Audited Financial Statements and
Other Financial Information

Town of Fair Haven, Vermont

June 30, 2015

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RHR SMITH & COMPANY
Certified Public Accountants

Proven Expertise and Integrity

TOWN OF FAIR HAVEN, VERMONT

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JUNE 30, 2015

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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, 2015, 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 involves performing procedures to obtain audit evidence about 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 evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the 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, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance 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, budgetary comparison information, and pension information on pages 4 through 11 on pages 48 through 51 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.

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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. Such 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 as a whole.

Buxton, Maine
Vermont Registration No. 092.0000697
October 10, 2015

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REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2015

(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, 2015. 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, deferred outflows of resources, liabilities and deferred inflows of resources 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.

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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

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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.

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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 $93,399 from $4.21 million to $4.30 million. For the business-type activities the Town's total net position decreased by $54,380 from $3.09 million to $3.03 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 $160,537 to a balance of $1,704,387 at the end of the fiscal year. For the business-type activities, the unrestricted net position decreased by $164,215 to a balance of $203,742.

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

	Governmental Activities		Business-type Activites	
	2015	2014	2015	2014
Assets:				
Current and Other Assets	$ 2,261,333	$ 2,004,858	$ 384,580	$ 393,281
Capital Assets	2,455,053	2,542,789	4,834,072	5,010,406
Total Assets	4,716,386	4,547,647	5,218,652	5,403,687
Deferred Outflows of Resources:				
Deferred Amount on Pensions	50,039	49,950	-	-
Total Deferred Inflows of Resources	50,039	49,950	-	-
Liabilities:				
Current Liabilities	249,722	107,230	318,426	185,133
Long-term Debt Outstanding	113,890	233,139	1,868,725	2,132,673
Total Liabilities	363,612	340,369	2,187,151	2,317,806
Deferred Inflows of Resources:				
Deferred Amount on Pensions	102,114	49,928	-	-
Total Deferred Inflows of Resources	102,114	49,928	-	-
Net Position:				
Net Investment in Capital Assets	2,360,553	2,432,539	2,827,759	2,717,924
Restricted: Special Revenue Funds	78,823	79,198	-	-
Permanent Funds	156,936	151,713	-	-
Unrestricted	1,704,387	1,543,850	203,742	367,957
Total Net Position	$ 4,300,699	$ 4,207,300	$ 3,031,501	$ 3,085,881

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Revenues and Expenses

Revenues for the Town's governmental activities decreased by 9.36%, while total expenses decreased by 6.63%. For the business-type activities revenues decreased by 7.91%, while total expenses decreased by 11.02%.

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

	Governmental Activities		Business-type Activities	
	2015	2014	2015	2014
Revenues				
Taxes	$ 3,466,364	$ 3,522,255	$ -	$ -
Intergovernmental	62,172	87,673	-	-
Charges for services	272,752	259,480	738,856	801,055
Miscellaneous	181,152	524,053	58,121	64,383
Total Revenues	3,982,440	4,393,461	796,977	865,438
Expenses				
General government	276,531	267,691	-	-
Public safety	438,467	470,295	-	-
Public works	539,724	623,561	-	-
Cemetery	35,593	29,522	-	-
Air park	1,223	1,505	-	-
Health and welfare	3,008	3,283	-	-
Solid waste management	167,586	218,197	-	-
Education	1,822,148	1,931,600	-	-
Recreation	53,774	53,530	-	-
Intergovernmental	10,774	11,116	-	-
Judgements and damages	18,108	8,732	-	-
Benefits	289,679	296,815	-	-
Voter appropriations	148,441	150,816	-	-
Other	79,437	5,997	-	-
Interest on long-term debt	4,548	5,378	-	-
Water and sewer	-	-	851,357	956,757
Capital outlay	-	87,363	-	-
Total Expenses	3,889,041	4,165,401	851,357	956,757
Transfers	-	(4,790)	-	4,790
Change in Net Position	93,399	223,270	(54,380)	(86,529)
Net Position - July 1, Restated	4,207,300	3,984,030	3,085,881	3,172,410
Net Position - June 30	$ 4,300,699	$ 4,207,300	$ 3,031,501	$ 3,085,881

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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,

	2015	2014
General Fund:		
Nonspendable	$ 31,056	$ -
Assigned	170,583	190,508
Unassigned	107,871	20,075
Total General Fund	$ 309,510	$ 210,583
Highway Fund:		
Assigned	$ 96,009	$ 45,000
Unassigned	(9,304)	51,009
Total Highway Fund	$ 86,705	$ 96,009
Nonmajor Funds:		
Special Revenue Funds:		
Restricted	$ 78,823	$ 79,198
Committed	333,361	316,365
Assigned	-	-
Capital Project Funds:		
Committed	644,825	610,147
Permanent Funds:		
Restricted	156,936	151,713
Total Nonmajor Funds	$ 1,213,945	$ 1,157,423

The general fund total fund balance increased by $98,927 from the prior fiscal year. The highway fund total fund balance decreased by $9,304. The non-major fund balances increased by $56,522 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 a decrease in net position of $46,497 compared with an increase of $40,406 last year. The sewer fund had a decrease in net position for the year of $49,514 compared with a decrease of $70,719 last year. The water and sewer reserve fund had an increase in net position of $32,523 compared with an increase of $67,654 for last year.

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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 $67,634. This was a result of property taxes being over budget along with charge for services.

The general fund actual expenditures were under budget by $31,293. The highway fund actual expenditures were over budget by $15,187. There were minor over-expenditures in both the general fund and highway fund.

Capital Asset and Debt Administration

Capital Assets

As of June 30, 2015, the net book value of capital assets recorded by the Town decreased by $264,070 from the prior year. The decrease is the result of current year depreciation of $326,565 less capital asset additions of $62,495.

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

	2015	2014
Land	$ 35,837	$ 35,837
Buildings	1,652,053	1,713,145
Building improvements	128,312	130,216
Equipment	331,954	334,598
Vehicles	177,429	246,131
Infrastructure	4,963,540	5,093,268
Total	$ 7,289,125	$ 7,553,195

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Debt

At June 30, 2015, the Town had $2,263,861 in notes and bonds outstanding versus $2,402,732 last year, a decrease of 5.78%. 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.

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TOWN OF FAIR HAVEN, VERMONT

STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash	$ 1,440,654	$ 283,768	$ 1,724,422
Investments	346,181	-	346,181
Accounts receivable (net of allowance for uncollectibles):			
Delinquent taxes receivable	175,994	-	175,994
Penalties receivable	8,884	-	8,884
Other	20,931	47,784	68,715
Notes	290,661	-	290,661
Tax acquired property	31,056	-	31,056
Internal balances	(53,028)	53,028	-
Total current assets	2,261,333	384,580	2,645,913
Noncurrent assets:			
Capital assets:			
Land, infrastructure, and other assets not being depreciated	35,085	752	35,837
Buildings and vehicles net of accumulated depreciation	2,419,968	4,833,320	7,253,288
Total noncurrent assets	2,455,053	4,834,072	7,289,125
TOTAL ASSETS	4,716,386	5,218,652	9,935,038
DEFERRED OUTFLOWS OF RESOURCES			
Deferred amount on pensions	50,039	-	50,039
TOTAL DEFERRED OUTFLOWS OF RESOURCES	50,039	-	50,039
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 4,766,425	$ 5,218,652	$ 9,985,077
LIABILITIES			
Current liabilities:			
Accounts payable	$ 170,931	$ 13,802	$ 184,733
Accrued payroll	22,247	-	22,247
Other accrued payables	15,309	3,987	19,296
Other liabilities	-	163,049	163,049
Current portion of long-term obligations	41,235	137,588	178,823
Total current liabilities	249,722	318,426	568,148
Noncurrent liabilities:			
Noncurrent portion of long-term obligations:			
Bonds payable	78,750	1,868,725	1,947,475
Accrued compensated absences	27,510	-	27,510
Net pension liability	7,630	-	7,630
Total noncurrent liabilities	113,890	1,868,725	1,982,615
TOTAL LIABILITIES	363,612	2,187,151	2,550,763
DEFERRED INFLOWS OF RESOURCES			
Deferred amount on pensions	102,114	-	102,114
TOTAL DEFERRED INFLOWS OF RESOURCES	102,114	-	102,114
NET POSITION			
Net investment in capital assets	2,360,553	2,827,759	5,188,312
Restricted	235,759	-	235,759
Unrestricted	1,704,387	203,742	1,908,129
TOTAL NET POSITION	4,300,699	3,031,501	7,332,200
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 4,766,425	$ 5,218,652	$ 9,985,077

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

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TOWN OF FAIR HAVEN, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015

		Program Revenues			Net (Expense) Revenue & Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	$ 276,531	$ 23,126	$ -	$ -	$ (253,405)	$ -	$ (253,405)
Public safety	438,467	63,293	27,198	-	(347,976)	-	(347,976)
Public works	539,724	172,981	32,996	-	(333,747)	-	(333,747)
Cemetery	35,593	13,352	-	-	(22,241)	-	(22,241)
Air park	1,223	-	-	-	(1,223)	-	(1,223)
Health and welfare	3,008	-	-	-	(3,008)	-	(3,008)
Solid waste management	167,586	-	-	-	(167,586)	-	(167,586)
Education	1,822,148	-	-	-	(1,822,148)	-	(1,822,148)
Recreation	53,774	-	-	-	(53,774)	-	(53,774)
Intergovernmental	10,774	-	-	-	(10,774)	-	(10,774)
Judgements and damages	18,108	-	-	-	(18,108)	-	(18,108)
Benefits	289,679	-	-	-	(289,679)	-	(289,679)
Voter appropriations	148,441	-	-	-	(148,441)	-	(148,441)
Other	79,437	-	1,978	-	(77,459)	-	(77,459)
Interest on long-term debt	4,548	-	-	-	(4,548)	-	(4,548)
Total governmental activities	3,889,041	272,752	62,172	-	(3,554,117)	-	(3,554,117)
Business-type activities:							
Water fund	401,256	331,466	-	-	-	(69,790)	(69,790)
Sewer fun	416,056	407,390	-	-	-	(8,666)	(8,666)
Water and sewer reserve fund	34,045	-	-	-	-	(34,045)	(34,045)
Total business-type activities	851,357	738,856	-	-	-	(112,501)	(112,501)
Total government	$ 4,740,398	$ 1,011,608	$ 62,172	$ -	(3,554,117)	(112,501)	(3,666,618)

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TOWN OF FAIR HAVEN, VERMONT

STATEMENT OF ACTIVITIES (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense) revenue	(3,554,117)	(112,501)	(3,666,618)
General revenues:			
Taxes			
Property taxes, levied for general purposes	3,466,364	-	3,466,364
Miscellaneous	181,152	58,121	239,273
Total general revenues	3,647,516	58,121	3,705,637
Transfers	-	-	-
Change in net position	93,399	(54,380)	39,019
NET POSITION - JULY 1, Restated	4,207,300	3,085,881	7,293,181
NET POSITION - JUNE 30	$ 4,300,699	$ 3,031,501	$ 7,332,200

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

STATEMENT C

TOWN OF FAIR HAVEN, VERMONT

BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015

	General Fund	Highway Fund	All Nonmajor Funds	Total
ASSETS				
Cash and cash equivalents	$ 569,278	$ -	$ 871,376	$ 1,440,654
Investments	-	-	346,181	346,181
Accounts receivable (net of allowance for uncollectibles):				
Delinquent taxes receivable	175,994	-	-	175,994
Penalties receivable	8,884	-	-	8,884
Other	1,976	-	18,955	20,931
Notes	290,661	-	-	290,661
Tax acquired property	31,056	-	-	31,056
Due from other funds	-	205,473	855,020	1,060,493
TOTAL ASSETS	$ 1,077,849	$ 205,473	$ 2,091,532	$ 3,374,854
LIABILITIES				
Accounts payable	$ 53,852	$ 110,431	$ 6,648	$ 170,931
Accrued payroll	15,188	7,059	-	22,247
Other accrued payables	14,031	1,278	-	15,309
Due to other funds	242,582	-	870,939	1,113,521
TOTAL LIABILITIES	325,653	118,768	877,587	1,322,008
DEFERRED INFLOWS OF RESOURCES				
Deferred tax revenues	152,025	-	-	152,025
Deferred notes receivable	290,661	-	-	290,661
TOTAL DEFERRED INFLOWS OF RESOURCES	442,686	-	-	442,686
FUND BALANCES				
Nonspendable	31,056	-	-	31,056
Restricted	-	-	235,759	235,759
Committed	-	-	978,186	978,186
Assigned	170,583	96,009	-	266,592
Unassigned	107,871	(9,304)	-	98,567
TOTAL FUND BALANCES	309,510	86,705	1,213,945	1,610,160
TOTAL LIABILITIES, FUND BALANCES AND DEFERRED INFLOWS OF RESOURCES	$ 1,077,849	$ 205,473	$ 2,091,532	$ 3,374,854

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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, 2015

	Total Governmental Funds
Total Fund Balances	$ 1,610,160
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	2,455,053
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	152,025
Notes receivable	290,661
Deferred outflows of resources are not financial resources and therefore are not reported in the funds	50,039
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Bonds payable	(94,500)
Accrued compensated absences	(27,510)
Net pension liability	(33,115)
Deferred inflows of resources are not financial resources and therefore are not reported in the funds	(102,114)
Net position of governmental activities	$ 4,300,699

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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, 2015

	General Fund	Highway Fund	All Nonmajor Funds	Totals Governmental Funds
REVENUES				
Taxes	$ 3,119,137	$ 379,209	$ -	$ 3,498,346
Intergovernmental	-	87,743	62,172	149,915
Charges for services	272,752	-	-	272,752
Miscellaneous revenues	44,546	2,140	46,723	93,409
TOTAL REVENUES	3,436,435	469,092	108,895	4,014,422
EXPENDITURES				
Current:				
General government	266,792	-	63,211	330,003
Public safety	385,301	-	-	385,301
Public works	-	478,396	-	478,396
Cemetery	28,256	-	6,747	35,003
Air park	1,223	-	-	1,223
Health and welfare	3,008	-	-	3,008
Solid waste management	194,959	-	-	194,959
Education	1,822,148	-	-	1,822,148
Recreation	51,499	-	-	51,499
Intergovernmental	10,774	-	-	10,774
Judgements and damages	18,108	-	-	18,108
Benefits	289,679	-	-	289,679
Voter appropriations	148,441	-	-	148,441
Other	-	-	79,437	79,437
Debt service	20,298	-	-	20,298
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	3,240,486	478,396	149,395	3,868,277
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	195,949	(9,304)	(40,500)	146,145
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	97,022	97,022
Transfers (out)	(97,022)	-	-	(97,022)
TOTAL OTHER FINANCING SOURCES (USES)	(97,022)	-	97,022	-
NET CHANGE IN FUND BALANCES	98,927	(9,304)	56,522	146,145
FUND BALANCES - JULY 1	210,583	96,009	1,157,423	1,464,015
FUND BALANCES - JUNE 30	$ 309,510	$ 86,705	$ 1,213,945	$ 1,610,160

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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, 2015

Net change in fund balances - total governmental funds (Statement E)	$ 146,145
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 allocated to those expenditures over the life of the assets:	
Capital asset purchases	51,278
Depreciation expense	(139,014)
	(87,736)
Revenues in the Statement of Activities that do not provide current financial resources are not reported.	
Taxes and liens receivable	(31,982)
	(31,982)
Deferred outflows of resources is a consumption of net assets by the government that are applicable to a future reporting period and therefore are not reported in the funds.	50,039
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	15,750
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in govermental funds:	
Accrued compensated absences	4,417
Net pension liability	98,880
	103,297
Deferred inflows of resources are a consumption of net assets by the government that are applicable to a future reporting period and therefore are not reported in the funds.	(102,114)
Change in net position of governmental activities (Statement B)	$ 93,399

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

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TOWN OF FAIR HAVEN, VERMONT

BALANCE SHEET – PROPRIETARY FUNDS
JUNE 30, 2015

	Enterprise Funds			
	Water Fund	Sewer Fund	Water & Sewer Reserve Fund	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ -	$ -	$ 283,768	$ 283,768
Accounts receivable (net of allowance for uncollectibles)	21,268	26,516	-	47,784
Due from other funds	74,883	-		74,883
Total current assets	96,151	26,516	283,768	406,435
Capital assets:				
Sewer assets	-	3,689,192	-	3,689,192
Water assets	5,220,291	-	-	5,220,291
Total capital assets	5,220,291	3,689,192	-	8,909,483
Less: accumulated depreciation	(2,060,136)	(2,015,275)	-	(4,075,411)
Net capital assets	3,160,155	1,673,917	-	4,834,072
TOTAL ASSETS	$ 3,256,306	$ 1,700,433	$ 283,768	$ 5,240,507
LIABILITIES AND NET POSITION				
Current liabilities:				
Accounts payable	$ 3,690	$ 10,112	$ -	$ 13,802
Accrued payroll	2,469	1,518	-	3,987
Due to other funds	-	21,855	-	21,855
Other liabilities	129,056	33,993	-	163,049
Current portion of long-term liabilities	65,438	72,150	-	137,588
Total current liabilities	200,653	139,628	-	340,281
Long-term liabilities:				
Bonds payable, net of current portion	1,497,655	371,070	-	1,868,725
Total long-term liabilities	1,497,655	371,070	-	1,868,725
Total liabilities	1,698,308	510,698	-	2,209,006
NET POSITION				
Net investment in capital assets	1,597,062	1,230,697	-	2,827,759
Unrestricted	(39,064)	(40,962)	283,768	203,742
TOTAL NET POSITION	1,557,998	1,189,735	283,768	3,031,501
TOTAL LIABILITIES AND NET POSITION	$ 3,256,306	$ 1,700,433	$ 283,768	$ 5,240,507

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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, 2015

	Enterprise Funds			
	Water Fund	Sewer Fund	Water & Sewer Reserve Fund	Total
OPERATING REVENUES				
Charges for services	$ 331,466	$ 407,390	$ -	$ 738,856
Other	48,293	8,260	1,568	58,121
TOTAL OPERATING REVENUES	379,759	415,650	1,568	796,977
OPERATING EXPENSES				
Payroll	201,336	165,173	-	366,509
Supplies	27,778	30,308	-	58,086
Equipment	7,490	4,549	-	12,039
Purchased services	17,419	14,296	-	31,715
Repairs and maintenance	1,545	1,518	-	3,063
Utilities	19,380	59,331	-	78,711
Bio-solid management	-	34,266	-	34,266
Benefits	-	8,074	34,045	42,119
Miscellaneous	12,371	-	-	12,371
Depreciation	93,602	93,949	-	187,551
TOTAL OPERATING EXPENSES	380,921	411,464	34,045	826,430
OPERATING INCOME (LOSS)	(1,162)	4,186	(32,477)	(29,453)
NON-OPERATING REVENUE (EXPENSES)				
Interest expense	(20,335)	(4,592)	-	(24,927)
NET NON-OPERATING REVENUE (EXPENSES)	(20,335)	(4,592)	-	(24,927)
INCOME (LOSS) BEFORE TRANSFERS	(21,497)	(406)	(32,477)	(54,380)
TRANSFERS IN	-	-	65,000	65,000
TRANSFERS OUT	(25,000)	(40,000)	-	(65,000)
CHANGE IN NET POSITION	(46,497)	(40,406)	32,523	(54,380)
NET POSITION - JULY 1	1,604,495	1,230,141	251,245	3,085,881
NET POSITION - JUNE 30	$ 1,557,998	$ 1,189,735	$ 283,768	$ 3,031,501

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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, 2015

	Enterprise Funds			
	Water Fund	Sewer Fund	Water & Sewer Reserve Fund	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers	$ 389,094	$ 423,486	$ 1,568	$ 814,148
Internal activity - receipts (payments) from/to other funds	35,820	(11,767)	-	24,053
Payments to suppliers	39,964	(122,775)	(34,045)	(116,856)
Payments to employees	(201,336)	(165,173)	-	(366,509)
Net cash provided (used) by operating activities	263,542	123,771	(32,477)	354,836
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	-	-	-	-
Net cash provided by investing activities	-	-	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets	-	(11,217)	-	(11,217)
Transfer to/from reserve fund	(25,000)	(40,000)	65,000	-
Proceeds from bond anticipation note	-	-	-	-
Principal payments on bonds and notes payable	(218,207)	(67,962)	-	(286,169)
Interest payments on bonds and notes payable	(20,335)	(4,592)	-	(24,927)
Net cash provided (used) by capital and related financing activities	(263,542)	(123,771)	65,000	(322,313)
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	-	32,523	32,523
CASH AND CASH EQUIVALENTS - JULY 1	-	-	251,245	251,245
CASH AND CASH EQUIVALENTS - JUNE 30	$ -	$ -	$ 283,768	$ 283,768

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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, 2015

	Enterprise Funds			
	Water Fund	Sewer Fund	Water & Sewer Reserve Fund	Total
RECONCILIATION OF OPERATING (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:				
Operating (loss)	$ (1,162)	$ 4,186	$ (32,477)	$ (29,453)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	93,602	93,949	-	187,551
Changes in operating assets and liabilities:				
(Increase) decrease in accounts receivable	9,335	7,836	-	17,171
(Increase) decrease in due from other funds	35,820	-	-	35,820
Increase (decrease) in accounts payable	(3,552)	(1,726)	-	(5,278)
Increase (decrease) in accrued expenses	443	(2,700)	-	(2,257)
Increase (decrease) in other liabilities	129,056	33,993	-	163,049
Increase (decrease) in due to other funds	-	(11,767)	-	(11,767)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	$ 263,542	$ 123,771	$ (32,477)	$ 354,836
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:				
Cash paid during the year for:				
Interest	$ 20,335	$ 4,592	$ -	$ 24,927

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

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 Statements No. 39 and No. 61.

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 – net investment in capital assets; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

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

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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:

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- 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.

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. Any residual balances outstanding between governmental activities and business-type activities are reported in the governmental-wide financial statements as "internal balances".

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, 2015.

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.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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, 2015, the Town's liability for compensated absences is $27,510.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Participating Local District (PLD)

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidated Plan and additions to/deductions from the PLD Consolidated Plan's fiduciary net position have been determined on the same basis as they are reported by the PLD Consolidated Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net investment in capital assets 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.

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.

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town has only one type of this item, deferred amount on pensions, which arises only under an accrual basis of accounting that qualifies for reporting in this category.

In addition to liabilities, the statement of financial position and or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town has only one type of item, deferred tax revenues, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes and deferred amounts on pensions also qualify for reporting in this category. Prepaid taxes is reported in both the statements of net

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

position and governmental funds balance sheet and deferred amounts on pensions is reported in only the statement of net position. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

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

Program Revenues

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

Operating/Non-Operating Proprietary Fund Revenues

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

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 - DEPOSITS 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.

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NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

Deposits:

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, 2015, the Town's cash balance of $1,724,422 was comprised of deposits amounting to $1,785,586. Of these deposits, $257,352 was insured by federal depository insurance and consequently was not exposed to custodial credit risk and $1,717,070 was collateralized with securities held by the financial institution but not in the Town's name.

Account Type	Bank Balance
Checking accounts	$ 1,778,233
Money market accounts	7,353
	$ 1,785,586

Investments:

At June 30, 2015, the Town's investments of $346,181 were comprised of government securities that were not exposed to custodial credit risk. The certificates of deposit were insured by federal depository insurance.

Account Type	Bank Balance	Current	1 Year	2 - 5 Years
Government securities	$ 254,568	N/A	$ -	$ -
Certificates of deposit	91,613	-	91,613	-
	$ 346,181	$ -	$ 91,613	$ -

Credit risk – Statutes for the State of Vermont authorize the Corporation 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 statutory limits, financial institutions, mutual funds and repurchase agreements. The Corporation does not have an investment policy on credit risk.

Interest rate risk – is the risk that changes in interest rates will adversely affect the fair value of an investment. The Corporation does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

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NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

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, 2015 consisted of the following individual fund receivables and payables.

	Receivables (Due from)	Payables (Due to)
General Fund	$ -	$ 242,582
Highway Fund	205,473	-
Special Revenue Funds	255,002	46,624
Capital Project Funds	580,484	804,781
Permanent Funds	19,534	19,534
Enterprise Funds	74,883	21,855
	$ 1,135,376	$ 1,135,376

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets at June 30, 2015:

	Balance, 7/1/14	Additions	Disposals	Balance, 6/30/15
Governmental activities				
Non-depreciated assets:				
Land	$ 35,085	$ -	$ -	$ 35,085
	35,085	-	-	35,085
Depreciated assets:				
Buildings	36,939	5,029	-	41,968
Building improvements	85,218	4,095	-	89,313
Equipment	487,396	28,654	-	516,050
Vehicles	1,486,395	13,500	-	1,499,895
Land Improvements	7,900	-	-	7,900
Infrastructure	2,153,916	-	-	2,153,916
	4,257,764	51,278	-	4,309,042
Less: accumulated depreciation	(1,750,060)	(139,014)	-	(1,889,074)
	2,507,704	(87,736)	-	2,419,968
Net governmental capital assets	$ 2,542,789	$ (87,736)	$ -	$ 2,455,053

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NOTE 4 - CAPITAL ASSETS (CONTINUED)

	Balance, 7/1/14	Additions	Disposals	Balance, 6/30/15
Business-type activities				
Non-depreciated assets:				
Land	$ 752	$ -	$ -	$ 752
	752	-	-	752
Depreciated assets:				
Buildings	3,539,391	-	-	3,539,391
Building improvements	81,209	-	-	81,209
Equipment	230,140	11,217	-	241,357
Vehicles	97,174	-	-	97,174
Infrastructure	4,949,600	-	-	4,949,600
	8,897,514	11,217	-	8,908,731
Less: accumulated depreciation	(3,887,860)	(187,551)	-	(4,075,411)
	5,009,654	(176,334)	-	4,833,320
Net business-type capital assets	$ 5,010,406	$ (176,334)	$ -	$ 4,834,072

Current year depreciation:	
General government	$ 4,845
Public safety	66,666
Public works	61,328
Solid waste management	3,310
Cemetery	590
Recreation	2,275
	139,014
Water and Sewer Fund	187,551
Total depreciation expense	$ 326,565

NOTE 5 - LONG TERM DEBT

The following is a summary of changes in the long-term debt for the year ended June 30, 2015:

	Balance, 7/1/14	Additions	Deletions	Balance, 6/30/15	Current Portion
Governmental-type activities:					
Bonds payable	$ 2,292,482	$ -	$ (123,121)	$ 2,169,361	$ 163,073
Accrued compensated absences	31,927	-	(4,417)	27,510	2,751
Net pension liability	131,995	3,345	(102,225)	33,115	25,485
Totals	$ 2,456,404	$ 3,345	$ (127,538)	$ 2,196,871	$ 165,824

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NOTE 5 - LONG TERM DEBT (CONTINUED)

	Balance, 7/1/14	Additions	Deletions	Balance, 6/30/15	Current Portion
Business-type activities:					
Bonds payable	$ 110,250	$ -	$ (15,750)	$ 94,500	$ 15,750
Totals	$ 110,250	$ -	$ (15,750)	$ 94,500	$ 15,750

The following is a summary of outstanding bonds payable:

Bonds payable:	
Governmental activities:	
$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.	$ 94,500
Total governmental activities - bonds	94,500
Business-type activities:	
$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.	204,571
$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.	214,554
$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.	1,487,578
$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.	101,227
$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.	161,431
Total business-type activities - bonds payable	2,169,361
Total bonds payable	$ 2,263,861

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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:

	Principal	Interest	Total Debt Service
2016	$ 178,823	$ (19,342)	$ 159,481
2017	180,033	(21,293)	158,740
2018	181,616	(23,612)	158,004
2019	183,596	(26,324)	157,272
2020	124,095	(27,080)	97,015
2021-2025	472,652	(112,355)	360,297
2025-2030	330,234	(70,620)	259,614
2031-2035	291,037	(35,251)	255,786
2036-2040	257,943	(5,985)	251,958
2041-2045	40,509	6,569	47,078
2046-2050	21,170	2,110	23,280
2051-2055	2,153	32	2,185
	$ 2,263,861	$ (333,151)	$ 1,930,710

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 - NONSPENDABLE FUND BALANCES

At June 30, 2015, the nonspendable fund balances were made up of the following account balances:

General fund:	
Tax acquired property	$ 31,056

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NOTE 7 - RESTRICTED FUND BALANCES

At June 30, 2015, the restricted fund balances were made up of the following account balances:

Special revenue funds:		
Local Law Enforcement Grant	$	5,251
Jaws of Life		987
Grants - Planning		70,199
Airport Park		1,781
Community Garden		605
Permanent funds:		
Cedar Grove Cemetery		137,402
West Street Cemetery		16,703
Fair Haven Free Library		2,831
	$	235,759

NOTE 8 - COMMITTED FUND BALANCES

At June 30, 2015, the committed fund balances were made up of the following account balances carried forward into the subsequent year's budget:

Special revenue funds:		
Reappraisal	$	151,326
Emergency Reserve		180,035
Capital projects funds:		
Municipal Building		36,882
Public Works Equipment Replacement		89,414
Fire Equipment Replacement		158,635
Police Cruiser Replacement		27,989
Streets/Sidewalks		149,203
Transfer Station		20,181
Recreation Department		27,459
Bridge Repair		33,799
Hydro Dam Study		872
Listers Equipment/Education		16,698
Records Restoration		14,237
Recreation Building Reserve		45,451
Town Garage Reserve		20,004
Marketing Reserve		4,001
	$	976,186

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NOTE 9 - ASSIGNED FUND BALANCES

At June 30, 2015, 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 2015/2016 budget	$	170,583
Highway Fund - amount used in 2015/2016 budget		96,009
	$	266,592

NOTE 10 - EXPENDITURES OVER APPROPRIATIONS

The following appropriations were exceeded by actual expenditures:

		Excess
Solid waste management	$	2,245
Judgements and damages		16,108
	$	18,353

NOTE 11 - DEFICIT FUND BALANCES

There were no funds with deficit fund balances as of June 30, 2015.

NOTE 12 - PENSION PLAN

VERMONT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. The plan was established effective July 1, 1975, and is governed by *Title 24, V.S.A. Chapter 125*. It is designed for school districts and other municipal employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. Employees of the Town other than Teachers are eligible to participate in the VMERS providing they work on a regular basis for not less than 30 hours a week and for not less than 1,040 hours for the school year.

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NOTE 12 - PENSION PLAN (CONTINUED)

The general administration and responsibility for formulating administrative policy and procedures of the Retirement System for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives-one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Comprehensive Annual Financial Report (CAFR). The CAFR may be viewed on the State's Department of Finance & Management website at: http://finance.vermont.gov/reports_and_publications/cafr.

Benefits Provided

The pension plan is divided into four membership groups:

- Group A – general employees whose legislative bodies have not elected to become a member of Group B or Group C
- Groups B & C – general employees whose legislative bodies have elected to become members of Group B or Group C
- Group D – sworn police officers, firefighters and emergency medical personnel

The Town participates in Groups A, B and C. Benefits available to each group are based on average final compensation (AFC) and years of creditable service, and are summarized below:

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NOTE 12 - PENSION PLAN (CONTINUED)

VMERS	**Group A**	**Group B**	**Group C**	**Group D**
Normal service retirement eligibility	Age 65 with 5 years of service, or age 55 with 35 years of service	Age 62 with 5 years of service, or age 55 with 30 years of service	Age 55 with 5 years of service	Age 55 with 5 years of service
Average Final Compensation (AFC)	Highest 5 consecutive years	Highest 3 consecutive years	Highest 3 consecutive years	Highest 2 consecutive years
Benefit formula – normal service Retirement (no reduction)	1.4% x creditable service x AFC	1.7% x creditable service x AFC + previous service; 1.4% x Group A service x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC	2.5% x creditable service x AFC + previous service; 1.4% x Group A service x AFC; 1.7% x Group B x AFC; 2.5% x Group C service x AFC
Maximum Benefit Payable	60% of AFC	60% of AFC	50% of AFC	50% of AFC
Post-Retirement COLA	50% of CPI, up to 2% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year	50% of CPI, up to 3% per year
Early Retirement Eligibility	Age 55 with 5 years of service	Age 55 with 5 years of service	N/A	Age 55 with 20 years of service
Early Retirement Eligibility	6% per year from age 65 **	6% per year from age 62 **	N/A	No reduction

** - A special early retirement factor of 3% per year only for municipal police officers who have attained age 60

Members of all groups may qualify for vested deferred allowance, disability allowances and death benefit allowance subject to meeting various eligibility requirements. Benefits are based on AFC and service.

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NOTE 12 - PENSION PLAN (CONTINUED)

Contributions

Title 24 VSA Chapter 125 of Vermont Statutes grants the authority to the Retirement Board to annually review the amount of municipalities' contributions as recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund, and to certify the rates of contributions payable by employers. The Board of Trustees also certifies the rates of contribution payable by employees. Contribution rates for each group are as follows:

VMERS	Group A	Group B	Group C	Group D
Employee Contributions	2.5% of gross salary	4.75% of gross salary to 6/30/15; 4.875% of gross salary after 7/1/15	9.625% of gross salary to 12/31/14; 9.75% of gross salary to 6/30/15; 9.875% of gross salary after 7/1/15	11.125% of gross salary to 6/30/15; 11.35% of gross salary after 7/1/15
Employer Contributions	4% of gross salary	5.375% of gross salary to 6/30/15; 5.50% of gross salary after 7/1/15	6.875% of gross salary to 12/31/14; 7% of gross salary to 6/30/15; 7.125% of gross salary after 7/1/15	9.75% of gross salary to 6/30/15; 9.85% of gross salary after 7/1/15

Employee contributions are withheld pre income tax by the Town and are remitted to the State of Vermont. Such withholdings for the years ended June 30, 2015, 2014 and 2013 totaled $51,416, $46,888 and $44,481, respectively. The Town contributed $50,875, $46,805 and $43,519 for the years ended June 30, 2015, 2014, and 2013, respectively. The Town's total payroll for the year ended June 30, 2015 for all employees covered under this plan was $911,209.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the Town reported a liability of $33,115 for its proportionate share of the net pension liabilities for each plan. The net pension liabilities were measured as of June 30, 2014, and the total pension liabilities used to calculate the net pension liabilities was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liabilities were based on a projection of the Town's long-term share of contributions to each pension plan relative to the projected contributions of all participating towns, actuarially determined.

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NOTE 12 - PENSION PLAN (CONTINUED)

At June 30, 2014, the Town's proportion was 0.3628% for VMERS, which was an increase of 0.0003% from its proportion measured as of June 30, 2013 for VMERS.

For the year ended June 30, 2015, the Town recognized total pension expense of $49,950. At June 30, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	VMERS	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes of assumptions	-	-
Changes in proportion	89	
Net difference between projected and actual earnings on pension plan investments	-	102,114
Changes in proportion and differences between contributions and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	49,950	-
Total	$ 50,039	$ 102,114

$49,950 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	VMERS
Year ended June 30:	
2016	$ (25,485)
2017	(25,485)
2018	(25,485)
2019	-
2020	-
Thereafter	-

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NOTE 12 - PENSION PLAN (CONTINUED)

Significant Actuarial Assumptions and Methods

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using the actuarial assumptions outlined below. These assumptions were selected on the basis of the experience study that was performed for the five year period ending June 30, 2010:

VMERS:	
Inflation	3.00% to 3.25% per year
Salary increases	5.00%, per year, including inflation
Interestt rate	A select-and-ultimate interest rate set that is restarted every year follows:

Year 1: 6.25%	Year 10: 8.50%
Year 2: 6.75%	Year 11: 8.50%
Year 3: 7.00%	Year 12: 8.50%
Year 4: 7.50%	Year 13: 8.50%
Year 5: 7.75%	Year 14: 8.50%
Year 6: 8.25%	Year 15: 8.50%
Year 7: 8.25%	Year 16: 8.75%
Year 8: 8.25%	Year 17 and later: 9.00%
Year 9: 8.50%	

Mortality rates for active participants in the VMERS plan were based on 50% of the probabilities in the 1995 Buck Mortality Tables for males and females, non-disabled retirees and terminated vested participants were based on the 1995 Buck Mortality Tables with no set-back for males and a one-year set-back for females, disabled retirees were based on the RP-2000 Disabled Life Tables, and the 1995 Buck Mortality Tables for males and females was applied to beneficiaries.

Spouse's age assumptions used in the June 30, 2014 valuation set a husband's age at three years greater than their wives.

Cost-of-Living adjustments to benefits of terminated vested and retired participants were assumed to occur at the rate of 1.5% per annum for Group A members and 1.8% per annum for members of Groups B, C and D of the VMERS plan.

A smoothing *asset valuation method* was used for funding purposes, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. Then value of assets for actuarial purposes may not differ from the market value of assets by more than 20%.

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NOTE 12 - PENSION PLAN (CONTINUED)

The *long-term expected rate of return* on the VMERS plan investments was determined using best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) developed for each major asset class using an econometric model that forecasts a variety of economic environments and then calculates asset class returns based on functional relationships between the economic variable and the asset classes. These best estimate ranges were combined to produce forecasts of the short, intermediate, and longer term horizons by weighting the expected future nominal rates of return by the target asset allocation percentage. The various time horizons in the forecast are intended to capture more recent economic and capital market conditions as well as other plausible environments that could develop in the future over economic cycles. To reflect this in the rate-of-return assumption, a Select and Ultimate assumption setting approach, which is cited in Section 3.8.4 of Actuarial Standard of Practice No. 27 as an alternative to a single assumed rate of return, is employed.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2014 are summarized in the following table:

	VMERS	
Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity	31.50%	6.70%
Fixed income	33.00%	2.94%
Alternative	15.50%	6.26%
Multi-strategy	20.00%	5.98%
Total	100.00%	

Nominal long-term expected rates of return for these asset classes are equal to the sum of the above expected long-term real rates and the expected long-term inflation rate of 3.0%

Discount Rate

The discount rate used to measure the total pension liability was 8.23%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to be made in accordance with the current funding policy. Based on these assumptions, the fiduciary net position was projected to be available to make all

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NOTE 12 - PENSION PLAN (CONTINUED)

projected future benefit payments to current VMERS System members. The assumed discount rate has been determined in accordance with the method prescribed by GASB 68.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 8.23%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.23%) or 1 percentage point higher (9.23%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
VMERS:			
Discount rate	7.23%	8.23%	9.23%
District's proportionate share of the net pension liability	$ 278,977	$ 33,115	$ (173,155)

Pension Plan Fiduciary Net Position

The schedule of employer allocations and schedule of pension amounts by employer are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles. The schedules present amounts that are elements of the financial statements of the Vermont Municipal Employees' Retirement System (VMERS) or its participating employers. VMERS does not issue stand-alone financial reports, but instead are included as part of the State of Vermont's Comprehensive Annual Financial Report (CAFR). The CAFR can be viewed on the State's Department of Finance & Management website at: http://finance.vermont.gov/reports_and_publications/cafr

NOTE 13 - RISK MANAGEMENT

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

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NOTE 13 - 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.

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NOTE 13 - 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 14 - CONTINGENCIES

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

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

NOTE 15 - RESTATEMENT

The beginning governmental activities net position has been restated by ($131,995) for the effects of GASB #68.

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Required Supplementary Information

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

- Budgetary Comparison Schedule - General Fund - Budget and Actual - General Fund
- Budgetary Comparison Schedule - General Fund - Budget and Actual - Highway Fund
- Schedule of Proportionate Share of the Net Pension Liability
- Schedule of Contributions

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SCHEDULE 1

TOWN OF FAIR HAVEN, VERMONT

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 210,583	$ 210,583	$ 210,583	$ -
Resources (Inflows):				
Property taxes	3,080,704	3,080,704	3,119,137	38,433
Permits and licenses	1,750	1,750	2,200	450
Charges for services	258,412	258,412	270,552	12,140
Investment income	7,700	7,700	7,511	(189)
Miscellaneous revenues	20,235	20,235	37,035	16,800
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	3,579,384	3,579,384	3,647,018	67,634
Charges to Appropriations (Outflows):				
Current:				
General government	268,730	268,730	266,792	1,938
Public safety	389,122	389,122	385,301	3,821
Cemetery	32,200	32,200	28,256	3,944
Air Park	2,460	2,460	1,223	1,237
Health and welfare	3,925	3,925	3,008	917
Solid waste management	192,714	192,714	194,959	(2,245)
Education	1,822,148	1,822,148	1,822,148	-
Recreation	55,593	55,593	51,499	4,094
Intergovernmental expense	10,774	10,774	10,774	-
Judgements and damages	2,000	2,000	18,108	(16,108)
Benefits	322,950	322,950	289,679	33,271
Voter appropriations	148,441	148,441	148,441	-
Debt service	20,298	20,298	20,298	-
Transfers to other funds	97,446	97,446	97,022	424
Total Charges to Appropriations	3,368,801	3,368,801	3,337,508	31,293
Budgetary Fund Balance, June 30	$ 210,583	$ 210,583	$ 309,510	$ 98,927
Utilization of Assigned Fund Balance	$ -	$ -	$ -	$ -
Utilization of Unassigned Fund Balance	-	-	-	-
	$ -	$ -	$ -	$ -

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

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SCHEDULE 2

TOWN OF FAIR HAVEN, VERMONT

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
BUDGET AND ACTUAL – HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
Budgetary Fund Balance, July 1	$ 96,009	$ 96,009	$ 96,009	$ -
Resources (Inflows):				
Property taxes	379,209	379,209	379,209	-
Intergovernmental	84,000	84,000	87,743	3,743
Miscellaneous revenues	-	-	2,140	2,140
Transfers from other funds	-	-	-	-
Amounts Available for Appropriation	559,218	559,218	565,101	5,883
Charges to Appropriations (Outflows):				
Public works administration	67,577	67,577	66,889	688
Summer work	198,923	198,923	175,784	23,139
Winter work	96,137	96,137	124,218	(28,081)
Public works building	20,201	20,201	22,825	(2,624)
Public works equipment	77,743	77,743	88,680	(10,937)
Hydrant replacement	2,628	2,628	-	2,628
Transfers to other funds	-	-	-	-
Total Charges to Appropriations	463,209	463,209	478,396	(15,187)
Budgetary Fund Balance, June 30	$ 96,009	$ 96,009	$ 86,705	$ (9,304)
Utilization of Committed Fund Balance	$ -	$ -	$ -	$ -
Utilization of Unassigned Fund Balance	-	-	-	-
	$ -	$ -	$ -	$ -

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

TOWN OF FAIR HAVEN, VERMONT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITIY
LAST 10 FISCAL YEARS*

	2014	2013
Proportion of the net pension liability (asset)	0.3628%	0.3625%
Proportionate share of the net pension liability (asset)	$ 33,115	$ 131,995
Covered-employee payroll	$ 888,405	$ 837,550
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	3.73%	15.76%
Plan fiduciary net position as a percentage of the total pension liability	98.32%	92.71%

* The amounts presented for each fiscal year were determined as of June 30, and are for those years for which information is available.

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

TOWN OF FAIR HAVEN, VERMONT

SCHEDULE OF CONTRIBUTIONS
LAST 10 FISCAL YEARS*

	2015	2014	2013
PLD Plan:			
Contractually required contribution	$ 49,950	$ 46,805	$ 43,519
Contributions in relation to the contractually required contribution	(49,950)	(46,805)	(43,519)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered-employee payroll	$ 911,209	$ 888,405	$ 837,550
Contributions as a percentage of covered-employee payroll	-5.48%	-5.27%	-5.20%

* The amounts presented for each fiscal year are for those years for which information is available.

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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 Projects 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

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SCHEDULE A

TOWN OF FAIR HAVEN, VERMONT

BUDGETARY COMPARISON SCHEDULE – BUDGETARY BASIS
BUDGET AND ACTUAL – GENERAL FUND REVENUES
FOR THE YEAR ENDED JUNE 30, 2015

	Budget	Actual	Variance Positive (Negative)
REVENUES			
Property taxes:			
Current real property taxes	$ 3,010,054	$ 3,044,685	$ 34,631
Penalties and interest	30,000	37,981	7,981
HS-122 late fees	100	623	523
Interest	20,000	13,825	(6,175)
Railroad tax	550	44	(506)
Payments in lieu of tax	12,000	12,205	205
Land use & current use	8,000	9,774	1,774
Permits and licenses:			
Beverage permits	750	835	85
Building permits	800	1,170	370
Dog licenses	-	-	-
Excess weight permits	200	195	(5)
Charges for services:			
General government	26,088	20,926	(5,162)
Fire department	4,724	4,724	-
Public works	150,500	172,981	22,481
Cemetery	9,500	13,352	3,852
Police department	67,600	58,569	(9,031)
Timber sales	-	-	-
Investment income	7,700	7,511	(189)
Other income:			
Treasury department salary FHGS 1/2	1,575	1,575	-
NSF returned check fee	40	150	110
Insurance reimbursement	500	18,315	17,815
Other income	18,120	16,995	(1,125)
Transfers in	-	-	-
Total revenues	$ 3,368,801	$ 3,436,435	$ 67,634

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

SCHEDULE B

TOWN OF FAIR HAVEN, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Appropriations	Expenditures	Variance
GENERAL GOVERNMENT			
Selectboard	$ 10,400	$ 8,300	$ 2,100
Town Manager	47,101	45,752	1,349
Elections unit	6,400	6,276	124
Town Treasurer	4,500	4,500	-
Accounting department	46,987	46,516	471
Auditing department	10,300	10,300	-
Tax listers	20,825	21,083	(258)
Delinquent tax collecting	5,370	6,228	(858)
Town Clerk	51,599	51,450	149
Municipal planning	950	465	485
Municipal zoning	14,520	13,144	1,376
Zoning board	600	397	203
Municipal building & grounds	49,178	52,381	(3,203)
	268,730	266,792	1,938
PUBLIC SAFETY			
Emergency management	1,900	2,239	(339)
Police department	267,912	266,111	1,801
Police training	1,750	1,577	173
Police vehicles & equipment	21,310	15,409	5,901
Constables	4,200	2,156	2,044
Fire fighting department	11,100	14,386	(3,286)
Fire department training	4,650	3,606	1,044
Fire department communications	9,050	9,041	9
Fire department equipment	21,150	22,688	(1,538)
Fire department warden	200	200	-
Street lights	45,900	47,888	(1,988)
	389,122	385,301	3,821
CEMETERY	32,200	28,256	3,944
AIR PARK	2,460	1,223	1,237
HEALTH AND WELFARE			
Public health inspector	1,950	1,625	325
Animal control	1,975	1,383	592
	3,925	3,008	917
SOLID WASTE MANAGEMENT	192,714	194,959	(2,245)
EDUCATION	1,822,148	1,822,148	-

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TOWN OF FAIR HAVEN, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015

	Appropriations	Expenditures	Variance
RECREATION			
Baseball activities	11,700	10,180	1,520
Recreation department	34,500	33,660	840
Special events	3,700	2,966	734
Memberships	5,693	4,693	1,000
	55,593	51,499	4,094
DEBT SERVICE			
Fire truck principal payment	15,750	15,750	-
Fire truck interest payment	4,548	4,548	-
	20,298	20,298	-
INTERGOVERNMENTAL EXPENSE			
County tax payment	10,774	10,774	-
	10,774	10,774	-
ABATEMENTS & INSURANCE CLAIMS	2,000	18,108	(16,108)
BENEFITS	322,950	289,679	33,271
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	950	950	-
Southwestern VCA	1,800	1,800	-
RAVNAH	7,087	7,087	-
Association for Retarded Citizens	3,500	3,500	-
Castleton Community Seniors	3,000	3,000	-
Marble Regional Transit District	2,500	2,500	-
Town Park Restoration	2,000	2,000	-
	148,441	148,441	-
TRANSFERS			
Reserve accounts	97,446	97,022	424
	97,446	97,022	424
	$ 3,368,801	$ 3,337,508	$ 31,293

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

SCHEDULE C

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	$ 92,675	$ 771,954	$ 6,747	$ 871,376
Investments	95,216	97,168	153,797	346,181
Accounts receivable	-	-	3,040	3,040
Due from other governments	15,915	-	-	15,915
Due from other funds	255,002	580,484	19,534	855,020
TOTAL ASSETS	$ 458,808	$ 1,449,606	$ 183,118	$ 2,091,532
LIABILITIES				
Accounts payable	$ -	$ -	$ 6,648	$ 6,648
Due to other funds	46,624	804,781	19,534	870,939
TOTAL LIABILITIES	46,624	804,781	26,182	877,587
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	78,823	-	156,936	235,759
Committed	333,361	644,825	-	978,186
Assigned	-	-	-	-
Unassigned	-	-	-	-
TOTAL FUND BALANCES	412,184	644,825	156,936	1,213,945
TOTAL LIABILITIES AND FUND BALANCES	$ 458,808	$ 1,449,606	$ 183,118	$ 2,091,532

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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, 2015

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Intergovernmental	$ 62,172	$ -	$ -	$ 62,172
Interest/Gains & (Losses)	12,660	885	11,970	25,515
Other	-	21,208	-	21,208
TOTAL REVENUES	74,832	22,093	11,970	108,895
EXPENDITURES				
Current:				
General Government	63,211	-	-	63,211
Public Safety	-	-	-	-
Public Works	-	-	-	-
Recreation	-	-	-	-
Cemeteries	-	-	6,747	6,747
Other	-	79,437	-	79,437
Capital Outlay	-	-	-	-
TOTAL EXPENDITURES	63,211	79,437	6,747	149,395
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,621	(57,344)	5,223	(40,500)
OTHER FINANCING SOURCES (USES)				
Transfers in	5,000	92,022	-	97,022
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	5,000	92,022	-	97,022
NET CHANGE IN FUND BALANCES	16,621	34,678	5,223	56,522
FUND BALANCES - JULY 1	395,563	610,147	151,713	1,157,423
FUND BALANCES - JUNE 30	$ 412,184	$ 644,825	$ 156,936	$ 1,213,945

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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.

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SCHEDULE E

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Reappraisal	Local Law Enforcement Grant	Jaws of Life	Grants - Planning	DUI Grant	Highway Safety
ASSETS						
Cash and cash equivalents	$ 86,819	$ 5,251	$ -	$ -	$ -	$ -
Investments	95,216	-	-	-	-	-
Accounts receivable	-	-	-	-	9,569	5,999
Due from other funds	-	-	987	70,199	-	-
TOTAL ASSETS	$ 182,035	$ 5,251	$ 987	$ 70,199	$ 9,569	$ 5,999
LIABILITIES						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	30,709	-	-	-	9,569	5,999
TOTAL LIABILITIES	30,709	-	-	-	9,569	5,999
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	5,251	987	70,199	-	-
Committed	151,326	-	-	-	-	-
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	151,326	5,251	987	70,199	-	-
TOTAL LIABILITIES AND FUND BALANCES	$ 182,035	$ 5,251	$ 987	$ 70,199	$ 9,569	$ 5,999

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TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Fire Emergency Reserve	Restoration/ Trees	Start Grant	Airport Park	Highway
ASSETS					
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -
Investments	-	-	-	-	-
Accounts receivable	-	-	347	-	-
Due from other funds	180,035	2,000	-	1,781	-
TOTAL ASSETS	$ 180,035	$ 2,000	$ 347	$ 1,781	$ -
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	347	-	-
TOTAL LIABILITIES	-	-	347	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	1,781	-
Committed	180,035	2,000	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	180,035	2,000	-	1,781	-
TOTAL LIABILITIES AND FUND BALANCES	$ 180,035	$ 2,000	$ 347	$ 1,781	$ -

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TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2015

	Community Garden	Vtrans Mechanic St.	Adam St. Bridge	Vtrans Depot Bridge	Totals
ASSETS					
Cash and cash equivalents	$ 605	$ -	$ -	$ -	$ 92,675
Investments	-	-	-	-	95,216
Accounts receivable	-	-	-	-	15,915
Due from other funds	-	-	-	-	255,002
TOTAL ASSETS	$ 605	$ -	$ -	$ -	$ 458,808
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	46,624
TOTAL LIABILITIES	-	-	-	-	46,624
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	605	-	-	-	78,823
Committed	-	-	-	-	333,361
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	605	-	-	-	412,184
TOTAL LIABILITIES AND FUND BALANCES	$ 605	$ -	$ -	$ -	$ 458,808

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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, 2015

	Reappraisal	Local Law Enforcement Grant	Jaws of Life	Grants - Planning	DUI Grant	Highway Safety
REVENUES						
Intergovernmental	$ -	$ -	$ -	$ -	$ 19,600	$ 7,598
Interest/Gains & Losses	11,548	1	-	144	-	-
Other	-	-	-	-	-	-
TOTAL REVENUES	11,548	1	-	144	19,600	7,598
EXPENDITURES						
Current:						
General Government	-	-	-	-	19,600	7,598
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	19,600	7,598
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	11,548	1	-	144	-	-
OTHER FINANCING SOURCES (USES)						
Transfers In	5,000	-	-	-	-	-
Transfers (Out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	5,000	-	-	-	-	-
NET CHANGE IN FUND BALANCES	16,548	1	-	144	-	-
FUND BALANCES - JULY 1	134,778	5,250	987	70,055	-	-
FUND BALANCES - JUNE 30	$ 151,326	$ 5,251	$ 987	$ 70,199	$ -	$ -

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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, 2015

	Fire Emergency Reserve	Park Restoration/ Trees	Start Grant	Airport Park	Highway
REVENUES					
Intergovernmental	$ -	$ 2,000	$ 1,978	$ -	$ 5,311
Interest/Gains & Losses	966	-	-	-	-
Other	-	-	-	-	-
TOTAL REVENUES	966	2,000	1,978	-	5,311
EXPENDITURES					
Current:					
General Government	2,518	-	1,978	521	5,311
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Recreation	-	-	-	-	-
Other	-	-	-	-	-
TOTAL EXPENDITURES	2,518	-	1,978	521	5,311
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,552)	2,000	-	(521)	-
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	-
Transfers (Out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	-
NET CHANGE IN FUND BALANCES	(1,552)	2,000	-	(521)	-
FUND BALANCES - JULY 1	181,587	-	-	2,302	-
FUND BALANCES - JUNE 30	$ 180,035	$ 2,000	$ -	$ 1,781	$ -

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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, 2015

	Community Garden	Vtrans Mechanic St.	Adam St. Bridge	Vtrans Culverts	Totals
REVENUES					
Intergovernmental	$ -	$ 9,431	$ 14,254	$ 2,000	$ 62,172
Interest/Gains & Losses	1	-	-	-	12,660
Other	-	-	-	-	-
TOTAL REVENUES	1	9,431	14,254	2,000	74,832
EXPENDITURES					
Current:					
General Government	-	9,431	14,254	2,000	63,211
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Recreation	-	-	-	-	-
Other	-	-	-	-	-
TOTAL EXPENDITURES	-	9,431	14,254	2,000	63,211
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1	-	-	-	11,621
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	-	5,000
Transfers (Out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	5,000
NET CHANGE IN FUND BALANCES	1	-	-	-	16,621
FUND BALANCES - JULY 1	604	-	-	-	395,563
FUND BALANCES - JUNE 30	$ 605	$ -	$ -	$ -	$ 412,184

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

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Capital Projects 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.

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SCHEDULE G

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015

	Municipal Building	Public Works Equipment Replacement	Fire Equipment Replacement	Police Cruiser Replacement	Streets/ Sidewalks	Transfer Station
ASSETS						
Cash and cash equivalents	$ 744,495	$ -	$ -	$ -	$ -	$ -
Investments	97,168	-	-	-	-	-
Due from other funds	-	89,414	158,635	27,989	149,203	20,181
TOTAL ASSETS	$ 841,663	$ 89,414	$ 158,635	$ 27,989	$ 149,203	$ 20,181
LIABILITIES						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	804,781	-	-	-	-	-
TOTAL LIABILITIES	804,781	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	36,882	89,414	158,635	27,989	149,203	20,181
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	36,882	89,414	158,635	27,989	149,203	20,181
TOTAL LIABILITIES AND FUND BALANCES	$ 841,663	$ 89,414	$ 158,635	$ 27,989	$ 149,203	$ 20,181

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TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015

	Recreation Department	Bridge Repair	Impact Fees	Listers Equipment/ Education	Park Fence
ASSETS					
Cash and cash equivalents	$ 27,459	$ -	$ -	$ -	$ -
Investments	-	-	-	-	-
Due from other funds	-	33,799	872	16,698	-
TOTAL ASSETS	$ 27,459	$ 33,799	$ 872	$ 16,698	$ -
LIABILITIES					
Accounts payable	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-
TOTAL LIABILITIES	-	-	-	-	-
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	27,459	33,799	872	16,698	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
TOTAL FUND BALANCES	27,459	33,799	872	16,698	-
TOTAL LIABILITIES AND FUND BALANCES	$ 27,459	$ 33,799	$ 872	$ 16,698	$ -

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TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECTS FUNDS
JUNE 30, 2015

	Records Restoration	COPS Match Reserve	Recreation Building Reserve	Town Garage Reserve	Marketing Reserve	Totals
ASSETS						
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ 771,954
Investments	-	-	-	-	-	97,168
Due from other funds	14,237	-	45,451	20,004	4,001	580,484
TOTAL ASSETS	$ 14,237	$ -	$ 45,451	$ 20,004	$ 4,001	$ 1,449,606
LIABILITIES						
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	-	-	-	-	-	804,781
TOTAL LIABILITIES	-	-	-	-	-	804,781
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	14,237	-	45,451	20,004	4,001	644,825
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	14,237	-	45,451	20,004	4,001	644,825
TOTAL LIABILITIES AND FUND BALANCES	$ 14,237	$ -	$ 45,451	$ 20,004	$ 4,001	$ 1,449,606

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

SCHEDULE H

TOWN OF FAIR HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Municipal Building	Public Works Equipment Replacement	Fire Equipment Replacement	Police Cruiser Replacement	Streets/ Sidewalks	Transfer Station
REVENUES						
Interest	$ 41	$ 48	$ 653	$ 4	$ 15	$ 111
Other	-	-	-	-	-	-
TOTAL REVENUES	41	48	653	4	15	111
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	7,525	-	-	13,500	9,431	30,683
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	7,525	-	-	13,500	9,431	30,683
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(7,484)	48	653	(13,496)	(9,416)	(30,572)
OTHER FINANCING SOURCES (USES)						
Transfers In	5,000	27,000	20,000	8,000	10,000	5,000
Transfers (Out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	5,000	27,000	20,000	8,000	10,000	5,000
NET CHANGE IN FUND BALANCES	(2,484)	27,048	20,653	(5,496)	584	(25,572)
FUND BALANCES - JULY 1	39,366	62,366	137,982	33,485	148,619	45,753
FUND BALANCES - JUNE 30	$ 36,882	$ 89,414	$ 158,635	$ 27,989	$ 149,203	$ 20,181

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TOWN OF FAIR HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Recreation Department	Bridge Repair	Impact Fees	Listers Equipment/ Education	Park Fence
REVENUES					
Interest	$ 2	$ 3	$ -	$ -	$ -
Other	19,950	-	-	1,258	-
TOTAL REVENUES	19,952	3	-	1,258	-
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public Safety	-	-	-	-	-
Public Works	-	-	-	-	-
Recreation	-	-	-	-	-
Other	15,064	1,584	-	1,650	-
Capital Outlay	-	-	-	-	-
TOTAL EXPENDITURES	15,064	1,584	-	1,650	-
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	4,888	(1,581)	-	(392)	-
OTHER FINANCING SOURCES (USES)					
Transfers In	-	5,000	-	-	-
Transfers (Out)	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	5,000	-	-	-
NET CHANGE IN FUND BALANCES	4,888	3,419	-	(392)	-
FUND BALANCES - JULY 1	22,571	30,380	872	17,090	-
FUND BALANCES - JUNE 30	$ 27,459	$ 33,799	$ 872	$ 16,698	$ -

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TOWN OF FAIR HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Records Restoration	COPS Match Reserve	Recreation Building Reserve	Town Garage Reserve	Marketing Reserve	Totals
REVENUES						
Interest	$ 1	$ -	$ 5	$ 2	$ -	$ 885
Other	-	-	-	-	-	21,208
TOTAL REVENUES	1	-	5	2	-	22,093
EXPENDITURES						
Current:						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Other	-	-	-	-	-	79,437
Capital Outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-	-	79,437
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	1	-	5	2	-	(57,344)
OTHER FINANCING SOURCES (USES)						
Transfers In	2,022	-	-	10,000	-	92,022
Transfers (Out)	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	2,022	-	-	10,000	-	92,022
NET CHANGE IN FUND BALANCES	2,023	-	5	10,002	-	34,678
FUND BALANCES - JULY 1	12,214	-	45,446	10,002	4,001	610,147
FUND BALANCES - JUNE 30	$ 14,237	$ -	$ 45,451	$ 20,004	$ 4,001	$ 644,825

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

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Permanent Funds

Permanent funds are used to account for assets held by the Town of Fair Haven, Vermont that are legally restricted and unless otherwise specified, only earnings, and not principal, may be used for purposes that benefit the Town or its residents. These funds have been established for the provision and/or maintenance of the funds.

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SCHEDULE I

TOWN OF FAIR HAVEN, VERMONT

COMBINING BALANCE SHEET – NONMAJOR PERMANENT FUNDS
JUNE 30, 2015

	Cedar Grove Cemetery	West Street Cemetery	Fair Haven Free Library	Totals
ASSETS				
Cash and cash equivalents	$ 6,747	$ -	$ -	$ 6,747
Investments	153,797	-	-	153,797
Accounts receivable	3,040	-	-	3,040
Due from other funds	-	16,703	2,831	19,534
TOTAL ASSETS	$ 163,584	$ 16,703	$ 2,831	$ 183,118
LIABILITIES				
Accounts payable	$ 6,648	$ -	$ -	$ 6,648
Due to other funds	19,534	-	-	19,534
TOTAL LIABILITIES	26,182	-	-	26,182
FUND BALANCES				
Restricted	137,402	16,703	2,831	156,936
TOTAL FUND BALANCES	137,402	16,703	2,831	156,936
TOTAL LIABILITIES AND FUND BALANCES	$ 163,584	$ 16,703	$ 2,831	$ 183,118

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

SCHEDULE J

TOWN OF FAIR HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2015

	Cedar Grove Cemetery	West Street Cemetery	Fair Haven Free Library	Totals
REVENUES				
Interest	$ 11,132	$ 717	$ 121	$ 11,970
Other	-	-	-	-
TOTAL REVENUES	11,132	717	121	11,970
EXPENDITURES				
Other	5,909	717	121	6,747
TOTAL EXPENDITURES	5,909	717	121	6,747
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,223	-	-	5,223
OTHER FINANCING SOURCES (USES)				
Operating Transfers In	-	-	-	-
Operating Transfers (Out)	-	-	-	-
TOTAL OTHER FINANCING (USES)	-	-	-	-
NET CHANGE IN FUND BALANCES	5,223	-	-	5,223
FUND BALANCES - JULY 1	132,179	16,703	2,831	151,713
FUND BALANCES - JUNE 30	$ 137,402	$ 16,703	$ 2,831	$ 156,936

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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.

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TOWN OF FAIR HAVEN, VERMONT

SCHEDULE OF GENERAL CAPITAL ASSETS BY FUNCTION
JUNE 30, 2015

	Land and Non-depreciable Assets	Buildings, Building Improvements & Land Improvements	Furniture, Fixtures, Equipment & Vehicles	Infrastructure	Total
General government	$ 31,832	$ 109,217	$ 19,139	$ 13,367	$ 166,460
Public safety	-	8,539	996,880	-	991,919
Public works	-	3,558	908,530	2,081,772	2,993,860
Solid waste management	-	9,967	72,828	-	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	338,531	4,949,600	8,898,266
Total General Capital Assets	35,837	3,759,781	2,354,476	7,103,516	13,253,610
Less: Accumulated Depreciation	-	(1,979,416)	(1,845,093)	(2,139,976)	(5,964,485)
Net General Capital Assets	$ 35,837	$ 1,780,365	$ 509,383	$ 4,963,540	$ 7,289,125

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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, 2015

	General Capital Assets 7/1/14	Additions	Deletions	General Capital Assets 6/30/15
General government	$ 166,460	$ 7,095	$ -	$ 173,555
Public safety	991,919	13,500	-	1,005,419
Public works	2,993,860	-	-	2,993,860
Solid waste management	52,112	30,683	-	82,795
Cemetery	12,101	-	-	12,101
Recreation	76,397	-	-	76,397
Water and sewer fund	8,898,266	11,217	-	8,909,483
Total General Capital Assets	13,191,115	62,495	-	13,253,610
Less: Accumulated Depreciation	(5,637,920)	(326,565)	-	(5,964,485)
Net General Capital Assets	$ 7,553,195	$ (264,070)	$ -	$ 7,289,125

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