

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**

**AUDIT REPORT AND FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

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# FOTHERGILL SEGALE & VALLEY

*Certified Public Accountants*



## INDEPENDENT AUDITOR'S REPORT

To the Selectboard  
Town of Fairlee  
Fairlee, Vermont

We have audited 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, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the 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.

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position 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 December 31, 2020 and the respective changes in modified cash basis financial position and the modified cash basis budgetary comparison for the General Fund 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 on 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 opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Management has omitted the Management's Discussion and Analysis that the modified cash basis of accounting require 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. Our opinion on the basic financial statements is not affected by this missing information.

### *Report on Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. Schedules 1 and 2 are presented for purposes of additional analysis and are not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

## Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 14, 2022 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Respectfully submitted,

*Fothergill Segale & Valley, CPAs*

FOTHERGILL SEGALE & VALLEY, CPAs

Montpelier, Vermont

Vermont Public Accountancy License #110

February 14, 2022

## STATEMENT OF NET POSITION - MODIFIED CASH BASIS

DECEMBER 31, 2020

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 2,113,303	\$ 0	\$ 2,113,303
Investments - restricted	17,942	0	17,942
Internal balances	(66,730)	66,730	0
Total assets	<u>2,064,515</u>	<u>66,730</u>	<u>2,131,245</u>
<b>LIABILITIES</b>			
Current Liabilities			
Due to State of Vermont	339,466	0	339,466
Due to School Districts	553,946	0	553,946
Due to Fiduciary funds	162,577	0	162,577
Prepaid property taxes	8,811	0	8,811
Held for others	910	0	910
Total current liabilities	<u>1,065,710</u>	<u>0</u>	<u>1,065,710</u>
<b>NET POSITION</b>			
Restricted	252,407	0	252,407
Unrestricted	746,398	66,730	813,128
Total net position	<u>\$ 998,805</u>	<u>\$ 66,730</u>	<u>\$ 1,065,535</u>

TOWN OF FAIRLEE, VERMONT

EXHIBIT B

STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS

FOR THE YEAR ENDED DECEMBER 31, 2020

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	\$ 742,440	\$ 58,127	\$ 6,508	\$ 0	\$ (677,805)	\$ 0	\$ (677,805)
Highways and streets	215,996	0	192,383	0	(23,613)	0	(23,613)
Culture and recreation	174,430	1,973	0	0	(172,457)	0	(172,457)
Public safety	155,483	0	0	0	(155,483)	0	(155,483)
Appropriations	26,700	0	0	0	(26,700)	0	(26,700)
Cemeteries	9,094	0	0	0	(9,094)	0	(9,094)
Debt service	77,355	0	0	0	(77,355)	0	(77,355)
Capital outlays	176,013	0	0	62,839	(113,174)	0	(113,174)
Total governmental activities	<u>1,577,511</u>	<u>60,100</u>	<u>198,891</u>	<u>62,839</u>	<u>(1,255,681)</u>	<u>0</u>	<u>(1,255,681)</u>
Business-type activities							
Water system	<u>1,751,622</u>	<u>160,383</u>	<u>0</u>	<u>483,204</u>	<u>0</u>	<u>(1,108,035)</u>	<u>(1,108,035)</u>
Total business-type activities	<u>1,751,622</u>	<u>160,383</u>	<u>0</u>	<u>483,204</u>	<u>0</u>	<u>(1,108,035)</u>	<u>(1,108,035)</u>
Total government	<u>\$ 3,329,133</u>	<u>\$ 220,483</u>	<u>\$ 198,891</u>	<u>\$ 546,043</u>	<u>(1,255,681)</u>	<u>(1,108,035)</u>	<u>(2,363,716)</u>
General Revenues and Other Sources:							
Property taxes and related revenues					1,390,467	0	1,390,467
Debt proceeds					0	771,553	771,553
Investment income					3,956	0	3,956
Other revenues					36,853	593	37,446
Total general revenues and other sources					<u>1,431,276</u>	<u>772,146</u>	<u>2,203,422</u>
Change in net position					175,595	(335,889)	(160,294)
Net position - January 1, 2020					<u>823,210</u>	<u>402,619</u>	<u>1,225,829</u>
Net position - December 31, 2020					<u>\$ 998,805</u>	<u>\$ 66,730</u>	<u>\$ 1,065,535</u>

## BALANCE SHEET - GOVERNMENTAL FUNDS

MODIFIED CASH BASIS

DECEMBER 31, 2020

	General Fund	Capital Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 2,113,303	\$ 0	\$ 0	\$ 2,113,303
Investments - restricted	0	0	17,942	17,942
Due from other funds	0	562,774	234,465	797,239
	<u>0</u>	<u>562,774</u>	<u>234,465</u>	<u>797,239</u>
Total assets	<u>\$ 2,113,303</u>	<u>\$ 562,774</u>	<u>\$ 252,407</u>	<u>\$ 2,928,484</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>LIABILITIES</b>				
Due to other funds	\$ 1,026,546	\$ 0	\$ 0	\$ 1,026,546
Due to State of Vermont	339,466	0	0	339,466
Due to School Districts	553,946	0	0	553,946
Prepaid property taxes	8,811	0	0	8,811
Held for others	910	0	0	910
	<u>1,929,679</u>	<u>0</u>	<u>0</u>	<u>1,929,679</u>
<b>FUND BALANCES</b>				
Restricted	0	0	252,407	252,407
Committed to capital projects	0	562,774	0	562,774
Unassigned	183,624	0	0	183,624
	<u>183,624</u>	<u>562,774</u>	<u>252,407</u>	<u>998,805</u>
Total fund balances	<u>183,624</u>	<u>562,774</u>	<u>252,407</u>	<u>998,805</u>
Total liabilities and fund balances	<u>\$ 2,113,303</u>	<u>\$ 562,774</u>	<u>\$ 252,407</u>	<u>\$ 2,928,484</u>

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

MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2020

	General Fund	Capital Funds	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes and related revenues	\$ 1,390,467	\$ 0	\$ 0	\$ 1,390,467
Intergovernmental	192,383	62,839	0	255,222
Licenses, fees and fines	22,427	0	17,671	40,098
Investment income	2,400	0	1,556	3,956
Building rentals	26,510	0	0	26,510
Other	29,141	2,650	5,062	36,853
Total revenues	<u>1,663,328</u>	<u>65,489</u>	<u>24,289</u>	<u>1,753,106</u>
<b>EXPENDITURES</b>				
Current				
General Government	730,198	660	11,582	742,440
Highway and streets	214,368	1,628	0	215,996
Culture and recreation	155,750	7,900	10,780	174,430
Public safety	155,483	0	0	155,483
Appropriations	26,700	0	0	26,700
Cemeteries	9,094	0	0	9,094
Debt service				
Principal	0	47,903	0	47,903
Interest	0	29,452	0	29,452
Capital outlays	0	176,013	0	176,013
Total expenditures	<u>1,291,593</u>	<u>263,556</u>	<u>22,362</u>	<u>1,577,511</u>
EXCESS REVENUES (EXPENDITURES)	<u>371,735</u>	<u>(198,067)</u>	<u>1,927</u>	<u>175,595</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	25,749	225,073	0	250,822
Transfers out	<u>(225,073)</u>	<u>0</u>	<u>(25,749)</u>	<u>(250,822)</u>
Total other financing sources (uses)	<u>(199,324)</u>	<u>225,073</u>	<u>(25,749)</u>	<u>0</u>
NET CHANGE IN FUND BALANCE	172,411	27,006	(23,822)	175,595
FUND BALANCES - JANUARY 1, 2020	<u>11,213</u>	<u>535,768</u>	<u>276,229</u>	<u>823,210</u>
FUND BALANCES - DECEMBER 31, 2020	<u>\$ 183,624</u>	<u>\$ 562,774</u>	<u>\$ 252,407</u>	<u>\$ 998,805</u>



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

MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes and related revenues			
Property taxes - general	\$ 1,264,101	\$ 1,301,940	\$ 37,839
Interest on delinquent taxes	0	8,727	8,727
Delinquent tax fees	3,000	6,617	3,617
State current use payment	71,000	73,183	2,183
Total taxes and related revenues	<u>1,338,101</u>	<u>1,390,467</u>	<u>52,366</u>
Intergovernmental			
State highway aid grant	41,000	41,799	799
Other grants	198,124	150,584	(47,540)
Total intergovernmental	<u>239,124</u>	<u>192,383</u>	<u>(46,741)</u>
Licenses, fees and fines			
Town clerk fees	10,000	12,400	2,400
Photocopying	550	354	(196)
Beach fees	2,000	1,973	(27)
Dump and trash income	1,750	2,095	345
Other fees, permits & licenses	7,750	5,605	(2,145)
Total licenses, fees and fines	<u>22,050</u>	<u>22,427</u>	<u>377</u>
Interest	2,500	2,400	(100)
Building rentals	30,520	26,510	(4,010)
Other revenues			
Donations	5,000	6,422	1,422
Donated services	27,600	20,728	(6,872)
Miscellaneous	500	1,991	1,491
Total other revenues	<u>33,100</u>	<u>29,141</u>	<u>(3,959)</u>
Total revenues	<u>1,665,395</u>	<u>1,663,328</u>	<u>(2,067)</u>
<b>EXPENDITURES</b>			
Administration			
Salaries	184,375	181,732	2,643
Payroll taxes	13,738	15,036	(1,298)
Benefits	51,793	47,836	3,957
Selectboard expenses	2,550	2,134	416
Town clerk expenses	1,500	665	835
Town report	3,150	2,217	933
VLCT dues	2,281	2,281	0
Advertising	1,000	211	789
Postage	4,000	3,073	927
Office supplies	4,200	3,862	338
Training	1,500	206	1,294
Computer and internet	34,766	33,598	1,168
Equipment	1,500	1,080	420
Repairs and maintenance	5,773	7,702	(1,929)
Travel	2,000	343	1,657
Insurance	4,223	4,015	208
Telephone	3,500	3,919	(419)
Professional and legal fees	16,000	12,035	3,965
Records Digitization	0	19,600	(19,600)
Total administration	<u>337,849</u>	<u>341,545</u>	<u>(3,696)</u>
Highway			
Winter roads	137,000	84,503	52,497
Sand and salt	32,000	21,013	10,987
Resurfacing	20,000	7,600	12,400
Repairs and maintenance	45,350	59,418	(14,068)
Ditching	13,388	9,932	3,456
Mowing	7,000	7,000	0
Sweeping	2,000	2,030	(30)
Lighting	7,500	7,176	324
Tree removal	7,000	2,788	4,212
Special projects	4,900	4,602	298
Culverts	0	7,340	(7,340)
Miscellaneous	2,000	767	1,233
Insurance	199	199	0
Total highway	<u>278,337</u>	<u>214,368</u>	<u>63,969</u>

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

MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Town Hall</b>			
Salaries	8,000	5,498	2,502
Payroll taxes	612	421	191
Parks	1,000	340	660
Supplies and small equipment	4,000	3,197	803
Repairs and maintenance	14,250	6,659	7,591
Insurance	5,946	5,946	0
Utilities	15,945	22,127	(6,182)
Contracted services	17,025	18,364	(1,339)
<b>Total town hall</b>	<b>66,778</b>	<b>62,552</b>	<b>4,226</b>
<b>Emergency Building</b>			
Repairs and maintenance	11,500	2,907	8,593
Contracted services	800	410	390
Insurance	2,846	2,846	0
Ambulance	43,428	42,988	440
Utilities	12,550	11,751	799
<b>Total emergency building</b>	<b>71,124</b>	<b>60,902</b>	<b>10,222</b>
<b>Zoning Office</b>			
Salaries	35,802	35,898	(96)
Payroll taxes	2,739	2,746	(7)
Regional planning commission	0	5,150	(5,150)
Green Mountain Economic Development	1,000	0	1,000
Planning grant expenses	1,495	1,495	0
Better connections grant expenses	103,797	97,609	6,188
Park and ride grant expenses	30,000	0	30,000
Miscellaneous	850	634	216
Mileage reimbursement	1,000	172	828
Professional fees	500	0	500
Equipment and supplies	700	0	700
<b>Total zoning office</b>	<b>177,883</b>	<b>143,704</b>	<b>34,179</b>
<b>Fire Department</b>			
Salaries	13,250	8,420	4,830
Payroll taxes	1,013	568	445
Office supplies and equipment	20,350	13,362	6,988
Training	3,000	684	2,316
Computer and internet	2,038	2,052	(14)
Repairs and maintenance	10,500	4,385	6,115
Insurance	11,539	10,766	773
Telephone and dispatch	11,724	12,640	(916)
<b>Total fire department</b>	<b>73,414</b>	<b>52,877</b>	<b>20,537</b>
<b>Listers</b>			
Salaries	49,689	39,401	10,288
Payroll taxes	3,801	3,129	672
Reappraisal	35,000	16,620	18,380
Mapping maintenance	2,700	2,700	0
Miscellaneous	1,425	662	763
Professional fees	1,000	0	1,000
Office supplies	450	487	(37)
Mileage	500	121	379
<b>Total listers</b>	<b>94,565</b>	<b>63,120</b>	<b>31,445</b>
<b>Milfoil</b>			
Salaries	11,750	13,047	(1,297)
Payroll taxes	765	864	(99)
Contractual	25,000	19,463	5,537
In-Kind	27,600	20,728	6,872
Equipment maintenance	900	899	1
Insurance	1,037	1,037	0
Miscellaneous	210	50	160
<b>Total milfoil</b>	<b>67,262</b>	<b>56,088</b>	<b>11,174</b>

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

MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Police</b>			
Salaries	12,000	11,200	800
Payroll taxes	918	857	61
Subcontractors	18,300	19,323	(1,023)
Supplies and equipment	3,250	600	2,650
Training	150	100	50
Computer and internet	750	488	262
Auto expenses	1,500	1,357	143
Insurance	3,507	4,091	(584)
Animal control	500	188	312
Dispatch	3,500	3,500	0
Total police	<u>44,375</u>	<u>41,704</u>	<u>2,671</u>
<b>Railroad Station</b>			
Insurance	1,319	1,319	0
Utilities	1,025	1,006	19
Railroad grant expenses	6,242	6,419	(177)
Contracted services	1,200	563	637
Repairs and maintenance	500	1,637	(1,137)
Total railroad station	<u>10,286</u>	<u>10,944</u>	<u>(658)</u>
<b>Recreational Council</b>			
Salaries	14,600	6,174	8,426
Payroll taxes	1,117	296	821
Red Cross	500	0	500
Beach expenses	3,250	2,397	853
Miscellaneous	1,250	373	877
Small equipment	5,000	153	4,847
Insurance	1,241	1,241	0
Utilities	1,450	1,100	350
Total recreational council	<u>28,408</u>	<u>11,734</u>	<u>16,674</u>
<b>Other</b>			
Board of civil authority	500	82	418
Elections	3,000	9,336	(6,336)
County taxes	58,000	53,908	4,092
Memorial day	2,000	480	1,520
Land records restoration	500	500	0
Fireworks	6,000	6,000	0
Emergency management	500	7,680	(7,180)
Total other	<u>70,500</u>	<u>77,986</u>	<u>(7,486)</u>
<b>Library</b>			
Salaries	44,006	41,000	3,006
Payroll taxes	3,430	3,308	122
Benefits	13,182	11,303	1,879
Repairs and maintenance	4,075	4,064	11
Books and media	8,200	8,325	(125)
Dues and subscriptions	960	311	649
Miscellaneous	1,445	1,072	373
Programs	1,400	862	538
Computer and copier	4,250	4,204	46
Supplies and small equipment	2,825	2,260	565
Insurance	2,685	2,685	0
Telephone	2,248	2,200	48
Utilities	5,688	6,334	(646)
Total library	<u>94,394</u>	<u>87,928</u>	<u>6,466</u>
<b>Cemetery</b>			
Cornerstones	150	0	150
Insurance	25	25	0
Water	710	482	228
Contracted services	9,075	8,336	739
Flag expenses	300	251	49
Monument repairs	1,000	0	1,000
Miscellaneous	100	0	100
Total cemetery	<u>11,360</u>	<u>9,094</u>	<u>2,266</u>

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

MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2020

	Original and Final Budget	Actual	Variance Favorable (Unfavorable)
Trash and Recycling			
Salaries	7,078	2,296	4,782
Payroll taxes	541	176	365
Recycling	15,996	17,329	(1,333)
Composting	1,200	1,291	(91)
Facility maintenance	2,000	1,895	105
Dump	5,350	5,025	325
Membership - CVSWD	980	490	490
Green-Up	200	59	141
Insurance	1,055	1,055	0
Contracted services	625	0	625
Total trash and recycling	<u>35,025</u>	<u>29,616</u>	<u>5,409</u>
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	350	350	0
Orange East Seniors	3,000	3,000	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
Vermont Family Network	250	250	0
VNA/Hospice	5,500	5,500	0
Total community organizations	<u>26,700</u>	<u>26,700</u>	<u>0</u>
Tri-Town Commission			
Stipends	612	306	306
VLCT	725	425	300
Miscellaneous	69	0	69
Total tri-town commission	<u>1,406</u>	<u>731</u>	<u>675</u>
Total expenditures	<u>1,489,666</u>	<u>1,291,593</u>	<u>198,073</u>
EXCESS REVENUES	<u>175,729</u>	<u>371,735</u>	<u>196,006</u>
TRANSFERS IN (OUT)			
Capital budget fund transfers			
Town buildings and lands reserve	(40,000)	(40,000)	0
Debt service	(77,573)	(77,573)	0
Emergency equipment reserve	(10,000)	(10,000)	0
Town highway reserve	(90,000)	(90,000)	0
Lake reserve	(7,500)	(7,500)	0
Transfer station	(1,156)	0	(1,156)
Total capital budget fund transfers	<u>(226,229)</u>	<u>(225,073)</u>	<u>(1,156)</u>
Other transfers in (out)			
Reappraisal reserve	50,500	22,299	28,201
Restoration fees reserve	0	3,450	(3,450)
Total transfers	<u>(175,729)</u>	<u>(199,324)</u>	<u>23,595</u>
Total expenditures and transfers	<u>1,665,395</u>	<u>1,490,917</u>	<u>174,478</u>
NET CHANGE IN FUND BALANCE	<u>\$ 0</u>	<u>172,411</u>	<u>\$ 172,411</u>
FUND BALANCE - JANUARY 1, 2020		<u>11,213</u>	
FUND BALANCE - DECEMBER 31, 2020		<u>\$ 183,624</u>	

## STATEMENT OF NET POSITION - PROPRIETARY FUND

## MODIFIED CASH BASIS

DECEMBER 31, 2020

	<u>Water System Fund</u>
ASSETS	
Due from other funds	<u>\$ 66,730</u>
NET POSITION	
Unrestricted	<u>66,730</u>
Total net position	<u><u>\$ 66,730</u></u>

## STATEMENT OF ACTIVITIES - PROPRIETARY FUND

## MODIFIED CASH BASIS

YEAR ENDED DECEMBER 31, 2020

	Water System Fund
<b>OPERATING REVENUES:</b>	
Charges for usage (net of discounts)	\$ 160,383
Interest and penalties on delinquent charges	593
Total operating revenues	<u>160,976</u>
<b>OPERATING EXPENSES:</b>	
Wages	15,716
Payroll taxes	845
Dues and subscriptions	275
Insurance	2,603
State of Vermont	629
Repairs and maintenance	28,732
Office supplies	146
Utilities	7,209
Miscellaneous	2,375
Total operating expenses	<u>58,530</u>
<b>INCOME FROM OPERATIONS</b>	<u>102,446</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Loan proceeds for Water System	771,553
Grant for Water System	483,204
Water System capital outlay	(1,641,663)
Capital outlay - other	(51,429)
Net non-operating expenses	<u>(438,335)</u>
<b>NET CHANGE IN NET POSITION</b>	<u>(335,889)</u>
<b>NET POSITION - JANUARY 1, 2020</b>	<u>402,619</u>
<b>NET POSITION - DECEMBER 31, 2020</b>	<u>\$ 66,730</u>

TOWN OF FAIRLEE, VERMONT  
STATEMENT OF FIDUCIARY NET POSITION  
MODIFIED CASH BASIS  
DECEMBER 31, 2020

	Special Purpose Trusts		Total Special Purpose Trusts
	Scholarship Fund	S. Miller Bequest	
ASSETS			
Due from Town	\$ 128,795	\$ 33,782	\$ 162,577
Total assets	<u>\$ 128,795</u>	<u>\$ 33,782</u>	<u>\$ 162,577</u>
NET POSITION			
Held in trust for others	<u>\$ 128,795</u>	<u>\$ 33,782</u>	<u>\$ 162,577</u>

TOWN OF FAIRLEE, VERMONT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
MODIFIED CASH BASIS  
YEAR ENDED DECEMBER 31, 2020

	Special Purpose Trusts		Total Special Purpose Trusts
	Scholarship Fund	S. Miller Bequest	
ADDITIONS			
Interest and dividends	\$ 333	\$ 84	\$ 417
Total additions	<u>333</u>	<u>84</u>	<u>417</u>
DEDUCTIONS			
Expenses	9,000	0	9,000
Total deductions	<u>9,000</u>	<u>0</u>	<u>9,000</u>
CHANGE IN NET POSITION	(8,667)	84	(8,583)
NET POSITION, JANUARY 1, 2020	<u>137,462</u>	<u>33,698</u>	<u>171,160</u>
NET POSITION, DECEMBER 31, 2020	<u>\$ 128,795</u>	<u>\$ 33,782</u>	<u>\$ 162,577</u>

TOWN OF FAIRLEE, VERMONT  
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

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, 2020

**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 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, 2020

**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, the local School Districts, or prepaid for future years 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, 2020

**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, 2020

**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, 2020, the Town’s bank balances, including certificate of deposits, were exposed to custodial credit risk as follows:

Insured - FDIC	\$ 500,000
Collateralized	1,445,212
Uninsured, not collateralized	81,384
Total bank balances	\$ 2,026,596

*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, 2020 are recorded at fair market value and are as follows:

	Fair Value
Common Stock	\$ 17,942
Total investments	\$ 17,942

TOWN OF FAIRLEE, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

**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. \$225,073 was transferred to the Capital Fund from the General Fund, \$22,299 was transferred from the Reappraisal Reserve to the General Fund, and \$3,450 was transferred from the Restoration Fees Reserve to the General Fund per budget authorization.

As of December 31, 2020, the interfund balances were as follows:

Fund:	Receivable	Payable
General Fund	\$ 0	\$ 1,026,546
Capital Fund	562,774	0
Water System Fund	66,730	0
Cemetery Commission	23,049	0
Recreation Council	12,498	0
Historical Society	5,097	0
Lange Forest	20,655	0
Timber Trust	21,846	0
Gravel Pit	23,957	0
Fireman's Stock	3,198	0
Reappraisal Reserve	60,166	0
Restoration Fees Reserve	10,930	0
Listers' Training Reserve	1,984	0
Railroad Station	13,925	0
Memorial Contributions	39	0
Help@FairleeVT	1,484	0
Perkins Library	33,000	0
Town Hall Fundraising	118	0
Roselene Ordway Trust	2,519	0
Scholarship Fund	128,795	0
S Miller Bequest	33,782	0
Total	<u>\$ 1,026,546</u>	<u>\$ 1,026,546</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, 2020

**NOTE 5 - LONG-TERM LIABILITIES**

Long-term liabilities at December 31, 2020 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.	\$ 216,750	\$ 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.	756,264	34,359
Total Government Activity	\$ 973,014	\$ 48,809
Business-type Activity:		
Loan Payable, Union Bank		
Water System Fund, Water System improvements, interest at 1.50%, semi-annual payments of \$33,857 in March and September, due September 22, 2060.	\$ 2,031,000	\$ 37,389
Total Business-type Activity	\$ 2,031,000	\$ 37,389

Interest paid on the Water loan was \$26,598 and is included in the capital outlays for the Water Fund project and interest paid on the Governmental loans was \$29,452 for 2020.

TOWN OF FAIRLEE, VERMONT  
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

**NOTE 5 - LONG-TERM LIABILITIES (Continued)**

During the fiscal year ended December 31, 2020, the following changes occurred in bonds and loans payable:

	Total	Governmental Activities	Business-Type Activities
Long-term liabilities at January 1, 2019	\$ 2,280,364	\$ 1,020,917	\$ 1,259,447
Loan proceeds	771,553	0	771,553
Loan payments	(47,903)	(47,903)	0
Long-term liabilities at December 31, 2020	3,004,014	973,014	2,031,000
Due within one year	(86,198)	(48,809)	(37,389)
Due after one year	<u>\$ 2,917,816</u>	<u>\$ 924,205</u>	<u>\$ 1,993,611</u>

The Long-term liabilities will mature as follows:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Int/Admin	Total
2021	\$ 48,809	\$ 28,175	\$ 76,984	\$ 37,389	\$ 30,325	\$ 67,714
2022	49,854	26,733	76,587	37,952	29,762	67,714
2023	50,931	25,258	76,189	38,523	29,191	67,714
2024	52,040	23,765	75,805	39,103	28,611	67,714
2025	53,184	22,211	75,395	39,692	28,022	67,714
2026-2030	284,323	86,698	371,021	207,605	130,965	338,570
Thereafter	433,873	46,297	480,170	1,630,736	400,263	2,030,999
	<u>\$ 973,014</u>	<u>\$259,137</u>	<u>\$ 1,232,151</u>	<u>\$ 2,031,000</u>	<u>\$677,139</u>	<u>\$ 2,708,139</u>

**NOTE 6 - PROPERTY TAXES**

Property taxes are due October 15<sup>th</sup> and become delinquent on October 16<sup>th</sup>. 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, 2020, the tax rate was as follows:

	Residential	Non-Residential
Education	\$ 2.0824	\$ 1.7492
Municipal	0.5991	0.5991
	<u>\$ 2.6815</u>	<u>\$ 2.3483</u>

TOWN OF FAIRLEE, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

**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		
Town Buildings and Lands Reserve	\$ 0	\$ 201,573
Emergency Equipment Reserve	0	149,929
Town Highway Reserve	0	179,617
Lake Reserve	0	31,655
Total Capital Fund	<u>\$ 0</u>	<u>\$ 562,774</u>
Nonmajor Funds:		
Cemetery Commission	\$ 23,049	\$ 0
Recreation Council	12,498	0
Historical Society	5,097	0
Lange Forest	20,655	0
Timber Trust	21,846	0
Gravel Pit	23,957	0
Fireman's Stock	21,140	0
Reappraisal Reserve	60,166	0
Restoration Fees Reserve	10,930	0
Lister's Training Reserve	1,984	0
Railroad Station	13,925	0
Memorial Contributions	39	0
Help@FairleeVT	1,484	0
Perkins Library	33,000	0
Town Hall Fundraising	118	0
Roslene Ordway Trust	2,519	0
Total Nonmajor Funds	<u>\$ 252,407</u>	<u>\$ 0</u>
Fiduciary Funds:		
Scholarship Fund	\$ 128,795	\$ 0
S. Miller Bequest	33,782	0
Total Fiduciary Funds	<u>\$ 162,577</u>	<u>\$ 0</u>

**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 2020, the amount of Town property taxes foregone as a result of the Current Use Program was approximately \$78,000. 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.



TOWN OF FAIRLEE, VERMONT  
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

**NOTE 9 – WATER SYSTEM IMPROVEMENTS**

A Water System improvement project with an expected cost of \$3,675,000 was in progress as of December 31, 2020. The project is being funded with a USDA loan of \$2,031,000 and a USDA grant of \$1,644,000. Eligible costs of the project expended on the modified cash basis through December 31, 2020 totaled \$2,979,916. As of December 31, 2020, the USDA loan of \$2,031,000 has been received and \$483,204 of the grant has been received. An additional \$465,712 of grant was received in January 2021 that covered all the costs incurred through December 31, 2020. The project was completed in 2021.

**NOTE 10 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 14, 2022, 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, 2020

	Special Revenue Funds						
	Cemetery Commission	Recreation Council	Historical Society	Lange Forest	Timber Trust	Gravel Pit	Fireman's Stock
<b>ASSETS</b>							
Investments - restricted	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,942
Due from other funds	23,049	12,498	5,097	20,655	21,846	23,957	3,198
<b>Total assets</b>	<b>\$ 23,049</b>	<b>\$ 12,498</b>	<b>\$ 5,097</b>	<b>\$ 20,655</b>	<b>\$ 21,846</b>	<b>\$ 23,957</b>	<b>\$ 21,140</b>
<b>FUND BALANCES</b>							
Restricted	\$ 23,049	\$ 12,498	\$ 5,097	\$ 20,655	\$ 21,846	\$ 23,957	\$ 21,140
<b>Total fund balances</b>	<b>\$ 23,049</b>	<b>\$ 12,498</b>	<b>\$ 5,097</b>	<b>\$ 20,655</b>	<b>\$ 21,846</b>	<b>\$ 23,957</b>	<b>\$ 21,140</b>

TOWN OF FAIRLEE, VERMONT

SCHEDULE 1

COMBINING AND INDIVIDUAL FUND BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS

MODIFIED CASH BASIS

DECEMBER 31, 2020

	Special Revenue Funds						Capital Projects Funds	Permanent Trust Funds	Total Nonmajor Funds	
	Reappraisal Reserve	Restoration Fees Reserve	Listers' Training Reserve	Railroad Station	Memorial Contributions	Help@ FairleeVT	Perkins Library	Town Hall Fundraising		Roslene Ordway Trust
<b>ASSETS</b>										
Investments - restricted	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,942
Due from other funds	60,166	10,930	1,984	13,925	39	1,484	33,000	118	2,519	234,465
Total assets	<u>\$ 60,166</u>	<u>\$ 10,930</u>	<u>\$ 1,984</u>	<u>\$ 13,925</u>	<u>\$ 39</u>	<u>\$ 1,484</u>	<u>\$ 33,000</u>	<u>\$ 118</u>	<u>\$ 2,519</u>	<u>\$ 252,407</u>
<b>FUND BALANCES</b>										
Restricted	\$ 60,166	\$ 10,930	\$ 1,984	\$ 13,925	\$ 39	\$ 1,484	\$ 33,000	\$ 118	\$ 2,519	\$ 252,407
Total fund balances	<u>\$ 60,166</u>	<u>\$ 10,930</u>	<u>\$ 1,984</u>	<u>\$ 13,925</u>	<u>\$ 39</u>	<u>\$ 1,484</u>	<u>\$ 33,000</u>	<u>\$ 118</u>	<u>\$ 2,519</u>	<u>\$ 252,407</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, 2020

Special Revenue Funds

	Cemetery Commission	Recreation Council	Historical Society	Lange Forest	Timber Trust	Gravel Pit	Fireman's Stock
<b>REVENUES</b>							
Sales	\$ 0	\$ 2,395	\$ 0	\$ 2,667	\$ 0	\$ 0	\$ 0
Investment income	57	30	12	58	65	64	944
Dues and donations	0	0	1,892	0	0	0	0
State of Vermont	0	0	0	0	0	0	0
Restoration Fees	0	0	0	0	0	0	0
Total revenues	<u>57</u>	<u>2,425</u>	<u>1,904</u>	<u>2,725</u>	<u>65</u>	<u>64</u>	<u>944</u>
<b>EXPENDITURES</b>							
General government	0	0	0	0	6,352	3,110	0
Culture and recreation	0	50	1,799	7,293	0	0	0
Total expenditures	<u>0</u>	<u>50</u>	<u>1,799</u>	<u>7,293</u>	<u>6,352</u>	<u>3,110</u>	<u>0</u>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<u>57</u>	<u>2,375</u>	<u>105</u>	<u>(4,568)</u>	<u>(6,287)</u>	<u>(3,046)</u>	<u>944</u>
<b>TRANSFERS (TO) FROM OTHER FUNDS</b>							
Transfer to the General Fund	0	0	0	0	0	0	0
<b>NET CHANGE IN FUND BALANCE</b>	<u>57</u>	<u>2,375</u>	<u>105</u>	<u>(4,568)</u>	<u>(6,287)</u>	<u>(3,046)</u>	<u>944</u>
<b>FUND BALANCES - JANUARY 1, 2020</b>	<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>
<b>FUND BALANCES - DECEMBER 31, 2020</b>	<u>\$ 23,049</u>	<u>\$ 12,498</u>	<u>\$ 5,097</u>	<u>\$ 20,655</u>	<u>\$ 21,846</u>	<u>\$ 23,957</u>	<u>\$ 21,140</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, 2020

	Special Revenue Funds						Capital	Permanent	Total	
	Reappraisal Reserve	Restoration Fees Reserve	Lister's Training Reserve	Railroad Station	Memorial Contributions	Help@ Fairlee VT	Perkins Library	Project Funds		Trust Funds
REVENUES										
Sales	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 5,062
Investment income	202	0	0	35	0	2	81	0	6	1,556
Dues and donations	0	0	0	0	0	2,250	2,001	0	0	6,143
State of Vermont	6,508	0	0	0	0	0	0	0	0	6,508
Restoration Fees	0	5,020	0	0	0	0	0	0	0	5,020
Total revenues	6,710	5,020	0	35	0	2,252	2,082	0	6	24,289
EXPENDITURES										
General government	0	1,352	0	0	0	768	0	0	0	11,582
Culture and recreation	0	0	0	0	163	0	1,475	0	0	10,780
Total expenditures	0	1,352	0	0	163	768	1,475	0	0	22,362
EXCESS REVENUES (EXPENDITURES)	6,710	3,668	0	35	(163)	1,484	607	0	6	1,927
TRANSFERS (TO) FROM OTHER FUNDS										
Transfer to the General Fund	(22,299)	(3,450)	0	0	0	0	0	0	0	(25,749)
NET CHANGE IN FUND BALANCE	(15,589)	218	0	35	(163)	1,484	607	0	6	(23,822)
FUND BALANCES - JANUARY 1, 2020	75,755	10,712	1,984	13,890	202	0	32,393	118	2,513	276,229
FUND BALANCES - DECEMBER 31, 2020	\$ 60,166	\$ 10,930	\$ 1,984	\$ 13,925	\$ 39	\$ 1,484	\$ 33,000	\$ 118	\$ 2,519	\$ 252,407