Audited Financial Statements and
Other Financial Information

Town of Fair Haven, Vermont

June 30, 2012

RHR SMITH & COMPANY
Certified Public Accountants

Proven Expertise and Integrity

TOWN OF FAIR HAVEN, VERMONT

CONTENTS

JUNE 30, 2012

	PAGE
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 10
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT A - STATEMENT OF NET ASSETS	11
STATEMENT B - STATEMENT OF ACTIVITIES	12 - 13
FUND FINANCIAL STATEMENTS	
STATEMENT C - BALANCE SHEET - GOVERNMENTAL FUNDS	14
STATEMENT D - RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS	15
STATEMENT E - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	16
STATEMENT F - RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	17
STATEMENT G - BALANCE SHEET - PROPRIETARY FUNDS	18
STATEMENT H - STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS - PROPRIETARY FUNDS	19
STATEMENT I - STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS	20 - 21
NOTES TO FINANCIAL STATEMENTS	22 - 38

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION DESCRIPTION 39

SCHEDULE 1 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND 40

SCHEDULE 2 - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - HIGHWAY FUND 41

OTHER SUPPLEMENTARY INFORMATION

OTHER SUPPLEMENTARY INFORMATION DESCRIPTION 42

SCHEDULE A - BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND REVENUES 43

SCHEDULE B - SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND 44 - 45

SCHEDULE C - COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS 46

SCHEDULE D - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS 47

SPECIAL REVENUE FUNDS DESCRIPTION 48

SCHEDULE E - COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS 49 - 52

SCHEDULE F - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR SPECIAL REVENUE FUNDS 53 - 56

CAPITAL PROJECTS DESCRIPTION 57

SCHEDULE G - COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECT FUNDS 58 - 60

SCHEDULE H - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR CAPITAL PROJECT FUNDS 61 - 63

PERMANENT FUNDS DESCRIPTION 64

SCHEDULE I - COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS 65

SCHEDULE J - COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – NONMAJOR PERMANENT FUNDS 66

GENERAL CAPITAL ASSETS DESCRIPTION 67

SCHEDULE K - SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION 68

SCHEDULE L - SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION 69

Proven Expertise and Integrity

INDEPENDENT AUDITORS' REPORT

November 1, 2012

Selectboard
Town of Fair Haven
Fair Haven, Vermont

We have audited the accompanying financial statements of the governmental activities, 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, 2012, 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's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Fair Haven, Vermont as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 3 through 10, 40 and 41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the

3 Old Orchard Road, Buxton, Maine 04093
Tel: (800) 300-7708 (207) 929-4606 Fax: (207) 929-4609
www.rhrsmith.com

United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Fair Haven, Vermont's financial statements as a whole. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

RHR Smith & Company

Certified Public Accountants

REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

(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, 2012. 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 and highway fund budgetary comparison schedules, 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 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 increased by $98,905 from $4.00 million to $4.08 million. For the business-type activities the Town's total net assets increased by $11,758 from $2.92 million to $2.93 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 - increased for the governmental activities by $174,960 to a balance of $1,157,505 at the end of the fiscal year. For the business-type activities, the unrestricted net assets increased by $86,629 to a balance of $209,824.

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

	Governmental Activities		Business-Type Activites	
	2012	2011	2012	2011
Assets:				
Current and Other Assets	$ 1,629,334	$ 1,434,761	$ 221,845	$ 150,023
Capital Assets	2,687,454	2,856,886	5,163,524	5,342,648
Total Assets	$ 4,316,788	$ 4,291,647	$ 5,385,369	$ 5,492,671
Liabilities:				
Current Liabilities	$ 87,130	$ 103,317	$ 166,165	$ 186,159
Long-term Debt Outstanding	152,492	188,046	2,286,572	2,385,638
Total Liabilities	$ 239,622	$ 291,363	$ 2,452,737	$ 2,571,797
Net Assets:				
Invested in Capital Assets, Net of Related Debt	$ 2,527,370	$ 2,649,017	$ 2,722,808	$ 2,797,679
Restricted: Special Revenue Funds	244,420	201,388	-	-
Permanent Funds	147,871	167,334	-	-
Other Net Assets	1,157,505	982,545	209,824	123,195
Total Net Assets	$ 4,077,166	$ 4,000,284	$ 2,932,632	$ 2,920,874

Revenues and Expenses

Revenues for the Town's governmental activities increased by 1.22%, while total expenses increased by 1.99%. For the business-type activities revenues decreased by 9.42%, while total expenses decreased by 8.49%.

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

	Governmental Activities		Business-Type Activities	
	2012	2011	2012	2011
Revenues				
Taxes	$ 3,534,880	$ 3,489,435	$ -	$ -
Intergovernmental	324,278	349,045	-	-
Charges for services	265,231	267,289	782,810	799,303
Miscellaneous	140,404	107,636	12,242	78,461
Total Revenues	4,264,793	4,213,405	795,052	877,764
Expenses				
General government	261,110	282,337	-	-
Public safety	494,674	515,967	-	-
Public works	620,626	612,885	-	-
Cemetery	33,894	25,220	-	-
Air park	1,878	1,291	-	-
Health and welfare	2,861	2,813	-	-
Solid waste management	224,565	235,675	-	-
Education	1,833,409	1,812,995	-	-
Recreation	67,807	51,769	-	-
Intergovernmental	10,287	11,306	-	-
Judgements and damages	6,714	20,353	-	-
Benefits	280,740	312,504	-	-
Voter appropriations	139,731	154,706	-	-
Other	24,019	21,143	-	-
Interest on long-term debt	3,248	-	-	-
Water and sewer	-	-	783,294	855,974
Capital outlay	160,325	23,737	-	-
Total Expenses	4,165,888	4,084,701	783,294	855,974
Change in Net Assets	98,905	128,704	11,758	21,790
Net Assets - July 1	3,978,261	3,871,580	2,920,874	2,899,084
Net Assets - June 30	$ 4,077,166	$ 4,000,284	$ 2,932,632	$ 2,920,874

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,

	2012	2011
General Fund:		
Committed	$ 155,841	$ 144,468
Unassigned	185,720	127,342
Total General Fund	$ 341,561	$ 271,810
Highway Fund:		
Committed	$ 89,491	$ 60,237
Total Highway Fund	$ 89,491	$ 60,237
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	$ 244,420	$ 201,388
Committed	91,918	74,119
Assigned	926	925
Capital Project Funds		
Committed	466,240	425,940
Permanent Funds		
Restricted	147,871	145,311
Total Nonmajor Funds	$ 951,375	$ 847,683

The general fund total fund balance increased by $69,751 over the prior fiscal year. The highway fund total fund balance increased by $29,254. The non-major fund balances decreased by $103,692 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 revenues and transfers from other funds in excess of expenditures.

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 $12,552 compared with a deficit of $10,140 last year. The water and sewer reserve fund had an excess of $24,310 compared with an excess of $31,930 for last 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 $101,004. This was a result of property taxes, charges for services and miscellaneous revenues being significantly over budget. The highway fund actual revenues were more than budget by $2,744.

The general fund actual expenditures were under the budget by $113,215. The highway fund actual expenditures were under the budget by $86,747. There were minor over-expenditures in both the general fund and highway fund.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2012, the net book value of capital assets recorded by the Town decreased by $348,556 over the prior year. The decrease is the result of current year depreciation.

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

	2012	2011
Land	$ 35,837	$ 35,837
Buildings	1,845,385	1,911,507
Building improvements	133,409	138,957
Equipment	324,653	359,208
Vehicles	457,941	578,883
Infrastructure	5,053,753	5,175,142
Total	$ 7,850,978	$ 8,199,534

Debt

At June 30, 2012, the Town had $2,598,345 in notes and bonds outstanding versus $2,752,838 last year, a decrease of 5.61%. Refer to Note 5 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’s unassigned fund balance has fallen below the level 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, 2012

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash	$ 926,056	$ 124,202	$ 1,050,258
Investments	440,839	-	440,839
Accounts receivable (net of allowance for uncollectibles):			
Delinquent taxes receivable	198,309	-	198,309
Interest receivable	13,247	-	13,247
Penalties receivable	10,192	-	10,192
Other	64,656	73,678	138,334
Internal balances	(23,965)	23,965	-
Total current assets	1,629,334	221,845	1,851,179
Noncurrent assets:			
Capital assets:			
Land, infrastructure, and other assets not being depreciated	35,085	752	35,837
Buildings and vehicles net of accumulated depreciation	2,652,369	5,162,772	7,815,141
Total noncurrent assets	2,687,454	5,163,524	7,850,978
TOTAL ASSETS	$ 4,316,788	$ 5,385,369	$ 9,702,157
LIABILITIES			
Current liabilities:			
Accounts payable	$ 17,664	$ 9,810	$ 27,474
Accrued payroll	22,869	-	22,869
Other accrued payables	11,043	4,666	15,709
Current portion of long-term obligations	35,554	151,689	187,243
Total current liabilities	87,130	166,165	253,295
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	124,530	2,286,572	2,411,102
Accrued compensated absences	27,962	-	27,962
Total noncurrent liabilities	152,492	2,286,572	2,439,064
TOTAL LIABILITIES	239,622	2,452,737	2,692,359
NET ASSETS			
Invested in capital assets, net of related debt	2,527,370	2,725,263	5,252,633
Restricted	392,291	-	392,291
Unrestricted	1,157,505	207,369	1,364,874
TOTAL NET ASSETS	4,077,166	2,932,632	7,009,798
TOTAL LIABILITIES AND NET ASSETS	$ 4,316,788	$ 5,385,369	$ 9,702,157

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

TOWN OF FAIR HAVEN, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2012

		Program Revenues			Net (Expense) Revenue & Changes in Net Assets		
Functions/Programs	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	$ 261,110	$ 25,050	$ -	$ -	$ (236,060)	$ -	$ (236,060)
Public safety	494,674	69,954	79,233	-	(345,487)	-	(345,487)
Public works	620,626	145,997	224,815	-	(249,814)	-	(249,814)
Cemetery	33,894	22,347	-	-	(11,547)	-	(11,547)
Air park	1,878	-	-	-	(1,878)	-	(1,878)
Health and welfare	2,861	1,883	-	-	(978)	-	(978)
Solid waste management	224,565	-	-	-	(224,565)	-	(224,565)
Education	1,833,409	-	-	-	(1,833,409)	-	(1,833,409)
Recreation	67,807	-	8,360	-	(59,447)	-	(59,447)
Intergovernmental	10,287	-	-	-	(10,287)	-	(10,287)
Judgements and damages	6,714	-	-	-	(6,714)	-	(6,714)
Benefits	280,740	-	-	-	(280,740)	-	(280,740)
Voter appropriations	139,731	-	-	-	(139,731)	-	(139,731)
Other	24,019	-	11,870	-	(12,149)	-	(12,149)
Interest on long-term debt	3,248	-	-	-	(3,248)	-	(3,248)
Capital outlay	160,325	-	-	-	(160,325)	-	(160,325)
Total governmental activities	4,165,888	265,231	324,278	-	(3,576,379)	-	(3,576,379)
Business-type activities:							
Water and sewer funds	771,714	782,810	-	-	-	11,096	11,096
Water and sewer reserve funds	11,580	-	-	-	-	(11,580)	(11,580)
Total business-type activities	783,294	782,810	-	-	-	(484)	(484)
Total government	$ 4,949,182	$ 1,048,041	$ 324,278	$ -	(3,576,379)	(484)	(3,576,863)

TOWN OF FAIR HAVEN, VERMONT

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2012

	Governmental Activities	Business-type Activities	Total
Changes in net assets:			
Net (expense) revenue	(3,576,379)	(484)	(3,576,863)
General revenues:			
Taxes			
Property taxes, levied for general purposes	3,534,880	-	3,534,880
Miscellaneous	140,404	12,242	152,646
Total general revenues	3,675,284	12,242	3,687,526
Change in net assets	98,905	11,758	110,663
NET ASSETS - JULY 1	3,978,261	2,920,874	6,899,135
NET ASSETS - JUNE 30	$ 4,077,166	$ 2,932,632	$ 7,009,798

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

TOWN OF FAIR HAVEN, VERMONT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund	Highway Fund	All Nonmajor Funds	Total
ASSETS				
Cash	$ 415,658	$ -	$ 510,398	$ 926,056
Investments	-	-	440,839	440,839
Receivables (net of allowance for uncollectibles):				
Delinquent taxes receivable	198,309	-	-	198,309
Interest receivable	13,247	-	-	13,247
Penalties receivable	10,192	-	-	10,192
Other	141	-	64,515	64,656
Due from other funds	-	98,343	21,746	120,089
TOTAL ASSETS	$ 637,547	$ 98,343	$ 1,037,498	$ 1,773,388
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	$ 14,008	$ 2,619	$ 1,037	$ 17,664
Accrued payroll	16,636	6,233	-	22,869
Other accrued payables	11,043	-	-	11,043
Due to other funds	58,968	-	85,086	144,054
Deferred tax revenues	195,331	-	-	195,331
TOTAL LIABILITIES	295,986	8,852	86,123	390,961
Fund Balances				
Restricted	-	-	392,291	392,291
Committed	155,841	89,491	558,158	803,490
Assigned	-	-	926	926
Unassigned	185,720	-	-	185,720
TOTAL FUND BALANCES	341,561	89,491	951,375	1,382,427
TOTAL LIABILITIES AND FUND BALANCES	$ 637,547	$ 98,343	$ 1,037,498	$ 1,773,388

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

STATEMENT D

TOWN OF FAIR HAVEN, VERMONT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS
JUNE 30, 2012

	Total Governmental Funds
Total Fund Balances	$ 1,382,427
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	2,687,454
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	195,331
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(141,750)
Notes payable	(18,334)
Accrued compensated absences	(27,962)
Net assets of governmental activities	$ 4,077,166

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, 2012

	General Fund	Highway Fund	All Nonmajor Funds	Totals Governmental Funds
REVENUES				
Taxes	$ 3,120,690	$ 396,335	$ -	$ 3,517,025
Intergovernmental	-	84,370	239,908	324,278
Charges for services	265,231	-	-	265,231
Miscellaneous revenues	54,974	2,614	82,816	140,404
TOTAL REVENUES	3,440,895	483,319	322,724	4,246,938
EXPENDITURES				
Current:				
General government	255,921	-	344	256,265
Public safety	353,431	-	69,233	422,664
Public works	-	393,828	139,945	533,773
Cemetery	25,449	-	7,855	33,304
Air park	1,878	-	-	1,878
Health and welfare	2,861	-	-	2,861
Solid waste management	221,255	-	-	221,255
Education	1,833,409	-	-	1,833,409
Recreation	47,623	-	18,360	65,983
Intergovernmental	10,287	-	-	10,287
Judgements and damages	6,714	-	-	6,714
Benefits	280,740	-	-	280,740
Voter appropriations	139,731	-	-	139,731
Other	-	-	24,019	24,019
Debt service	18,998	-	-	18,998
Capital outlay	-	-	192,360	192,360
TOTAL EXPENDITURES	3,198,297	393,828	452,116	4,044,241
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	242,598	89,491	(129,392)	202,697
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	240,594	240,594
Transfers (out)	(172,847)	(60,237)	(7,510)	(240,594)
TOTAL OTHER FINANCING SOURCES (USES)	(172,847)	(60,237)	233,084	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	69,751	29,254	103,692	202,697
FUND BALANCES - JULY 1	271,810	60,237	847,683	1,179,730
FUND BALANCES - JUNE 30	$ 341,561	$ 89,491	$ 951,375	$ 1,382,427

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, 2012

Net change in fund balances - total governmental funds (Statement E)	$ 202,697
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	-
Depreciation expense	(169,432)
	(169,432)
Revenues in the Statement of Activities that do not provide current financial resources are not reported.	
Taxes and liens receivable	17,855
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	47,785
Debt proceeds provide current financial resources to govermental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets	-
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 govermental funds:	
Accrued compensated absences	-
Change in net assets of governmental activities (Statement B)	$ 98,905

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

STATEMENT G

TOWN OF FAIR HAVEN, VERMONT

BALANCE SHEET – PROPRIETARY FUNDS
JUNE 30, 2012

	Enterprise Funds		
	Water & Sewer Fund	Water & Sewer Reserve Fund	Total
ASSETS			
Current assets:			
Cash	$ -	$ 124,202	$ 124,202
Accounts receivable (net of allowance)	73,678	-	73,678
Due from other funds	23,965	-	23,965
Total current assets	97,643	124,202	221,845
Capital assets:			
Sewer assets	5,430,951	-	5,430,951
Water assets	3,263,871	-	3,263,871
Total capital assets	8,694,822	-	8,694,822
Less: accumulated depreciation	(3,531,298)	-	(3,531,298)
Net capital assets	5,163,524	-	5,163,524
TOTAL ASSETS	$ 5,261,167	$ 124,202	$ 5,385,369
LIABILITIES AND NET ASSETS			
Current liabilities:			
Accounts payable	$ 9,810	$ -	$ 9,810
Accrued expenses	4,666	-	4,666
Current portion of long-term liabilities	151,689	-	151,689
Total current liabilities	166,165	-	166,165
Long-term liabilities:			
Bonds payable, net of current portion	2,286,572	-	2,286,572
Total long-term liabilities	2,286,572	-	2,286,572
Total liabilities	2,452,737	-	2,452,737
NET ASSETS			
Invested in capital assets, net of related debt	2,725,263	-	2,725,263
Unrestricted	83,167	124,202	207,369
TOTAL NET ASSETS	2,808,430	124,202	2,932,632
TOTAL LIABILITIES AND NET ASSETS	$ 5,261,167	$ 124,202	$ 5,385,369

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, 2012

	Enterprise Funds		
	Water & Sewer Fund	Water & Sewer Reserve Fund	Total
OPERATING REVENUES			
Charges for services	$ 782,810	$ -	$ 782,810
Other	10,852	-	10,852
TOTAL OPERATING REVENUES	793,662	-	793,662
OPERATING EXPENSES			
Payroll	238,174	-	238,174
Supplies	64,384	-	64,384
Equipment	9,150	-	9,150
Purchased services	20,609	-	20,609
Repairs and maintenance	4,817	-	4,817
Utilities	67,104	-	67,104
Bio-solid management	53,756	-	53,756
Benefits	96,154	-	96,154
Miscellaneous	9,163	11,580	20,743
Depreciation	179,124	-	179,124
TOTAL OPERATING EXPENSES	742,435	11,580	754,015
OPERATING (LOSS)	51,227	(11,580)	39,647
NON-OPERATING INCOME (EXPENSE)			
Interest income	-	1,390	1,390
Interest expense	(29,279)	-	(29,279)
Transfers in	-	34,500	34,500
Transfers (out)	(34,500)	-	(34,500)
NET NON-OPERATING INCOME (EXPENSE)	(63,779)	35,890	(27,889)
CHANGE IN NET ASSETS	(12,552)	24,310	11,758
NET ASSETS - JULY 1	2,820,982	99,892	2,920,874
NET ASSETS - JUNE 30	$ 2,808,430	$ 124,202	$ 2,932,632

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, 2012

	Enterprise Funds		
	Water & Sewer Fund	Water & Sewer Reserve Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers	$ 790,214	$ -	$ 790,214
Internal activity - receipts (payments) from/to other funds	(44,064)	965	(43,099)
Payments to suppliers	(337,489)	(11,580)	(349,069)
Payments to employees	(238,174)	-	(238,174)
Net cash provided (used) by operating activities	170,487	(10,615)	159,872
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest income	-	1,390	1,390
Net cash provided by investing activities	-	1,390	1,390
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchase of capital assets	-	-	-
Transfer to/from reserve fund	(34,500)	34,500	-
Principal payments on bonds and notes payable	(106,708)	-	(106,708)
Interest payments on bonds and notes payable	(29,279)	-	(29,279)
Net cash provided (used) by capital and related financing activities	(170,487)	34,500	(135,987)
NET CHANGE IN CASH	-	25,275	25,275
CASH - JULY 1	-	98,927	98,927
CASH - JUNE 30	$ -	$ 124,202	$ 124,202
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating (loss)	$ 51,227	$ (11,580)	$ 39,647
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation expense	179,124	-	179,124
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable	(3,448)	-	(3,448)
(Increase) decrease in due from other funds	(23,965)	965	(23,000)
Increase (decrease) in accounts payable	(12,189)	-	(12,189)
Increase (decrease) in accrued expenses	(163)	-	(163)
Increase (decrease) in due to other funds	(20,099)	-	(20,099)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 170,487	$ (10,615)	$ 159,872
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:			
Cash paid during the year for:			
Interest	$ 29,279	$ -	$ 29,279

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

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.

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, fund balances, 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.

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.

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.

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.

Allowance for Uncollectible Accounts

The allowance for uncollectible accounts for the ambulance receivables is estimated to be $0 as of June 30, 2012.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

Fund Balances

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified, or rescinded only through a Town meeting vote.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assigned – This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Selectboard.

Unassigned – This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

The Town is in the process of adopting a set of financial policies to guide the financial operation of the Town. Included in the policies will be guidelines for accumulating and maintaining an operating position in certain budgeted governmental funds such that annual expenditures shall not exceed annual resources, including fund balances. Other funds shall be fully self-supporting to the extent that the fund balance or retained earnings of each fund shall be zero or greater.

Revenue Recognition - Property Taxes - Modified Accrual Basis

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2012, the Town's cash balance of $1,050,258 was comprised of deposits amounting to $926,056. Of these deposits, $926,056 was insured by federal depository insurance and consequently was not exposed to custodial credit risk and $0 that was in excess of federal depository insurance, and therefore, not insured or collateralized.

Account Type	Bank Balance
Checking accounts	$ 922,570
Money market accounts	3,486
	$ 926,056

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

At June 30, 2012, the Town's investments of $440,839 were comprised of government securities that were not exposed to custodial credit risk.

Account Type	Balance	Current	1 Year	2 - 5 Years
Government securities	$ 440,839	N/A	$ -	$ -

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

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at June 30, 2012 consisted of the following individual fund receivables and payables.

	Receivables (Due from)	Payables (Due to)
General Fund	$ -	$ 58,968
Highway Fund	98,343	-
Special Revenue Funds	1,175	64,515
Permanent Funds	20,571	20,571
Enterprise Funds	23,965	-
	$ 144,054	$ 144,054

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2012:

	Balance, 7/1/11	Additions	Disposals	Balance, 6/30/12
Governmental activities				
Non-depreciated assets:				
Land	$ 35,085	$ -	$ -	$ 35,085
	35,085	-	-	35,085
Depreciated assets:				
Buildings	36,939	-	-	36,939
Building improvements	85,218	-	-	85,218
Equipment	472,857	-	-	472,857
Vehicles	1,486,395	-	-	1,486,395
Infrastructure	2,000,860	-	-	2,000,860
	4,082,269	-	-	4,082,269
Less: accumulated depreciation	(1,260,468)	(169,432)	-	(1,429,900)
	2,821,801	(169,432)	-	2,652,369
Net governmental capital assets	$ 2,856,886	$ (169,432)	$ -	$ 2,687,454
Business-type activities				
Non-depreciated assets:				
Land	$ 752	$ -	$ -	$ 752
	752	-	-	752
Depreciated assets:				
Buildings	3,539,391	-	-	3,539,391
Building improvements	81,209	-	-	81,209
Equipment	158,811	-	-	158,811
Vehicles	97,174	-	-	97,174
Infrastructure	4,817,485	-	-	4,817,485
	8,694,070	-	-	8,694,070
Less: accumulated depreciation	(3,352,174)	(179,124)	-	(3,531,298)
	5,341,896	(179,124)	-	5,162,772
Net business-type capital assets	$ 5,342,648	$ (179,124)	$ -	$ 5,163,524
General government				$ 4,845
Public safety				72,010
Public works				86,853
Solid waste management				3,310
Cemetery				590
Recreation				1,824
				169,432
Water and Sewer Fund				179,124
Total depreciation expense				$ 348,556

NOTE 5 - LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2012:

	Balance, 7/1/11	Additions	Deletions	Balance, 6/30/12	Current Portion
Bonds payable	$ 2,699,135	$ -	$ (119,124)	$ 2,580,011	$ 168,909
Notes payable	53,703	-	(35,369)	18,334	18,334
Accrued compensated absences	27,962	-	-	27,962	-
Totals	$ 2,780,800	$ -	$ (154,493)	$ 2,626,307	$ 187,243

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

Bonds payable:	
$157,500, 2011 General Obligation Bonds payable to the United States Department of Agriculture, due in annual payments of $15,750, through April of 2021. Interest is charged at a rate of 4.125% per annum.	$ 141,750
Total governmental activities - bonds	141,750
$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.	321,184
$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.	295,011
$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.	1,715,514
$108,000, 2011 General Obligation Bonds payable to the United States Department of Agriculture, due in semi-annual payments of $2,328, through December of 2050. Interest is charged at a rate of 3.00% per annum.	106,552
Total business-type activities - bonds payable	2,438,261
Total bonds payable	2,580,011

NOTE 5 - LONG TERM DEBT (CONTINUED)

Notes payable:	
$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.	$ 18,334
Total governmental activities - notes	18,334
Total notes payable	18,334
Total Long-Term Debt	$ 2,598,345

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

	Principal	Interest	Total Debt Service
2013	$ 187,243	$ (16,635)	$ 170,608
2014	169,190	(18,525)	150,665
2015	169,789	(19,720)	150,069
2016	170,720	(21,246)	149,474
2017	172,004	(23,118)	148,886
2018-2022	676,213	(135,017)	541,196
2023-2027	346,325	(103,038)	243,287
2028-2032	277,541	(58,777)	218,764
2033-2037	242,020	(23,253)	218,767
2038-2042	150,936	3,179	154,115
2043-2047	19,076	4,205	23,281
2048-2052	17,288	1,181	18,469
	$ 2,598,345	$ (410,764)	$ 2,187,581

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, 2012 for the following purposes:

Restricted for special revenue funds	$	244,420
Restricted for permanent funds		147,871
	$	392,291

NOTE 7 - RESTRICTED FUND BALANCES

At June 30, 2012, the restricted fund balances were made up of the following account balances:

Restricted:		
Local Law Enforcement Grant	$	5,248
Jaws of Life		987
Grants - Planning		71,587
Community Assistance		1,175
Fire Emergency Reserve		153,168
Grant Match Reserve		8,482
Airport Park		3,773
Cedar Grove Cemetery		128,337
West Street Cemetery		16,703
Fair Haven Free Library		2,831
	$	392,291

NOTE 8 - COMMITTED FUND BALANCES

At June 30, 2012, the committed fund balances were made up of the following account balances carried forward into the subsequent year's budget:

General Fund:	
Water treatment plant reserve	$ 28,500
Emergency surplus reserve	27,341
Town garage reserve	5,000
Marketing reserve	4,000
Repair/replacement of recreation building	1,000
Amount used in 2012/2013 budget	90,000
	155,841
Highway Fund	89,491
Reappraisal	91,918
Municipal Building	41,012
Public Works Equipment Replacement	31,165
Fire Equipment Replacement	81,249
Police Cruiser Replacement	14,375
Streets/Sidewalks	131,675
Transfer Station	39,344
Recreation Department	14,867
Bridge Repair	18,402
Impact Fees	5,867
Listers Equipment/Education	13,734
Park Fence	1,477
4th Street Sidewalk	35,429
Records Restoration	7,942
COPS Match Reserve	29,702
	$ 959,331

NOTE 9 - ASSIGNED FUND EQUITY

At June 30, 2012, the assigned fund equity was made up of the following account balance carried forward into the subsequent year's budget:

Community Garden	$ 926

NOTE 10 - EXPENDITURES OVER APPROPRIATIONS

There were no appropriations that were exceeded by actual expenditures.

NOTE 11 - DEFICIT FUND BALANCES

There were no funds with deficit fund balances as of June 30, 2012.

NOTE 12 - 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%	9.25%	11.0%
Town contributions (% of gross wages)	4.0%	5.0%	6.5%	9.0%

Employee contributions are withheld pre-income tax by the Town and are remitted to the State of Vermont. Such withholdings totaled $42,344 during the year. The Town contributed $42,203 during the year. The Town's total payroll for all employees during the year was $959,522, with $818,859 of such amount related to employees covered by the Vermont Municipal Employees' Retirement System.

NOTE 13 - 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.

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.

NOTE 13 - RISK MANAGEMENT (CONTINUED)

To provide unemployment coverage, VLCTUT has established a separate trust of funds from member contributions to pay administrative costs, 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.

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 14 - 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.

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

SCHEDULE 1

TOWN OF FAIR HAVEN, VERMONT

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 271,810	$ 271,810	$ 271,810	$ -
Resources (Inflows):				
Property taxes	3,090,951	3,090,951	3,120,690	29,739
Permits and licenses	2,900	2,900	3,918	1,018
Charges for services	243,440	243,440	261,313	17,873
Investment income	600	600	333	(267)
Miscellaneous revenues	2,000	2,000	54,641	52,641
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	3,611,701	3,611,701	3,712,705	101,004
Charges to Appropriations (Outflows):				
Current:				
General government	266,616	266,616	255,921	10,695
Public safety	371,967	371,967	353,431	18,536
Cemetery	30,000	30,000	25,449	4,551
Air Park	1,800	1,800	1,878	(78)
Health and welfare	4,255	4,255	2,861	1,394
Solid waste management	238,129	238,129	221,255	16,874
Education	1,833,409	1,833,409	1,833,409	-
Recreation	49,702	49,702	47,623	2,079
Intergovernmental expense	13,000	13,000	10,287	2,713
Judgements and damages	1,000	1,000	6,714	(5,714)
Benefits	361,647	361,647	280,740	80,907
Voter appropriations	139,731	139,731	139,731	-
Debt service	-	-	18,998	(18,998)
Transfers to other funds	173,103	173,103	172,847	256
Total Charges to Appropriations	3,484,359	3,484,359	3,371,144	113,215
Budgetary Fund Balance, June 30	$ 127,342	$ 127,342	$ 341,561	$ 214,219
Utilization of Assigned Fund Balance	$ -	$ -	$ -	$ -
Utilization of Unassigned Fund Balance	144,468	144,468	-	(144,468)
	$ 144,468	$ 144,468	$ -	$ (144,468)

See accompanying independent auditors' report.

SCHEDULE 2

TOWN OF FAIR HAVEN, VERMONT

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
BUDGET AND ACTUAL – HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 60,237	$ 60,237	$ 60,237	$ -
Resources (Inflows):				
Property taxes	396,335	396,335	396,335	-
Intergovernmental	84,240	84,240	84,370	130
Miscellaneous revenues	-	-	2,614	2,614
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	540,812	540,812	543,556	2,744
Charges to Appropriations (Outflows):				
Current:				
Public works administration	62,800	62,800	63,016	(216)
Summer work	218,091	218,091	191,136	26,955
Winter work	103,938	103,938	50,923	53,015
Public works building	19,882	19,882	16,512	3,370
Public works equipment	71,923	71,923	72,072	(149)
Hydrant replacement	3,941	3,941	169	3,772
Transfers to other funds	60,237	60,237	60,237	-
Total Charges to Appropriations	540,812	540,812	454,065	86,747
Budgetary Fund Balance, June 30	$ -	$ -	$ 89,491	$ 89,491
Utilization of Committed Fund Balance	$ 60,237	$ 60,237	$ -	$ (60,237)
Utilization of Unassigned Fund Balance	-	-	-	-
	$ 60,237	$ 60,237	$ -	$ (60,237)

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 - Budgetary Basis - Budget and Actual - 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

SCHEDULE A

TOWN OF FAIR HAVEN, VERMONT

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
BUDGET AND ACTUAL – GENERAL FUND REVENUES
FOR THE YEAR ENDED JUNE 30, 2012

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Property taxes:			
Current real property taxes	$ 3,052,901	$ 3,039,433	$ (13,468)
Penalties and interest	10,000	37,463	27,463
HS-122 late fees	-	633	633
Interest	10,000	21,441	11,441
Railroad tax	550	695	145
Payments in lieu of tax	10,000	12,477	2,477
Land use & current use	7,500	8,548	1,048
Permits and licenses:			
Beverage permits	800	800	-
Building permits	500	1,025	525
Dog licenses	1,500	1,883	383
Excess weight permits	100	210	110
Charges for services:			
General government	23,300	23,015	(285)
Fire department	4,340	4,340	-
Public works	149,000	145,997	(3,003)
Cemetery	12,800	22,347	9,547
Police department	54,000	65,614	11,614
Investment income	600	333	(267)
Other income			
Treasury department salary FHGS 1/2	1,500	1,528	28
NSF returned check fee	-	140	140
Insurance reimbursement	-	17,072	17,072
Other income	500	35,901	35,401
Transfers in	-	-	-
Total revenues	$ 3,339,891	$ 3,440,895	$ 101,004

See accompanying independent auditors' report.

SCHEDULE B

TOWN OF FAIR HAVEN, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Appropriations	Expenditures	Variance
GENERAL GOVERNMENT			
Selectboard	$ 14,700	$ 15,210	$ (510)
Town Manager	40,777	45,507	(4,730)
Elections unit	2,950	2,891	59
Town Treasurer	3,057	3,057	-
Accounting department	46,988	46,960	28
Auditing department	7,350	6,950	400
Tax listers	27,609	19,840	7,769
Town Clerk	50,105	49,746	359
Municipal planning	1,700	835	865
Municipal zoning	19,130	12,552	6,578
Zoning board	300	-	300
Municipal building & grounds	51,950	52,373	(423)
	266,616	255,921	10,695
PUBLIC SAFETY			
Emergency management	1,498	5,221	(3,723)
Police department	237,609	227,793	9,816
Police training	1,700	1,274	426
Police vehicles & equipment	21,000	26,621	(5,621)
Constables	8,250	4,049	4,201
Fire fighting department	11,650	9,371	2,279
Fire department training	6,150	2,700	3,450
Fire department communications	10,200	8,475	1,725
Fire department equipment	26,500	18,508	7,992
Fire department warden	250	192	58
Street lights	47,160	49,227	(2,067)
	371,967	353,431	18,536
CEMETERY	30,000	25,449	4,551
AIR PARK	1,800	1,878	(78)
HEALTH AND WELFARE			
Public health inspector	1,655	1,500	155
Animal control	2,600	1,361	1,239
	4,255	2,861	1,394
SOLID WASTE MANAGEMENT	238,129	221,255	16,874
EDUCATION	1,833,409	1,833,409	-

TOWN OF FAIR HAVEN, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2012

	Appropriations	Expenditures	Variance
RECREATION			
Baseball activities	7,250	6,160	1,090
Recreation department	32,900	31,965	935
Special events	4,150	4,096	54
Memberships	5,402	5,402	-
	49,702	47,623	2,079
DEBT SERVICE			
Fire truck principal payment	-	15,750	(15,750)
Fire truck interest payment	-	3,248	(3,248)
	-	18,998	(18,998)
INTERGOVERNMENTAL EXPENSE			
County tax payment	13,000	10,287	2,713
	13,000	10,287	2,713
JUDGEMENTS AND DAMAGES	1,000	6,714	(5,714)
BENEFITS	361,647	280,740	80,907
VOTER APPROPRIATIONS			
Library	64,000	64,000	-
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	-
Retired and Senior Volunteer	825	825	-
RAVNAH	7,087	7,087	-
Association for Retarded Citizens	3,500	3,500	-
Castleton Community Seniors	1,500	1,500	-
SWVT Council on Aging	1,800	1,800	-
Mentor Connector	500	500	-
PTA/Playground Equipment	-	-	-
	139,731	139,731	-
TRANSFERS			
Reserve accounts	173,103	172,847	256
	173,103	172,847	256
	$ 3,484,359	$ 3,371,144	$ 113,215

See accompanying independent auditors' report.

SCHEDULE C

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2012

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash	$ 41,598	$ 466,240	$ 2,560	$ 510,398
Investments	294,491	-	146,348	440,839
Due from other governments	64,515	-	-	64,515
Due from other funds	1,175	-	20,571	21,746
Total assets	$ 401,779	$ 466,240	$ 169,479	$ 1,037,498
LIABILITIES				
Accounts payable	$ -	$ -	$ 1,037	$ 1,037
Due to other funds	64,515	-	20,571	85,086
Total liabilities	64,515	-	21,608	86,123
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	244,420	-	147,871	392,291
Committed	91,918	466,240	-	558,158
Assigned	926	-	-	926
Unassigned	-	-	-	-
Total fund balances	337,264	466,240	147,871	951,375
Total liabilities and fund balances	$ 401,779	$ 466,240	$ 169,479	$ 1,037,498

See accompanying independent auditors' report.

SCHEDULE D

TOWN OF FAIR HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED JUNE 30, 2012

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	$ 239,908	$ -	$ -	$ 239,908
Interest/Gains & Losses	3,462	24,066	7,855	35,383
Other	10,914	33,959	2,560	47,433
TOTAL REVENUES	254,284	58,025	10,415	322,724
EXPENDITURES				
Current:				
General Government	344	-	-	344
Public Safety	69,233	-	-	69,233
Public Works	139,945	-	-	139,945
Recreation	18,360	-	-	18,360
Cemeteries	-	-	7,855	7,855
Other	24,019	-	-	24,019
Capital Outlay	-	192,360	-	192,360
TOTAL EXPENDITURES	251,901	192,360	7,855	452,116
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	2,383	(134,335)	2,560	(129,392)
OTHER FINANCING SOURCES (USES)				
Transfers In	58,449	182,145	-	240,594
Transfers (Out)	-	(7,510)	-	(7,510)
TOTAL OTHER FINANCING SOURCES (USES)	58,449	174,635	-	233,084
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	60,832	40,300	2,560	103,692
FUND BALANCES - JULY 1	276,432	425,940	145,311	847,683
FUND BALANCES - JUNE 30	$ 337,264	$ 466,240	$ 147,871	$ 951,375

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.

SCHEDULE E

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Reappraisal	Local Law Enforcement Grant	Jaws of Life	Grants - Planning	Community Assistance	DUI Grant	Highway Safety
ASSETS							
Cash	$ -	$ 5,248	$ 987	$ 22,182	$ -	$ -	$ -
Investments	91,918	-	-	49,405	-	-	-
Due from other governments	-	-	-	-	-	2,638	4,077
Due from other funds	-	-	-	-	1,175	-	-
TOTAL ASSETS	$ 91,918	$ 5,248	$ 987	$ 71,587	$ 1,175	$ 2,638	$ 4,077
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	2,638	4,077
TOTAL LIABILITIES	-	-	-	-	-	2,638	4,077
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	5,248	987	71,587	1,175	-	-
Committed	91,918	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	91,918	5,248	987	71,587	1,175	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 91,918	$ 5,248	$ 987	$ 71,587	$ 1,175	$ 2,638	$ 4,077

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Equipment Grant	Park & Ride	Fire Emergency Reserve	Grant Match Reserve	Start Grant	Airport Park	VLCT PACIF
ASSETS							
Cash	$ -	$ -	$ -	$ 8,482	$ -	$ 3,773	$ -
Investments	-	-	153,168	-	-	-	-
Due from other governments	-	-	-	-	760	-	379
Due from other funds	-	-	-		-	-	-
TOTAL ASSETS	$ -	$ -	$ 153,168	$ 8,482	$ 760	$ 3,773	$ 379
LIABILITIES AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	760	-	379
TOTAL LIABILITIES	-	-	-	-	760	-	379
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	153,168	8,482	-	3,773	-
Committed	-	-	-	-	-	-	-
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	-	-	153,168	8,482	-	3,773	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ 153,168	$ 8,482	$ 760	$ 3,773	$ 379

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Sincerbeaux Grant	Highway	COPS	Community Garden	Pedestrian Sidewalk	HS Laptops
ASSETS						
Cash	$ -	$ -	$ -	$ 926	$ -	$ -
Investments	-	-	-	-	-	-
Due from other governments	-	-	13,451	-	43,210	-
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	$ -	$ -	$ 13,451	$ 926	$ 43,210	$ -
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	13,451	-	43,210	-
TOTAL LIABILITIES	-	-	13,451	-	43,210	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	-	-	926	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	-	-	-	926	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ 13,451	$ 926	$ 43,210	$ -

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2012

	Recreation Babe Ruth	USDA West St. Grant	Recreation Playground	Totals
ASSETS				
Cash	$ -	$ -	$ -	$ 41,598
Investments	-	-	-	294,491
Due from other governments	-			64,515
Due from other funds	-	-	-	1,175
TOTAL ASSETS	$ -	$ -	$ -	$ 401,779
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ -		$ -	$ -
Due to other funds	-			64,515
TOTAL LIABILITIES	-	-	-	64,515
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	244,420
Committed	-	-	-	91,918
Assigned	-	-	-	926
Unassigned	-	-	-	-
TOTAL FUND BALANCES	-	-	-	337,264
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ -	$ -	$ 401,779

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, 2012

	Reappraisal	Local Law Enforcement Grant	Jaws of Life	Grants - Planning	Community Assistance	DUI Grant	Highway Safety
REVENUES							
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ 12,035	$ 1,107
Interest/Gains & Losses	-	2	300	258	-	-	-
Other	10,914	-	-	-	-	-	-
TOTAL REVENUES	10,914	2	300	258	-	12,035	1,107
EXPENDITURES							
Current:							
General Government	-	-	-	344	-	-	-
Public Safety	-	-	-	-	-	12,035	1,107
Public Works	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	344	-	12,035	1,107
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	10,914	2	300	(86)	-	-	-
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	6,885	-	-	49,000	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	6,885	-	-	49,000	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	17,799	2	300	48,914	-	-	-
FUND BALANCES - JULY 1	74,119	5,246	687	22,673	1,175	-	-
FUND BALANCES - JUNE 30	$ 91,918	$ 5,248	$ 987	$ 71,587	$ 1,175	$ -	$ -

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, 2012

	Equipment Grant	Park & Ride	Fire Emergency Reserve	Grant Match Reserve	Start Grant	Airport Park	VLCT PACIF
REVENUES							
Intergovernmental	$ 5,478	$ 8,280	$ -	$ -	$ 5,411	$ -	$ 379
Interest/Gains & Losses	-	-	2,093	712	-	96	-
Other	-	-	-	-	-	-	-
TOTAL REVENUES	5,478	8,280	2,093	712	5,411	96	379
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	8,280		-	-	-	-
Public Works	-	-	-	-	-	-	-
Recreation	-	-	-	-	-	-	-
Other	5,478	-	-	11,649	5,411	-	379
TOTAL EXPENDITURES	5,478	8,280	-	11,649	5,411	-	379
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	2,093	(10,937)	-	96	-
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	2,564	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	2,564	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	-	-	4,657	(10,937)	-	96	-
FUND BALANCES - JULY 1	-	-	148,511	19,419	-	3,677	-
FUND BALANCES - JUNE 30	$ -	$ -	$ 153,168	$ 8,482	$ -	$ 3,773	$ -

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, 2012

	Sincerbeaux Grant	Highway	COPS	Community Garden	Pedestrian Sidewalk	HS Laptops
REVENUES						
Intergovernmental	$ 500	$ 4,953	$ 47,811	$ -	$ 134,815	$ 602
Interest/Gains & Losses	-	-	-	1	-	-
Other	-	-	-	-	-	-
TOTAL REVENUES	500	4,953	47,811	1	134,815	602
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	47,811	-	-	-
Public Works	-	4,953	-	-	134,815	-
Recreation	-	-	-	-	-	-
Other	500	-	-	-	-	602
TOTAL EXPENDITURES	500	4,953	47,811	-	134,815	602
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	1	-	-
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	-	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	-	-	-	1	-	-
FUND BALANCES - JULY 1	-	-	-	925	-	-
FUND BALANCES - JUNE 30	$ -	$ -	$ -	$ 926	$ -	$ -

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, 2012

	Recreation Babe Ruth	USDA West St. Grant	Recreation Playground	Totals
REVENUES				
Intergovernmental	$ 10,000	$ 177	$ 8,360	$ 239,908
Interest/Gains & Losses	-	-	-	3,462
Other	-	-	-	10,914
TOTAL REVENUES	10,000	177	8,360	254,284
EXPENDITURES				
Current:				
General Government	-	-	-	344
Public Safety	-	-	-	69,233
Public Works	-	177	-	139,945
Recreation	10,000	-	8,360	18,360
Other	-	-	-	24,019
TOTAL EXPENDITURES	10,000	177	8,360	251,901
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	-	-	-	2,383
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	58,449
Operating Transfers (Out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	58,449
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	-	-	-	60,832
FUND BALANCES - JULY 1	-	-	-	276,432
FUND BALANCES - JUNE 30	$ -	$ -	$ -	$ 337,264

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.

SCHEDULE G

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2012

	Municipal Building	Public Works Equipment Replacement	Fire Equipment Replacement	Police Cruiser Replacement	Streets/ Sidewalks	Transfer Station
ASSETS						
Cash	$ -	$ -	$ -	$ -	$ -	$ -
Investments	41,012	31,165	81,249	14,375	131,675	39,344
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	$ 41,012	$ 31,165	$ 81,249	$ 14,375	$ 131,675	$ 39,344
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	41,012	31,165	81,249	14,375	131,675	39,344
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	41,012	31,165	81,249	14,375	131,675	39,344
TOTAL LIABILITIES AND FUND BALANCES	$ 41,012	$ 31,165	$ 81,249	$ 14,375	$ 131,675	$ 39,344

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2012

	Recreation Department	Bridge Repair	Impact Fees	Listers Equipment/ Education	Park Fence	4th Street Sidewalk
ASSETS						
Cash	$ 14,867	$ -	$ -	$ -	$ -	$ -
Investments	-	18,402	5,867	13,734	1,477	35,429
Due from other funds	-	-	-	-	-	-
TOTAL ASSETS	$ 14,867	$ 18,402	$ 5,867	$ 13,734	$ 1,477	$ 35,429
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	14,867	18,402	5,867	13,734	1,477	35,429
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	14,867	18,402	5,867	13,734	1,477	35,429
TOTAL LIABILITIES AND FUND BALANCES	$ 14,867	$ 18,402	$ 5,867	$ 13,734	$ 1,477	$ 35,429

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2012

	Highway Paving/ Repair	Records Restoration	COPS Match Reserve	Cemetery Reserve	Totals
ASSETS					
Cash	$ -	$ -	$ -	$ -	$ 14,867
Investments	-	7,942	29,702	-	451,373
Due from other funds	-	-	-	-	-
TOTAL ASSETS	$ -	$ 7,942	$ 29,702	$ -	$ 466,240
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	7,942	29,702	-	466,240
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	-	7,942	29,702	-	466,240
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 7,942	$ 29,702	$ -	$ 466,240

See accompanying independent auditors' report.

SCHEDULE H

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, 2012

	Municipal Building	Public Works Equipment Replacement	Fire Equipment Replacement	Police Cruiser Replacement	Streets/ Sidewalks	Transfer Station
REVENUES						
Interest	$ 609	$ 705	$ 20,273	$ 60	$ 744	$ 268
Other	-	-	-	-	-	-
TOTAL REVENUES	609	705	20,273	60	744	268
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay		35,628	3,257	10,082	46,892	-
TOTAL EXPENDITURES	-	35,628	3,257	10,082	46,892	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	609	(34,923)	17,016	(10,022)	(46,148)	268
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	21,007	25,000	20,000	10,000	66,556	6,424
Operating Transfers (Out)	-	-	(4,946)	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	21,007	25,000	15,054	10,000	66,556	6,424
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	21,616	(9,923)	32,070	(22)	20,408	6,692
FUND BALANCES - JULY 1	19,396	41,088	49,179	14,397	111,267	32,652
FUND BALANCES - JUNE 30	$ 41,012	$ 31,165	$ 81,249	$ 14,375	$ 131,675	$ 39,344

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, 2012

	Recreation Department	Bridge Repair	Impact Fees	Listers Equipment/ Education	Park Fence	4th Street Sidewalk
REVENUES						
Interest	$ 10	$ 73	$ 3	$ -	$ -	$ 589
Other	32,159	-	-	1,800	-	-
TOTAL REVENUES	32,169	73	3	1,800	-	589
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	32,538	-	1,775	75	-	32,028
TOTAL EXPENDITURES	32,538	-	1,775	75	-	32,028
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(369)	73	(1,772)	1,725	-	(31,439)
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	-	6,645	-	134	-	-
Operating Transfers (Out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	6,645	-	134	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(369)	6,718	(1,772)	1,859	-	(31,439)
FUND BALANCES - JULY 1	15,236	11,684	7,639	11,875	1,477	66,868
FUND BALANCES - JUNE 30	$ 14,867	$ 18,402	$ 5,867	$ 13,734	$ 1,477	$ 35,429

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, 2012

	Highway Paving/ Repair	Records Restoration	COPS Match Reserve	Cemetery Reserve	Totals
REVENUES					
Interest	$ 711	$ 4	$ 16	$ 1	$ 24,066
Other	-	-	-	-	33,959
TOTAL REVENUES	711	4	16	1	58,025
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Recreation	-	-	-	-	-
Other	-	-	-	-	-
Capital Outlay	20,083	-	-	10,002	192,360
TOTAL EXPENDITURES	20,083	-	-	10,002	192,360
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(19,372)	4	16	(10,001)	(134,335)
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	1,544	14,835	10,000	182,145
Operating Transfers (Out)	(2,564)	-	-	-	(7,510)
TOTAL OTHER FINANCING SOURCES (USES)	(2,564)	1,544	14,835	10,000	174,635
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	(21,936)	1,548	14,851	(1)	40,300
FUND BALANCES - JULY 1	21,936	6,394	14,851	1	425,940
FUND BALANCES - JUNE 30	$ -	$ 7,942	$ 29,702	$ -	$ 466,240

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.

SCHEDULE I

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS
JUNE 30, 2012

	Cedar Grove Cemetery	West Street Cemetery	Fair Haven Free Library	Totals
ASSETS				
Cash	$ 2,560	$ -	$ -	$ 2,560
Investments	146,348	-	-	146,348
Accounts receivable	-	-	-	-
Due from other funds	-	17,590	2,981	20,571
Total assets	$ 148,908	$ 17,590	$ 2,981	$ 169,479
LIABILITIES				
Accounts payable	$ -	$ 887	$ 150	$ 1,037
Due to other funds	20,571	-	-	20,571
Total liabilities	20,571	887	150	21,608
FUND BALANCES				
Fund balance:				
Restricted	128,337	16,703	2,831	147,871
Total fund balances	128,337	16,703	2,831	147,871
Total liabilities and fund balances	$ 148,908	$ 17,590	$ 2,981	$ 169,479

See accompanying independent auditors' report.

SCHEDULE J

TOWN OF FAIR HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR PERMANENT FUNDS FOR THE YEAR ENDED JUNE 30, 2012

	Cedar Grove Cemetery	West Street Cemetery	Fair Haven Free Library	Totals
REVENUES				
Interest	$ 6,818	$ 887	$ 150	$ 7,855
Other	2,560	-	-	2,560
TOTAL REVENUES	9,378	887	150	10,415
EXPENDITURES				
Other	6,818	887	150	7,855
TOTAL EXPENDITURES	6,818	887	150	7,855
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	2,560	-	-	2,560
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	-	-
TOTAL OTHER FINANCING (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	2,560	-	-	2,560
FUND BALANCES - JULY 1	125,777	16,703	2,831	145,311
FUND BALANCES - JUNE 30	$ 128,337	$ 16,703	$ 2,831	$ 147,871

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.

SCHEDULE K

TOWN OF FAIR HAVEN, VERMONT

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2012

	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	979,460	-	987,999
Public works	-	3,558	897,911	1,928,716	2,830,185
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	4,817,485	8,694,822
Total General Capital Assets	35,837	3,742,757	2,215,237	6,818,345	12,812,176
Less: Accumulated Depreciation	-	(1,763,963)	(1,432,643)	(1,764,592)	(4,961,198)
Net General Capital Assets	$ 35,837	$ 1,978,794	$ 782,594	$ 5,053,753	$ 7,850,978

See accompanying independent auditors' report.

SCHEDULE K

TOWN OF FAIR HAVEN, VERMONT

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2012

	General Capital Assets 7/1/11	Additions	Deletions	General Capital Assets 6/30/12
General government	$ 166,460	$ -	$ -	$ 166,460
Public safety	987,999	-	-	987,999
Public works	2,830,185	-	-	2,830,185
Solid waste management	52,112	-	-	52,112
Cemetery	12,101	-	-	12,101
Recreation	68,497	-	-	68,497
Water and sewer fund	8,694,822	-	-	8,694,822
Total General Capital Assets	12,812,176	-	-	12,812,176
Less: Accumulated Depreciation	(4,612,642)	(348,556)	-	(4,961,198)
Net General Capital Assets	$ 8,199,534	$ (348,556)	$ -	$ 7,850,978

See accompanying independent auditors' report.