

**TOWN OF FAYSTON, VERMONT**  
**COMPILATION REPORT AND FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**  
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# FOTHERGILL SEGALE & VALLEY

*Certified Public Accountants*



To the Selectboard  
Town of Fayston  
Fayston, Vermont

Management is responsible for the accompanying financial statements of each major fund and the aggregate remaining fund information of the Town of Fayston, Vermont, as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any assurance on these financial statements.

Management has not presented government-wide financial statements to display the financial position and changes in financial position of its governmental activities. Accounting principles generally accepted in the United States of America, specifically GASB 34 and GASB 37, require the presentation of government-wide financial statements. Management has not determined the amounts that would be reported in government-wide financial statements resulting from transactions for the Town's governmental activities.

Management has chosen not to follow GASB 68 "Accounting and Financial Reporting for Pensions" which is used to improve accounting and financial reporting for pensions. Management has not determined the financial impact of not following GASB 68.

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

Management has omitted the Management's Discussion and Analysis that the Governmental Accounting Standards Board 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.

The supplementary information appearing on pages 19 through 22 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Respectfully submitted,

*Fothergill Segale & Valley, CPAs*

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

February 6, 2022

TOWN OF FAYSTON, VERMONT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021

EXHIBIT A

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Road Retreatment	Other Equip/Assets		
<b>ASSETS</b>					
Cash - checking and savings	\$ 2,583,707	\$ 0	\$ 0	\$ 13,324	\$ 2,597,031
Certificates of deposit	258,786	0	0	0	258,786
Investments	0	0	0	207,645	207,645
Delinquent taxes receivable	81,387	0	0	0	81,387
Other receivables	2,721	0	0	0	2,721
Prepaid expenses	13,847	0	0	0	13,847
Due from other funds	10,210	191,843	57,507	637,454	897,014
<b>Total assets</b>	<b>\$ 2,950,658</b>	<b>\$ 191,843</b>	<b>\$ 57,507</b>	<b>\$ 858,423</b>	<b>\$ 4,058,431</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>					
<b>Liabilities</b>					
Accrued payables	\$ 11,140	\$ 0	\$ 0	\$ 0	\$ 11,140
Due to State Education Fund	1,533,438	0	0	0	1,533,438
Property tax overpayments	21,050	0	0	0	21,050
Unearned revenue - grants	198,786	0	0	0	198,786
Due to other funds	886,804	0	0	10,210	897,014
<b>Total liabilities</b>	<b>2,651,218</b>	<b>0</b>	<b>0</b>	<b>10,210</b>	<b>2,661,428</b>
<b>Deferred Inflows Of Resources</b>					
Unavailable revenue - taxes	57,500	0	0	0	57,500
<b>Total deferred inflows of resources</b>	<b>57,500</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>57,500</b>
<b>Fund Balance</b>					
Nonspendable - prepaid expenses	13,847	0	0	0	13,847
Restricted - Special Revenue Funds	0	0	0	361,776	361,776
Restricted - Permanent Funds	0	0	0	29,009	29,009
Assigned - Capital Project Funds	0	191,843	57,507	457,428	706,778
Unassigned	228,093	0	0	0	228,093
<b>Total fund balances</b>	<b>241,940</b>	<b>191,843</b>	<b>57,507</b>	<b>848,213</b>	<b>1,339,503</b>
<b>Total liabilities, deferred inflows, and fund balances</b>	<b>\$ 2,950,658</b>	<b>\$ 191,843</b>	<b>\$ 57,507</b>	<b>\$ 858,423</b>	<b>\$ 4,058,431</b>

TOWN OF FAYSTON, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2021

EXHIBIT B

	Major Funds			Nonmajor Funds	Total Governmental Funds
	General	Road Retreatment	Other Equip./Assets		
<b>REVENUES</b>					
Property taxes	\$ 1,224,170	\$ 0	\$ 0	\$ 0	\$ 1,224,170
Fees, licenses and permits	50,170	0	0	0	50,170
State of Vermont - highway funds	74,712	0	0	0	74,712
State of Vermont - grants	4,400	175,000	0	11,333	190,733
Other grants	17,198	0	0	0	17,198
Investment income (loss)	2,684	0	0	20,462	23,146
Other	96,860	0	0	25,321	122,181
<b>Total revenues</b>	<b>1,470,194</b>	<b>175,000</b>	<b>0</b>	<b>57,116</b>	<b>1,702,310</b>
<b>EXPENDITURES</b>					
<b>Current Expenditures</b>					
Salaries - road crew	180,999	0	0	0	180,999
Employee benefits	156,560	0	0	0	156,560
Highway equipment	116,710	0	0	0	116,710
Highway supplies	55,860	0	0	0	55,860
Town garage	14,966	0	0	0	14,966
Office salaries	127,481	0	0	0	127,481
Office supplies	34,935	0	0	0	34,935
Taxes and assessments	122,237	0	0	0	122,237
Fire protection	56,608	0	0	0	56,608
Insurance	24,864	0	0	0	24,864
Town meeting and election	9,510	0	0	0	9,510
Municipal building	13,900	0	0	0	13,900
Planning / Board of Adjustment	81,373	0	0	0	81,373
Administrative	23,253	0	0	0	23,253
Cemetery	0	0	0	7,770	7,770
Road construction	0	0	0	12,391	12,391
Records restoration	0	0	0	4,935	4,935
Capital Outlays	0	283,345	133,047	70,506	486,898
<b>Debt Service</b>					
Principal	0	0	39,194	0	39,194
Interest	0	0	803	0	803
<b>Total expenditures</b>	<b>1,019,256</b>	<b>283,345</b>	<b>173,044</b>	<b>95,602</b>	<b>1,571,247</b>
<b>EXCESS REVENUES (EXPENDITURES) BEFORE OTHER FINANCING SOURCES (USES)</b>	<b>450,938</b>	<b>(108,345)</b>	<b>(173,044)</b>	<b>(38,486)</b>	<b>131,063</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers from (to) other funds	(367,500)	90,000	125,000	152,500	0
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(367,500)</b>	<b>90,000</b>	<b>125,000</b>	<b>152,500</b>	<b>0</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>83,438</b>	<b>(18,345)</b>	<b>(48,044)</b>	<b>114,014</b>	<b>131,063</b>
<b>FUND BALANCES - JANUARY 1, 2021</b>	<b>158,502</b>	<b>210,188</b>	<b>105,551</b>	<b>734,199</b>	<b>1,208,440</b>
<b>FUND BALANCES - DECEMBER 31, 2021</b>	<b>\$ 241,940</b>	<b>\$ 191,843</b>	<b>\$ 57,507</b>	<b>\$ 848,213</b>	<b>\$ 1,339,503</b>

TOWN OF FAYSTON, VERMONT EXHIBIT C  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
<b>REVENUES</b>			
Property taxes	\$ 1,115,030	\$ 1,224,170	\$ 109,140
State of Vermont - highway funds	70,000	74,712	4,712
State of Vermont - other grants	0	4,400	4,400
COVID elections grant	1,804	1,804	0
PILOT grant	15,000	15,394	394
GM Valley School	4,500	4,500	0
Fees, licenses and permits	34,000	50,170	16,170
Interest on delinquent taxes	12,000	17,898	5,898
Delinquent tax penalties	10,000	10,793	793
Interest on investments	6,200	2,684	(3,516)
Waitsfield road work	11,058	11,058	0
Current use	40,000	48,730	8,730
Miscellaneous	3,500	3,881	381
Total revenues	1,323,092	1,470,194	147,102
<b>EXPENDITURES</b>			
Salaries			
Road crew	188,000	180,999	7,001
Employee Benefits			
Hospitalization	100,457	103,223	(2,766)
Retirement	19,000	18,963	37
Social Security	28,000	25,832	2,168
Uniforms	1,800	1,982	(182)
Dental	7,500	6,560	940
Total employee benefits	156,757	156,560	197
Highway Equipment			
Blades	5,000	4,992	8
Diesel	30,000	29,207	793
Repairs	25,000	31,941	(6,941)
Gasoline	750	3,037	(2,287)
Oil	3,000	3,268	(268)
Other parts	7,000	8,661	(1,661)
Rentals	12,000	25,880	(13,880)
Tires	11,000	9,724	1,276
Total highway equipment	93,750	116,710	(22,960)
Highway Supplies			
Calcium	12,000	12,143	(143)
Sand	17,000	13,650	3,350
Other supplies	1,500	2,614	(1,114)
Salt	30,000	27,453	2,547
Total highway supplies	60,500	55,860	4,640

See Notes to Financial Statements.

TOWN OF FAYSTON, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
YEAR ENDED DECEMBER 31, 2021

EXHIBIT C

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
Highway Garage			
Electricity	2,500	2,084	416
Heat	6,000	7,089	(1,089)
Maintenance and repairs	3,500	4,036	(536)
Telephone	2,000	1,757	243
Total town garage	<u>14,000</u>	<u>14,966</u>	<u>(966)</u>
Office Salaries			
Town Clerk, Treasurer and Tax Collector	60,849	60,849	0
Assistant Clerk/Treasurer	43,302	35,888	7,414
Selectboard assistant	12,751	10,898	1,853
Listers	25,700	19,846	5,854
Total office salaries	<u>142,602</u>	<u>127,481</u>	<u>15,121</u>
Office Supplies			
Computer expenses	10,000	15,563	(5,563)
Equipment purchase	3,000	1,720	1,280
Listers	750	456	294
Selectboard and minutes	2,250	3,750	(1,500)
Postage	2,500	3,084	(584)
Equipment rental	2,000	1,985	15
Supplies	3,500	3,716	(216)
911 wages	1,500	673	827
Tax mapping	2,500	2,821	(321)
Seminars/Dues	1,000	1,167	(167)
Total office supplies	<u>29,000</u>	<u>34,935</u>	<u>(5,935)</u>
Taxes and Assessments			
Joslin Memorial Library	26,084	25,878	206
Washington County	31,021	31,021	0
Recreation district	30,000	30,000	0
MRV ambulance	0	15,000	(15,000)
Donations	16,388	20,338	(3,950)
Total taxes and assessments	<u>103,493</u>	<u>122,237</u>	<u>(18,744)</u>
Fire Protection			
Waitsfield contract	50,156	56,608	(6,452)
Insurance			
Liability, etc.	16,229	11,213	5,016
Workers' compensation	12,931	12,931	0
Unemployment	733	720	13
Total insurance	<u>29,893</u>	<u>24,864</u>	<u>5,029</u>

TOWN OF FAYSTON, VERMONT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
YEAR ENDED DECEMBER 31, 2021

EXHIBIT C

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
Town Meeting and Election			
Election clerks	1,500	304	1,196
Supplies	4,000	758	3,242
COVID Election expenses	0	4,949	(4,949)
Town Report	4,000	3,499	501
Total town meeting and election	9,500	9,510	(10)
Municipal Building			
Cleaning	1,900	1,680	220
Electricity	3,000	2,840	160
Heat	3,500	2,776	724
Maintenance	5,000	3,369	1,631
Telephone	3,200	3,235	(35)
Total municipal building	16,600	13,900	2,700
Planning/Board of Adjustment			
Advertising	2,000	1,655	345
CVRPC	1,702	1,702	0
FCC	1,000	950	50
MRVPD	44,067	45,317	(1,250)
ZA expense	250	886	(636)
Planning/DRB resources	500	216	284
Supplies and postage	500	0	500
Zoning administrator and asst.	30,000	30,647	(647)
Total planning/board of adjustment	80,019	81,373	(1,354)
Administration			
Pound	2,000	2,000	0
Legal	5,000	1,198	3,802
Audit	7,500	7,500	0
Fire warden	300	300	0
Public safety	300	0	300
MRV solid waste alliance	9,471	9,471	0
Miscellaneous	0	33	(33)
League of Cities and Towns	2,751	2,751	0
Total administration	27,322	23,253	4,069
Total expenditures	1,001,592	1,019,256	(17,664)



TOWN OF FAYSTON, VERMONT EXHIBIT C  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
YEAR ENDED DECEMBER 31, 2021

	Original and Final Budget	Actual	Favorable (Unfavorable) Variance
Transfers to Other Funds			
Road construction reserve	50,000	50,000	0
Bridge reserve	5,000	5,000	0
Culvert reserve	15,000	15,000	0
Equipment reserve	125,000	125,000	0
Fire equipment reserve	65,000	65,000	0
Road retreatment reserve	90,000	90,000	0
Town garage reserve	5,000	5,000	0
Town forest reserve	9,000	9,000	0
FCC Conservation Fund	3,500	3,500	0
Total transfers to other funds	367,500	367,500	0
Total expenditures and transfers to other funds	1,369,092	1,386,756	(17,664)
EXCESS REVENUES OVER (UNDER) EXPENDITURES AND TRANSFERS	\$ (46,000)	83,438	\$ 129,438
FUND BALANCE - JANUARY 1, 2021		158,502	
FUND BALANCE - DECEMBER 31, 2021		\$ 241,940	

TOWN OF FAYSTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

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

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

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

*Reporting Entity*

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

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

*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, reserves, fund equity, revenue and expenditures. The various funds are reported by generic classification within the financial statements.

The emphasis in fund financial statements is on the major funds. Nonmajor funds by category are summarized into a single column. GASB No. 34 and No. 37 set forth minimum criteria (percentage of the assets, liabilities, revenues or expenditures of the governmental fund category) for the determination of major funds. The General Fund, Road Retreatment Fund and the Other Equipment Fund are the Town's major funds. The nonmajor funds are combined in a column in the fund financial statements.

TOWN OF FAYSTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The following fund categories are used by the Town:

Governmental Funds

The focus of the governmental funds' measurement (in the fund financial statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the Town:

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

Other Equipment and Assets is used to account for financial resources to be used or saved for capital equipment.

Road Retreatment is used to account for financial resources to be used or saved for large road paving and related projects.

*Basis of Accounting*

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

Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenue is recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year end for property taxes and within six months for other revenues. Expenditures are generally recognized under the modified accrual basis of accounting when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

*Cash and Cash Equivalents*

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

TOWN OF FAYSTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

*Investments*

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

*Unavailable Revenue*

Unavailable revenue consists of the following:

General Fund – Delinquent taxes not collected within sixty (60) days after year end, and unavailable grant revenues related to elections grants that will be available in 2021.

*Deferred Inflows of Resources*

In January of 2014, the Town implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which reports a separate section for deferred inflows of resources in the Town's governmental funds. This separate financial statement element reflects an increase in net position that applies to a future period. The Town will recognize the related revenues when a future event occurs. The Town has one item which occurs because governmental fund revenues are not recognized until available (collected not later than sixty days after the end of the Town's fiscal year) under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, unavailable property tax revenue (formerly deferred property taxes) are reported in the governmental funds balance sheet.

*Fund Balances*

GASB Statement 54 "Fund Balance Reporting and Governmental Fund Type Definitions" provides clearly defined 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 spending constraints placed on the purposes for which resources can be used:

Nonspendable - 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.

Restricted - 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, trust and trustee accounts).

Committed - Indicates the portion of fund equity that is set aside for a specific purpose by the Selectboard. Formal action must be taken prior to the end of the fiscal year (e.g. capital projects, compensated absences). The same formal action must be taken to remove or change the limitations placed on the funds.

TOWN OF FAYSTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 Selectboard 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 Selectboard establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as special incentives). Assigned fund balance is established by the Selectboard through adoption or amendment of the budget as intended for specific purpose (such as the purchase of fixed assets, construction, debt service or other purposes).

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.

*Budgetary Accounting*

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

*Interfund Activity*

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

*Use of Estimates*

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

TOWN OF FAYSTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

**NOTE 2 - DEPOSITS**

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. As of December 31, 2021, none of the government’s bank balance of \$2,969,437 was exposed to custodial credit risk.

**NOTE 3 - INVESTMENTS**

As of December 31, 2021, the Town had the following investment:

<u>Investment type</u>	<u>Fair value</u>
Mutual funds	\$200,183
Unit trusts	<u>7,462</u>
Total	<u>\$207,645</u>

*Interest Rate Risk* – The Town has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

*Credit Risk* – The Town has an investment policy that would limit its investment choices.

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

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

Investment income includes the following:

	<u>Governmental Funds</u>			<u>Total</u>
	<u>General Fund</u>	<u>Cemetery Perpetual Care</u>	<u>Cemetery Maintenance</u>	
Interest and dividends	\$ 2,684	\$ 1,323	\$ 7,999	\$ 12,006
Unrealized gain (loss)	0	1,579	9,561	11,140
Total	<u>\$ 2,684</u>	<u>\$ 2,902</u>	<u>\$ 17,560</u>	<u>\$ 23,146</u>

TOWN OF FAYSTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

**NOTE 3 – INVESTMENTS (CONTINUED)**

The calculation of realized gains or losses is independent of a calculation of the net change in fair value of investments. Realized gains or losses on investments that have been held in more than one fiscal year and sold in the current year were included as a change in fair value of investments reported in prior years. In the current year, there were no realized gains or losses.

**NOTE 4 – UNAVAILABLE REVENUE**

Unavailable revenue consists of \$57,500 of delinquent taxes that are not expected to be collected within sixty (60) days after year end as these would not be available to liquidate current liabilities.

**NOTE 5 – INTERFUND RECEIVABLES AND PAYABLES**

The Town has combined some of the cash resources of its governmental funds for accounting and reporting purposes. That portion of the pooled cash balance is reported in the specific fund as an interfund balance. Interfund balances at December 31, 2021 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 10,210	\$ 886,804
Capital Projects Funds		
Other Equipment/Assets	57,507	0
Fire Equipment	78,490	0
Bridge Reserve	163,855	0
Recreation Reserve	12,000	0
Town Garage	43,012	0
Municipal Building	0	1,922
Road Construction	120,503	0
Road Retreatment	191,843	0
Record Restoration	28,914	0
Culvert Reserve	26	0
Town Forest Reserve	12,550	0
Special Revenue Funds		
Conservation fund	50,936	0
Reappraisal	118,880	0
Cemetery Maintenance	8,288	0
Permanent Funds		
Cemetery Perpetual Care	0	8,288
Total	<u>\$ 897,014</u>	<u>\$ 897,014</u>

**NOTE 6 – DUE TO STATE EDUCATION FUND**

The amount due to the State Education Fund is the amount of Taxes collected that is payable to the State of Vermont as of December 31, 2021.

TOWN OF FAYSTON, VERMONT

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

**NOTE 7 – NOTE PAYABLE**

Note payable – Community National Bank, in the amount of \$115,000 to purchase equipment, payable in three annual installments of \$40,071, including interest at 2.25%, maturing May 2, 2021. The balance as of December 31, 2021 is \$-0-. Interest paid in 2021 was \$803. The note balance and activity during the year are as follows:

January 1, 2020	\$ 39,194
Principal Payments	<u>(39,194)</u>
December 31, 2021	\$ <u>- 0 -</u>

**NOTE 8 - FUND BALANCES**

Governmental Fund balances are as follows:

**General Fund**

Nonspendable - prepaid expenses	\$ 13,847	
Unassigned	<u>228,093</u>	
Total General Fund		\$ 241,940

**Capital Projects Funds**

Assigned:		
Fire equipment	78,490	
Bridge Reserve	163,855	
Recreation Reserve	12,000	
Other equipment	57,507	
Road Construction	120,503	
Road Retreatment	191,843	
Town Garage	43,012	
Municipal Building	(1,922)	
Record Restoration	28,914	
Town Forest	26	
Culvert Reserve	<u>12,550</u>	
Total Capital Projects Funds		706,778

**Special Revenue Funds**

Restricted:		
Conservation Fund	50,936	
Cemetery maintenance	191,960	
Reappraisal	<u>118,880</u>	
Total Special Revenue Funds		361,776

**Permanent Fund**

Restricted:		
Cemetery perpetual care	29,009	<u>29,009</u>
Total Fund Balances - Governmental Funds		<u><u>\$ 1,339,503</u></u>



TOWN OF FAYSTON, VERMONT  
 NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

**NOTE 9 - INTERFUND TRANSFERS**

During the year, several interfund transactions occurred between funds. The various operating transfers were made in accordance with budgetary authorizations. Interfund transfers for the year ended December 31, 2021 are as follows:

Transfers to:	Transfers from: General Fund
Road retreatment	\$ 90,000
Bridge reserve	5,000
Culvert reserve	15,000
Fire equipment	65,000
Other equipment/assets	125,000
Town Garage	5,000
Road construction	50,000
FCC Conservation fund	3,500
Town forest reserve	9,000
Total	\$ 367,500

In addition, \$1,625 was transferred from the Cemetery Maintenance fund to the Cemetery Perpetual Care Fund.

**NOTE 10 - PROPERTY TAXES**

The Town levies its property tax based upon the assessed value as of April 1, for all real and personal property, with exemptions to qualifying veterans and excludes assessments on municipal, school and church properties. Tax payments are due November 1st. Delinquent taxes are subject to interest of 1% per month for the first three months, then 1½ % per month thereafter until paid. Taxes not paid by March 15<sup>th</sup> following the due date, will result in action to sell the property to cover tax, costs and fees.

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 \$53,100. 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 FAYSTON, VERMONT  
 NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

**NOTE 10 - PROPERTY TAXES (CONTINUED)**

Property taxes levied for the year ended December 31, 2021 were calculated based on the following rates:

	Residential	Non-residential
General Fund	\$ 0.3002	\$ 0.3002
State Education Tax	1.7825	1.7403
	\$ 2.0827	\$ 2.0405

**NOTE 11 - RETIREMENT PLAN**

The Town of Fayston participates in the Vermont Municipal Employees' Retirement System, which is a cost-sharing multiple employer public employees' defined benefit pension plan. The plan provides benefits for disability, death, early retirement, and normal retirement. Vermont state statutes provide the authority under which benefit provisions and the Town's obligation to contribute are established. The System's actuary issues a financial report on the plan for the State of Vermont. Required contributions to the System are determined based upon the report prepared by the actuary. All employees who are regularly employed for at least 24 hours a week and for at least 1,040 hours a year must join the System when hired. All covered employees are Group B Members and are required to contribute 5.375% for the first two quarters and 5.625% for the final two quarters of compensation. Members in the plan are vested upon completing five creditable years of service.

The Town's 2021 payroll for all employees was \$337,670. Total 2021 covered payroll for the Vermont Municipal Employees' Retirement System was \$309,764. The Town's contribution to the plan is 6.0% for the first two quarters and 6.25% for the final two quarters of covered compensation. Total employer contributions to the plan were \$18,963 for 2021, \$18,094 for 2020, and \$17,027 for 2019. All 2021 employee and employer retirement contributions were paid as of December 31, 2021.

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

**NOTE 12 - BUDGETED DEFICIT**

The Town elected to budget expenditures in excess of revenues by \$46,000 in the General Fund in order to reduce the carryover fund balance. This is reflected as a budgeted deficiency of revenues over expenditures in Exhibit C.

**NOTE 13 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

For the year ended December 31, 2021, expenditures exceeded appropriations in the General Fund by \$17,664. The excess expenditures were funded by excess revenues.

TOWN OF FAYSTON, VERMONT  
NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021

**NOTE 14 - RISK MANAGEMENT**

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

**NOTE 15 - COMMITMENTS**

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

**NOTE 16 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 6, 2022, the date which the financial statements were available for issue. Management is not aware of any subsequent events which require disclosure.

TOWN OF FAYSTON, VERMONT  
 SCHEDULE OF TAXES RAISED  
 YEAR ENDED DECEMBER 31, 2021

SCHEDULE 1

	MUNICIPAL	HOMESTEAD	NON-RESIDENTIAL	TOTAL
Total Grand List	\$ 3,857,558.00	\$ 1,483,041.00	\$ 2,307,312.00	
Tax rate	0.3002	1.7825	1.7403	
Taxes Billed	\$ 1,158,038.91	\$ 2,643,520.58	\$ 4,015,510.38	\$ 7,817,070
Various adjustments				(127)
Increase in unavailable revenue - taxes				52,500
Payment to Fayston School District				(2,943,210)
State property tax adjustments - HS-122				(586,202)
Payment to State of Vermont				(3,115,861)
Net property taxes				\$ 1,224,170

Reconciliation of Delinquent Taxes

Years	Delinquent Taxes Due Jan. 1, 2021	Current Taxes Gone Delinquent	Collections	Delinquent Taxes Due Dec. 31, 2021
2018	\$ 1,547.31	\$ 0	\$ 1,547.31	\$ 0
2019	33,926.68	0	32,824.71	1,101.97
2020	106,285.58	0	102,337.16	3,948.42
2021	0	240,415.02	164,077.94	76,337.08
	\$ 141,759.57	\$ 240,415.02	\$ 300,787.12	\$ 81,387.47

TOWN OF FAYSTON, VERMONT  
SUMMARY OF CASH RECEIPTS AND CASH EXPENDITURES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2021

SCHEDULE 2

CASH BALANCE - January 1, 2021		\$ 2,377,715
 CASH RECEIPTS		
Taxes collected	6,920,989	
Delinquent taxes collected	300,787	
Penalties and interest	28,691	
Interest and dividends	23,146	
State of Vermont - highway funds	74,712	
Fees, licenses and permits	50,170	
State and federal grants	206,127	
ARPA Grants	198,786	
Other miscellaneous receipts	122,181	
Total cash receipts	7,925,589	7,925,589
 CASH EXPENDITURES		
Transfer to School District and State	5,884,994	
Highway	525,095	
Other General Fund	485,407	
Capital expenditures	486,898	
Debt service	39,997	
Nonmajor fund expenditures	25,096	
Total cash expenditures	7,447,487	7,447,487
 CASH BALANCE - December 31, 2021		
		\$ 2,855,817

TOWN OF FAYSTON, VERMONT  
 COMBINING AND INDIVIDUAL BALANCE SHEETS - NONMAJOR GOVERNMENTAL FUNDS  
 DECEMBER 31, 2021

	Capital Projects									Special Revenue			Permanent Fund	Totals
	Fire Equipment	Bridge Reserve	Recreation Reserve	Road Construction	Town Garage	Municipal Building	Record Restoration	Culvert Reserve	Town Forest Reserve	Conservation Fund	Reappraisal	Cemetery Maintenance	Cemetery Perpetual Care	
<b>ASSETS</b>														
Cash	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 6,823	\$ 6,501	\$ 13,324
Investments	0	0	0	0	0	0	0	0	0	0	0	176,849	30,796	207,645
Due from other funds	78,490	163,855	12,000	120,503	43,012	0	28,914	26	12,550	50,936	118,880	8,288	0	637,454
Total assets	<u>\$ 78,490</u>	<u>\$ 163,855</u>	<u>\$ 12,000</u>	<u>\$ 120,503</u>	<u>\$ 43,012</u>	<u>\$ 0</u>	<u>\$ 28,914</u>	<u>\$ 26</u>	<u>\$ 12,550</u>	<u>\$ 50,936</u>	<u>\$ 118,880</u>	<u>\$ 191,960</u>	<u>\$ 37,297</u>	<u>\$ 858,423</u>
<b>LIABILITIES</b>														
Due to other funds	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,922	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 8,288	\$ 10,210
<b>FUND BALANCES</b>														
Restricted	0	0	0	0	0	0	0	0	0	50,936	118,880	191,960	29,009	390,785
Assigned	78,490	163,855	12,000	120,503	43,012	(1,922)	28,914	26	12,550	0	0	0	0	457,428
Total fund balances	<u>78,490</u>	<u>163,855</u>	<u>12,000</u>	<u>120,503</u>	<u>43,012</u>	<u>(1,922)</u>	<u>28,914</u>	<u>26</u>	<u>12,550</u>	<u>50,936</u>	<u>118,880</u>	<u>191,960</u>	<u>29,009</u>	<u>848,213</u>
Total liabilities and fund balances	<u>\$ 78,490</u>	<u>\$ 163,855</u>	<u>\$ 12,000</u>	<u>\$ 120,503</u>	<u>\$ 43,012</u>	<u>\$ 0</u>	<u>\$ 28,914</u>	<u>\$ 26</u>	<u>\$ 12,550</u>	<u>\$ 50,936</u>	<u>\$ 118,880</u>	<u>\$ 191,960</u>	<u>\$ 37,297</u>	<u>\$ 858,423</u>

TOWN OF FAYSTON, VERMONT  
 COMBINING AND INDIVIDUAL STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
 NONMAJOR GOVERNMENTAL FUNDS  
 YEAR ENDED DECEMBER 31, 2021

	Capital Projects									Special Revenue			Permanent Fund	Totals
	Fire Equipment	Bridge Reserve	Recreation Reserve	Road Construction	Town Garage	Municipal Building	Record Restoration	Culvert Reserve	Town Forest Reserve	Conservation Fund	Reappraisal	Cemetery Maintenance	Cemetery Perpetual Care	
<b>REVENUES</b>														
Investment income	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 17,560	\$ 2,902	\$ 20,462
State and federal grants	0	0	0	0	0	0	0	0	0	0	11,333	0	0	11,333
Other	0	0	0	0	0	0	10,126	0	3,490	1,000	0	10,705	0	25,321
<b>Total revenues</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>10,126</b>	<b>0</b>	<b>3,490</b>	<b>1,000</b>	<b>11,333</b>	<b>28,265</b>	<b>2,902</b>	<b>57,116</b>
<b>EXPENDITURES</b>														
Current expenditures														
Road and bridge construction	0	0	0	12,391	0	0	0	0	0	0	0	0	0	12,391
Records restoration	0	0	0	0	0	0	4,935	0	0	0	0	0	0	4,935
Cemetery	0	0	0	0	0	0	0	0	0	0	0	7,770	0	7,770
Capital Outlay	31,417	0	0	0	0	0	0	38,065	1,024	0	0	0	0	70,506
Debt Service														
Principal	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total expenditures</b>	<b>31,417</b>	<b>0</b>	<b>0</b>	<b>12,391</b>	<b>0</b>	<b>0</b>	<b>4,935</b>	<b>38,065</b>	<b>1,024</b>	<b>0</b>	<b>0</b>	<b>7,770</b>	<b>0</b>	<b>95,602</b>
<b>EXCESS REVENUES (EXPENDITURES)</b>	<b>(31,417)</b>	<b>0</b>	<b>0</b>	<b>(12,391)</b>	<b>0</b>	<b>0</b>	<b>5,191</b>	<b>(38,065)</b>	<b>2,466</b>	<b>1,000</b>	<b>11,333</b>	<b>20,495</b>	<b>2,902</b>	<b>(38,486)</b>
<b>OTHER FINANCING SOURCES</b>														
Transfers from General Fund	65,000	5,000	0	50,000	5,000	0	0	15,000	9,000	3,500	0	0	0	152,500
Transfers (to) from other funds	0	0	0	0	0	0	0	0	0	0	0	(1,625)	1,625	0
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>65,000</b>	<b>5,000</b>	<b>0</b>	<b>50,000</b>	<b>5,000</b>	<b>0</b>	<b>0</b>	<b>15,000</b>	<b>9,000</b>	<b>3,500</b>	<b>0</b>	<b>(1,625)</b>	<b>1,625</b>	<b>152,500</b>
<b>EXCESS REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES</b>	<b>33,583</b>	<b>5,000</b>	<b>0</b>	<b>37,609</b>	<b>5,000</b>	<b>0</b>	<b>5,191</b>	<b>(23,065)</b>	<b>11,466</b>	<b>4,500</b>	<b>11,333</b>	<b>18,870</b>	<b>4,527</b>	<b>114,014</b>
<b>FUND BALANCES - JANUARY 1, 2021</b>	<b>44,907</b>	<b>158,855</b>	<b>12,000</b>	<b>82,894</b>	<b>38,012</b>	<b>(1,922)</b>	<b>23,723</b>	<b>23,091</b>	<b>1,084</b>	<b>46,436</b>	<b>107,547</b>	<b>173,090</b>	<b>24,482</b>	<b>734,199</b>
<b>FUND BALANCES - DECEMBER 31, 2021</b>	<b>\$ 78,490</b>	<b>\$ 163,855</b>	<b>\$ 12,000</b>	<b>\$ 120,503</b>	<b>\$ 43,012</b>	<b>\$ (1,922)</b>	<b>\$ 28,914</b>	<b>\$ 26</b>	<b>\$ 12,550</b>	<b>\$ 50,936</b>	<b>\$ 118,880</b>	<b>\$ 191,960</b>	<b>\$ 29,009</b>	<b>\$ 848,213</b>