

# FOTHERGILL SEGALE & VALLEY

Certified Public Accountants



January 23, 2009

Selectboard Members  
Town of Fayston  
866 No. Fayston Road  
Moretown, VT 05660

John E. (Jeff) Fothergill, CPA  
Michael L. Segale, CPA  
Sheila R. Valley, CPA  
Teresa H. Kajenski, CPA  
Jane M. Burroughs, CPA  
Donald J. Murray, CPA

Dear Selectboard Members:

We have recently completed the compilation of the Town's financial statements as of and for the year ended December 31, 2008. The following are our observations and recommendations.

## FINANCIAL PERFORMANCE

At December 31, 2008 your General Fund had a fund balance of \$36,834.

Exhibit C of the financial statements on pages 5 - 8 compares General Fund actual revenues and expenditures to budget. Revenues were greater than expenditures by \$52,075, which was \$36,834 better than what was budgeted. The largest variances were as follows:

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues:			
Property taxes	\$ 774,293	\$ 733,743	\$ (40,550)
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
Expenditures:			
Road crew	135,000	116,304	18,696
Highway supplies	40,500	49,277	(8,777)
Municipal building	43,300	35,276	8,024
Office salaries	105,500	99,461	6,039
Planning/board of adjustment	52,890	44,880	8,010

Fund balances for the Capital Projects Funds, Special Revenue Funds and the Cemetery Perpetual Care Fund totaled \$670,206 as of December 31, 2008. Please see Note 8 to the Financial Statements and Schedules 3 and 4 for more details related to these funds.

## **PRIOR RECOMMENDATIONS**

### *AUDIT REPORT*

As discussed in past years, due to the Town reporting its financial information on the pre GASB 34 reporting model, the financial statements do not present fairly, the financial position or changes in the financial position of the Town of Fayston in conformity with generally accepted accounting principles. We recommend that you continue to consider the costs and benefits of complying with this accounting principle.

We thank you for the opportunity to provide this service to you. Please call if you have any questions or want to discuss any of the above recommendations.

Sincerely,

*Fothergill Segale & Valley, CPAs*

FOTHERGILL SEGAL & VALLEY, CPAs