

Why is there no Capital fund account for the Lange Forest and/or the Town Forest?
 Why is there no Budget for either Forest?
 Should both forests, separately or together be shown as a contingent liability in
 Fairlee's Statement of Condition?

TOWN OF FAIRLEE, VERMONT

REVIEW REPORT AND FINANCIAL STATEMENTS

DECEMBER 31, 2019

TABLE OF CONTENTS

	<u>Page #</u>
INDEPENDENT ACCOUNTANT'S REVIEW REPORT	1 - 2
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position – Modified Cash Basis	Exhibit A 3
Statement of Activities – Modified Cash Basis	Exhibit B 4
FUND FINANCIAL STATEMENTS	
Balance Sheet – Governmental Funds – Modified Cash Basis	Exhibit C 5
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds – Modified Cash Basis	Exhibit D 6
Statement of Revenues, Expenditures and Changes in Fund Balance Compared to Budget – General Fund – Modified Cash Basis	Exhibit E 7 - 11
Statement of Net Position – Proprietary Fund – Modified Cash Basis	Exhibit F 12
Statement of Activities – Proprietary Fund – Modified Cash Basis	Exhibit G 13
Statement Fiduciary Net Position and Changes in Fiduciary Net Position – Modified Cash Basis	Exhibit H 14
NOTES TO FINANCIAL STATEMENTS	15 - 24
SUPPLEMENTARY INFORMATION	
Combining and Individual Fund Balance Sheet – Nonmajor Governmental Funds – Modified Cash Basis	Schedule 1 25 - 26
Combining and Individual Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds – Modified Cash Basis	Schedule 2 27 - 28

FOTHERGILL SEGALE & VALLEY

Certified Public Accountants



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Selectboard
Town of Fairlee
Fairlee, Vermont

We have reviewed the accompanying modified cash basis financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Town of Fairlee, Vermont, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for 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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Required Supplementary Information

Management has omitted the Management's Discussion and Analysis that the modified cash basis of accounting requires to be presented to supplement the basic financial statements. Such missing 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.

Supplementary Information

The supplementary information included in the Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the modified cash basis financial statements. The supplementary information has been subjected to the review procedures applied in our review of the modified cash basis financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the supplementary information and do not express an opinion on such information.

Respectfully submitted,

Fothergill Segale & Valley, CPAs

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

December 17, 2020

STATEMENT OF NET POSITION - MODIFIED CASH BASIS

DECEMBER 31, 2019

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and cash equivalents	\$ 2,174,949	\$ 0	\$ 2,174,949
Investments - restricted	17,285	0	17,285
Internal balances	(402,619)	402,619	0
Total assets	<u>1,789,615</u>	<u>402,619</u>	<u>2,192,234</u>
LIABILITIES			
Current Liabilities			
Due to State of Vermont - Property Taxes	283,934	0	283,934
Due to School Districts	510,224	0	510,224
Due to Fiduciary funds	171,160	0	171,160
Prepaid property taxes	19	0	19
Held for others	1,068	0	1,068
Total current liabilities	<u>966,405</u>	<u>0</u>	<u>966,405</u>
NET POSITION			
Restricted	276,229	0	276,229
Unrestricted	546,981	402,619	949,600
Total net position	<u>\$ 823,210</u>	<u>\$ 402,619</u>	<u>\$ 1,225,829</u>

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position		
					Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General government	\$ 590,489	\$ 58,942	\$ 6,493	\$ 0	\$ (525,054)	\$ 0	\$ (525,054)
Highways and streets	284,454	0	80,604	0	(203,850)	0	(203,850)
Culture and recreation	226,697	2,088	0	0	(224,609)	0	(224,609)
Public safety	157,918	0	0	0	(157,918)	0	(157,918)
Appropriations	25,500	0	0	0	(25,500)	0	(25,500)
Cemeteries	29,846	0	0	0	(29,846)	0	(29,846)
Debt service	77,746	0	0	0	(77,746)	0	(77,746)
Capital outlay - general fund	29,608	0	0	0	(29,608)	0	(29,608)
Capital outlay - highways and streets	231,215	0	0	130,728	(100,487)	0	(100,487)
Total governmental activities	<u>1,653,473</u>	<u>61,030</u>	<u>87,097</u>	<u>130,728</u>	<u>(1,374,618)</u>	<u>0</u>	<u>(1,374,618)</u>
Business-type activities							
Water system	1,201,577	160,432	0	0	0	(1,041,145)	(1,041,145)
Total business-type activities	<u>1,201,577</u>	<u>160,432</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,041,145)</u>	<u>(1,041,145)</u>
Total government	<u>\$ 2,855,050</u>	<u>\$ 221,462</u>	<u>\$ 87,097</u>	<u>\$ 130,728</u>	<u>(1,374,618)</u>	<u>(1,041,145)</u>	<u>(2,415,763)</u>
General Revenues and Other Sources:							
Property taxes and related revenues					1,292,006	0	1,292,006
Debt proceeds					0	278,409	278,409
Investment income					9,864	0	9,864
Litigation settlement					0	900,000	900,000
Other revenues					90,343	829	91,172
Transfers					(17,879)	17,879	0
Total general revenues and other sources					<u>1,374,334</u>	<u>1,197,117</u>	<u>2,571,451</u>
Change in net position					(284)	155,972	155,688
Net position - January 1, 2019					<u>823,494</u>	<u>246,647</u>	<u>1,070,141</u>
Net position - December 31, 2019					<u>\$ 823,210</u>	<u>\$ 402,619</u>	<u>\$ 1,225,829</u>

BALANCE SHEET - GOVERNMENTAL FUNDS

MODIFIED CASH BASIS

DECEMBER 31, 2019

	General Fund	Capital Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 2,174,949	\$ 0	\$ 0	\$ 2,174,949
Investments - restricted	0	0	17,285	17,285
Due from other funds	0	535,768	258,944	794,712
Total assets	<u>\$ 2,174,949</u>	<u>\$ 535,768</u>	<u>\$ 276,229</u>	<u>\$ 2,986,946</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Due to other funds	\$ 1,368,491	\$ 0	\$ 0	\$ 1,368,491
Due to State of Vermont	283,934	0	0	283,934
Due to School Districts	510,224	0	0	510,224
Prepaid property taxes	19	0	0	19
Held for others	1,068	0	0	1,068
Total liabilities	<u>2,163,736</u>	<u>0</u>	<u>0</u>	<u>2,163,736</u>
FUND BALANCES				
Restricted	0	0	276,229	276,229
Committed to capital projects	0	535,768	0	535,768
Unassigned	11,213	0	0	11,213
Total fund balances	<u>11,213</u>	<u>535,768</u>	<u>276,229</u>	<u>823,210</u>
Total liabilities and fund balances	<u>\$ 2,174,949</u>	<u>\$ 535,768</u>	<u>\$ 276,229</u>	<u>\$ 2,986,946</u>

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2019

	General Fund	Capital Funds	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes and related revenues	\$ 1,292,006	\$ 0	\$ 0	\$ 1,292,006
Intergovernmental	80,604	130,728	0	211,332
Licenses, fees and fines	20,919	0	16,009	36,928
Investment income	3,946	0	6,818	9,864
Building rentals	30,595	0	0	30,595
Other	78,137	100	12,106	90,343
Total revenues	<u>1,505,307</u>	<u>130,828</u>	<u>34,933</u>	<u>1,671,068</u>
EXPENDITURES				
Current				
General Government	551,340	37,099	2,050	590,489
Highway and streets	284,454	0	0	284,454
Culture and recreation	210,849	986	14,862	226,697
Public safety	157,918	0	0	157,918
Appropriations	25,500	0	0	25,500
Cemeteries	10,418	0	19,428	29,846
Debt service				
Principal	46,810	0	0	46,810
Interest	30,936	0	0	30,936
Capital outlays	29,608	231,215	0	260,823
Total expenditures	<u>1,347,833</u>	<u>269,300</u>	<u>36,340</u>	<u>1,653,473</u>
EXCESS REVENUES (EXPENDITURES)	<u>157,474</u>	<u>(138,472)</u>	<u>(1,407)</u>	<u>17,595</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	0	181,105	0	181,105
Transfers out	(198,984)	0	0	(198,984)
Total other financing sources (uses)	<u>(198,984)</u>	<u>181,105</u>	<u>0</u>	<u>(17,879)</u>
NET CHANGE IN FUND BALANCE	(41,510)	42,633	(1,407)	(284)
FUND BALANCES - JANUARY 1, 2019	<u>52,723</u>	<u>493,135</u>	<u>277,636</u>	<u>823,494</u>
FUND BALANCES - DECEMBER 31, 2019	<u>\$ 11,213</u>	<u>\$ 535,768</u>	<u>\$ 276,229</u>	<u>\$ 823,210</u>

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE COMPARED TO BUDGET -
GENERAL FUND

MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2019

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES			
Taxes and related revenues			
Property taxes - general	\$ 1,231,473	\$ 1,207,621	\$ (23,852)
Interest on delinquent taxes	0	8,870	8,870
Delinquent tax fees	6,000	3,627	(2,373)
State current use payment	68,000	71,888	3,888
Total taxes and related revenues	<u>1,305,473</u>	<u>1,292,006</u>	<u>(13,467)</u>
Intergovernmental			
State highway aid grant	40,000	40,602	602
Other grants	124,654	40,002	(84,652)
Total intergovernmental	<u>164,654</u>	<u>80,604</u>	<u>(84,050)</u>
Licenses, fees and fines			
Town clerk fees	8,000	9,149	1,149
Photocopying	350	731	381
Beach fees	1,800	2,088	288
Dump and trash income	1,725	2,060	335
Other fees, permits & licenses	8,650	6,891	(1,759)
Total licenses, fees and fines	<u>20,525</u>	<u>20,919</u>	<u>394</u>
Interest	700	3,046	2,346
Building rentals	30,020	30,595	575
Other revenues			
Donations	58,270	53,231	(5,039)
Donated services	27,738	22,434	(5,304)
Miscellaneous	500	2,472	1,972
Total other revenues	<u>86,508</u>	<u>78,137</u>	<u>(8,371)</u>
Total revenues	<u>1,607,880</u>	<u>1,505,307</u>	<u>(102,573)</u>
EXPENDITURES			
Administration			
Salaries	167,884	171,482	(3,598)
Payroll taxes	12,843	13,920	(1,077)
Benefits	45,843	41,969	3,874
Selectboard expenses	2,550	1,564	986
Town clerk expenses	1,400	1,876	(476)
Town report	3,150	2,236	914
VLCT dues	2,138	2,192	(54)
Advertising	1,500	568	932
Postage	3,445	3,893	(448)
Office supplies	4,200	4,925	(725)
Training	1,500	1,275	225
Computer and internet	17,500	17,594	(94)
Equipment	1,500	2,298	(798)
Repairs and maintenance	11,160	9,290	1,870
Travel	1,300	2,078	(778)
Insurance	7,669	5,780	1,889
Telephone	2,925	3,551	(626)
Professional and legal fees	9,160	6,505	2,655
Miscellaneous	0	47	(47)
Total administration	<u>297,667</u>	<u>293,043</u>	<u>4,624</u>
Highway			
Winter roads	97,000	131,497	(34,497)
Sand and salt	28,000	37,476	(9,476)
Resurfacing	20,000	23,832	(3,832)
Repairs and maintenance	47,750	62,219	(14,469)
Ditching	10,000	4,680	5,320
Mowing	7,000	7,000	0
Sweeping	1,200	2,030	(830)
Lighting	7,500	6,997	503
Tree removal	7,000	6,838	162
Special projects	5,000	1,628	3,372
Miscellaneous	2,200	36	2,164
Insurance	294	221	73
Total highway	<u>232,944</u>	<u>284,454</u>	<u>(51,510)</u>

See Notes to Financial Statements.

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE COMPARED TO BUDGET -
GENERAL FUND

MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2019

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Town Hall			
Salaries	5,500	7,838	(2,338)
Payroll taxes	421	600	(179)
Parks	1,000	1,781	(781)
Supplies and small equipment	3,000	1,631	1,369
Repairs and maintenance	14,250	14,733	(483)
Insurance	6,616	4,962	1,654
Utilities	11,475	16,956	(5,481)
Contracted services	17,025	15,130	1,895
Total town hall	<u>59,287</u>	<u>63,631</u>	<u>(4,344)</u>
Emergency Building			
Repairs and maintenance	10,200	4,505	5,695
Contracted services	1,000	828	172
Insurance	3,075	2,889	186
Ambulance	43,428	42,988	440
Utilities	12,550	12,496	54
Total emergency building	<u>70,253</u>	<u>63,706</u>	<u>6,547</u>
Zoning Office			
Salaries	35,510	36,690	(1,180)
Payroll taxes	2,717	2,807	(90)
Regional planning commission	1,456	1,456	0
Green Mountain Economic Development	1,000	1,000	0
Planning grant expenses	0	3,822	(3,822)
Better connections grant expenses	60,000	2,060	57,940
Town plan consultant	8,500	8,500	0
Miscellaneous	850	769	81
Mileage reimbursement	1,000	1,019	(19)
Professional fees	500	50	450
Equipment and supplies	950	390	560
Total zoning office	<u>112,483</u>	<u>58,563</u>	<u>53,920</u>
Fire Department			
Salaries	13,000	8,065	4,935
Payroll taxes	994	466	528
Office supplies and equipment	19,850	15,843	4,007
Training	2,500	915	1,585
Computer and internet	1,659	2,593	(934)
Repairs and maintenance	10,000	5,629	4,371
Insurance	11,766	10,920	846
Telephone and dispatch	11,724	6,286	5,438
Total fire department	<u>71,493</u>	<u>50,717</u>	<u>20,776</u>
Forestry			
Salaries	250	250	0
Payroll taxes	19	19	0
Repairs and maintenance	500	0	500
Total forestry	<u>769</u>	<u>269</u>	<u>500</u>

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE COMPARED TO BUDGET -
GENERAL FUND

MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2019

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Listers			
Salaries	33,753	34,102	(349)
Payroll taxes	2,582	2,728	(146)
Mapping maintenance	2,806	2,650	156
Miscellaneous	955	625	330
Professional fees	1,000	0	1,000
Office supplies	150	34	116
Mileage	500	386	114
Total listers	41,746	40,525	1,221
Milfoil			
Salaries	10,990	12,880	(1,890)
Payroll taxes	710	855	(145)
Contractual	78,000	59,574	18,426
In-Kind	27,738	22,434	5,304
Equipment maintenance	1,150	824	326
Insurance	1,155	866	289
Miscellaneous	220	553	(333)
Total milfoil	119,963	97,986	21,977
Police			
Salaries	12,500	11,301	1,199
Payroll taxes	918	850	68
Subcontractors	18,300	13,847	4,453
Supplies and equipment	2,250	8,214	(5,964)
Training	150	65	85
Computer and internet	500	1,047	(547)
Auto expenses	2,100	1,049	1,051
Insurance	4,829	3,622	1,207
Dispatch	3,500	3,500	0
Total police	45,047	43,495	1,552
Railroad Station			
Insurance	1,962	1,471	491
Utilities	1,060	940	120
Miscellaneous	1,053	1,366	(313)
Contracted services	625	1,130	(505)
Repairs and maintenance	500	293	207
Total railroad station	5,200	5,200	0
Recreational Council			
Salaries	13,000	13,709	(709)
Payroll taxes	995	1,049	(54)
Red Cross	1,000	2,048	(1,048)
Beach expenses	2,000	1,398	602
Miscellaneous	1,300	1,012	288
Advertising	700	200	500
Insurance	1,425	1,069	356
Utilities	1,325	1,343	(18)
Total recreational council	21,745	21,828	(83)
Other			
Board of civil authority	500	36	464
Elections	1,000	990	10
County taxes	53,000	55,261	(2,261)
Memorial day	2,000	1,585	415
Land records restoration	1,000	298	702
Fireworks	5,500	5,500	0
Emergency management	1,000	31	969
Total other	64,000	63,701	299

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE COMPARED TO BUDGET -
GENERAL FUND

MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2019

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Library			
Salaries	42,734	43,014	(280)
Payroll taxes	3,269	3,291	(22)
Medical insurance	9,929	9,937	(8)
Repairs and maintenance	5,446	4,368	1,078
Books and media	8,200	8,247	(47)
Dues and subscriptions	1,260	1,294	(34)
Miscellaneous	1,345	1,626	(281)
Programs	1,400	1,570	(170)
Computer and copier	4,250	4,154	96
Supplies and small equipment	2,900	2,847	53
Insurance	3,550	2,663	887
Telephone	2,248	2,143	105
Utilities	6,788	5,612	1,176
Total library	93,319	90,766	2,553
Cemetery			
Cornerstones	150	300	(150)
Insurance	35	26	9
Water	710	633	77
Contracted services	9,075	8,800	275
Flag expenses	300	0	300
Monument repairs	1,000	640	360
Miscellaneous	125	19	106
Total cemetery	11,395	10,418	977
Trash and Recycling			
Salaries	6,872	5,096	1,776
Payroll taxes	526	390	136
Recycling	15,996	15,996	0
Composting	1,200	1,210	(10)
Facility maintenance	2,000	527	1,473
Household hazardous waste	0	987	(987)
Dump	600	355	245
Membership - CVSWD	987	0	987
Green-Up	200	0	200
Insurance	1,051	788	263
Contracted services	625	0	625
Grant expenses	0	569	(569)
Total trash and recycling	30,057	25,918	4,139
Community Organizations			
American Red Cross	500	500	0
The Mentoring Project	500	500	0
Capstone	300	300	0
Central VT Adult Education	400	400	0
CVCOA	600	600	0
Clara Martin Center	1,545	1,545	0
Cohase Chamber	250	250	0
Green-Up Vermont	50	50	0
Orange County Parent/Child Center	200	200	0
Little Rivers Health Care	2,000	2,000	0
Lake Fairlee Milfoil Association	5,250	5,250	0
Orange County Diversion Program	200	200	0
Orange East Seniors	2,200	2,200	0
Oxbow Senior Independence Program	300	300	0
Rivendell Trails	450	450	0
Rivendell Recreation Association	1,500	1,500	0
Safeline	700	700	0
Stagecoach Transportation	2,500	2,500	0
VABVI	300	300	0
VT Center for Independent Living	155	155	0
VT Rural Fire Protection	100	100	0
VNA/Hospice	5,500	5,500	0
Total community organizations	25,500	25,500	0

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE COMPARED TO BUDGET -
GENERAL FUND

MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2019

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Tri-Town Commission			
Stipends	306	0	306
VLCT	706	691	15
Miscellaneous	238	68	170
Total tri-town commission	<u>1,250</u>	<u>759</u>	<u>491</u>
Capital outlays	<u>27,000</u>	<u>29,608</u>	<u>(2,608)</u>
Debt service			
Dam bond	14,450	14,450	0
Town hall renovation	32,360	32,360	0
Interest expense	30,968	30,936	32
Total debt service	<u>77,778</u>	<u>77,746</u>	<u>32</u>
Total expenditures	<u>1,408,896</u>	<u>1,347,833</u>	<u>61,063</u>
EXCESS REVENUES	<u>198,984</u>	<u>157,474</u>	<u>(41,510)</u>
TRANSFERS OUT			
Capital budget fund transfers			
Highway rebuilding	(75,656)	(75,656)	0
Town hall	(13,000)	(13,000)	0
Fire truck and equipment	(10,000)	(10,000)	0
Library	(5,000)	(5,000)	0
Police	(2,500)	(2,500)	0
Computer plan	(8,449)	(8,449)	0
Transfer station	(40,000)	(40,000)	0
Building maintenance	(20,000)	(20,000)	0
Vault expansion	(1,000)	(1,000)	0
Village center enhancement	(2,500)	(2,500)	0
Milfoil	(3,000)	(3,000)	0
Total capital budget fund transfers	<u>(181,105)</u>	<u>(181,105)</u>	<u>0</u>
Other transfers			
Water fund	(17,879)	(17,879)	0
Total transfers	<u>(198,984)</u>	<u>(198,984)</u>	<u>0</u>
Total expenditures and transfers	<u>1,607,880</u>	<u>1,546,817</u>	<u>61,063</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>(41,510)</u>	<u>\$ (41,510)</u>
FUND BALANCE - JANUARY 1, 2019		<u>52,723</u>	
FUND BALANCE - DECEMBER 31, 2019		<u>\$ 11,213</u>	

STATEMENT OF NET POSITION - PROPRIETARY FUND

MODIFIED CASH BASIS

DECEMBER 31, 2019

	<u>Water System Fund</u>
ASSETS	
Due from other funds	<u>\$ 402,619</u>
NET POSITION	
Unrestricted	<u>402,619</u>
Total net position	<u><u>\$ 402,619</u></u>

STATEMENT OF ACTIVITIES - PROPRIETARY FUND

MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2019

	Water System Fund
OPERATING REVENUES:	
Charges for usage (net of discounts)	\$ 160,432
Interest and penalties on delinquent charges	829
Total operating revenues	<u>161,261</u>
OPERATING EXPENSES:	
Wages	13,936
Payroll taxes	691
Dues and subscriptions	350
Insurance	2,394
State of Vermont	888
Repairs and maintenance	40,887
Office supplies	2,323
Utilities	9,798
Miscellaneous	571
Total operating expenses	<u>71,838</u>
INCOME FROM OPERATIONS	<u>89,423</u>
NON-OPERATING REVENUES (EXPENSES)	
Loan proceeds	278,409
Litigation settlement	900,000
Transfer from general fund	17,879
Water System professional fees	(493,469)
Principal payment	(623,894)
Interest and administration fees	(12,376)
Total non-operating expenses	<u>66,549</u>
NET CHANGE IN NET POSITION	155,972
NET POSITION - JANUARY 1, 2019	<u>246,647</u>
NET POSITION - DECEMBER 31, 2019	<u>\$ 402,619</u>

TOWN OF FAIRLEE, VERMONT
STATEMENT OF FIDUCIARY NET POSITION
MODIFIED CASH BASIS
DECEMBER 31, 2019

	Special Purpose Trusts		Total Special Purpose Trusts
	Scholarship Fund	S. Miller Bequest	
ASSETS			
Due from Town	\$ 137,462	\$ 33,698	\$ 171,160
Total assets	<u>\$ 137,462</u>	<u>\$ 33,698</u>	<u>\$ 171,160</u>
NET POSITION			
Held in trust for others	\$ 137,462	\$ 33,698	\$ 171,160
Total net position	<u>\$ 137,462</u>	<u>\$ 33,698</u>	<u>\$ 171,160</u>

TOWN OF FAIRLEE, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
MODIFIED CASH BASIS
YEAR ENDED DECEMBER 31, 2019

	Special Purpose Trusts		Total Special Purpose Trusts
	Scholarship Fund	S. Miller Bequest	
ADDITIONS			
Donations	\$ 2,280	\$ 0	\$ 2,280
Interest and dividends	365	85	450
Total additions	<u>2,645</u>	<u>85</u>	<u>2,730</u>
DEDUCTIONS			
Expenses	10,000	0	10,000
Total deductions	<u>10,000</u>	<u>0</u>	<u>10,000</u>
CHANGE IN NET POSITION	(7,355)	85	(7,270)
NET POSITION, JANUARY 1, 2019	<u>144,817</u>	<u>33,613</u>	<u>178,430</u>
NET POSITION, DECEMBER 31, 2019	<u>\$ 137,462</u>	<u>\$ 33,698</u>	<u>\$ 171,160</u>

TOWN OF FAIRLEE, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

The Town of Fairlee, Vermont operates under a Selectboard/Town Clerk/Town Treasurer form of government and provides the following services: public safety, highways and streets, water, recreation, public improvements, planning and zoning, and general administrative services.

The Town, for financial reporting purposes, includes all of the funds relevant to the operations of the Town of Fairlee. The financial statements presented herein do not include agencies which have been formed under applicable state laws or separate and distinct units of government apart from the Town of Fairlee.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are presented on the modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America. Generally accepted accounting principles include all relevant Governmental Accounting Standards Board pronouncements. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant policies employed in the preparation of these financials.

Reporting Entity

This report includes all of the funds of the Town of Fairlee, Vermont. The reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the Town's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization or there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government. Based on these criteria, there are no entities that should be combined with the financial statements of the Town.

Basis of Presentation

The Town's financial statements include both government-wide and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the Town as a whole. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the Town.

Basic Financial Statements – Government-Wide Financial Statements

The government-wide statement of net position and the statement of activities present information about the Town, as a whole. These statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, fees for service and other revenues. Business-type activities are financed in whole or in part by fees charged to external parties.

TOWN OF FAIRLEE, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Statement of Net Position presents all of the Town's activities on the modified cash basis of accounting. The Town's net position is reported as restricted net position and unrestricted net position.

The Statement of Activities reports both the direct gross and net cost of each of the Town's governmental and business-type functions. Direct expenses are those that are specifically associated with a function. The Statement of Activities reduces direct expenses by related program revenue, including operating and capital grants, contributions and charges for services. Program revenue must be directly associated with the governmental or business-type function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The functions are also supported by general government revenue (property taxes, certain intergovernmental revenues, and other revenues not specific to a function).

Basic Financial Statements – 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, fund equity, revenue and expenditures. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled. The various funds are reported by major fund within the financial statements. The fund financial statements provide information about the Town's funds. Separate statements for each fund category, governmental and enterprise, are presented.

The following is a description of the major governmental funds of the Town. All remaining governmental funds are aggregated and reported as nonmajor funds.

Governmental Funds

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

Capital Fund – This accounts for the acquisition or construction of capital items as well as other long term projects that are funded with both outside sources and transfers from the General Fund.

Proprietary Fund

The Proprietary Fund's operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the waste water system. All revenues and expenses not funding ongoing operations are reported as non-operating revenues and expenses.

Fiduciary Funds

Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support Town programs. The reporting focus is on net position and changes in net position and is reported using accounting principles similar to proprietary funds.

TOWN OF FAIRLEE, VERMONT
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus

Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting. Equity is segregated into restricted and unrestricted net asset balances using the modified cash basis of accounting. Operating statements present increases and decreases in modified cash basis net position.

Governmental fund financial statements are reported using the current financial resources measurement focus within the limitations of the modified cash basis of accounting. Fund balances (modified cash basis) are considered a measure of available spendable resources and are segregated into restricted and unrestricted amounts. Operating statements of these funds present increases and decreases in modified cash basis fund balances.

When an expenditure is incurred that would qualify for payment with either restricted or unrestricted funds, it will be paid from restricted funds. When an expenditure is incurred that qualifies for payment from either of the three unrestricted fund balance categories, it will be applied first to committed, then assigned, then unassigned.

Basis of Accounting

Basis of accounting refers to the point at which revenues 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. The Town prepares its financial statements primarily on the basis of cash receipts and cash disbursements. Consequently, certain revenues and related assets are recognized when received rather than when earned and certain expenditures and related liabilities are recognized when paid rather than when the liability is incurred. The exception to this is the Town records 1) investments as an asset at fair market value 2) property taxes collected that are due to the State of Vermont and the local School Districts as a liability and 3) interfund balances as assets and liabilities. Capital assets are expensed when purchased. Loan proceeds are recorded as other financing sources and loan repayments are recorded as expenses or expenditures.

Cash and Cash Equivalents

The Town has defined cash and cash equivalents to include cash on hand, demand deposits, and cash with fiscal agent with terms less than six months.

Investments

Investments are stated at fair market value.

Net Position

Net position represents the difference between assets and liabilities in the statement of net position. Net position is divided into three components:

TOWN OF FAIRLEE, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Invested in capital assets, net of related debt – consist of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets. The Town expenses its capital assets when purchased thereby not having a Net Position component of Invested in Capital Assets, net of related debt.

Restricted net position – consist of assets that are restricted by the Town’s creditors, enabling legislation, by grantors, and by other contributors.

Unrestricted net position – all other net position is reported in this category.

Fund Equity

GASB Statement 54 “Fund Balance Reporting and Governmental Fund Type Definitions” provide fund balance categories to make the nature and extent of the constraints placed on a government’s fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable fund balances - Indicates the portion of fund equity that cannot be spent due to their form (e.g. inventories and prepaids) or funds that legally or contractually must be maintained intact.

Restricted fund balances - Indicates the portion of fund equity that is mandated for a specific purpose by external parties, constitutional provisions, or enabling legislation (e.g. federal and state grants, bondholders, and trust and trustee accounts).

Committed fund balances - Indicates the portion of fund equity that is set aside for a specific purpose by the Town’s highest decision making authority.

Assigned fund balances - Indicates the portion of fund equity that is set aside with the intent to be used for a specific purpose by the Select Board or official that has been given the authority to assign funds (e.g. encumbrances, subsequent budgets). Assigned funds cannot cause a deficit in unassigned fund balance.

Unassigned fund balances – Indicates the portion of fund equity that has not been classified in the previous four categories. All funds in this category are considered spendable resources. This category provides the resources necessary to meet unexpected expenditures and revenue shortfalls.

The Town does not have a fund balance policy identifying someone other than the Town’s highest decision-making authority to commit fund balance as required by GASB 54.

TOWN OF FAIRLEE, VERMONT
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interfund Balances

Transactions between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances”.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budget Adoption

Budgets are approved at the annual Town Meeting in March. Any budget changes require voter approval. There were no budget changes during the year.

NOTE 2 - DEPOSITS AND INVESTMENTS

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, 2019, the Town’s bank balances, including certificate of deposits, were exposed to custodial credit risk as follows:

Insured - FDIC	\$ 500,000
Collateralized	1,700,297
Uninsured, not collateralized	88,658
Total bank balances	<u>\$ 2,288,955</u>

Investments

Credit Risk – investments. The Town has an investment policy that limits its investment choices to policies established by the Selectboard. Investments at December 31, 2019 are recorded at fair market value and are as follows:

	<u>Fair Value</u>
Common Stock	<u>\$ 17,285</u>
Total investments	<u>\$ 17,285</u>

TOWN OF FAIRLEE, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 3 - INTERFUND TRANSFERS AND INTERFUND BALANCES

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them in accordance with budgetary authorizations. \$181,105 was transferred to the Capital Fund from the General Fund per budget authorization and \$17,879 was transferred to the Water Fund from the General Fund per budget authorization.

As of December 31, 2019, the interfund balances were as follows:

Fund:	Receivable	Payable
General Fund	\$ 0	\$ 1,368,491
Capital Fund	535,768	0
Water Fund	402,619	0
Cemetery Commission/ CD	22,992	0
Recreation Council	10,123	0
Historical Society	4,992	0
Lange Forest	25,223	0
Timber Trust	28,133	0
Gravel Pit	27,003	0
Fireman's Stock	2,911	0
Reappraisal Reserve	75,755	0
Restoration Fees Reserve	10,712	0
Listers' Training Reserve	1,984	0
Railroad Station Fund	13,890	0
Memorial Contributions	202	0
Perkins Library Fund	32,393	0
Town Hall Fundraising	118	0
Roselene Ordway Trust	2,513	0
Scholarship Fund	137,462	0
S Miller Bequest	33,698	0
Total	<u>\$ 1,368,491</u>	<u>\$ 1,368,491</u>

NOTE 4 - RISK MANAGEMENT

The Town of Fairlee, Vermont 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 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. 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 FAIRLEE, VERMONT
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 5 - LONG-TERM LIABILITIES

Long-term liabilities at December 31, 2019 consisted of the following:

	Total	Due Within One Year
Governmental Activity:		
Loan Payable, Community Bank		
General Fund, Dam improvements, interest paid at 2.75%, principal payments of \$14,450 due annually in July, with interest payments made semi-annually.	\$ 231,190	\$ 14,450
Loan Payable, Union Bank		
Town Hall Fund, Town Hall renovations, interest paid at 3%, monthly principal payments of \$4,714, due July 1, 2038.	<u>789,727</u>	<u>33,345</u>
Total Government Activity	<u><u>\$ 1,020,917</u></u>	<u><u>\$ 47,795</u></u>
Business-type Activity:		
Loan Payable, Union Bank		
Water system upgrade interim financing, interest at 2.19%, due December 31, 2019. This loan will be refinanced when the Water Fund improvement project is completed. The re- financed loan will be paid over 40 years and will include interest at no higher than 2.75%.	<u>\$ 1,259,447</u>	<u>\$ 1,259,447</u>
Total Business-type Activity	<u><u>\$ 1,259,447</u></u>	<u><u>\$ 1,259,447</u></u>

Interest and administration fees paid on the Water bonds was \$12,206 and interest paid on the Governmental loans was \$30,936 for 2019.

TOWN OF FAIRLEE, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 5 - LONG-TERM LIABILITIES (Continued)

During the fiscal year ended December 31, 2019, the following changes occurred in bonds and loans payable:

	Total	Governmental Activities	Business-Type Activities
Long-term liabilities at January 1, 2018	\$ 2,672,669	\$ 1,067,737	\$ 1,604,932
Loan proceeds	278,409	0	278,409
Loan payments	(670,704)	(46,810)	(623,894)
Long-term liabilities at December 31, 2019	2,280,374	1,020,927	1,259,447
Due within one year	(1,307,242)	(47,795)	(1,259,447)
Due after one year	<u>\$ 973,132</u>	<u>\$ 973,132</u>	<u>\$ 0</u>

The Long-term liabilities will mature as follows:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Int/Admin	Total
2020	\$ 47,795	\$ 29,604	\$ 77,399	\$ 1,259,447	\$ 27,695	\$ 1,287,142
2021	48,809	28,176	76,985	0	0	0
2022	49,854	26,733	76,587	0	0	0
2023	50,931	25,258	76,189	0	0	0
2024	52,040	23,765	75,805	0	0	0
2025-2029	234,398	94,945	329,343	0	0	0
Thereafter	537,100	60,278	597,378	0	0	0
	<u>\$1,020,927</u>	<u>\$288,759</u>	<u>\$ 1,309,686</u>	<u>\$ 1,259,447</u>	<u>\$ 27,695</u>	<u>\$ 1,287,142</u>

NOTE 6 - PROPERTY TAXES

Property taxes are due October 3rd and become delinquent on October 4th. Interest is assessed at 1% per month for the first three months and then 1.5% every month after that. A penalty of 8% is assessed when the taxes become delinquent. The Town of Fairlee bills and collects its own property taxes and also for the education taxes for the State of Vermont. Town tax revenue is recognized when cash is received. For the year ended December 31, 2019, the tax rate was as follows:

	Residential	Non-Residential
Education	\$ 1.8561	\$ 1.6095
Municipal	0.5817	0.5817
	<u>\$ 2.4378</u>	<u>\$ 2.1912</u>

TOWN OF FAIRLEE, VERMONT
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 7 – FUND BALANCES AND NET POSITION

The fund balances and net position classifications are as follows:

	<u>Restricted</u>	<u>Committed</u>
Capital Fund		
Bridges and Culverts	\$ 0	\$ 20,951
Lake Morey Road	0	100,597
Highway	0	1,137
Highway Rebuilding	0	56,598
Town Hall	0	18,009
Furnace Replacement	0	11,000
Railroad Station	0	1,101
Fire Truck and Equipment	0	155,146
Misc. Building and Sheds	0	7,000
Town Common	0	1,443
Police	0	7,533
Computer Plan	0	21,470
Library Facility	0	10,000
Playground Equipment	0	550
Exterior Building Maintenance	0	42,837
Transfer station	0	38,000
Milfoil	0	31,250
Vault Expansion	0	2,000
Village Center Enhancement	0	9,146
Total Capital Fund	<u>\$ 0</u>	<u>\$ 535,768</u>
Nonmajor Funds:		
Cemetery Commission/ CD	\$ 22,992	\$ 0
Recreation Council	10,123	0
Historical Society	4,992	0
Lange Forest	25,223	0
Timber Trust	28,133	0
Gravel Pit	27,003	0
Fireman's Stock	20,196	0
Reappraisal Reserve	75,755	0
Restoration Fees Reserve	10,712	0
Lister's Training Reserve	1,984	0
Railroad Station Fund	13,890	0
Memorial Contributions	202	0
Perkins Library Fund	32,393	0
Town Hall Fundraising	118	0
Roslene Ordway Fund	2,513	0
Total Nonmajor Funds	<u>\$ 276,229</u>	<u>\$ 0</u>
Fiduciary Funds:		
Scholarship Fund	\$ 137,462	\$ 0
S. Miller Bequest	33,698	0
Total Fiduciary Funds	<u>\$ 171,160</u>	<u>\$ 0</u>

TOWN OF FAIRLEE, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 8 – CURRENT USE TAX ABATEMENT

The State of Vermont operates a Current Use Program and enters into tax abatement agreements directly with landowners. Enrolled landowners are required to manage their land in accordance with an approved plan, and the land is subject to a lien to recover taxes abated if the land is ever developed. In exchange, the landowners receive a reduction in assessed value on their property tax bills, which results in a reduction of property tax revenue to the Town. For 2019, the amount of Town property taxes foregone as a result of the Current Use Program was approximately \$74,000. In accordance with 32 V.S.A § 3760, the State of Vermont limits the total loss of revenue to zero by providing the Town with a Hold Harmless payment in the following year that is equivalent to the taxes previously foregone.

NOTE 9 – WATER SYSTEM IMPROVEMENTS

The Town has committed to a Water System improvement project that is expected to cost \$3,675,000. The cost of the project will be financed through a USDA loan of \$2,031,000 and a USDA grant of \$1,644,000. Eligible costs of the project through December 31, 2019 totaled \$1,360,191. The project is expected to be completed in 2020.

NOTE 10 – LITIGATION PROCEEDS

A legal settlement, Town of Fairlee v. Engineering Ventures, Inc., was resolved as of May 16, 2019, resulting in an award of \$900,000 to the Town. The settlement was related to a faulty water tank that was installed in prior years. \$300,000 of the proceeds were used to repay the Union Bank. The loan from Union Bank was used to finance engineering and legal costs incurred in 2017 and 2018 related to the litigation. In addition, \$323,894 of the proceeds were used to pay off the Water Bond for the old tank.

NOTE 11 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through December 17, 2020, the date the financial statements are available to be issued, and there is nothing to disclose.

TOWN OF FAIRLEE, VERMONT

SCHEDULE 1

COMBINING AND INDIVIDUAL FUND BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

MODIFIED CASH BASIS

DECEMBER 31, 2019

	Special Revenue Funds						
	Cemetery Commission	Recreation Council	Historical Society	Lange Forest	Timber Trust	Gravel Pit	Fireman's Stock
ASSETS							
Investments - restricted	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,285
Due from other funds	22,992	10,123	4,992	25,223	28,133	27,003	2,911
Total assets	<u>\$ 22,992</u>	<u>\$ 10,123</u>	<u>\$ 4,992</u>	<u>\$ 25,223</u>	<u>\$ 28,133</u>	<u>\$ 27,003</u>	<u>\$ 20,196</u>
FUND BALANCES							
Restricted	\$ 22,992	\$ 10,123	\$ 4,992	\$ 25,223	\$ 28,133	\$ 27,003	\$ 20,196
Total fund balances	<u>\$ 22,992</u>	<u>\$ 10,123</u>	<u>\$ 4,992</u>	<u>\$ 25,223</u>	<u>\$ 28,133</u>	<u>\$ 27,003</u>	<u>\$ 20,196</u>

TOWN OF FAIRLEE, VERMONT

SCHEDULE 1

COMBINING AND INDIVIDUAL FUND BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

MODIFIED CASH BASIS

DECEMBER 31, 2019

	Special Revenue Funds					Capital	Permenant	Total
	Reappraisal Reserve	Restoration Fees Reserve	Listers' Training Reserve	Railroad Station Fund	Memorial Contributions	Projects Funds	Trust Funds	
					Perkins Library Fund	Town Hall Fundraising	Roslene Ordway Trust	Nonmajor Funds
ASSETS								
Investments - restricted	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,285
Due from other funds	75,755	10,712	1,984	13,890	202	32,393	118	258,944
Total assets	<u>\$ 75,755</u>	<u>\$ 10,712</u>	<u>\$ 1,984</u>	<u>\$ 13,890</u>	<u>\$ 202</u>	<u>\$ 32,393</u>	<u>\$ 118</u>	<u>\$ 276,229</u>
FUND BALANCES								
Restricted	\$ 75,755	\$ 10,712	\$ 1,984	\$ 13,890	\$ 202	\$ 32,393	\$ 118	\$ 276,229
Total fund balances	<u>\$ 75,755</u>	<u>\$ 10,712</u>	<u>\$ 1,984</u>	<u>\$ 13,890</u>	<u>\$ 202</u>	<u>\$ 32,393</u>	<u>\$ 118</u>	<u>\$ 276,229</u>

TOWN OF FAIRLEE, VERMONT

SCHEDULE 2

COMBINING AND INDIVIDUAL FUND SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds						
	Cemetery Commission	Recreation Council	Historical Society	Lange Forest	Timber Trust	Gravel Pit	Fireman's Stock
REVENUES							
Sales	\$ 840	\$ 1,281	\$ 0	\$ 9,735	\$ 0	\$ 0	\$ 0
Investment income	61	30	12	48	71	68	4,860
Dues and donations	0	0	3,982	0	0	0	0
State of Vermont	0	0	0	0	0	0	0
Restoration Fees	0	0	0	0	0	0	0
Miscellaneous	200	0	50	0	0	0	0
Total revenues	<u>1,101</u>	<u>1,311</u>	<u>4,044</u>	<u>9,783</u>	<u>71</u>	<u>68</u>	<u>4,860</u>
EXPENDITURES							
General government	0	0	0	0	0	0	0
Cemetery	19,428	0	0	0	0	0	0
Culture and recreation	0	3,678	3,215	400	0	0	0
Total expenditures	<u>19,428</u>	<u>3,678</u>	<u>3,215</u>	<u>400</u>	<u>0</u>	<u>0</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	(18,327)	(2,367)	829	9,383	71	68	4,860
FUND BALANCES - JANUARY 1, 2019	<u>41,319</u>	<u>12,490</u>	<u>4,163</u>	<u>15,840</u>	<u>28,062</u>	<u>26,935</u>	<u>15,336</u>
FUND BALANCES - DECEMBER 31, 2019	<u>\$ 22,992</u>	<u>\$ 10,123</u>	<u>\$ 4,992</u>	<u>\$ 25,223</u>	<u>\$ 28,133</u>	<u>\$ 27,003</u>	<u>\$ 20,196</u>

TOWN OF FAIRLEE, VERMONT

SCHEDULE 2

COMBINING AND INDIVIDUAL FUND SCHEDULE OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS

MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds					Capital	Permanent	Total
	Reappraisal Reserve	Restoration Fees Reserve	Lister's Training Reserve	Railroad Station Fund	Memorial Contributions	Project Funds Town Hall Fundraising	Trust Funds Roslene Ordway Trust	
REVENUES								
Sales	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 11,856
Investment income	184	0	0	1,398	0	80	0	6,818
Dues and donations	0	0	0	0	0	2,317	0	6,299
State of Vermont	6,493	0	0	0	0	0	0	6,493
Restoration Fees	0	3,217	0	0	0	0	0	3,217
Miscellaneous	0	0	0	0	0	0	0	250
Total revenues	<u>6,677</u>	<u>3,217</u>	<u>0</u>	<u>1,398</u>	<u>0</u>	<u>2,397</u>	<u>0</u>	<u>34,933</u>
EXPENDITURES								
General government	0	2,050	0	0	0	0	0	2,050
Cemetery	0	0	0	0	0	0	0	19,428
Culture and recreation	0	0	0	0	0	7,569	0	14,862
Total expenditures	<u>0</u>	<u>2,050</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,569</u>	<u>0</u>	<u>36,340</u>
NET CHANGE IN FUND BALANCE	6,677	1,167	0	1,398	0	(5,172)	0	(1,407)
FUND BALANCES - JANUARY 1, 2019	69,078	9,545	1,984	12,492	202	37,565	118	277,636
FUND BALANCES - DECEMBER 31, 2019	<u>\$ 75,755</u>	<u>\$ 10,712</u>	<u>\$ 1,984</u>	<u>\$ 13,890</u>	<u>\$ 202</u>	<u>\$ 32,393</u>	<u>\$ 118</u>	<u>\$ 276,229</u>