGEMENT (CONTINUED)

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

NOTE 12 – LESSOR RENTAL AGREEMENT

On November 20, 2007 the Town of Fair Haven, Vermont renewed a three year lease agreement with Rutland County Vermont for office space, in which Fair Haven is the lessor. The total amount due is \$15,390, to be paid in yearly installments of \$4,980, \$5,130, and \$5,280. The county has the option to terminate by giving the town a 30 day notice.

NOTE 13 – CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010

NOTE 14 – RESTATEMENTS

The beginning net asset balances for the governmental activities and business-type activities have both been restated as of July 1, 2009. Both balances were restated to correct capital asset and accumulated depreciation balances. The governmental activities were restated by \$1,308,230 and the business-type activities were restated by (\$369,339). The beginning net asset balance for the governmental activities and the beginning fund balance for the governmental funds were both increased for the inclusion of the permanent funds as of July 1, 2009 in the amount of \$143,271. The beginning net asset balance for the governmental activities was also restated for the reclassification of deferred revenue which should not be recorded under accrual basis accounting. The amount of the deferred revenue that was reclassified was \$161,838.

NOTE 15 – FAIR HAVEN SCHOOL DISTRICT

The Town funds the cost of operations for grades kindergarten through eighth grade of the District. The Town considers the District a legal part of the Town. The Town also considers the District's financial statements an integral part of the Town's financial statements. The District was audited by another auditor for the year ended June 30, 2010. At the time of release of the Town's audit, the District's financial statements had not yet been finalized. The cost of operations for the District has been included as part of the Town's financial statements.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Government Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - General Fund – Budget and Actual – General Fund
- Budgetary Comparison Schedule - General Fund – Budget and Actual – Highway Fund

TOWN OF FAIR HAVEN, VERMONT

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 257,511	\$ 257,511	\$ 257,511	\$ -
Resources (Inflows):				
Property taxes	2,944,921	2,944,921	2,983,767	38,846
Permits and licenses	2,750	2,750	3,395	645
Charges for services	163,890	163,890	227,092	63,202
Investment income	2,500	2,500	1,421	(1,079)
Miscellaneous revenues	7,380	7,380	13,475	6,095
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>3,378,952</u>	<u>3,378,952</u>	<u>3,486,661</u>	<u>107,709</u>
Charges to Appropriation (Outflows):				
Current:				
General government	255,465	255,465	242,658	12,807
Public safety	324,614	324,614	336,926	(12,312)
Cemetery	33,055	33,055	20,600	12,455
Air Park	4,591	4,591	1,188	3,403
Health and welfare	5,540	5,540	4,280	1,260
Solid waste management	229,840	229,840	227,863	1,977
Education	1,806,071	1,806,071	1,806,071	-
Recreation	43,628	43,628	41,400	2,228
Intergovernmental expense	12,500	12,500	12,198	302
Judgements and damages	1,000	1,000	62	938
Benefits	308,281	308,281	294,580	13,701
Voter appropriations	137,406	137,406	137,406	-
Transfers to other funds	103,354	103,354	103,354	-
Total Charges to Appropriations	<u>3,265,345</u>	<u>3,265,345</u>	<u>3,228,586</u>	<u>36,759</u>
Budgetary Fund Balance, June 30	<u>\$ 113,607</u>	<u>\$ 113,607</u>	<u>\$ 258,075</u>	<u>\$ 144,468</u>
Utilization of Designated Fund Balance	\$ -	\$ -	\$ -	\$ -
Utilization of Undesignated Fund Balance	143,904	143,904	-	(143,904)
	<u>\$ 143,904</u>	<u>\$ 143,904</u>	<u>\$ -</u>	<u>\$ (143,904)</u>

See accompanying independent auditors' report.

TOWN OF FAIR HAVEN, VERMONT

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – HIGHWAY FUND
 FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 6,592	\$ 6,592	\$ 6,592	\$ -
Resources (Inflows):				
Property taxes	378,278	378,278	378,278	-
Intergovernmental	86,000	86,000	84,866	(1,134)
Miscellaneous revenues	7,380	7,380	618	(6,762)
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>478,250</u>	<u>478,250</u>	<u>470,354</u>	<u>(7,896)</u>
Charges to Appropriation (Outflows):				
Current:				
Public works administration	57,390	57,390	58,090	(700)
Summer work	212,870	212,870	214,642	(1,772)
Winter work	106,693	106,693	85,841	20,852
Public works building	17,018	17,018	19,414	(2,396)
Public works equipment	66,458	66,458	66,246	212
Hydrant replacement	3,849	3,849	4,913	(1,064)
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>464,278</u>	<u>464,278</u>	<u>449,146</u>	<u>15,132</u>
Budgetary Fund Balance, June 30	<u>\$ 13,972</u>	<u>\$ 13,972</u>	<u>\$ 21,208</u>	<u>\$ 7,236</u>
Utilization of Designated Fund Balance	\$ -	\$ -	\$ -	\$ -
Utilization of Undesignated Fund Balance	-	-	-	-
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying independent auditors' report.

Other Supplementary Information

Other supplementary information includes financial statements and schedules not required by the Government Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Budgetary Comparison Schedule – General Fund Revenues
- Schedule of Departmental Operations – General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet – Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Capital Project Funds
- Combining Balance Sheet – Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Permanent Funds
- Schedule of General Capital Assets by Function
- Schedule of Changes in General Capital Assets by Function

TOWN OF FAIR HAVEN, VERMONT

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2010

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Property taxes:			
Current real property taxes	\$ 2,908,871	\$ 2,771,133	\$ (137,738)
Delinquent real property taxes	-	127,548	127,548
Penalties and interest	15,000	42,944	27,944
HS-122 late fees	-	855	855
Interest	5,000	18,234	13,234
Railroad tax	550	556	6
Payments in lieu of tax	8,000	12,050	4,050
Land use & current use	7,500	10,447	2,947
Permits and licenses:			
Beverage permits	800	790	(10)
Building permits	750	1,260	510
Dog licenses	1,000	1,160	160
Excess weight permits	200	185	(15)
Charges for services:			
General government	950	1,462	512
Fire department	4,340	4,340	-
Public works	130,000	143,449	13,449
Cemetery	17,500	15,071	(2,429)
Airpark rental	100	-	(100)
Animal control	-	70	70
Police department	11,000	62,700	51,700
Investment income	2,500	1,421	(1,079)
Other income			
Treasury department salary FHGS 1/2	1,250	1,250	-
Rent income	5,130	5,145	15
NSF returned check fee	-	140	140
Tax sale reimbursement	-	4,455	4,455
Other income	1,000	2,485	1,485
Transfers in	-	-	-
Total revenues	<u>\$ 3,121,441</u>	<u>\$ 3,229,150</u>	<u>\$ 107,709</u>

See accompanying independent auditors' report.

TOWN OF FAIR HAVEN, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
GENERAL GOVERNMENT			
Selectboard	\$ 15,900	\$ 17,850	\$ (1,950)
Town Manager	39,293	39,204	89
Elections unit	3,075	2,825	250
Accounting department	44,460	44,781	(321)
Auditing department	6,700	9,662	(2,962)
Tax listers	26,762	27,222	(460)
Delinquent tax collecting	-	4,455	(4,455)
Town Clerk	35,900	35,066	834
Municipal planning	2,025	1,109	916
Municipal zoning	19,300	13,032	6,268
Municipal building & grounds	62,050	47,452	14,598
	<u>255,465</u>	<u>242,658</u>	<u>12,807</u>
PUBLIC SAFETY			
Police department	190,858	225,250	(34,392)
Police training	1,850	1,650	200
Police vehicles & equipment	21,791	20,219	1,572
Constables	9,250	5,834	3,416
Fire fighting department	13,400	8,174	5,226
Fire department training	5,630	2,514	3,116
Fire department communications	10,125	9,186	939
Fire department equipment	26,050	20,359	5,691
Fire department warden	500	360	140
Street lights	45,160	43,380	1,780
	<u>324,614</u>	<u>336,926</u>	<u>(12,312)</u>
CEMETERY			
	<u>33,055</u>	<u>20,600</u>	<u>12,455</u>
AIR PARK			
	<u>4,591</u>	<u>1,188</u>	<u>3,403</u>
HEALTH AND WELFARE			
Public health inspector	1,750	1,507	243
Animal control	3,790	2,773	1,017
	<u>5,540</u>	<u>4,280</u>	<u>1,260</u>
SOLID WASTE MANAGEMENT			
	<u>229,840</u>	<u>227,863</u>	<u>1,977</u>
EDUCATION			
	<u>1,806,071</u>	<u>1,806,071</u>	<u>-</u>

SCHEDULE B (CONTINUED)
TOWN OF FAIR HAVEN, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2010

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
RECREATION			
Baseball activities	6,500	5,724	776
Recreation department	28,650	28,194	456
Special events	3,650	2,663	987
Memberships	4,828	4,819	9
	<u>43,628</u>	<u>41,400</u>	<u>2,228</u>
INTERGOVERNMENTAL EXPENSE			
County tax payment	12,500	12,198	302
	<u>12,500</u>	<u>12,198</u>	<u>302</u>
JUDGEMENTS AND DAMAGES			
	<u>1,000</u>	<u>62</u>	<u>938</u>
BENEFITS			
	<u>308,281</u>	<u>294,580</u>	<u>13,701</u>
VOTER APPROPRIATIONS			
Library	62,750	62,750	-
Rescue squad	29,280	29,280	-
Rutland Mental Health	2,739	2,739	-
Fair Haven Concerned Inc.	26,000	26,000	-
BROC Community Action	2,500	2,500	-
Senior Meals Program	1,800	1,800	-
Retired and Senior Volunteer	750	750	-
RAVNAH	7,087	7,087	-
Association for Retarded Citizens	3,500	3,500	-
Castleton Community Seniors	1,000	1,000	-
	<u>137,406</u>	<u>137,406</u>	<u>-</u>
TRANSFERS			
HW surplus	16,354	16,354	-
Reserve accounts	87,000	87,000	-
	<u>103,354</u>	<u>103,354</u>	<u>-</u>
	<u>\$ 3,265,345</u>	<u>\$ 3,228,586</u>	<u>\$ 36,759</u>

See accompanying independent auditors' report.

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	\$ 6,424	\$ 898,545	\$ 151,221	\$ 1,056,190
Accounts receivable	-	-	1,560	1,560
Due from other governments	743	-	-	743
Due from other funds	252,760	528,384	20,618	801,762
Total assets	<u>\$ 259,927</u>	<u>\$ 1,426,929</u>	<u>\$ 173,399</u>	<u>\$ 1,860,255</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 7,950	\$ 7,950
Due to other funds	28,964	773,377	20,618	822,959
Total liabilities	<u>28,964</u>	<u>773,377</u>	<u>28,568</u>	<u>830,909</u>
FUND EQUITY				
Fund balance:				
Unreserved:				
Designated for subsequent years' expenditures	259,184	653,552	144,831	1,057,567
Undesignated	(28,221)	-	-	(28,221)
Total fund equity	<u>230,963</u>	<u>653,552</u>	<u>144,831</u>	<u>1,029,346</u>
Total liabilities and fund equity	<u>\$ 259,927</u>	<u>\$ 1,426,929</u>	<u>\$ 173,399</u>	<u>\$ 1,860,255</u>

See accompanying independent auditors' report.

TOWN OF FAIR HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ 144,722	\$ -	\$ -	\$ 144,722
Interest/Gains & Losses	12,144	23,818	7,950	43,912
Other	107,767	45,411	1,560	154,738
TOTAL REVENUES	<u>264,633</u>	<u>69,229</u>	<u>9,510</u>	<u>343,372</u>
EXPENDITURES				
Current:				
General Government	16,346	-	-	16,346
Public Safety	77,281	-	-	77,281
Public Works	104,048	-	-	104,048
Recreation	45,870	-	-	45,870
Cemeteries	-	-	7,950	7,950
Capital Outlay	111,987	133,350	-	245,337
TOTAL EXPENDITURES	<u>355,532</u>	<u>133,350</u>	<u>7,950</u>	<u>496,832</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(90,899)</u>	<u>(64,121)</u>	<u>1,560</u>	<u>(153,460)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from loan issuance	-	55,000	-	55,000
Transfers In	-	103,354	-	103,354
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>158,354</u>	<u>-</u>	<u>158,354</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>(90,899)</u>	<u>94,233</u>	<u>1,560</u>	<u>4,894</u>
FUND BALANCE - JULY 1	<u>321,862</u>	<u>559,319</u>	<u>143,271</u>	<u>1,024,452</u>
FUND BALANCE - JUNE 30	<u>\$ 230,963</u>	<u>\$ 653,552</u>	<u>\$ 144,831</u>	<u>\$ 1,029,346</u>

See accompanying independent auditors' report.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than expendable trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	<u>Reappraisal</u>	<u>Local Law Enforcement Grant</u>	<u>Jaws of Life</u>	<u>Grants - Planning</u>	<u>Community Assistance</u>	<u>DUI Grant</u>	<u>Highway Safety</u>
ASSETS							
Cash	\$ -	\$ 5,421	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	743	-
Due from other funds	59,100	-	686	22,049	279	-	-
TOTAL ASSETS	<u>\$ 59,100</u>	<u>\$ 5,421</u>	<u>\$ 686</u>	<u>\$ 22,049</u>	<u>\$ 279</u>	<u>\$ 743</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	852	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>852</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	59,100	5,421	686	22,049	279	-	-
Undesignated	-	-	-	-	-	(109)	-
TOTAL FUND EQUITY	<u>59,100</u>	<u>5,421</u>	<u>686</u>	<u>22,049</u>	<u>279</u>	<u>(109)</u>	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 59,100</u>	<u>\$ 5,421</u>	<u>\$ 686</u>	<u>\$ 22,049</u>	<u>\$ 279</u>	<u>\$ 743</u>	<u>\$ -</u>

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2010

	<u>Click It or Ticket</u>	<u>ROSI</u>	<u>Task Force</u>	<u>Recreation</u>	<u>Fire Emergency Reserve</u>	<u>Grant Match Reserve</u>	<u>Generator</u>
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	896	-	-	-	145,564	20,668	-
TOTAL ASSETS	<u>\$ 896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,564</u>	<u>\$ 20,668</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	1,588	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>1,588</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	896	-	-	-	145,564	20,668	-
Undesignated	-	-	(1,588)	-	-	-	-
TOTAL FUND EQUITY	<u>896</u>	<u>-</u>	<u>(1,588)</u>	<u>-</u>	<u>145,564</u>	<u>20,668</u>	<u>-</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 896</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,564</u>	<u>\$ 20,668</u>	<u>\$ -</u>

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2010

	<u>Start Grant</u>	<u>Airport Park</u>	<u>VLCT PACIF</u>	<u>VITRANS Paving</u>	<u>HydroElec 10.102.011</u>	<u>Highway</u>	<u>COPS</u>
ASSETS							
Cash	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-
Due from other funds	-	3,518	-	-	-	-	-
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 3,518</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY							
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	335	12,245
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335</u>	<u>12,245</u>
FUND EQUITY							
Fund balance:							
Unreserved:							
Designated for subsequent years' expenditures	-	3,518	-	-	-	-	-
Undesignated	-	-	-	-	-	(335)	(12,245)
TOTAL FUND EQUITY	<u>-</u>	<u>3,518</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(335)</u>	<u>(12,245)</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ -</u>	<u>\$ 3,518</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2010

	<u>JAG</u>	<u>Community Garden</u>	<u>Pedestrian Sidewalk</u>	<u>HS Laptops</u>	<u>Totals</u>
ASSETS					
Cash	\$ -	\$ 1,003	\$ -	\$ -	\$ 6,424
Accounts receivable	-	-	-	-	-
Due from other governments	-	-	-	-	743
Due from other funds	-	-	-	-	252,760
TOTAL ASSETS	<u>\$ -</u>	<u>\$ 1,003</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,927</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	10,128	3,816	28,964
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>10,128</u>	<u>3,816</u>	<u>28,964</u>
FUND EQUITY					
Fund balance:					
Unreserved:					
Designated for subsequent years' expenditures	-	1,003	-	-	259,184
Undesignated	-	-	(10,128)	(3,816)	(28,221)
TOTAL FUND EQUITY	<u>-</u>	<u>1,003</u>	<u>(10,128)</u>	<u>(3,816)</u>	<u>230,963</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ -</u>	<u>\$ 1,003</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 259,927</u>

See accompanying independent auditors' report.

TOWN OF FAIR HAVEN, VERMONT

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

	<u>Reappraisal</u>	<u>Local Law Enforcement Grant</u>	<u>Jaws of Life</u>	<u>Grants - Planning</u>	<u>Community Assistance</u>	<u>DUI Grant</u>	<u>Highway Safety</u>
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ 830	\$ -	\$ 10,148	\$ 1,732
Interest/Gains & Losses	2,163	93	3	1,202	-	-	-
Other	16,942	-	-	-	-	-	-
TOTAL REVENUES	<u>19,105</u>	<u>93</u>	<u>3</u>	<u>2,032</u>	<u>-</u>	<u>10,148</u>	<u>1,732</u>
EXPENDITURES							
Current:							
General Government	16,346	-	-	-	-	-	-
Public Safety	-	200	-	-	-	11,000	-
Public Works	-	-	-	-	-	-	1,398
Recreation	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>16,346</u>	<u>200</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,000</u>	<u>1,398</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,759</u>	<u>(107)</u>	<u>3</u>	<u>2,032</u>	<u>-</u>	<u>(852)</u>	<u>334</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>2,759</u>	<u>(107)</u>	<u>3</u>	<u>2,032</u>	<u>-</u>	<u>(852)</u>	<u>334</u>
FUND BALANCE - JULY 1	<u>56,341</u>	<u>5,528</u>	<u>683</u>	<u>20,017</u>	<u>279</u>	<u>743</u>	<u>(334)</u>
FUND BALANCE - JUNE 30	<u>\$ 59,100</u>	<u>\$ 5,421</u>	<u>\$ 686</u>	<u>\$ 22,049</u>	<u>\$ 279</u>	<u>\$ (109)</u>	<u>\$ -</u>

TOWN OF FAIR HAVEN, VERMONT

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

	<u>Click It or Ticket</u>	<u>ROSI</u>	<u>Task Force</u>	<u>Recreation</u>	<u>Fire Emergency Reserve</u>	<u>Grant Match Reserve</u>	<u>Generator</u>
REVENUES							
Intergovernmental	\$ 896	\$ -	\$ 2,777	\$ -	\$ -	\$ -	\$ -
Interest/Gains & Losses	-	-	-	-	7,727	797	-
Other	-	-	-	12,706	5,544	20,606	46,617
TOTAL REVENUES	<u>896</u>	<u>-</u>	<u>2,777</u>	<u>12,706</u>	<u>13,271</u>	<u>21,403</u>	<u>46,617</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	23,140	-	-
Public Works	-	-	-	-	-	-	-
Recreation	-	-	-	45,870	-	-	-
Other	-	62	4,365	-	-	52,322	41,617
TOTAL EXPENDITURES	<u>-</u>	<u>62</u>	<u>4,365</u>	<u>45,870</u>	<u>23,140</u>	<u>52,322</u>	<u>41,617</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>896</u>	<u>(62)</u>	<u>(1,588)</u>	<u>(33,164)</u>	<u>(9,869)</u>	<u>(30,919)</u>	<u>5,000</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>896</u>	<u>(62)</u>	<u>(1,588)</u>	<u>(33,164)</u>	<u>(9,869)</u>	<u>(30,919)</u>	<u>5,000</u>
FUND BALANCE - JULY 1	<u>-</u>	<u>62</u>	<u>-</u>	<u>33,164</u>	<u>155,433</u>	<u>51,587</u>	<u>(5,000)</u>
FUND BALANCE - JUNE 30	<u>\$ 896</u>	<u>\$ -</u>	<u>\$ (1,588)</u>	<u>\$ -</u>	<u>\$ 145,564</u>	<u>\$ 20,668</u>	<u>\$ -</u>

TOWN OF FAIR HAVEN, VERMONT

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

	<u>Start Grant</u>	<u>Airport Park</u>	<u>VLCT PACIF</u>	<u>VITRANS Paving</u>	<u>HydroElec 10.102.011</u>	<u>Highway</u>	<u>COPS</u>
REVENUES							
Intergovernmental	\$ 4,168	\$ -	\$ 2,000	\$ 91,475	\$ -	\$ -	\$ 20,022
Interest/Gains & Losses	-	159	-	-	-	-	-
Other	-	-	-	-	3,637	712	-
TOTAL REVENUES	<u>4,168</u>	<u>159</u>	<u>2,000</u>	<u>91,475</u>	<u>3,637</u>	<u>712</u>	<u>20,022</u>
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	32,267
Public Works	-	-	-	91,475	-	1,047	-
Recreation	-	-	-	-	-	-	-
Other	4,168	-	2,000	-	3,637	-	-
TOTAL EXPENDITURES	<u>4,168</u>	<u>-</u>	<u>2,000</u>	<u>91,475</u>	<u>3,637</u>	<u>1,047</u>	<u>32,267</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(335)</u>	<u>(12,245)</u>
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>-</u>	<u>159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(335)</u>	<u>(12,245)</u>
FUND BALANCE - JULY 1	<u>-</u>	<u>3,359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ 3,518</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (335)</u>	<u>\$ (12,245)</u>

TOWN OF FAIR HAVEN, VERMONT

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

	<u>JAG</u>	<u>Community Garden</u>	<u>Pedestrian Sidewalk</u>	<u>HS Laptops</u>	<u>Totals</u>
REVENUES					
Intergovernmental	\$ 10,674	\$ -	\$ -	\$ -	\$ 144,722
Interest/Gains & Losses	-	-	-	-	12,144
Other	-	1,003	-	-	107,767
TOTAL REVENUES	<u>10,674</u>	<u>1,003</u>	<u>-</u>	<u>-</u>	<u>264,633</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	16,346
Public Safety	10,674	-	-	-	77,281
Public Works	-	-	10,128	-	104,048
Recreation	-	-	-	-	45,870
Other	-	-	-	3,816	111,987
TOTAL EXPENDITURES	<u>10,674</u>	<u>-</u>	<u>10,128</u>	<u>3,816</u>	<u>355,532</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>1,003</u>	<u>(10,128)</u>	<u>(3,816)</u>	<u>(90,899)</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	-	-	-
Operating Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>-</u>	<u>1,003</u>	<u>(10,128)</u>	<u>(3,816)</u>	<u>(90,899)</u>
FUND BALANCE - JULY 1	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>321,862</u>
FUND BALANCE - JUNE 30	<u>\$ -</u>	<u>\$ 1,003</u>	<u>\$ (10,128)</u>	<u>\$ (3,816)</u>	<u>\$ 230,963</u>

See accompanying independent auditors' report.

Capital Project Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds.

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2010

	<u>Municipal Building</u>	<u>Public Works Equipment Replacement</u>	<u>Fire Equipment Replacement</u>	<u>Police Cruiser Replacement</u>	<u>Streets/ Sidewalks</u>
ASSETS					
Cash	\$ 556,196	\$ -	\$ -	\$ -	\$ -
Due from other funds	-	48,428	246,702	3,873	105,391
TOTAL ASSETS	<u>\$ 556,196</u>	<u>\$ 48,428</u>	<u>\$ 246,702</u>	<u>\$ 3,873</u>	<u>\$ 105,391</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	546,161	-	-	-	-
TOTAL LIABILITIES	<u>546,161</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY					
Fund balance:					
Unreserved:					
Designated for subsequent years' expenditures	10,035	48,428	246,702	3,873	105,391
Undesignated	-	-	-	-	-
TOTAL FUND EQUITY	<u>10,035</u>	<u>48,428</u>	<u>246,702</u>	<u>3,873</u>	<u>105,391</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 556,196</u>	<u>\$ 48,428</u>	<u>\$ 246,702</u>	<u>\$ 3,873</u>	<u>\$ 105,391</u>

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2010

	<u>Transfer Station</u>	<u>Recreation Department</u>	<u>Tennis/ Bridge</u>	<u>Impact Fees</u>	<u>Listers Equipment/ Education</u>
ASSETS					
Cash	\$ -	\$ 8,390	\$ -	\$ -	\$ -
Due from other funds	26,385	-	6,021	7,631	10,045
TOTAL ASSETS	<u>\$ 26,385</u>	<u>\$ 8,390</u>	<u>\$ 6,021</u>	<u>\$ 7,631</u>	<u>\$ 10,045</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY					
Fund balance:					
Unreserved:					
Designated for subsequent years' expenditures	26,385	8,390	6,021	7,631	10,045
Undesignated	-	-	-	-	-
TOTAL FUND EQUITY	<u>26,385</u>	<u>8,390</u>	<u>6,021</u>	<u>7,631</u>	<u>10,045</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 26,385</u>	<u>\$ 8,390</u>	<u>\$ 6,021</u>	<u>\$ 7,631</u>	<u>\$ 10,045</u>

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2010

	<u>Park Fence</u>	<u>4th Street Sidewalk</u>	<u>Highway Paving/ Repair</u>	<u>Records Restoration</u>	<u>Totals</u>
ASSETS					
Cash	\$ -	\$ -	\$ 333,959	\$ -	\$ 898,545
Due from other funds	1,475	66,101	-	6,332	528,384
TOTAL ASSETS	<u>\$ 1,475</u>	<u>\$ 66,101</u>	<u>\$ 333,959</u>	<u>\$ 6,332</u>	<u>\$ 1,426,929</u>
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	227,216	-	773,377
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>227,216</u>	<u>-</u>	<u>773,377</u>
FUND EQUITY					
Fund balance:					
Unreserved:					
Designated for subsequent years' expenditures	1,475	66,101	106,743	6,332	653,552
Undesignated	-	-	-	-	-
TOTAL FUND EQUITY	<u>1,475</u>	<u>66,101</u>	<u>106,743</u>	<u>6,332</u>	<u>653,552</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,475</u>	<u>\$ 66,101</u>	<u>\$ 333,959</u>	<u>\$ 6,332</u>	<u>\$ 1,426,929</u>

See accompanying independent auditors' report.

TOWN OF FAIR HAVEN, VERMONT

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

	<u>Municipal Building</u>	<u>Public Works Equipment Replacement</u>	<u>Fire Equipment Replacement</u>	<u>Police Cruiser Replacement</u>	<u>Streets/ Sidewalks</u>
REVENUES					
Interest	\$ 35	\$ 2,323	\$ 7,222	\$ 508	\$ 4,423
Other	-	4,072	9,438	2,597	4,430
TOTAL REVENUES	<u>35</u>	<u>6,395</u>	<u>16,660</u>	<u>3,105</u>	<u>8,853</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Recreation	-	-	-	-	-
Other	-	-	-	-	-
Capital Outlay	-	71,615	-	26,617	1,034
TOTAL EXPENDITURES	<u>-</u>	<u>71,615</u>	<u>-</u>	<u>26,617</u>	<u>1,034</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>35</u>	<u>(65,220)</u>	<u>16,660</u>	<u>(23,512)</u>	<u>7,819</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	55,000	-	-	-
Operating Transfers In	10,000	25,000	20,000	10,000	5,000
Operating Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>10,000</u>	<u>80,000</u>	<u>20,000</u>	<u>10,000</u>	<u>5,000</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>10,035</u>	<u>14,780</u>	<u>36,660</u>	<u>(13,512)</u>	<u>12,819</u>
FUND BALANCE - JULY 1	<u>-</u>	<u>33,648</u>	<u>210,042</u>	<u>17,385</u>	<u>92,572</u>
FUND BALANCE - JUNE 30	<u>\$ 10,035</u>	<u>\$ 48,428</u>	<u>\$ 246,702</u>	<u>\$ 3,873</u>	<u>\$ 105,391</u>

TOWN OF FAIR HAVEN, VERMONT

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

	<u>Transfer Station</u>	<u>Recreation Department</u>	<u>Tennis/ Bridge</u>	<u>Impact Fees</u>	<u>Listers Equipment/ Education</u>
REVENUES					
Interest	\$ 2,491	\$ -	\$ 21	\$ 35	\$ 376
Other	-	15,167	-	-	1,608
TOTAL REVENUES	<u>2,491</u>	<u>15,167</u>	<u>21</u>	<u>35</u>	<u>1,984</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Recreation	-	-	-	-	-
Other	-	-	-	-	-
Capital Outlay	7,082	19,509	235	404	116
TOTAL EXPENDITURES	<u>7,082</u>	<u>19,509</u>	<u>235</u>	<u>404</u>	<u>116</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,591)</u>	<u>(4,342)</u>	<u>(214)</u>	<u>(369)</u>	<u>1,868</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	-
Operating Transfers In	6,000	-	6,000	-	-
Operating Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>6,000</u>	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	1,409	(4,342)	5,786	(369)	1,868
FUND BALANCE - JULY 1	<u>24,976</u>	<u>12,732</u>	<u>235</u>	<u>8,000</u>	<u>8,177</u>
FUND BALANCE - JUNE 30	<u>\$ 26,385</u>	<u>\$ 8,390</u>	<u>\$ 6,021</u>	<u>\$ 7,631</u>	<u>\$ 10,045</u>

TOWN OF FAIR HAVEN, VERMONT

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

	Park Fence	4th Street Sidewalk	Highway Paving/ Repair	Records Restoration	Totals
REVENUES					
Interest	\$ 112	\$ 1,869	\$ 4,399	\$ 4	\$ 23,818
Other	-	-	1,771	6,328	45,411
TOTAL REVENUES	<u>112</u>	<u>1,869</u>	<u>6,170</u>	<u>6,332</u>	<u>69,229</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Recreation	-	-	-	-	-
Other	-	-	-	-	-
Capital Outlay	5,050	1,688	-	-	133,350
TOTAL EXPENDITURES	<u>5,050</u>	<u>1,688</u>	<u>-</u>	<u>-</u>	<u>133,350</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(4,938)</u>	<u>181</u>	<u>6,170</u>	<u>6,332</u>	<u>(64,121)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from loan issuance	-	-	-	-	55,000
Operating Transfers In	-	-	21,354	-	103,354
Operating Transfers Out	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>21,354</u>	<u>-</u>	<u>158,354</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	<u>(4,938)</u>	<u>181</u>	<u>27,524</u>	<u>6,332</u>	<u>94,233</u>
FUND BALANCE - JULY 1	<u>6,413</u>	<u>65,920</u>	<u>79,219</u>	<u>-</u>	<u>559,319</u>
FUND BALANCE - JUNE 30	<u>\$ 1,475</u>	<u>\$ 66,101</u>	<u>\$ 106,743</u>	<u>\$ 6,332</u>	<u>\$ 653,552</u>

See accompanying independent auditors' report.

Permanent Funds

Permanent funds are used to account for assets held by the Town of Fair Haven, Vermont in trust or as an agent for individuals, private organizations, other governmental units and/or other funds.

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS
JUNE 30, 2010

	Cedar Grove Cemetery	West Street Cemetery	Fair Haven Free Library	Totals
ASSETS				
Cash	\$ 151,221	\$ -	\$ -	\$ 151,221
Accounts receivable	1,560	-	-	1,560
Due from other funds	-	17,630	2,988	20,618
Total assets	<u>\$ 152,781</u>	<u>\$ 17,630</u>	<u>\$ 2,988</u>	<u>\$ 173,399</u>
LIABILITIES				
Accounts payable	\$ 6,866	\$ 927	\$ 157	\$ 7,950
Due to other funds	20,618	-	-	20,618
Total liabilities	<u>27,484</u>	<u>927</u>	<u>157</u>	<u>28,568</u>
FUND EQUITY				
Fund balance:				
Unreserved:				
Designated for subsequent years' expenditures	125,297	16,703	2,831	144,831
Total fund equity	<u>125,297</u>	<u>16,703</u>	<u>2,831</u>	<u>144,831</u>
Total liabilities and fund equity	<u>\$ 152,781</u>	<u>\$ 17,630</u>	<u>\$ 2,988</u>	<u>\$ 173,399</u>

See accompanying independent auditors' report.

TOWN OF FAIR HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	Cedar Grove Cemetery	West Street Cemetery	Fair Haven Free Library	Totals
REVENUES				
Interest	\$ 6,866	\$ 927	\$ 157	\$ 7,950
Other	1,560	-	-	1,560
TOTAL REVENUES	<u>8,426</u>	<u>927</u>	<u>157</u>	<u>9,510</u>
EXPENDITURES				
Other	6,866	927	157	7,950
TOTAL EXPENDITURES	<u>6,866</u>	<u>927</u>	<u>157</u>	<u>7,950</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>1,560</u>	<u>-</u>	<u>-</u>	<u>1,560</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	-	-	-
TOTAL OTHER FINANCING (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	1,560	-	-	1,560
FUND BALANCES - JULY 1	<u>123,737</u>	<u>16,703</u>	<u>2,831</u>	<u>143,271</u>
FUND BALANCES - JUNE 30	<u>\$ 125,297</u>	<u>\$ 16,703</u>	<u>\$ 2,831</u>	<u>\$ 144,831</u>

See accompanying independent auditors' report.

General Capital Assets

General capital assets are those assets related to activities reported in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net assets.

TOWN OF FAIR HAVEN, VERMONT

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2010

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
General government	\$ 31,832	\$ 105,122	\$ 16,139	\$ 13,367	\$ 166,460
Public safety	-	8,539	596,960	-	605,499
Public works	-	3,558	897,911	1,842,704	2,744,173
Solid waste management	-	4,938	47,174	-	52,112
Cemetery	3,253	-	8,848	-	12,101
Recreation	-	-	9,720	58,777	68,497
Water and sewer fund	752	3,620,600	255,985	4,709,485	8,586,822
Total General Capital Assets	35,837	3,742,757	1,832,737	6,624,333	12,235,664
Less: Accumulated Depreciation	-	(1,620,625)	(1,175,903)	(1,525,695)	(4,322,223)
Net General Capital Assets	\$ 35,837	\$ 2,122,132	\$ 656,834	\$ 5,098,638	\$ 7,913,441

See accompanying independent auditors' report.

TOWN OF FAIR HAVEN, VERMONT

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
 JUNE 30, 2010

	General Capital Assets 7/1/09	Additions	Deletions	General Capital Assets 6/30/10
General government	\$ 166,460	\$ -	\$ -	\$ 166,460
Public safety	605,499	-	-	605,499
Public works	2,688,506	55,667	-	2,744,173
Solid waste management	52,112	-	-	52,112
Cemetery	12,101	-	-	12,101
Recreation	68,497	-	-	68,497
Water and sewer fund	8,558,304	28,518	-	8,586,822
Total General Capital Assets	12,151,479	84,185	-	12,235,664
Less: Accumulated Depreciation	(4,110,933)	(211,290)	-	(4,322,223)
Net General Capital Assets	\$ 8,040,546	\$ (127,105)	\$ -	\$ 7,913,441

See accompanying independent auditors' report.