

Audited Financial Statements and
Other Financial Information

Town of Fair Haven, Vermont

June 30, 2014



Proven Expertise and Integrity

TOWN OF FAIR HAVEN, VERMONT

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JUNE 30, 2014

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INDEPENDENT AUDITORS' REPORT

Selectboard
Town of Fair Haven
Fair Haven, Vermont

Report on the Financial Statements

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, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 11 and budgetary comparison information on pages 41 and 42 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 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Fair Haven, Vermont's basic financial statements. The combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
August 29, 2014

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2014**

(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, 2014. 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 Position – this statement presents *all* of the government's assets and liabilities with the difference being reported as net position.

The Statement of Activities – this statement presents information that shows how the government's net position changed during the period. All changes in net position 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 three proprietary funds, the water fund, the 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 position, and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities increased by \$223,270 from \$4.12 million to \$4.34 million. For the business-type activities the Town's total net position decreased by \$83,064 from \$3.17 million to \$3.09 million.

Unrestricted net position - the part of net position 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 \$348,147 to a balance of \$1,675,846 at the end of the fiscal year. For the business-type activities, the unrestricted net position increased by \$105,223 to a balance of \$367,957.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Assets:				
Current and Other Assets	\$ 2,004,859	\$ 1,638,156	\$ 393,281	\$ 445,733
Capital Assets	2,542,789	2,685,689	5,010,406	5,024,290
Total Assets	<u>4,547,648</u>	<u>4,323,845</u>	<u>5,403,687</u>	<u>5,470,023</u>
Liabilities:				
Current Liabilities	81,745	68,958	185,133	165,974
Long-term Debt Outstanding	126,607	138,861	2,132,673	2,131,639
Total Liabilities	<u>208,352</u>	<u>207,819</u>	<u>2,317,806</u>	<u>2,297,613</u>
Net Position:				
Invested in Capital Assets, Net of Related Debt	2,432,539	2,559,689	2,717,924	2,909,676
Restricted: Special Revenue Funds	79,198	79,165	-	-
Permanent Funds	151,713	149,473	-	-
Unrestricted	1,675,846	1,327,699	367,957	262,734
Total Net Position	<u>\$ 4,339,296</u>	<u>\$ 4,116,026</u>	<u>\$ 3,085,881</u>	<u>\$ 3,172,410</u>

Revenues and Expenses

Revenues for the Town's governmental activities increased by 4.51%, while total expenses increased by .70%. For the business-type activities revenues increased by 4.43%, while total expenses increased by 20.98%.

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenues				
Taxes	\$ 3,522,255	\$ 3,435,873	\$ -	\$ -
Intergovernmental	87,673	427,789	-	-
Charges for services	259,480	260,592	801,055	778,834
Miscellaneous	524,053	79,677	64,383	50,544
Total Revenues	<u>4,393,461</u>	<u>4,203,931</u>	<u>865,438</u>	<u>829,378</u>
Expenses				
General government	267,691	284,682	-	-
Public safety	470,295	445,397	-	-
Public works	623,561	791,365	-	-
Cemetery	29,522	25,073	-	-
Air park	1,505	1,301	-	-
Health and welfare	3,283	2,680	-	-
Solid waste management	218,197	213,315	-	-
Education	1,931,600	1,837,092	-	-
Recreation	53,530	53,048	-	-
Intergovernmental	11,116	10,661	-	-
Judgements and damages	8,732	1,148	-	-
Benefits	296,815	288,693	-	-
Voter appropriations	150,816	141,591	-	-
Other	5,997	18,363	-	-
Interest on long-term debt	5,378	5,847	-	-
Water and sewer	-	-	956,757	788,565
Capital outlay	87,363	16,315	-	-
Total Expenses	<u>4,165,401</u>	<u>4,136,571</u>	<u>956,757</u>	<u>788,565</u>
Transfers	<u>(4,790)</u>	<u>(28,500)</u>	<u>4,790</u>	<u>28,500</u>
Change in Net Position	223,270	38,860	(86,529)	69,313
Net Position - July 1	<u>4,116,026</u>	<u>4,077,166</u>	<u>3,172,410</u>	<u>3,103,097</u>
Net Position - June 30	<u>\$ 4,339,296</u>	<u>\$ 4,116,026</u>	<u>\$ 3,085,881</u>	<u>\$ 3,172,410</u>

Financial Analysis of the Town's Fund Statements

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

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

	<u>2014</u>	<u>2013</u>
General Fund:		
Assigned	\$ 190,508	\$ 190,508
Unassigned	20,075	29,641
Total General Fund	<u>\$ 210,583</u>	<u>\$ 220,149</u>
Highway Fund:		
Assigned	\$ 45,000	\$ 45,000
Unassigned	51,010	78,348
Total Highway Fund	<u>\$ 96,010</u>	<u>\$ 123,348</u>
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	\$ 79,198	\$ 79,165
Committed	316,365	293,938
Assigned	-	926
Capital Project Funds		
Committed	610,147	456,486
Permanent Funds		
Restricted	151,713	149,473
Total Nonmajor Funds	<u>\$ 1,157,423</u>	<u>\$ 979,988</u>

The general fund total fund balance decreased by \$9,566 from the prior fiscal year. The highway fund total fund balance decreased by \$27,338. The non-major fund balances increased by \$177,435 over the prior fiscal year.

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 fund had an increase in net position of \$51,855 compared with an increase of \$157,864 last year. The sewer fund had a decrease in net position for the year of \$70,719 compared with a decrease of \$116,248 last year. The water and sewer reserve fund had a decrease in net position of \$67,654 compared with an increase of \$27,697 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 \$78,098. This was a result of property taxes being significantly over budget. The highway fund actual revenues were more than budget by \$4,922.

The general fund actual expenditures were under the budget by \$98,054. The highway fund actual expenditures were under the budget by \$12,740. There were minor over-expenditures in both the general fund and highway fund.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2014, the net book value of capital assets recorded by the Town decreased by \$156,784 from the prior year. The decrease is the result of current year additions of \$186,465 less current year depreciation of \$343,249.

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

	<u>2014</u>	<u>2013</u>
Land	\$ 35,837	\$ 35,837
Buildings	1,713,145	1,779,266
Building improvements	130,216	127,863
Equipment	334,598	338,689
Vehicles	246,131	352,036
Infrastructure	<u>5,093,268</u>	<u>5,076,288</u>
Total	<u>\$ 7,553,195</u>	<u>\$ 7,709,979</u>

Debt

At June 30, 2014, the Town had \$2,402,732 in notes and bonds outstanding versus \$2,407,614 last year, a decrease of 1%. 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 POSITION
JUNE 30, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 1,051,215	\$ 251,245	\$ 1,302,460
Investments	463,580	-	463,580
Accounts receivable (net of allowance for uncollectibles):			
Delinquent taxes receivable	203,150	-	203,150
Penalties receivable	10,751	-	10,751
Other	31,528	64,955	96,483
Notes	290,661	-	290,661
Tax acquired property	31,055	-	31,055
Internal balances	(77,081)	77,081	-
Total current assets	<u>2,004,859</u>	<u>393,281</u>	<u>2,398,140</u>
Noncurrent assets:			
Capital assets:			
Land, infrastructure, and other assets not being depreciated	35,085	752	35,837
Buildings and vehicles net of accumulated depreciation	2,507,704	5,009,654	7,517,358
Total noncurrent assets	<u>2,542,789</u>	<u>5,010,406</u>	<u>7,553,195</u>
TOTAL ASSETS	<u>\$ 4,547,648</u>	<u>\$ 5,403,687</u>	<u>\$ 9,951,335</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 25,082	\$ 19,080	\$ 44,162
Accrued payroll	26,815	-	26,815
Other accrued payables	14,278	6,244	20,522
Current portion of long-term obligations	15,570	159,809	175,379
Total current liabilities	<u>81,745</u>	<u>185,133</u>	<u>266,878</u>
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	94,680	2,132,673	2,227,353
Accrued compensated absences	31,927	-	31,927
Total noncurrent liabilities	<u>126,607</u>	<u>2,132,673</u>	<u>2,259,280</u>
TOTAL LIABILITIES	<u>208,352</u>	<u>2,317,806</u>	<u>2,526,158</u>
NET POSITION			
Invested in capital assets, net of related debt	2,432,539	2,717,924	5,150,463
Restricted	230,911	-	230,911
Unrestricted	1,675,846	367,957	2,043,803
TOTAL NET POSITION	<u>4,339,296</u>	<u>3,085,881</u>	<u>7,425,177</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 4,547,648</u>	<u>\$ 5,403,687</u>	<u>\$ 9,951,335</u>

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

TOWN OF FAIR HAVEN, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business- type Activities	Total
Governmental activities:							
General government	\$ 267,691	\$ 28,195	\$ -	\$ -	\$ (239,496)	\$ -	\$ (239,496)
Public safety	470,295	69,916	-	-	(400,379)	-	(400,379)
Public works	623,561	146,541	87,673	-	(389,347)	-	(389,347)
Cemetery	29,522	12,948	-	-	(16,574)	-	(16,574)
Air park	1,505	-	-	-	(1,505)	-	(1,505)
Health and welfare	3,283	1,880	-	-	(1,403)	-	(1,403)
Solid waste management	218,197	-	-	-	(218,197)	-	(218,197)
Education	1,931,600	-	-	-	(1,931,600)	-	(1,931,600)
Recreation	53,530	-	-	-	(53,530)	-	(53,530)
Intergovernmental	11,116	-	-	-	(11,116)	-	(11,116)
Judgements and damages	8,732	-	-	-	(8,732)	-	(8,732)
Benefits	296,815	-	-	-	(296,815)	-	(296,815)
Voter appropriations	150,816	-	-	-	(150,816)	-	(150,816)
Other	5,997	-	-	-	(5,997)	-	(5,997)
Interest on long-term debt	5,378	-	-	-	(5,378)	-	(5,378)
Capital outlay	87,363	-	-	-	(87,363)	-	(87,363)
Total governmental activities	<u>4,165,401</u>	<u>259,480</u>	<u>87,673</u>	<u>-</u>	<u>(3,818,248)</u>	<u>-</u>	<u>(3,818,248)</u>
Business-type activities:							
Water fund	320,278	377,468	-	-	-	57,190	57,190
Sewer fun	485,158	423,587	-	-	-	(61,571)	(61,571)
Water and sewer reserve fund	151,321	-	-	-	-	(151,321)	(151,321)
Total business-type activities	<u>956,757</u>	<u>801,055</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(155,702)</u>	<u>(155,702)</u>
Total government	<u>\$ 5,122,158</u>	<u>\$ 1,060,535</u>	<u>\$ 87,673</u>	<u>\$ -</u>	<u>(3,818,248)</u>	<u>(155,702)</u>	<u>(3,973,950)</u>

STATEMENT B (CONTINUED)

TOWN OF FAIR HAVEN, VERMONT

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
Changes in net position:			
Net (expense) revenue	<u>(3,818,248)</u>	<u>(155,702)</u>	<u>(3,973,950)</u>
General revenues:			
Taxes			
Property taxes, levied for general purposes	3,522,255	-	3,522,255
Miscellaneous	<u>524,053</u>	<u>64,383</u>	<u>588,436</u>
Total general revenues	<u>4,046,308</u>	<u>64,383</u>	<u>4,110,691</u>
Transfers	<u>(4,790)</u>	<u>4,790</u>	<u>-</u>
Change in net position	223,270	(86,529)	136,741
NET POSITION - JULY 1	<u>4,116,026</u>	<u>3,172,410</u>	<u>7,288,436</u>
NET POSITION - JUNE 30	<u>\$ 4,339,296</u>	<u>\$ 3,085,881</u>	<u>\$ 7,425,177</u>

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

TOWN OF FAIR HAVEN, VERMONT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Highway Fund	All Nonmajor Funds	Total
ASSETS				
Cash and cash equivalents	\$ 351,956	\$ -	\$ 699,259	\$ 1,051,215
Investments	-	-	463,580	463,580
Receivables (net of allowance for uncollectibles):				
Delinquent taxes receivable	203,150	-	-	203,150
Penalties receivable	10,751	-	-	10,751
Other	1,138	-	30,390	31,528
Notes	290,661	-	-	290,661
Tax acquired property	31,055	-	-	31,055
Due from other funds	838,624	105,857	776,850	1,721,331
TOTAL ASSETS	\$ 1,727,335	\$ 105,857	\$ 1,970,079	\$ 3,803,271
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 15,060	\$ 2,368	\$ 7,654	\$ 25,082
Accrued payroll	19,336	7,479	-	26,815
Other accrued payables	14,278	-	-	14,278
Due to other funds	993,410	-	805,002	1,798,412
TOTAL LIABILITIES	1,042,084	9,847	812,656	1,864,587
DEFERRED INFLOWS OF RESOURCES				
Deferred tax revenues	184,007	-	-	184,007
Deferred notes receivable	290,661	-	-	290,661
TOTAL DEFERRED INFLOWS OF RESOURCES	474,668	-	-	474,668
Fund Balances				
Restricted	-	-	230,911	230,911
Committed	-	-	926,512	926,512
Assigned	190,508	45,000	-	235,508
Unassigned	20,075	51,010	-	71,085
TOTAL FUND BALANCES	210,583	96,010	1,157,423	1,464,016
TOTAL LIABILITIES, FUND BALANCES AND DEFERRED INFLOWS OF RESOURCES	\$ 1,727,335	\$ 105,857	\$ 1,970,079	\$ 3,803,271

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

TOWN OF FAIR HAVEN, VERMONT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 1,464,016
Amounts reported for governmental activities in the Statement of Net Position 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	2,542,789
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	184,007
Notes receivable	290,661
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(110,250)
Accrued compensated absences	<u>(31,927)</u>
 Net position of governmental activities	 <u><u>\$ 4,339,296</u></u>

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

TOWN OF FAIR HAVEN, VERMONT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	General Fund	Highway Fund	All Nonmajor Funds	Totals Governmental Funds
REVENUES				
Taxes	\$ 3,267,059	\$ 332,652	\$ -	\$ 3,599,711
Intergovernmental	-	87,673	-	87,673
Charges for services	259,480	-	-	259,480
Miscellaneous revenues	17,874	1,249	214,089	233,212
TOTAL REVENUES	<u>3,544,413</u>	<u>421,574</u>	<u>214,089</u>	<u>4,180,076</u>
EXPENDITURES				
Current:				
General government	259,530	-	-	259,530
Public safety	377,906	-	23,906	401,812
Public works	-	448,912	91,336	540,248
Cemetery	28,834	-	98	28,932
Air park	1,505	-	-	1,505
Health and welfare	3,283	-	-	3,283
Solid waste management	214,887	-	-	214,887
Education	1,931,600	-	-	1,931,600
Recreation	51,706	-	-	51,706
Intergovernmental	11,116	-	-	11,116
Judgements and damages	8,732	-	-	8,732
Benefits	296,815	-	-	296,815
Voter appropriations	150,816	-	-	150,816
Other	-	-	5,997	5,997
Debt service	20,948	-	-	20,948
Capital outlay	-	-	106,828	106,828
TOTAL EXPENDITURES	<u>3,357,678</u>	<u>448,912</u>	<u>228,165</u>	<u>4,034,755</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>186,735</u>	<u>(27,338)</u>	<u>(14,076)</u>	<u>145,321</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	7,653	-	199,164	206,817
Transfers (out)	(203,954)	-	(7,653)	(211,607)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(196,301)</u>	<u>-</u>	<u>191,511</u>	<u>(4,790)</u>
NET CHANGE IN FUND BALANCES	(9,566)	(27,338)	177,435	140,531
FUND BALANCES - JULY 1	<u>220,149</u>	<u>123,348</u>	<u>979,988</u>	<u>1,323,485</u>
FUND BALANCES - JUNE 30	<u>\$ 210,583</u>	<u>\$ 96,010</u>	<u>\$ 1,157,423</u>	<u>\$ 1,464,016</u>

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

TOWN OF FAIR HAVEN, VERMONT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
 IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED JUNE 30, 2014

Net change in fund balances - total governmental funds (Statement E)	<u>\$ 140,531</u>
Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocated those expenditures over the life of the assets:	
Capital asset purchases	19,465
Depreciation expense	<u>(162,365)</u>
	<u>(142,900)</u>
Revenues in the Statement of Activities that do not provide current financial resources are not reported.	
Notes receivable	290,841
Taxes and liens receivable	<u>(77,456)</u>
	<u>213,385</u>
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position	
	<u>15,570</u>
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
Accrued compensated absences	<u>(3,316)</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 223,270</u></u>

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

TOWN OF FAIR HAVEN, VERMONT

BALANCE SHEET – PROPRIETARY FUNDS
JUNE 30, 2014

	Enterprise Funds			Total
	Water Fund	Sewer Fund	Water & Sewer Reserve Fund	
ASSETS				
Current assets:				
Cash and cash equivalents	\$ -	\$ -	\$ 251,245	\$ 251,245
Accounts receivable (net of allowance for uncollectibles)	30,603	34,352	-	64,955
Due from other funds	110,703	-	-	110,703
Total current assets	<u>141,306</u>	<u>34,352</u>	<u>251,245</u>	<u>426,903</u>
Capital assets:				
Sewer assets	-	3,677,975	-	3,677,975
Water assets	5,220,291	-	-	5,220,291
Total capital assets	<u>5,220,291</u>	<u>3,677,975</u>	<u>-</u>	<u>8,898,266</u>
Less: accumulated depreciation	<u>(1,966,534)</u>	<u>(1,921,326)</u>	<u>-</u>	<u>(3,887,860)</u>
Net capital assets	<u>3,253,757</u>	<u>1,756,649</u>	<u>-</u>	<u>5,010,406</u>
TOTAL ASSETS	<u>\$ 3,395,063</u>	<u>\$ 1,791,001</u>	<u>\$ 251,245</u>	<u>\$ 5,437,309</u>
LIABILITIES AND NET POSITION				
Current liabilities:				
Accounts payable	\$ 7,242	\$ 11,838	\$ -	\$ 19,080
Accrued expenses	2,026	4,218	-	6,244
Due to other funds	-	33,622	-	33,622
Current portion of long-term liabilities	85,308	74,501	-	159,809
Total current liabilities	<u>94,576</u>	<u>124,179</u>	<u>-</u>	<u>218,755</u>
Long-term liabilities:				
Bonds payable, net of current portion	1,695,992	436,681	-	2,132,673
Total long-term liabilities	<u>1,695,992</u>	<u>436,681</u>	<u>-</u>	<u>2,132,673</u>
Total liabilities	<u>1,790,568</u>	<u>560,860</u>	<u>-</u>	<u>2,351,428</u>
NET POSITION				
Invested in capital assets, net of related debt	1,472,457	1,245,467	-	2,717,924
Unrestricted	132,038	(15,326)	251,245	367,957
TOTAL NET POSITION	<u>1,604,495</u>	<u>1,230,141</u>	<u>251,245</u>	<u>3,085,881</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 3,395,063</u>	<u>\$ 1,791,001</u>	<u>\$ 251,245</u>	<u>\$ 5,437,309</u>

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

TOWN OF FAIR HAVEN, VERMONT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Enterprise Funds			Total
	Water Fund	Sewer Fund	Water & Sewer Reserve Fund	
OPERATING REVENUES				
Charges for services	\$ 377,468	\$ 423,587	\$ -	\$ 801,055
Other	29,154	32,852	2,360	64,366
TOTAL OPERATING REVENUES	<u>406,622</u>	<u>456,439</u>	<u>2,360</u>	<u>865,421</u>
OPERATING EXPENSES				
Payroll	101,763	154,932	-	256,695
Supplies	27,161	21,878	-	49,039
Purchased services	7,462	13,143	-	20,605
Repairs and maintenance	1,679	6,255	-	7,934
Utilities	19,266	61,526	-	80,792
Bio-solid management	-	59,197	-	59,197
Benefits	31,875	58,168	-	90,043
Miscellaneous	16,155	20,621	148,537	185,313
Depreciation	91,446	89,438	-	180,884
TOTAL OPERATING EXPENSES	<u>296,807</u>	<u>485,158</u>	<u>148,537</u>	<u>930,502</u>
OPERATING INCOME (LOSS)	<u>109,815</u>	<u>(28,719)</u>	<u>(146,177)</u>	<u>(65,081)</u>
NON-OPERATING INCOME (EXPENSE)				
Interest income	-	-	17	17
Interest expense	(23,471)	-	(2,784)	(26,255)
Transfers in	-	-	81,290	81,290
Transfers (out)	(34,500)	(42,000)	-	(76,500)
NET NON-OPERATING INCOME (EXPENSE)	<u>(57,971)</u>	<u>(42,000)</u>	<u>78,523</u>	<u>(21,448)</u>
CHANGE IN NET POSITION	51,844	(70,719)	(67,654)	(86,529)
NET POSITION - JULY 1 (RESTATED)	<u>1,552,651</u>	<u>1,300,860</u>	<u>318,899</u>	<u>3,172,410</u>
NET POSITION - JUNE 30	<u>\$ 1,604,495</u>	<u>\$ 1,230,141</u>	<u>\$ 251,245</u>	<u>\$ 3,085,881</u>

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

TOWN OF FAIR HAVEN, VERMONT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Enterprise Funds			Total
	Water Fund	Sewer Fund	Water & Sewer Reserve Fund	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	\$ 376,019	\$ 503,144	\$ 2,360	\$ 881,523
Internal activity - receipts (payments) from/to other funds	12,953	(44,257)	-	(31,304)
Payments to suppliers	(98,711)	(236,350)	(148,537)	(483,598)
Payments to employees	(101,763)	(154,932)	-	(256,695)
Net cash provided (used) by operating activities	<u>188,498</u>	<u>67,605</u>	<u>(146,177)</u>	<u>109,926</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	-	-	17	17
Net cash provided by investing activities	<u>-</u>	<u>-</u>	<u>17</u>	<u>17</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets		(167,000)	-	(167,000)
Transfer to/from reserve fund	(34,500)	(42,000)	81,290	4,790
Proceeds from bond anticipation note	-	167,000	-	167,000
Principal payments on bonds and notes payable	(130,527)	(25,605)	-	(156,132)
Interest payments on bonds and notes payable	(23,471)	-	(2,784)	(26,255)
Net cash provided (used) by capital and related financing activities	<u>(188,498)</u>	<u>(67,605)</u>	<u>78,506</u>	<u>(177,597)</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-	(67,654)	(67,654)
CASH AND CASH EQUIVALENTS - JULY 1	-	-	318,899	318,899
CASH AND CASH EQUIVALENTS - JUNE 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 251,245</u>	<u>\$ 251,245</u>

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

STATEMENT I (CONTINUED)
TOWN OF FAIR HAVEN, VERMONT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Enterprise Funds			Total
	Water Fund	Sewer Fund	Water & Sewer Reserve Fund	
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:				
Operating (loss)	\$ 109,815	\$ (28,719)	\$ (146,177)	\$ (65,081)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation expense	91,446	89,438	-	180,884
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	(30,603)	46,705	-	16,102
(Increase) decrease in due from other funds	12,953	-	-	12,953
Increase (decrease) in accounts payable	4,797	3,392	-	8,189
Increase (decrease) in accrued expenses	90	1,046	-	1,136
Increase (decrease) in due to other funds	-	(44,257)	-	(44,257)
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 188,498</u>	<u>\$ 67,605</u>	<u>\$ (146,177)</u>	<u>\$ 109,926</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Cash paid during the year for:				
Interest	<u>\$ 23,471</u>	<u>\$ -</u>	<u>\$ 2,784</u>	<u>\$ 26,255</u>

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

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 fund, sewer fund and the water and sewer reserve fund are categorized as business-type activities. All other activities of the Town are categorized as governmental.

In the government-wide Statement of Net Position, 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 position are reported in three parts - invested in capital assets, net of related debt; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 position 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.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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

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

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

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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 of the general fund and highway fund. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

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

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

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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. For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. 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, 2014.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

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. As of June 30, 2014, the Town's liability for compensated absences is \$31,927.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net position 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 position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

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.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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).

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Operating/Non-Operating Proprietary Fund Revenues

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

Encumbrance Accounting

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

Use of Estimates

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

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, 2014, the Town's cash balance of \$1,302,460 was comprised of deposits amounting to \$1,389,666. Of these deposits, \$256,408 was insured by federal depository insurance and consequently was not exposed to custodial credit risk and \$1,133,258 that was in excess of federal depository insurance, and therefore, not insured or collateralized.

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 - CASH AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 1,383,258
Money market accounts	<u>6,408</u>
	<u>\$ 1,389,666</u>

At June 30, 2014, the Town's investments of \$463,580 were comprised of government securities that were not exposed to custodial credit risk. The certificates of deposit were insured by federal depository insurance.

<u>Account Type</u>	<u>Bank Balance</u>	<u>Current</u>	<u>1 Year</u>	<u>2 - 5 Years</u>
Government securities	\$ 372,256	N/A	\$ -	\$ -
Certificates of deposit	<u>91,324</u>	<u>-</u>	<u>91,323</u>	<u>-</u>
	<u>\$ 463,580</u>	<u>\$ -</u>	<u>\$ 91,323</u>	<u>\$ -</u>

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, 2014 consisted of the following individual fund receivables and payables.

	<u>Receivables (Due from)</u>	<u>Payables (Due to)</u>
General Fund	\$ 838,624	\$ 993,410
Highway Fund	105,857	-
Special Revenue Funds	208,122	28,150
Capital Project Funds	548,210	756,334
Permanent Funds	20,518	20,518
Enterprise Funds	<u>110,703</u>	<u>33,622</u>
	<u>\$ 1,832,034</u>	<u>\$ 1,832,034</u>

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2014:

	Balance, 7/1/13	Additions	Disposals	Balance, 6/30/14
<u>Governmental activities</u>				
Non-depreciated assets:				
Land	\$ 35,085	\$ -	\$ -	\$ 35,085
	<u>35,085</u>	<u>-</u>	<u>-</u>	<u>35,085</u>
Depreciated assets:				
Buildings	36,939	-	-	36,939
Building improvements	85,218	-	-	85,218
Equipment	484,967	2,429	-	487,396
Vehicles	1,486,395	-	-	1,486,395
Land Improvements	-	7,900	-	7,900
Infrastructure	2,144,780	9,136	-	2,153,916
	<u>4,238,299</u>	<u>19,465</u>	<u>-</u>	<u>4,257,764</u>
Less: accumulated depreciation	<u>(1,587,695)</u>	<u>(162,365)</u>	<u>-</u>	<u>(1,750,060)</u>
	<u>2,650,604</u>	<u>(142,900)</u>	<u>-</u>	<u>2,507,704</u>
Net governmental capital assets	<u>\$ 2,685,689</u>	<u>\$ (142,900)</u>	<u>\$ -</u>	<u>\$ 2,542,789</u>
<u>Business-type activities</u>				
Non-depreciated assets:				
Land	\$ 752	\$ -	\$ -	\$ 752
	<u>752</u>	<u>-</u>	<u>-</u>	<u>752</u>
Depreciated assets:				
Buildings	3,539,391	-	-	3,539,391
Building improvements	81,209	-	-	81,209
Equipment	195,255	34,885	-	230,140
Vehicles	97,174	-	-	97,174
Infrastructure	4,817,485	132,115	-	4,949,600
	<u>8,730,514</u>	<u>167,000</u>	<u>-</u>	<u>8,897,514</u>
Less: accumulated depreciation	<u>(3,706,976)</u>	<u>(180,884)</u>	<u>-</u>	<u>(3,887,860)</u>
	<u>5,023,538</u>	<u>(13,884)</u>	<u>-</u>	<u>5,009,654</u>
Net business-type capital assets	<u>\$ 5,024,290</u>	<u>\$ (13,884)</u>	<u>\$ -</u>	<u>\$ 5,010,406</u>
General government				\$ 4,845
Public safety				68,483
Public works				83,313
Solid waste management				3,310
Cemetery				590
Recreation				1,824
				<u>162,365</u>
Water and Sewer Fund				180,884
Total depreciation expense				<u>\$ 343,249</u>

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 - LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2014:

	Balance, 7/1/13	Additions	Deletions	Balance, 6/30/14	Current Portion
Bonds payable	\$ 2,407,614	\$ 167,000	\$ (171,882)	\$ 2,402,732	\$ 175,379
Notes payable	-	167,000	(167,000)	-	-
Accrued compensated absences	28,611	3,316	-	31,927	-
Totals	<u>\$ 2,436,225</u>	<u>\$ 337,316</u>	<u>\$ (338,882)</u>	<u>\$ 2,434,659</u>	<u>\$ 175,379</u>

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.	<u>\$ 110,250</u>
Total governmental activities - bonds	<u>110,250</u>
\$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.	246,505
\$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.	241,373
\$1,946,681, 2009 General Obligation Bonds payable to Vermont Municipal Bond Bank, Vermont Drinking Water State Revolving Fund, due in net annual payments of \$39,097, through July of 2039. Interest is charged at a rate of -3.0% per annum.	1,534,794
\$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.	102,810
\$167,000, 2014 General Obligation Bonds payable to the United States Department of Agriculture, due in semi-annual payments of \$5,567, through May of 2044. Interest is charged at a rate of 2.75% per annum.	<u>167,000</u>
Total business-type activities - bonds payable	<u>2,292,482</u>
Total bonds payable	<u>\$ 2,402,732</u>

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 - LONG TERM DEBT (CONTINUED)

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

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2015	\$ 175,379	\$ (15,151)	\$ 160,228
2016	176,311	(16,831)	159,480
2017	177,596	(18,856)	158,740
2018	179,253	(21,249)	158,004
2019	181,304	(25,980)	155,324
2020-2024	514,928	(108,046)	406,882
2025-2029	329,891	(69,513)	260,378
2030-2034	290,638	(34,089)	256,549
2035-2039	257,481	(4,758)	252,723
2040-2044	92,750	7,869	100,619
2045-2049	20,549	2,731	23,280
2050-2054	6,652	199	6,851
	<u>\$ 2,402,732</u>	<u>\$ (303,674)</u>	<u>\$ 2,099,058</u>

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

NOTE 6 - RESTRICTED FUND BALANCES

At June 30, 2014, the restricted fund balances were made up of the following account balances:

Special revenue funds:	
Local Law Enforcement Grant	\$ 5,250
Jaws of Life	987
Grants - Planning	70,055
Airport Park	2,302
Community Garden	604
Permanent funds:	
Cedar Grove Cemetery	132,179
West Street Cemetery	16,703
Fair Haven Free Library	2,831
	<u>\$ 230,911</u>

TOWN OF FAIR HAVEN, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 7 - COMMITTED FUND BALANCES

At June 30, 2014, the committed fund balances were made up of the following account balances carried forward into the subsequent year's budget:

Special revenue funds:	
Reappraisal	\$ 134,778
Emergency Reserve	181,587
Capital project funds:	
Municipal Building	39,366
Public Works Equipment Replacement	62,366
Fire Equipment Replacement	137,982
Police Cruiser Replacement	33,485
Streets/Sidewalks	148,619
Transfer Station	45,753
Recreation Department	22,571
Bridge Repair	30,380
Hydro Dam Study	872
Listers Equipment/Education	17,090
Records Restoration	12,214
Recreation Building Reserve	45,446
Town Garage Reserve	10,002
Marketing Reserve	4,001
	<u>926,512</u>
	<u><u>\$ 926,512</u></u>

NOTE 8 - ASSIGNED FUND BALANCES

At June 30, 2014, the assigned fund balance was made up of the following account balances carried forward into the subsequent year's budget:

General Fund - amount used in 2014/2015 budget	\$ 190,508
Highway Fund - amount used in 2014/2015 budget	45,000
	<u>235,508</u>
	<u><u>\$ 235,508</u></u>

NOTE 9 - EXPENDITURES OVER APPROPRIATIONS

There were no appropriations that were exceeded by actual expenditures.

TOWN OF FAIR HAVEN, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2014

NOTE 10 - DEFICIT FUND BALANCES

There were no funds with deficit fund balances as of June 30, 2014.

NOTE 11 - PENSION PLAN

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Employees are eligible to participate in the Vermont Municipal Employees' Retirement System (VMERS). 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:

	<u>Group A</u>	<u>Group B</u>	<u>Group C</u>	<u>Group D</u>
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 \$46,888 during the year. The Town contributed \$46,805, \$43,519 and \$42,203 for the fiscal years ended 2014, 2013 and 2012, respectively. The Town's total payroll for all employees during the year was \$943,439, with \$888,405 of such amount related to employees covered by the Vermont Municipal Employees' Retirement System.

NOTE 12 - RISK MANAGEMENT

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

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 12 - RISK MANAGEMENT (CONTINUED)

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

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

To provide insurance coverage, VLCTHT has established a self-funded fully insured program in conjunction with Blue Cross and Blue Shield (BCBS). A portion of member contributions is used to purchase reinsurance and to fund a reserve required by the reinsurance. Benefits available include dental insurance, flexible spending accounts, life insurance, disability insurance, and long-term care insurance. Contributions in excess of claims requirements, reserve fund requirements, reinsurance and administrative costs are returned to participants. The pooling agreement does not permit the pool to make additional assessments to its members.

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

TOWN OF FAIR HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 12 - RISK MANAGEMENT (CONTINUED)

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

NOTE 13 - CONTINGENCIES

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

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

Required Supplementary Information

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

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

TOWN OF FAIR HAVEN, VERMONT

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 220,149	\$ 220,149	\$ 220,149	\$ -
Resources (Inflows):				
Property taxes	3,173,272	3,173,272	3,267,059	93,787
Permits and licenses	3,530	3,530	3,675	145
Charges for services	283,001	283,001	255,805	(27,196)
Investment income	300	300	166	(134)
Miscellaneous revenues	6,165	6,165	17,708	11,543
Transfers from other funds	7,700	7,700	7,653	(47)
Amounts Available for Appropriation	<u>3,694,117</u>	<u>3,694,117</u>	<u>3,772,215</u>	<u>78,098</u>
Charges to Appropriations (Outflows):				
Current:				
General government	275,577	275,577	259,530	16,047
Public safety	389,500	389,500	377,906	11,594
Cemetery	28,858	28,858	28,834	24
Air Park	3,246	3,246	1,505	1,741
Health and welfare	4,025	4,025	3,283	742
Solid waste management	235,619	235,619	214,887	20,732
Education	1,931,600	1,931,600	1,931,600	-
Recreation	55,789	55,789	51,706	4,083
Intergovernmental expense	13,000	13,000	11,116	1,884
Judgements and damages	2,000	2,000	8,732	(6,732)
Benefits	341,800	341,800	296,815	44,985
Voter appropriations	154,416	154,416	150,816	3,600
Debt service	20,948	20,948	20,948	-
Transfers to other funds	203,308	203,308	203,954	(646)
Total Charges to Appropriations	<u>3,659,686</u>	<u>3,659,686</u>	<u>3,561,632</u>	<u>98,054</u>
Budgetary Fund Balance, June 30	<u>\$ 34,431</u>	<u>\$ 34,431</u>	<u>\$ 210,583</u>	<u>\$ 176,152</u>
Utilization of Assigned Fund Balance	\$ -	\$ -	\$ -	\$ -
Utilization of Unassigned Fund Balance	185,718	185,718	-	(185,718)
	<u>\$ 185,718</u>	<u>\$ 185,718</u>	<u>\$ -</u>	<u>\$ (185,718)</u>

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

TOWN OF FAIR HAVEN, VERMONT

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – HIGHWAY FUND
 FOR THE YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, July 1	\$ 123,348	\$ 123,348	\$ 123,348	\$ -
Resources (Inflows):				
Property taxes	332,652	332,652	332,652	-
Intergovernmental	84,000	84,000	87,673	3,673
Miscellaneous revenues	-	-	1,249	1,249
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	<u>540,000</u>	<u>540,000</u>	<u>544,922</u>	<u>4,922</u>
Charges to Appropriations (Outflows):				
Public works administration	67,375	67,375	67,198	177
Summer work	195,451	195,451	162,278	33,173
Winter work	98,346	98,346	112,887	(14,541)
Public works building	20,150	20,150	21,790	(1,640)
Public works equipment	77,631	77,631	84,478	(6,847)
Hydrant replacement	2,699	2,699	281	2,418
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	<u>461,652</u>	<u>461,652</u>	<u>448,912</u>	<u>12,740</u>
Budgetary Fund Balance, June 30	<u>\$ 78,348</u>	<u>\$ 78,348</u>	<u>\$ 96,010</u>	<u>\$ 17,662</u>
Utilization of Committed Fund Balance	\$ -	\$ -	\$ -	\$ -
Utilization of Unassigned Fund Balance	45,000	45,000	-	(45,000)
	<u>\$ 45,000</u>	<u>\$ 45,000</u>	<u>\$ -</u>	<u>\$ (45,000)</u>

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

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

TOWN OF FAIR HAVEN, VERMONT

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
 BUDGET AND ACTUAL – GENERAL FUND REVENUES
 FOR THE YEAR ENDED JUNE 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
REVENUES			
Property taxes:			
Current real property taxes	\$ 3,102,322	\$ 3,174,845	\$ 72,523
Penalties and interest	30,000	54,750	24,750
HS-122 late fees	400	595	195
Interest	20,000	15,948	(4,052)
Railroad tax	550	44	(506)
Payments in lieu of tax	12,000	11,517	(483)
Land use & current use	8,000	9,360	1,360
Permits and licenses:			
Beverage permits	750	835	85
Building permits	1,000	725	(275)
Dog licenses	1,600	1,880	280
Excess weight permits	180	235	55
Charges for services:			
General government	23,638	26,400	2,762
Fire department	4,573	4,541	(32)
Public works	175,500	146,541	(28,959)
Cemetery	9,500	12,948	3,448
Police department	65,000	65,375	375
Timber sales	4,790	-	(4,790)
Investment income	300	166	(134)
Other income:			
Treasury department salary FHGS 1/2	-	1,575	1,575
NSF returned check fee	40	161	121
Insurance reimbursement	500	1,227	727
Other income	5,625	14,745	9,120
Transfers in	7,700	7,653	(47)
Total revenues	<u>\$ 3,473,968</u>	<u>\$ 3,552,066</u>	<u>\$ 78,098</u>

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

TOWN OF FAIR HAVEN, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
GENERAL GOVERNMENT			
Selectboard	\$ 16,200	\$ 14,638	\$ 1,562
Town Manager	46,100	46,493	(393)
Elections unit	3,000	3,155	(155)
Town Treasurer	5,100	5,526	(426)
Accounting department	48,930	48,243	687
Auditing department	8,300	8,250	50
Tax listers	28,527	17,425	11,102
Delinquent tax collecting	-	1,280	(1,280)
Town Clerk	50,850	51,079	(229)
Municipal planning	1,700	830	870
Municipal zoning	17,020	12,115	4,905
Zoning board	700	357	343
Municipal building & grounds	49,150	50,139	(989)
	<u>275,577</u>	<u>259,530</u>	<u>16,047</u>
PUBLIC SAFETY			
Emergency management	1,900	1,129	771
Police department	259,300	255,026	4,274
Police training	1,850	1,665	185
Police vehicles & equipment	21,850	17,851	3,999
Constables	5,300	3,070	2,230
Fire fighting department	11,400	9,644	1,756
Fire department training	5,650	3,710	1,940
Fire department communications	9,650	8,458	1,192
Fire department equipment	23,500	25,962	(2,462)
Fire department warden	200	200	-
Street lights	48,900	51,191	(2,291)
	<u>389,500</u>	<u>377,906</u>	<u>11,594</u>
CEMETERY			
	<u>28,858</u>	<u>28,834</u>	<u>24</u>
AIR PARK			
	<u>3,246</u>	<u>1,505</u>	<u>1,741</u>
HEALTH AND WELFARE			
Public health inspector	1,650	1,500	150
Animal control	2,375	1,783	592
	<u>4,025</u>	<u>3,283</u>	<u>742</u>
SOLID WASTE MANAGEMENT			
	<u>235,619</u>	<u>214,887</u>	<u>20,732</u>
EDUCATION			
	<u>1,931,600</u>	<u>1,931,600</u>	<u>-</u>

SCHEDULE B (CONTINUED)
TOWN OF FAIR HAVEN, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
RECREATION			
Baseball activities	12,900	10,256	2,644
Recreation department	33,300	32,754	546
Special events	4,150	3,757	393
Memberships	5,439	4,939	500
	<u>55,789</u>	<u>51,706</u>	<u>4,083</u>
DEBT SERVICE			
Fire truck principal payment	15,570	15,570	-
Fire truck interest payment	5,378	5,378	-
	<u>20,948</u>	<u>20,948</u>	<u>-</u>
INTERGOVERNMENTAL EXPENSE			
County tax payment	13,000	11,116	1,884
	<u>13,000</u>	<u>11,116</u>	<u>1,884</u>
JUDGEMENTS AND DAMAGES			
	<u>2,000</u>	<u>8,732</u>	<u>(6,732)</u>
BENEFITS			
	<u>341,800</u>	<u>296,815</u>	<u>44,985</u>
VOTER APPROPRIATIONS			
Library	68,800	68,800	-
Rescue squad	27,340	27,340	-
Rutland Mental Health	2,739	2,739	-
Fair Haven Concerned Inc.	26,000	26,000	-
BROC Community Action	2,725	2,725	-
Retired and Senior Volunteer	925	925	-
Southwestern VCA	1,800	1,800	-
RAVNAH	7,087	7,087	-
Association for Retarded Citizens	3,500	3,500	-
Castleton Community Seniors	1,500	1,500	-
Rec Field Improvements	11,500	7,900	3,600
Mentor Connector	500	500	-
	<u>154,416</u>	<u>150,816</u>	<u>3,600</u>
TRANSFERS			
Reserve accounts	203,308	203,954	(646)
	<u>203,308</u>	<u>203,954</u>	<u>(646)</u>
	<u>\$ 3,659,686</u>	<u>\$ 3,561,632</u>	<u>\$ 98,054</u>

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

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2014

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 92,470	\$ 600,985	\$ 5,804	\$ 699,259
Investments	94,971	217,286	151,323	463,580
Accounts receivable	-	-	2,240	2,240
Due from other governments	28,150	-	-	28,150
Due from other funds	208,122	548,210	20,518	776,850
TOTAL ASSETS	<u>\$ 423,713</u>	<u>\$ 1,366,481</u>	<u>\$ 179,885</u>	<u>\$ 1,970,079</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 7,654	\$ 7,654
Due to other funds	28,150	756,334	20,518	805,002
TOTAL LIABILITIES	<u>28,150</u>	<u>756,334</u>	<u>28,172</u>	<u>812,656</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	79,198	-	151,713	230,911
Committed	316,365	610,147	-	926,512
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>395,563</u>	<u>610,147</u>	<u>151,713</u>	<u>1,157,423</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 423,713</u>	<u>\$ 1,366,481</u>	<u>\$ 179,885</u>	<u>\$ 1,970,079</u>

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

TOWN OF FAIR HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Special Revenue Funds	Capital Project Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Interest/Gains & Losses	2,269	1,049	7,751	11,069
Other	130,504	70,276	2,240	203,020
TOTAL REVENUES	<u>132,773</u>	<u>71,325</u>	<u>9,991</u>	<u>214,089</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Public Safety	23,906	-	-	23,906
Public Works	91,336	-	-	91,336
Recreation	-	-	-	-
Cemeteries	-	-	98	98
Other	5,997	-	-	5,997
Capital Outlay	-	106,828	-	106,828
TOTAL EXPENDITURES	<u>121,239</u>	<u>106,828</u>	<u>98</u>	<u>228,165</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,534</u>	<u>(35,503)</u>	<u>9,893</u>	<u>(14,076)</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	10,000	189,164	-	199,164
Operating transfers (out)	-	-	(7,653)	(7,653)
TOTAL OTHER FINANCING SOURCES (USES)	<u>10,000</u>	<u>189,164</u>	<u>(7,653)</u>	<u>191,511</u>
NET CHANGE IN FUND BALANCES	21,534	153,661	2,240	177,435
FUND BALANCES - JULY 1	<u>374,029</u>	<u>456,486</u>	<u>149,473</u>	<u>979,988</u>
FUND BALANCES - JUNE 30	<u>\$ 395,563</u>	<u>\$ 610,147</u>	<u>\$ 151,713</u>	<u>\$ 1,157,423</u>

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

Special Revenue Funds

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

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS

JUNE 30, 2014

	<u>Reappraisal</u>	<u>Local Law Enforcement Grant</u>	<u>Jaws of Life</u>	<u>Grants - Planning</u>	<u>DUI Grant</u>	<u>Highway Safety</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ 5,250	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Due from other governments	-	-	-	-	2,007	-
Due from other funds	134,778	-	987	70,055	-	-
TOTAL ASSETS	<u>\$ 134,778</u>	<u>\$ 5,250</u>	<u>\$ 987</u>	<u>\$ 70,055</u>	<u>\$ 2,007</u>	<u>\$ -</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	2,007	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,007</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	5,250	987	70,055	-	-
Committed	134,778	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>134,778</u>	<u>5,250</u>	<u>987</u>	<u>70,055</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 134,778</u>	<u>\$ 5,250</u>	<u>\$ 987</u>	<u>\$ 70,055</u>	<u>\$ 2,007</u>	<u>\$ -</u>

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2014

	Fire Emergency Reserve	Start Grant	Airport Park	VLCT PACIF	Highway
ASSETS					
Cash and cash equivalents	\$ 86,616	\$ -	\$ -	\$ -	\$ -
Investments	94,971	-	-	-	-
Due from other governments	-	-	-	-	2,935
Due from other funds	-	-	2,302	-	-
TOTAL ASSETS	<u>\$ 181,587</u>	<u>\$ -</u>	<u>\$ 2,302</u>	<u>\$ -</u>	<u>\$ 2,935</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	2,935
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,935</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	2,302	-	-
Committed	181,587	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>181,587</u>	<u>-</u>	<u>2,302</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 181,587</u>	<u>\$ -</u>	<u>\$ 2,302</u>	<u>\$ -</u>	<u>\$ 2,935</u>

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2014

	Community Garden	Vtrans Mechanic St.	USDA River St. Pump	Adam St. Bridge	Homeland PW	Vtrans Depot Bridge	Totals
ASSETS							
Cash and cash equivalents	\$ 604	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,470
Investments	-	-	-	-	-	-	94,971
Due from other governments	-	73	1,853	893	4,820	15,569	28,150
Due from other funds	-	-	-	-	-	-	208,122
TOTAL ASSETS	<u>\$ 604</u>	<u>\$ 73</u>	<u>\$ 1,853</u>	<u>\$ 893</u>	<u>\$ 4,820</u>	<u>\$ 15,569</u>	<u>\$ 423,713</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	73	1,853	893	4,820	15,569	28,150
TOTAL LIABILITIES	<u>-</u>	<u>73</u>	<u>1,853</u>	<u>893</u>	<u>4,820</u>	<u>15,569</u>	<u>28,150</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	604	-	-	-	-	-	79,198
Committed	-	-	-	-	-	-	316,365
Assigned	-	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>604</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>395,563</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 604</u>	<u>\$ 73</u>	<u>\$ 1,853</u>	<u>\$ 893</u>	<u>\$ 4,820</u>	<u>\$ 15,569</u>	<u>\$ 423,713</u>

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

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, 2014

	Reappraisal	Local Law Enforcement Grant	Jaws of Life	Grants - Planning	DUI Grant	Highway Safety
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest/Gains & Losses	672	-	-	187	-	-
Other	10,345	-	-	74	20,688	3,218
TOTAL REVENUES	<u>11,017</u>	<u>-</u>	<u>-</u>	<u>261</u>	<u>20,688</u>	<u>3,218</u>
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	20,688	3,218
Public Works	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>20,688</u>	<u>3,218</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>11,017</u>	<u>-</u>	<u>-</u>	<u>261</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	10,000	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>10,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	21,017	-	-	261	-	-
FUND BALANCES - JULY 1	<u>113,761</u>	<u>5,250</u>	<u>987</u>	<u>69,794</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ 134,778</u>	<u>\$ 5,250</u>	<u>\$ 987</u>	<u>\$ 70,055</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF FAIR HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Fire Emergency Reserve	Start Grant	Airport Park	VLCT PACIF	Highway
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -
Interest/Gains & Losses	1,410	-	-	-	-
Other	-	360	-	4,410	4,922
TOTAL REVENUES	<u>1,410</u>	<u>360</u>	<u>-</u>	<u>4,410</u>	<u>4,922</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	4,922
Recreation	-	-	-	-	-
Other	-	360	832	4,410	-
TOTAL EXPENDITURES	<u>-</u>	<u>360</u>	<u>832</u>	<u>4,410</u>	<u>4,922</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,410</u>	<u>-</u>	<u>(832)</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	-	-	-	-
Operating Transfers (Out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,410	-	(832)	-	-
FUND BALANCES - JULY 1	<u>180,177</u>	<u>-</u>	<u>3,134</u>	<u>-</u>	<u>-</u>
FUND BALANCES - JUNE 30	<u>\$ 181,587</u>	<u>\$ -</u>	<u>\$ 2,302</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF FAIR HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	Community Garden	Vtrans Mechanic St.	USDA River St. Pump	Adam St. Bridge	Homeland PW	Vtrans Depot Bridge	Totals
REVENUES							
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest/Gains & Losses	-	-	-	-	-	-	2,269
Other	-	73	58,414	893	4,820	22,287	130,504
TOTAL REVENUES	-	73	58,414	893	4,820	22,287	132,773
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	23,906
Public Works	-	-	58,414	893	4,820	22,287	91,336
Recreation	-	-	-	-	-	-	-
Other	322	73	-	-	-	-	5,997
TOTAL EXPENDITURES	322	73	58,414	893	4,820	22,287	121,239
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(322)	-	-	-	-	-	11,534
OTHER FINANCING SOURCES (USES)							
Operating Transfers In	-	-	-	-	-	-	10,000
Operating Transfers (Out)	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-	-	10,000
NET CHANGE IN FUND BALANCES	(322)	-	-	-	-	-	21,534
FUND BALANCES - JULY 1	926	-	-	-	-	-	374,029
FUND BALANCES - JUNE 30	\$ 604	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 395,563

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

Capital Project Funds

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

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2014

	<u>Municipal Building</u>	<u>Public Works Equipment Replacement</u>	<u>Fire Equipment Replacement</u>	<u>Police Cruiser Replacement</u>	<u>Streets/ Sidewalks</u>	<u>Transfer Station</u>
ASSETS						
Cash and cash equivalents	\$ 578,414	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	217,286	-	-	-	-	-
Due from other funds	-	62,366	137,982	33,485	148,619	45,753
TOTAL ASSETS	<u>\$ 795,700</u>	<u>\$ 62,366</u>	<u>\$ 137,982</u>	<u>\$ 33,485</u>	<u>\$ 148,619</u>	<u>\$ 45,753</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	756,334	-	-	-	-	-
TOTAL LIABILITIES	<u>756,334</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	39,366	62,366	137,982	33,485	148,619	45,753
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>39,366</u>	<u>62,366</u>	<u>137,982</u>	<u>33,485</u>	<u>148,619</u>	<u>45,753</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 795,700</u>	<u>\$ 62,366</u>	<u>\$ 137,982</u>	<u>\$ 33,485</u>	<u>\$ 148,619</u>	<u>\$ 45,753</u>

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2014

	<u>Recreation Department</u>	<u>Bridge Repair</u>	<u>Hydro Dam Study</u>	<u>Listers Equipment/ Education</u>	<u>Park Fence</u>
ASSETS					
Cash and cash equivalents	\$ 22,571	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-
Due from other funds	-	30,380	872	17,090	-
TOTAL ASSETS	<u>\$ 22,571</u>	<u>\$ 30,380</u>	<u>\$ 872</u>	<u>\$ 17,090</u>	<u>\$ -</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	22,571	30,380	872	17,090	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	<u>22,571</u>	<u>30,380</u>	<u>872</u>	<u>17,090</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 22,571</u>	<u>\$ 30,380</u>	<u>\$ 872</u>	<u>\$ 17,090</u>	<u>\$ -</u>

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
 JUNE 30, 2014

	<u>Records Restoration</u>	<u>COPS Match Reserve</u>	<u>Recreation Building Reserve</u>	<u>Town Garage Reserve</u>	<u>Marketing Reserve</u>	<u>Totals</u>
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 600,985
Investments	-	-	-	-	-	217,286
Due from other funds	12,214	-	45,446	10,002	4,001	548,210
TOTAL ASSETS	<u>\$ 12,214</u>	<u>\$ -</u>	<u>\$ 45,446</u>	<u>\$ 10,002</u>	<u>\$ 4,001</u>	<u>\$ 1,366,481</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	756,334
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>756,334</u>
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	12,214	-	45,446	10,002	4,001	610,147
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	<u>12,214</u>	<u>-</u>	<u>45,446</u>	<u>10,002</u>	<u>4,001</u>	<u>610,147</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,214</u>	<u>\$ -</u>	<u>\$ 45,446</u>	<u>\$ 10,002</u>	<u>\$ 4,001</u>	<u>\$ 1,366,481</u>

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

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, 2014

	<u>Municipal Building</u>	<u>Public Works Equipment Replacement</u>	<u>Fire Equipment Replacement</u>	<u>Police Cruiser Replacement</u>	<u>Streets/ Sidewalks</u>	<u>Transfer Station</u>
REVENUES						
Interest	\$ 158	\$ 173	\$ 461	\$ 3	\$ 12	\$ 162
Other	-	-	-	-	-	-
TOTAL REVENUES	<u>158</u>	<u>173</u>	<u>461</u>	<u>3</u>	<u>12</u>	<u>162</u>
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	8,132	2,429	-	-	45,073	5,960
TOTAL EXPENDITURES	<u>8,132</u>	<u>2,429</u>	<u>-</u>	<u>-</u>	<u>45,073</u>	<u>5,960</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(7,974)</u>	<u>(2,256)</u>	<u>461</u>	<u>3</u>	<u>(45,061)</u>	<u>(5,798)</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	5,000	30,000	28,000	10,000	97,718	5,000
Operating Transfers (Out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,000</u>	<u>30,000</u>	<u>28,000</u>	<u>10,000</u>	<u>97,718</u>	<u>5,000</u>
NET CHANGE IN FUND BALANCES	(2,974)	27,744	28,461	10,003	52,657	(798)
FUND BALANCES - JULY 1	<u>42,340</u>	<u>34,622</u>	<u>109,521</u>	<u>23,482</u>	<u>95,962</u>	<u>46,551</u>
FUND BALANCES - JUNE 30	<u>\$ 39,366</u>	<u>\$ 62,366</u>	<u>\$ 137,982</u>	<u>\$ 33,485</u>	<u>\$ 148,619</u>	<u>\$ 45,753</u>

TOWN OF FAIR HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	<u>Recreation Department</u>	<u>Bridge Repair</u>	<u>Hydro Dam Study</u>	<u>Listers Equipment/ Education</u>	<u>Park Fence</u>
REVENUES					
Interest	\$ 2	\$ 3	\$ 1	\$ 71	\$ -
Other	24,219	-	-	1,612	-
TOTAL REVENUES	<u>24,221</u>	<u>3</u>	<u>1</u>	<u>1,683</u>	<u>-</u>
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Recreation	-	-	-	-	-
Other	-	-	-	-	-
Capital Outlay	19,629	99	10,000	-	1,478
TOTAL EXPENDITURES	<u>19,629</u>	<u>99</u>	<u>10,000</u>	<u>-</u>	<u>1,478</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>4,592</u>	<u>(96)</u>	<u>(9,999)</u>	<u>1,683</u>	<u>(1,478)</u>
OTHER FINANCING SOURCES (USES)					
Operating Transfers In	-	6,000	-	-	-
Operating Transfers (Out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>6,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	4,592	5,904	(9,999)	1,683	(1,478)
FUND BALANCES - JULY 1	<u>17,979</u>	<u>24,476</u>	<u>10,871</u>	<u>15,407</u>	<u>1,478</u>
FUND BALANCES - JUNE 30	<u>\$ 22,571</u>	<u>\$ 30,380</u>	<u>\$ 872</u>	<u>\$ 17,090</u>	<u>\$ -</u>

TOWN OF FAIR HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2014

	<u>Records Restoration</u>	<u>COPS Match Reserve</u>	<u>Recreation Building Reserve</u>	<u>Town Garage Reserve</u>	<u>Marketing Reserve</u>	<u>Totals</u>
REVENUES						
Interest	\$ 1	\$ -	\$ 1	\$ 1	\$ -	\$ 1,049
Other	-	-	44,445	-	-	70,276
TOTAL REVENUES	<u>1</u>	<u>-</u>	<u>44,446</u>	<u>1</u>	<u>-</u>	<u>71,325</u>
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
Capital Outlay	-	14,028	-	-	-	106,828
TOTAL EXPENDITURES	<u>-</u>	<u>14,028</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>106,828</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1</u>	<u>(14,028)</u>	<u>44,446</u>	<u>1</u>	<u>-</u>	<u>(35,503)</u>
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	2,446	-	-	5,000	-	189,164
Operating Transfers (Out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>2,446</u>	<u>-</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>189,164</u>
NET CHANGE IN FUND BALANCES	2,447	(14,028)	44,446	5,001	-	153,661
FUND BALANCES - JULY 1	<u>9,767</u>	<u>14,028</u>	<u>1,000</u>	<u>5,001</u>	<u>4,001</u>	<u>456,486</u>
FUND BALANCES - JUNE 30	<u>\$ 12,214</u>	<u>\$ -</u>	<u>\$ 45,446</u>	<u>\$ 10,002</u>	<u>\$ 4,001</u>	<u>\$ 610,147</u>

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

Permanent Funds

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

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS
JUNE 30, 2014

	Cedar Grove Cemetery	West Street Cemetery	Fair Haven Free Library	Totals
ASSETS				
Cash and cash equivalents	\$ 5,804	\$ -	\$ -	\$ 5,804
Investments	151,323	-	-	151,323
Accounts receivable	2,240	-	-	2,240
Due from other funds	-	17,545	2,973	20,518
TOTAL ASSETS	<u>\$ 159,367</u>	<u>\$ 17,545</u>	<u>\$ 2,973</u>	<u>\$ 179,885</u>
LIABILITIES				
Accounts payable	\$ 6,670	\$ 842	\$ 142	\$ 7,654
Due to other funds	20,518	-	-	20,518
TOTAL LIABILITIES	<u>27,188</u>	<u>842</u>	<u>142</u>	<u>28,172</u>
FUND BALANCES				
Restricted	132,179	16,703	2,831	151,713
TOTAL FUND BALANCES	<u>132,179</u>	<u>16,703</u>	<u>2,831</u>	<u>151,713</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 159,367</u>	<u>\$ 17,545</u>	<u>\$ 2,973</u>	<u>\$ 179,885</u>

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

TOWN OF FAIR HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2014

	Cedar Grove Cemetery	West Street Cemetery	Fair Haven Free Library	Totals
REVENUES				
Interest	\$ 6,767	\$ 842	\$ 142	\$ 7,751
Other	2,240	-	-	2,240
TOTAL REVENUES	<u>9,007</u>	<u>842</u>	<u>142</u>	<u>9,991</u>
EXPENDITURES				
Other	98	-	-	98
TOTAL EXPENDITURES	<u>98</u>	<u>-</u>	<u>-</u>	<u>98</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>8,909</u>	<u>842</u>	<u>142</u>	<u>9,893</u>
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	(6,669)	(842)	(142)	(7,653)
TOTAL OTHER FINANCING (USES)	<u>(6,669)</u>	<u>(842)</u>	<u>(142)</u>	<u>(7,653)</u>
NET CHANGE IN FUND BALANCES	2,240	-	-	2,240
FUND BALANCES - JULY 1	<u>129,939</u>	<u>16,703</u>	<u>2,831</u>	<u>149,473</u>
FUND BALANCES - JUNE 30	<u>\$ 132,179</u>	<u>\$ 16,703</u>	<u>\$ 2,831</u>	<u>\$ 151,713</u>

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

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 position.

TOWN OF FAIR HAVEN, VERMONT

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2014

	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	983,380	-	991,919
Public works	-	3,558	908,530	2,081,772	2,993,860
Solid waste management	-	4,938	47,174	-	52,112
Cemetery	3,253	-	8,848	-	12,101
Recreation	-	7,900	9,720	58,777	76,397
Water and sewer fund	752	3,620,600	327,314	4,949,600	8,898,266
Total General Capital Assets	35,837	3,750,657	2,301,105	7,103,516	13,191,115
Less: Accumulated Depreciation	-	(1,907,296)	(1,720,376)	(2,010,248)	(5,637,920)
Net General Capital Assets	\$ 35,837	\$ 1,843,361	\$ 580,729	\$ 5,093,268	\$ 7,553,195

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

TOWN OF FAIR HAVEN, VERMONT

SCHEDULE OF CHANGES IN GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2014

	General Capital Assets 7/1/13	Additions	Deletions	General Capital Assets 6/30/14
General government	\$ 166,460	\$ -	\$ -	\$ 166,460
Public safety	991,919	-	-	991,919
Public works	2,982,295	11,565	-	2,993,860
Solid waste management	52,112	-	-	52,112
Cemetery	12,101	-	-	12,101
Recreation	68,497	7,900	-	76,397
Water and sewer fund	<u>8,731,266</u>	<u>167,000</u>	<u>-</u>	<u>8,898,266</u>
Total General Capital Assets	13,004,650	186,465	-	13,191,115
Less: Accumulated Depreciation	<u>(5,294,671)</u>	<u>(343,249)</u>	<u>-</u>	<u>(5,637,920)</u>
Net General Capital Assets	<u>\$ 7,709,979</u>	<u>\$ (156,784)</u>	<u>\$ -</u>	<u>\$ 7,553,195</u>

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