

TOWN OF FAYSTON, VERMONT
AUDIT REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2009

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INDEPENDENT AUDITOR'S REPORT

February 8, 2010

To the Selectboard
Town of Fayston
Fayston, Vermont

We have audited the accompanying financial statements of each major fund, and the aggregate remaining fund information of the Town of Fayston, Vermont as of and for the year ended December 31, 2009, as listed in the Table of Contents, which collectively comprise a portion of the Town of Fayston's basic financial statements required by accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Town of Fayston's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

Management has not presented government-wide financial statements to display the financial position and the changes in financial position of its governmental activities. Accounting principles generally accepted in the United States of America require the presentation of government-wide financial statements. The amounts that would be reported in government-wide financial statements for the Town's governmental activities are not reasonably determinable.

Management has not presented expenditures, in the Statement of Revenues, Expenditures and Changes in Fund Balances, categorized by function as required by accounting principles generally accepted in the United States of America.

In our opinion, because of the effects of the matters discussed in the preceding paragraphs, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Town of Fayston, as of December 31, 2009 and the respective changes in financial position thereof and the budget comparison for the General Fund for the year then ended.

Management has not presented the Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is required to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements referred to above. The supplementary information in Schedules 1 through 4 is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Respectfully submitted,

Fothergill Segale & Valley, CPAs

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

TOWN OF FAYSTON, VERMONT
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009

EXHIBIT A

	Major Funds			Total Governmental Funds
	General	Road Retreatment	Nonmajor Funds	
ASSETS				
Cash - checking and savings	\$ 1,735,696	\$ 0	\$ 21,839	\$ 1,757,535
Investments	0	0	113,422	113,422
Delinquent taxes receivable	220,053	0	0	220,053
Other receivables	26,028	0	0	26,028
Due from other funds	0	257,167	356,680	613,847
	<u>0</u>	<u>257,167</u>	<u>356,680</u>	<u>613,847</u>
Total assets	<u>\$ 1,981,777</u>	<u>\$ 257,167</u>	<u>\$ 491,941</u>	<u>\$ 2,730,885</u>
LIABILITIES AND FUND BALANCE				
Liabilities				
Accrued payables	\$ 12,126	\$ 0	\$ 0	\$ 12,126
Due to State Education Fund	1,036,582	0	0	1,036,582
Deferred revenue - taxes	164,000	0	0	164,000
Property tax overpayments	1,260	0	0	1,260
Due to other funds	605,559	0	8,288	613,847
	<u>1,819,527</u>	<u>0</u>	<u>8,288</u>	<u>1,827,815</u>
Total liabilities	<u>1,819,527</u>	<u>0</u>	<u>8,288</u>	<u>1,827,815</u>
Fund Balance				
Unreserved	162,250	0	0	162,250
Unreserved - Capital Project Funds	0	257,167	279,314	536,481
Unreserved - Special Revenue Funds	0	0	180,428	180,428
Unreserved - Permanent Funds	0	0	23,911	23,911
	<u>162,250</u>	<u>257,167</u>	<u>483,653</u>	<u>903,070</u>
Total fund balances	<u>162,250</u>	<u>257,167</u>	<u>483,653</u>	<u>903,070</u>
Total liabilities and fund balances	<u>\$ 1,981,777</u>	<u>\$ 257,167</u>	<u>\$ 491,941</u>	<u>\$ 2,730,885</u>

TOWN OF FAYSTON, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2009

EXHIBIT B

	Major Funds			Total Governmental Funds
	General	Road Retreatment	Nonmajor Funds	
REVENUES				
Property taxes	\$ 774,574	\$ 0	\$ 0	\$ 774,574
Fees, licenses and permits	37,667	0	0	37,667
State of Vermont - highway funds	62,786	0	0	62,786
State of Vermont - reappraisal grant	0	0	11,077	11,077
State of Vermont - other grants	4,230	0	22,028	26,258
Investment income	18,881	0	19,713	38,594
Other	75,713	0	1,375	77,088
Total revenues	<u>973,851</u>	<u>0</u>	<u>54,193</u>	<u>1,028,044</u>
EXPENDITURES				
Salaries - road crew	115,389	0	0	115,389
Employee benefits	108,073	0	0	108,073
Highway equipment	55,504	0	0	55,504
Highway supplies	36,675	0	0	36,675
Town garage	3,552	0	0	3,552
Officers' salaries	118,800	0	0	118,800
Officers' supplies	25,358	0	0	25,358
Taxes and assessments	90,703	0	0	90,703
Fire protection	26,221	0	0	26,221
Insurance	28,592	0	0	28,592
Town meeting and election	4,321	0	0	4,321
Municipal building	12,654	0	0	12,654
Planning / Board of Adjustment	38,568	0	0	38,568
Administrative	20,803	0	0	20,803
Cemetery	0	0	6,198	6,198
Road construction	0	0	18,796	18,796
Furnishings	0	0	4,414	4,414
Construction equipment	0	0	117,393	117,393
Total expenditures	<u>685,213</u>	<u>0</u>	<u>146,801</u>	<u>832,014</u>
EXCESS REVENUES (EXPENDITURES)	288,638	0	(92,608)	196,030
OTHER FINANCING SOURCES (USES)				
Transfers from (to) other funds	(163,222)	50,000	113,222	0
EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	125,416	50,000	20,614	196,030
FUND BALANCES - JANUARY 1, 2009	<u>36,834</u>	<u>207,167</u>	<u>463,039</u>	<u>707,040</u>
FUND BALANCES - DECEMBER 31, 2009	<u>\$ 162,250</u>	<u>\$ 257,167</u>	<u>\$ 483,653</u>	<u>\$ 903,070</u>

TOWN OF FAYSTON, VERMONT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 YEAR ENDED DECEMBER 31, 2009

EXHIBIT C

	Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Property taxes	\$ 734,942	\$ 774,574	\$ 39,632
State of Vermont - highway funds	65,000	62,786	(2,214)
GM Valley School	4,000	4,000	0
Fees, licenses and permits	30,400	37,667	7,267
Interest on taxes	10,000	19,754	9,754
Interest on investments	13,500	18,881	5,381
Grant income	0	4,230	4,230
Miscellaneous	43,000	51,959	8,959
Total revenues	900,842	973,851	73,009
EXPENDITURES			
Salaries			
Road crew	135,000	115,389	19,611
Employee Benefits			
Hospitalization	68,400	68,485	(85)
Retirement	13,100	11,770	1,330
Social Security	22,300	18,272	4,028
Uniforms	2,600	2,543	57
Dental	5,900	7,003	(1,103)
Total employee benefits	112,300	108,073	4,227
Highway Equipment			
Blades	5,000	4,490	510
Diesel	35,000	25,907	9,093
Repairs	12,000	9,186	2,814
Gasoline	5,000	1,449	3,551
Oil	1,500	1,259	241
Other parts	5,000	4,579	421
Rentals	5,000	4,707	293
Tires	5,000	3,927	1,073
Total highway equipment	73,500	55,504	17,996
Highway Supplies			
Calcium	8,000	3,915	4,085
Sand	10,000	8,044	1,956
Other supplies	1,000	1,748	(748)
Salt	30,000	22,968	7,032
Total highway supplies	49,000	36,675	12,325

TOWN OF FAYSTON, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

EXHIBIT C

	Budget	Actual	Favorable (Unfavorable) Variance
Town Garage			
Electricity	500	238	262
Maintenance and repairs	3,000	2,205	795
Telephone	1,100	1,109	(9)
Total town garage	<u>4,600</u>	<u>3,552</u>	<u>1,048</u>
Officers' Salaries			
Town Clerk/Tax Collector	41,100	41,080	20
Assistant Clerk/Treasurer	41,100	41,080	20
Selectboard assistant	5,300	5,299	1
Listers	18,000	9,581	8,419
Salary - reappraisal	0	21,760	(21,760)
Delinquent tax collector	0	19,641	(19,641)
Penalties collected	0	(19,641)	19,641
Total officers' salaries	<u>105,500</u>	<u>118,800</u>	<u>(13,300)</u>
Officers' Supplies			
Computer expenses	3,200	3,807	(607)
Equipment purchase	3,000	3,292	(292)
Listers	1,500	854	646
Selectmen	2,250	2,250	0
Postage	2,000	1,623	377
Equipment rental	3,100	3,024	76
Supplies	4,800	5,092	(292)
911 wages	500	1,906	(1,406)
Tax mapping	1,200	1,200	0
Seminars/Dues	2,800	2,310	490
Total officers' supplies	<u>24,350</u>	<u>25,358</u>	<u>(1,008)</u>
Taxes and Assessments			
Joslin Memorial Library	8,550	8,550	0
FES usage	20,000	20,000	0
Washington County	33,450	33,453	(3)
Recreation district	12,500	12,500	0
Donations	16,200	16,200	0
Total taxes and assessments	<u>90,700</u>	<u>90,703</u>	<u>(3)</u>
Fire Protection			
Waitsfield contract	27,200	26,221	979

TOWN OF FAYSTON, VERMONT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 YEAR ENDED DECEMBER 31, 2009

EXHIBIT C

	Budget	Actual	Favorable (Unfavorable) Variance
Insurance			
Liability, etc.	18,407	16,875	1,532
Workers' compensation	11,079	11,079	0
Unemployment	640	638	2
Total insurance	<u>30,126</u>	<u>28,592</u>	<u>1,534</u>
Town Meeting and Election			
Election clerks	1,000	572	428
Supplies	1,000	187	813
Town Report	4,300	3,562	738
Total town meeting and election	<u>6,300</u>	<u>4,321</u>	<u>1,979</u>
Municipal Building			
Cleaning	1,900	1,830	70
Electricity	2,500	2,378	122
Heat	5,600	4,812	788
Other	500	0	500
Maintenance	7,500	1,040	6,460
Telephone	3,000	2,594	406
Total municipal building	<u>21,000</u>	<u>12,654</u>	<u>8,346</u>
Planning/Board of Adjustment			
Advertising	1,000	532	468
CVRPC	1,200	1,189	11
FNRC	1,000	313	687
MRVPD	19,100	19,100	0
ZA expense	600	188	412
Town plan	2,000	46	1,954
Supplies and postage	1,700	801	899
Computer equipment	1,500	0	1,500
Zoning administrator and asst.	21,800	16,399	5,401
Total planning/board of adjustment	<u>49,900</u>	<u>38,568</u>	<u>11,332</u>

TOWN OF FAYSTON, VERMONT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 YEAR ENDED DECEMBER 31, 2009

EXHIBIT C

	Budget	Actual	Favorable (Unfavorable) Variance
Administration			
Pound	2,200	2,275	(75)
Legal	30,000	3,681	26,319
Consulting	1,000	500	500
Audit	5,500	5,225	275
Loan interest	600	0	600
Fire warden	300	300	0
Public safety	1,000	389	611
Ancient roads grant expense	0	4,230	(4,230)
MRV solid waste alliance	2,500	2,502	(2)
Other	500	80	420
League of Cities and Towns	1,600	1,621	(21)
Total administration	45,200	20,803	24,397
Total expenditures	774,676	685,213	89,463
Transfers to Other Funds			
Road construction reserve	20,000	20,000	0
Bridge reserve	3,000	3,000	0
Garage reserve	0	222	(222)
Equipment reserve	60,000	60,000	0
Fire equipment reserve	15,000	15,000	0
Road retreatment reserve	50,000	50,000	0
Record restoration reserve	10,000	10,000	0
Reappraisal reserve	5,000	5,000	0
Total transfers to other funds	163,000	163,222	(222)
Total expenditures and transfers to other funds	937,676	848,435	89,241
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND TRANSFERS	\$ (36,834)	125,416	\$ 162,250
FUND BALANCE - JANUARY 1, 2009		36,834	
FUND BALANCE - DECEMBER 31, 2009		\$ 162,250	

TOWN OF FAYSTON, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

The Town operates under a three-member Selectboard form of government. The Town's major operations include highways and streets, recreation, planning and zoning, and general administrative services.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town's financial statements are not prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town are discussed below.

The Town's management has elected to present only the financial statements of the major funds and the aggregate remaining fund information, which is not in conformity with generally accepted accounting principles, specifically GASB 34 and GASB 37. Therefore, government-wide financial statements that include accounting for capital assets, lease payables and notes payable are not included in the financial statements.

Reporting Entity

The Town's basic financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity are set forth in GASB 14 as amended by GASB 39, and Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards.

Based on the criteria, the Town has no component units.

Fund Financial Statements

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

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of the governmental fund category) for the determination of major funds. The General Fund and the Road Retreatment Fund are the Town's major funds. The nonmajor funds are combined in a column in the fund financial statements.

TOWN OF FAYSTON, VERMONT
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The following fund types are used by the Town:

Governmental Funds

The focus of the governmental funds' measurement (in the fund financial statements) is upon determination of financial position and changes in 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:

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

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

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by business-type/proprietary funds).

Permanent Funds 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.

Basis of Accounting

Basis of accounting refers to the point at which revenue or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurements made regardless of the measurement focus applied.

Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end for property taxes and within six months for other revenues. 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.

TOWN OF FAYSTON, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agent. Additionally, each fund's equity in the Town's investment pool is treated as a cash equivalent because the funds can deposit or effectively withdraw cash at any time without prior notice or penalty.

Investments

Investments are stated at fair value (quoted market price or the best available estimate).

Fund Balances

Equity is classified in the following categories:

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

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

Budgetary Accounting

The Town approves a budget for the General Fund at an annual Town Meeting and the Selectboard, based on the budget and Grand List, determines the tax rate. Formal budgetary accounting is employed as a management control device during the year for the General Fund. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Interfund Activity

Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenue and expenditures. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

TOWN OF FAYSTON, VERMONT
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

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

NOTE 2 - DEPOSITS

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. As of December 31, 2009, none of the government’s bank balance of \$1,789,226 was exposed to custodial credit risk.

NOTE 3 - INVESTMENTS

As of December 31, 2009, the Town had the following investments:

Investment	Maturities	Fair Value
U.S. Government securities	2/8/2010	\$ 19,982
Corporate bonds	10/2017-5/2036	24,993
Mutual funds		68,447
		<u>\$ 113,422</u>

Interest Rate Risk – The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – The Town has no investment policy that would limit its investment choices.

Concentration of Credit Risk – The Town places no limit on the amount the Town may invest in any one issuer.

Custodial Credit Risk – Investments. Custodial credit risk is the risk that, in the event of the failure of the counterparty to a transaction, the Town will not be able to recover the value of investment or collateral securities that are in the possession of an outside party.

TOWN OF FAYSTON, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

NOTE 3 – INVESTMENTS (Continued)

Investment income includes the following:

	Governmental Funds			Total
	General Fund	Cemetery Perpetual Care	Cemetery Maintenance	
Interest and dividends	\$ 18,881	\$ 234	\$ 2,808	\$ 21,923
Realized loss	0	(1,504)	0	(1,504)
Unrealized gain	0	4,071	14,104	18,175
Total	<u>\$ 18,881</u>	<u>\$ 2,801</u>	<u>\$ 16,912</u>	<u>\$ 38,594</u>

The calculation of realized gains or losses is independent of a calculation of the net change in fair value of investments. Realized gains or losses on investments that have been held in more than one fiscal year and sold in the current year were included as a change in fair value of investments reported in prior years.

NOTE 4 - PROPERTY TAXES

Taxes are billed in July and are payable September 1st. Taxes become delinquent November 1st. The Town bills and collects its own property tax, taxes for the School District, and the School District's share of Harwood Union High School tax assessment. The tax rate for fiscal year 2009 was:

Town	\$ 0.2651
School - Homestead	1.7488
School - Non residential	1.8714

NOTE 5 - RETIREMENT PLAN

The Town of Fayston participates in the Vermont Municipal Employees' Retirement System, which is a cost-sharing multiple employer public employees' defined benefit pension plan. The plan provides benefits for disability, death, early retirement, and normal retirement. Vermont state statutes provide the authority under which benefit provisions and the Town's obligation to contribute are established. The System's actuary issues a financial report on the plan for the State of Vermont. Required contributions to the System are determined based upon the report prepared by the actuary. All employees who are regularly employed for at least 24 hours a week and for at least 1,040 hours a year must join the System when hired. During 1995 the Town

TOWN OF FAYSTON, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

NOTE 5 - RETIREMENT PLAN (Continued)

elected to change from Group C membership to Group B membership. Employees who were participating in the plan at the time of the election had the option to remain in Group C or to change to Group B. Employees joining the program after the election in 1995 must become Group B members. Members who have Group B coverage are required to contribute 4.5% of compensation, and members who have Group C coverage are required to contribute 9.0%. Members in either plan are vested upon completing 5 creditable years of service.

The Town's 2009 payroll for all employees was \$272,750. Total 2009 covered payroll for the Vermont Municipal Employees' Retirement System was \$223,171. The Town's contribution to the plan is 5.0% of compensation for Group B employees and 6.0% for Group C employees. Total employer contributions to the plan were \$11,769 for 2009, \$11,772 for 2008, and \$12,608 for 2007. All 2009 employee and employer retirement contributions were paid as of December 31, 2009.

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

NOTE 6 - COMMITMENTS

From time to time the Town enters into finance and maintenance agreements with the State of Vermont, Agency of Transportation, for various cost sharing arrangements relating to bridge and road projects. Generally, the Town bears certain percentages of the total costs relating to preliminary and construction engineering costs, right-of-way costs, utility costs, and final construction costs.

NOTE 7 - RISK MANAGEMENT

The Town of Fayston is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town of Fayston maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town of Fayston. Settled claims have not exceeded this coverage in any of the past three fiscal years. The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and rate setting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

TOWN OF FAYSTON, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

NOTE 8 - FUND BALANCES

Governmental Fund balances are as follows:

General Fund		\$ 162,250
Capital Projects Funds		
Fire Equipment	52,399	
Bridge Reserve	161,565	
Recreation Reserve	12,000	
Road Construction	15,652	
Road Retreatment	257,167	
Other Equipment	16,530	
Record Restoration	<u>21,168</u>	
Total Capital Projects Fund		536,481
Special Revenue Funds		
Cemetery maintenance	99,834	
Reappraisal	<u>80,594</u>	
Total Special Revenue Fund		180,428
Permanent Fund		
Cemetery perpetual care		<u>23,911</u>
Total reserved - Governmental Funds		<u>\$ 903,070</u>

NOTE 9 - INTERFUND TRANSFERS

During the year, several interfund transactions occurred between funds. The various operating transfers were made in accordance with budgetary authorizations. Interfund transfers for the year ended December 31, 2009 are as follows:

<u>Transfers to:</u>	<u>Transfers from: General Fund</u>
Road retreatment	\$ 50,000
Record restoration	10,000
Bridge reserve	3,000
Town garage	222
Fire equipment	15,000
Other equipment/assets	60,000
Road construction	20,000
Reappraisal	<u>5,000</u>
Totals	<u>\$ 163,222</u>

TOWN OF FAYSTON, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2009

NOTE 9 - INTERFUND TRANSFERS (Continued)

In addition, \$6,500 was transferred from the Cemetery Perpetual Care Fund to the Cemetery Maintenance Fund.

NOTE 10 – INTERFUND RECEIVABLES AND PAYABLES

The Town has combined some of the cash resources of its governmental funds for accounting and reporting purposes. That portion of the pooled cash balance is reported in the specific fund as an interfund balance. Interfund balances at December 31, 2009 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 0	\$ 605,559
Capital Projects Funds		
Other Equipment/Assets	16,530	0
Fire Equipment	52,399	0
Bridge Reserve	150,049	0
Recreation Reserve	12,000	0
Road Construction	15,652	0
Road Retreatment	257,167	0
Record Restoration	21,168	0
Special Revenue Funds		
Reappraisal	80,594	0
Cemetery Maintenance	8,288	0
Permanent Funds		
Cemetery Perpetual Care	0	8,288
Total	<u>\$ 613,847</u>	<u>\$ 613,847</u>

NOTE 11 – DUE TO STATE EDUCATION FUND

The amount due to the State Education Fund has been estimated based on the data available as of the statement date. A final reconciliation of this amount will be performed in May, 2010.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 8, 2010, the date which the financial statements were available for issue. Management is not aware of any other subsequent events which require disclosure.

TOWN OF FAYSTON, VERMONT
 SCHEDULE OF TAXES RAISED
 YEAR ENDED DECEMBER 31, 2009

SCHEDULE 1

	MUNICIPAL	HOMESTEAD	NON-RESIDENTIAL	TOTAL
Total Grand List	\$ 2,869,051.35	\$ 1,165,989.80	\$ 1,667,784.55	
Tax rate	0.2651	1.7488	1.8714	
Taxes Billed	\$ 760,585.51	\$ 2,039,082.96	\$ 3,121,092.01	\$ 5,920,760.48
Various adjustments				2,528.63
HS-122 penalties				1,367.88
Decrease in deferred taxes				0
Payment to Fayston School District				(2,355,107.00)
State adjustments - HS-122				(674,302.00)
Payment to State of Vermont				(2,120,674.00)
				\$ 774,573.99

Reconciliation of Delinquent Taxes

Years	Delinquent Taxes Due Jan. 1, 2009	Current Taxes Gone Delinquent	Collections	Delinquent Taxes Due Dec. 31, 2009
2006	\$ 839.16	\$ 0	\$ 839.16	\$ 0
2007	10,680.61	0	10,190.87	489.74
2008	210,709.80	0	169,668.88	41,040.92
2009	0	178,521.92	0	178,521.92
	\$ 222,229.57	\$ 178,521.92	\$ 180,698.91	\$ 220,052.58

TOWN OF FAYSTON, VERMONT
SUMMARY OF CASH RECEIPTS AND CASH EXPENDITURES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2009

SCHEDULE 2

CASH BALANCE - January 1, 2009 \$ 1,490,712

CASH RECEIPTS

Taxes collected	5,069,361
Delinquent taxes	180,699
Penalties and interest	39,395
Interest and dividends	21,922
State of Vermont - highway funds	62,786
Other miscellaneous receipts	<u>127,987</u>

Total cash receipts 5,502,150

CASH EXPENDITURES

Transfer to School District and State	4,387,874
Highway	211,120
Other General Fund	489,532
Capital expenditures	140,603
Cemetery maintenance	<u>6,198</u>

Total cash expenditures 5,235,327

CASH BALANCE - December 31, 2009 \$ 1,757,535

TOWN OF FAYSTON, VERMONT
 BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2009

	Capital Projects										Special Revenue		Permanent Fund	Totals
	Town Garage	Fire Equipment	Bridge Reserve	Recreation Reserve	Road Construction	Other Equip/Assets	Record Restoration	Reappraisal		Cemetery Maintenance	Cemetery Perpetual Care			
								Reappraisal	Maintenance					
ASSETS														
Cash	\$ 0	\$ 0	\$ 11,516	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,818	\$ 505	\$ 21,839		
Investments	0	0	0	0	0	0	0	0	0	81,728	31,694	113,422		
Due from other funds	0	52,399	150,049	12,000	15,652	16,530	21,168	80,594	8,288	0	0	356,680		
Total assets	\$ 0	\$ 52,399	\$ 161,565	\$ 12,000	\$ 15,652	\$ 16,530	\$ 21,168	\$ 80,594	\$ 99,834	\$ 32,199	\$ 491,941			
LIABILITIES														
Due to other funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,288	\$ 8,288		
Total liabilities	0	0	0	0	0	0	0	0	0	0	8,288	8,288		
FUND BALANCES														
Unreserved	0	52,399	161,565	12,000	15,652	16,530	21,168	80,594	99,834	23,911	483,653			
Total liabilities and fund balances	\$ 0	\$ 52,399	\$ 161,565	\$ 12,000	\$ 15,652	\$ 16,530	\$ 21,168	\$ 80,594	\$ 99,834	\$ 32,199	\$ 491,941			

TOWN OF FAYSTON, VERMONT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2009

	Town Garage	Capital Projects							Special Revenue		Permanent Fund Cemetery Perpetual Care	Totals
		Fire Equipment	Bridge Reserve	Recreation Reserve	Road Construction	Other Equip/Assets	Record Restoration	Reappraisal	Cemetery Maintenance	Cemetery		
REVENUES												
Investment income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 16,912	\$ 2,801	\$ 19,713	
State grant	0	0	22,028	0	0	0	0	11,077	0	0	33,105	
Other	0	0	0	0	0	0	0	0	1,375	0	1,375	
Total revenues	0	0	22,028	0	0	0	0	11,077	18,287	2,801	54,193	
EXPENDITURES												
Road construction	0	0	0	18,796	0	0	0	0	0	0	18,796	
Construction equipment, vehicles	0	0	27,535	0	89,858	0	0	0	0	0	117,393	
Furnishings, office expense	0	0	0	0	0	2,766	0	1,648	0	0	4,414	
Cemetery	0	0	0	0	0	0	0	0	6,198	0	6,198	
Total expenditures	0	0	27,535	18,796	89,858	2,766	0	1,648	6,198	0	146,801	
EXCESS REVENUES (EXPENDITURES)	0	0	(5,507)	(18,796)	(89,858)	(2,766)	0	9,429	12,089	2,801	(92,608)	
OTHER FINANCING SOURCES												
Transfers from (to) other funds	222	15,000	3,000	20,000	60,000	10,000	0	5,000	6,500	(6,500)	113,222	
EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	222	15,000	(2,507)	1,204	(29,858)	7,234	0	14,429	18,589	(3,699)	20,614	
FUND BALANCES - JANUARY 1, 2009	(222)	37,399	164,072	14,448	46,388	13,934	12,000	66,165	81,245	27,610	463,039	
FUND BALANCES - DECEMBER 31, 2009	\$ 0	\$ 52,399	\$161,565	\$ 15,652	\$ 16,530	\$ 21,168	\$ 12,000	\$ 80,594	\$ 99,834	\$ 23,911	\$ 483,653	