

TOWN OF FAYSTON, VERMONT
COMPILATION REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2008

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January 23, 2009

Selectboard
Town of Fayston
Fayston, Vermont

We have compiled 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, 2008, as listed in the Table of Contents in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them. We are, however, aware of departures from generally accepted accounting principles, as described in the following paragraphs. The effects of these departures on the financial statements, if any, have not been fully determined.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities. U.S. generally accepted accounting principles 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 is 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 U.S. generally accepted accounting principles.

In our opinion, because of the effects of the matters discussed in the above paragraphs, the financial statements referred to above do not present fairly, in conformity with U.S. generally accepted accounting principles, the financial position of the Town of Fayston, Vermont, as of December 31, 2008, and the changes in its financial position for the year then ended.

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

We have compiled the supplementary information in Schedules 1 through 4 from information that is the representation of management, without audit or review. Accordingly, we do not express an opinion or any other form of assurance on the supplementary information.

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, 2008

EXHIBIT A

	Major Fund		Total Governmental Funds
	General	Nonmajor Funds	
ASSETS			
Cash - checking and savings	\$ 1,470,236	\$ 20,476	\$ 1,490,712
Investments	0	99,505	99,505
Delinquent taxes receivable	222,230	0	222,230
Other receivables	17,921	0	17,921
Due from other funds	0	558,735	558,735
Total assets	\$ 1,710,387	\$ 678,716	\$ 2,389,103
LIABILITIES AND FUND BALANCE			
Liabilities			
Accrued payables	\$ 7,924	\$ 0	\$ 7,924
Due to State Education Fund	948,674	0	948,674
Deferred revenue - taxes	164,000	0	164,000
Deferred revenue - grants	2,730	0	2,730
Due to other funds	550,225	8,510	558,735
Total liabilities	1,673,553	8,510	1,682,063
Fund Balance			
Reserved - Capital Project Funds	0	495,186	495,186
Reserved - Special Revenue Funds	0	147,410	147,410
Reserved - Permanent Funds	0	27,610	27,610
Unreserved	36,834	0	36,834
Total fund balances	36,834	670,206	707,040
Total liabilities and fund balances	\$ 1,710,387	\$ 678,716	\$ 2,389,103

See Accountant's Compilation Report and
Notes to Financial Statements.

TOWN OF FAYSTON, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2008

EXHIBIT B

	Major Fund	Nonmajor Funds	Total Governmental Funds
	General		
REVENUES			
Property taxes	\$ 733,743	\$ 0	\$ 733,743
Fees, licenses and permits	32,403	0	32,403
State of Vermont - highway funds	65,262	0	65,262
State of Vermont - reappraisal grant	0	11,087	11,087
Investment income	18,157	(34,686)	(16,529)
Other	78,887	960	79,847
Total revenues	<u>928,452</u>	<u>(22,639)</u>	<u>905,813</u>
EXPENDITURES			
Salaries - road crew	116,304	0	116,304
Employee benefits	90,808	0	90,808
Highway equipment	63,661	0	63,661
Highway supplies	49,277	0	49,277
Town garage	3,937	0	3,937
Officers' salaries	99,461	0	99,461
Officers' supplies	20,985	0	20,985
Taxes and assessments	76,772	0	76,772
Fire protection	28,640	0	28,640
Insurance	28,400	0	28,400
Town meeting and election	8,998	0	8,998
Municipal building	35,276	0	35,276
Planning / Board of Adjustment	44,880	0	44,880
Administrative	40,978	0	40,978
Cemetery	0	5,348	5,348
Road construction	0	12,211	12,211
Furnishings	0	1,840	1,840
Construction equipment	0	83,825	83,825
Total expenditures	<u>708,377</u>	<u>103,224</u>	<u>811,601</u>
EXCESS REVENUES (EXPENDITURES)	220,075	(125,863)	94,212
OTHER FINANCING SOURCES (USES)			
Transfers from (to) other funds	<u>(168,000)</u>	<u>168,000</u>	<u>0</u>
EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	52,075	42,137	94,212
FUND BALANCES - JANUARY 1, 2008	<u>(15,241)</u>	<u>628,069</u>	<u>612,828</u>
FUND BALANCES - DECEMBER 31, 2008	<u>\$ 36,834</u>	<u>\$ 670,206</u>	<u>\$ 707,040</u>

TOWN OF FAYSTON, VERMONT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 YEAR ENDED DECEMBER 31, 2008

EXHIBIT C

	Budget	Actual	Favorable (Unfavorable) Variance
REVENUES			
Property taxes	\$ 774,293	\$ 733,743	\$ (40,550)
State of Vermont - highway funds	66,000	65,262	(738)
GM Valley School	4,000	4,000	0
Fees, licenses and permits	35,500	32,403	(3,097)
Interest on taxes	8,000	13,161	5,161
Interest on investments	13,000	18,157	5,157
Grant income	0	4,928	4,928
Miscellaneous	38,500	56,798	18,298
Total revenues	<u>939,293</u>	<u>928,452</u>	<u>(10,841)</u>
EXPENDITURES			
Salaries			
Road crew	<u>135,000</u>	<u>116,304</u>	<u>18,696</u>
Employee Benefits			
Hospitalization	50,200	51,921	(1,721)
Retirement	13,100	11,772	1,328
Social Security	22,300	18,868	3,432
Uniforms	2,600	2,753	(153)
Dental	5,600	5,494	106
Total employee benefits	<u>93,800</u>	<u>90,808</u>	<u>2,992</u>
Highway Equipment			
Blades	5,000	5,092	(92)
Diesel	27,000	33,667	(6,667)
Repairs	15,000	7,416	7,584
Gasoline	4,500	5,063	(563)
Oil	1,200	3,202	(2,002)
Other parts	5,000	4,281	719
Rentals	5,000	3,500	1,500
Tires	2,500	1,440	1,060
Total highway equipment	<u>65,200</u>	<u>63,661</u>	<u>1,539</u>
Highway Supplies			
Calcium	10,000	7,972	2,028
Sand	7,500	10,000	(2,500)
Other supplies	1,000	452	548
Salt	22,000	30,853	(8,853)
Total highway supplies	<u>40,500</u>	<u>49,277</u>	<u>(8,777)</u>

See Accountant's Compilation Report and
 Notes to Financial Statements.

TOWN OF FAYSTON, VERMONT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 YEAR ENDED DECEMBER 31, 2008

EXHIBIT C

	Budget	Actual	Favorable (Unfavorable) Variance
Town Garage			
Electricity & heat	2,000	224	1,776
Maintenance and repairs	3,000	2,420	580
Telephone	1,000	1,293	(293)
Total town garage	<u>6,000</u>	<u>3,937</u>	<u>2,063</u>
Officers' Salaries			
Town Clerk/Tax Collector	41,100	41,080	20
Treasurer/Assistant clerk	41,100	41,080	20
Listers	18,000	12,002	5,998
Selectboard assistant	5,300	5,299	1
Delinquent tax collector	0	18,576	(18,576)
Penalties collected	0	(18,576)	18,576
Total officers' salaries	<u>105,500</u>	<u>99,461</u>	<u>6,039</u>
Officers' Supplies			
Computer supplies	3,000	3,173	(173)
Equipment purchase	3,000	1,000	2,000
Listers	1,500	853	647
Selectmen	2,250	2,250	0
Postage	2,000	1,689	311
Equipment rental	3,000	3,037	(37)
Supplies	5,000	4,454	546
911 wages	1,100	109	991
Tax mapping	2,000	1,685	315
Seminars/dues	2,400	2,735	(335)
Total officers' supplies	<u>25,250</u>	<u>20,985</u>	<u>4,265</u>
Taxes and Assessments			
Joslin Memorial Library	8,500	8,550	(50)
Washington County	39,542	39,542	0
Recreation district	12,500	12,500	0
Donations	16,300	16,180	120
Total taxes and assessments	<u>76,842</u>	<u>76,772</u>	<u>70</u>
Fire Protection			
Waitsfield contract	28,500	28,640	(140)

See Accountant's Compilation Report and
 Notes to Financial Statements.

TOWN OF FAYSTON, VERMONT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - GENERAL FUND
 YEAR ENDED DECEMBER 31, 2008

EXHIBIT C

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Insurance			
Liability, etc.	15,830	16,030	(200)
Workers' compensation	10,568	11,498	(930)
Unemployment	872	872	0
Total insurance	<u>27,270</u>	<u>28,400</u>	<u>(1,130)</u>
Town Meeting and Election			
Election clerks	3,300	2,045	1,255
Supplies	3,300	2,753	547
Town Report	4,100	4,200	(100)
Total town meeting and election	<u>10,700</u>	<u>8,998</u>	<u>1,702</u>
Municipal Building			
Cleaning	1,800	1,893	(93)
Mowing	500	360	140
Electricity	2,200	2,452	(252)
Heat	4,800	5,626	(826)
Other	1,000	263	737
Repairs	30,000	22,121	7,879
Telephone	3,000	2,561	439
Total municipal building	<u>43,300</u>	<u>35,276</u>	<u>8,024</u>
Planning/Board of Adjustment			
Advertising	1,500	1,175	325
CVRPC	1,190	1,189	1
Other	500	139	361
MRVPD	19,100	19,100	0
Planning resources	1,500	0	1,500
Town plan	4,000	810	3,190
Supplies and postage	800	1,656	(856)
Computer equipment	1,500	0	1,500
Zoning administrator	20,800	20,147	653
Zoning assistant	2,000	664	1,336
Total planning/board of adjustment	<u>52,890</u>	<u>44,880</u>	<u>8,010</u>

See Accountant's Compilation Report and
 Notes to Financial Statements.

TOWN OF FAYSTON, VERMONT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED DECEMBER 31, 2008

EXHIBIT C

	Budget	Actual	Favorable (Unfavorable) Variance
Administration			
Pound	2,000	2,100	(100)
Legal	30,000	23,326	6,674
Consulting	1,500	370	1,130
Audit	5,500	4,600	900
Loan interest	600	0	600
Fire warden	300	300	0
Public safety	0	130	(130)
MRV solid waste alliance	2,400	2,366	34
Other	1,000	484	516
State education payment - prior year	0	4,194	(4,194)
Grant related expenses	0	1,570	(1,570)
League of Cities and Towns	2,000	1,538	462
Total administration	45,300	40,978	4,322
Total expenditures	756,052	708,377	47,675
Transfers to Other Funds			
Road construction	20,000	20,000	0
Equipment reserve	60,000	60,000	0
Bridge	8,000	8,000	0
Town garage reserve	5,000	5,000	0
Fire equipment reserve	10,000	10,000	0
Road retreatment	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	168,000	168,000	0
Total expenditures and transfers to other funds	924,052	876,377	47,675
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND TRANSFERS	\$ 15,241	52,075	\$ 36,834
FUND BALANCE - JANUARY 1, 2008		(15,241)	
FUND BALANCE - DECEMBER 31, 2008		\$ 36,834	

See Accountant's Compilation Report and
Notes to Financial Statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

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 generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. 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/expenses. The various funds are reported by generic classification within the financial statements.

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The General Fund is the Town's only major fund. The nonmajor funds are combined in a column in the fund financial statements.

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.

TOWN OF FAYSTON, VERMONT
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

Basis of accounting refers to the point at which revenue or expenditures/expenses 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.

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.

TOWN OF FAYSTON, VERMONT
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 U.S. generally accepted accounting principles (GAAP).

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/expenses. 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.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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, 2008, none of the government's bank balance of \$1,526,764 was exposed to custodial credit risk.

TOWN OF FAYSTON, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE 3 - INVESTMENTS

As of December 31, 2008, the Town had the following investments:

Investment	Maturities	Fair Value
U.S. Government securities	2/8/2010	\$ 19,775
Corporate bonds	10/2017-5/2036	19,528
Mutual funds		60,202
		<u>\$ 99,505</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.

Investment income includes the following:

	Governmental Funds			Total
	General Fund	Cemetery Perpetual Care	Cemetery Maintenance	
Interest and dividends	\$ 18,157	\$ 542	\$ 3,560	\$ 22,259
Realized loss	0	(1,066)	0	(1,066)
Unrealized loss	0	(6,610)	(31,112)	(37,722)
Total	<u>\$ 18,157</u>	<u>\$ (7,134)</u>	<u>\$ (27,552)</u>	<u>\$ (16,529)</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.

TOWN OF FAYSTON, VERMONT
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

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 2008 was:

Town	\$	0.2800
School - Homestead		1.7280
School - Non residential		1.7829

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 elected to change from Group C membership to Group B membership. Employees who were participating in the plan at the time of the election have the option to remain in Group C or to change to Group B. Employees joining the program after the election 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 2008 payroll for all employees was \$256,018. Total 2008 covered payroll for the Vermont Municipal Employees' Retirement System was \$218,396. 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 \$11,772 for 2008, \$12,608 for 2007 and \$11,780 for 2006. All 2008 employee and employer retirement contributions were paid as of December 31, 2008.

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.

TOWN OF FAYSTON, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

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.

NOTE 8 - RESERVED FUND BALANCES

Fund balances are reserved as follows:

Governmental Funds

Capital Projects Fund

Town Garage	\$ (222)	
Fire Equipment	37,399	
Bridge Reserve	164,072	
Recreation Reserve	12,000	
Road Construction	14,448	
Road Retreatment	207,167	
Other Equipment	46,388	
Record Restoration	<u>13,934</u>	
Total Capital Projects Fund		495,186

Special Revenue Fund

Cemetery maintenance	81,245	
Reappraisal	<u>66,165</u>	
Total Special Revenue Fund		147,410

Permanent Fund

Cemetery perpetual care		<u>27,610</u>
Total reserved - Governmental Funds		<u>\$ 670,206</u>

TOWN OF FAYSTON, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

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, 2008 are as follows:

<u>Transfers to:</u>	<u>Transfers from: General Fund</u>
Road retreatment	\$ 50,000
Record restoration	10,000
Bridge reserve	8,000
Town garage	5,000
Fire equipment	10,000
Other equipment/assets	60,000
Road construction	20,000
Reappraisal	5,000
Totals	<u>\$ 168,000</u>

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, 2008 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 0	\$ 550,225
Capital Projects Funds		
Other Equipment/Assets	46,388	0
Town Garage	0	222
Fire Equipment	37,399	0
Bridge Reserve	152,946	0
Recreation Reserve	12,000	0
Road Construction	14,448	0
Road Retreatment	207,167	0
Record Restoration	13,934	0
Special Revenue Funds		
Reappraisal	66,165	0
Cemetery Maintenance	8,288	0
Permanent Funds		
Cemetery Perpetual Care	0	8,288
Total	<u>\$ 558,735</u>	<u>\$ 558,735</u>

TOWN OF FAYSTON, VERMONT
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2008

NOTE 11 – FUND DEFICITS

The Town Garage Fund has a deficit of \$222 as of December 31, 2008. The Town plans to eliminate this deficit in the coming year.

NOTE 12 – 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, 2009.

TOWN OF FAYSTON, VERMONT
 SCHEDULE OF TAXES RAISED
 YEAR ENDED DECEMBER 31, 2008

SCHEDULE 1

	MUNICIPAL	HOMESTEAD	NON-RESIDENTIAL	TOTAL
Total Grand List	\$ 2,855,774.75	\$ 1,079,732.28	\$ 1,739,529.47	
Tax rate	0.2800	1.7280	1.7829	
Taxes Billed	\$ 799,616.93	\$ 1,865,777.38	\$ 3,101,407.09	\$ 5,766,801.40
Various adjustments				(14,492.00)
Increase in deferred taxes				(71,000.00)
Payment to Fayston School District				(2,391,878.00)
State adjustments - HS-122				(461,962.00)
Payment to State of Vermont				(2,093,726.79)
Net property taxes				\$ 733,742.61

Reconciliation of Delinquent Taxes

Years	Delinquent Taxes Due Jan. 1, 2008	Current Taxes Gone Delinquent	Collections	Delinquent Taxes Due Dec. 31, 2008
2006	\$ 4,602.24	\$ 0	\$ 3,763.08	\$ 839.16
2007	120,984.74	0	110,304.13	10,680.61
2008	0	210,709.80	0	210,709.80
	\$ 125,586.98	\$ 210,709.80	\$ 114,067.21	\$ 222,229.57

TOWN OF FAYSTON, VERMONT
SUMMARY OF CASH RECEIPTS AND CASH EXPENDITURES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2008

SCHEDULE 2

CASH BALANCE - January 1, 2008 \$ 1,404,706

CASH RECEIPTS

Delinquent taxes	114,067
Penalties and interest	31,737
Taxes collected	4,970,688
Interest and dividends	22,259
State of Vermont - highway funds	65,262
Other miscellaneous receipts	<u>102,920</u>

Total cash receipts 5,306,933

CASH EXPENDITURES

Highway	233,179
Other General Fund	498,455
Capital expenditures	97,876
Cemetery maintenance	5,348
Transfer to School District and State	<u>4,386,069</u>

Total cash expenditures 5,220,927

CASH BALANCE - December 31, 2008 \$ 1,490,712

TOWN OF FAYSTON, VERMONT
 BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
 DECEMBER 31, 2008

	Other Equip/Assets	Town Garage	Fire Equipment	Capital Projects					Special Revenue			Permanent Fund Cemetery Perpetual Care	Totals
				Bridge Reserve	Recreation Reserve	Road Construction	Road Retirement	Record Restoration	Reappraisal	Cemetery Maintenance	Cemetery		
Cash	\$ 0	\$ 0	\$ 0	\$ 11,126	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,446	\$ 2,904	\$ 20,476
Investments	0	0	0	0	0	0	0	0	0	0	66,511	32,994	99,505
Due from other funds	46,388	0	37,399	152,946	12,000	14,448	207,167	13,934	66,165	8,288	0	0	558,735
Total assets	\$ 46,388	\$ 0	\$ 37,399	\$ 164,072	\$ 12,000	\$ 14,448	\$ 207,167	\$ 13,934	\$ 66,165	\$ 81,245	\$ 35,898	\$ 0	\$ 678,716
LIABILITIES													
Due to other funds	\$ 0	\$ 222	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,288	\$ 8,510
Total liabilities	0	222	0	0	0	0	0	0	0	0	0	8,288	8,510
FUND BALANCES													
Reserved	46,388	(222)	37,399	164,072	12,000	14,448	207,167	13,934	66,165	81,245	27,610	0	670,206
Total liabilities and fund balances	\$ 46,388	\$ 0	\$ 37,399	\$ 164,072	\$ 12,000	\$ 14,448	\$ 207,167	\$ 13,934	\$ 66,165	\$ 81,245	\$ 35,898	\$ 0	\$ 678,716

TOWN OF FAYSTON, VERMONT
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 YEAR ENDED DECEMBER 31, 2008

	Other Equip/Assets	Capital Projects							Special Revenue			Permanent Fund
		Town Garage	Fire Equipment	Bridge Reserve	Recreation Reserve	Road Construction	Road Retreatment	Record Restoration	Reappraisal	Cemetery Maintenance	Cemetery Perpetual Care	Totals
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
REVENUES												
Investment income	0	0	0	0	0	0	0	0	0	0	0	0
State grant	0	0	0	0	0	0	0	0	11,087	0	0	11,087
Other	0	0	0	0	0	0	0	0	0	960	0	960
Total revenues	0	0	0	0	0	0	0	0	11,087	(26,592)	(7,134)	(22,639)
EXPENDITURES												
Road construction	0	0	0	0	0	12,211	0	0	0	0	0	12,211
Construction equipment, vehicles	81,442	2,383	0	0	0	0	0	0	0	0	0	83,825
Furnishings, office	0	0	0	0	0	0	0	1,840	0	0	0	1,840
Cemetery	0	0	0	0	0	0	0	0	0	5,348	0	5,348
Total expenditures	81,442	2,383	0	0	0	12,211	0	1,840	0	5,348	0	103,224
EXCESS REVENUES (EXPENDITURES)	(81,442)	(2,383)	0	0	0	(12,211)	0	(1,840)	11,087	(31,940)	(7,134)	(125,863)
OTHER FINANCING SOURCES												
Transfers from (to) other funds	60,000	5,000	10,000	8,000	20,000	50,000	10,000	5,000	4,125			168,000
EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(21,442)	2,617	10,000	8,000	7,789	50,000	8,160	16,087	(27,815)		(11,259)	42,137
FUND BALANCES - JANUARY 1, 2008	67,830	(2,839)	27,399	156,072	12,000	157,167	5,774	50,078	109,060		38,869	628,069
FUND BALANCES - DECEMBER 31, 2008	\$ 46,388	\$ (222)	\$ 37,399	\$ 164,072	\$ 12,000	\$ 207,167	\$ 13,934	\$ 66,165	\$ 81,245		\$ 27,610	\$ 670,206