

Audited Financial Statements and
Other Financial Information

Town of New Haven, Vermont

December 31, 2019



Proven Expertise & Integrity

TOWN OF NEW HAVEN, VERMONT

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INDEPENDENT AUDITORS' REPORT

Selectboard
Town of New Haven
New Haven, Vermont

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of New Haven, 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' 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. Those 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, 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 financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of New Haven, Vermont as of December 31, 2019 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4 through 11 and 36 and 37 be presented to supplement the basic financial statements. Such 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. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of New Haven, Vermont's basic financial statements. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund and combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund and combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues, Schedule of Departmental Operations - General Fund and combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic 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 March 27, 2020, on our consideration of the Town of New Haven, Vermont's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. The purpose of that report is 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 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 of New Haven, Vermont's internal control over financial reporting and compliance.

RHR Smith & Company

Buxton, Maine
Vermont Registration # 092.0000697
March 27, 2020

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2019**

(UNAUDITED)

The following management's discussion and analysis of Town of New Haven, Vermont's financial performance provides an overview of the Town's financial activities for the fiscal year ended December 31, 2019. Please read it in conjunction with the Town's financial statements.

Financial Statement Overview

The Town of New Haven's basic financial statements include the following components: 1) government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also includes required supplementary information which consists of the general fund budgetary comparison schedule and other supplementary information which includes combining and other schedules.

Basic Financial Statements

The basic financial statements include financial information in two differing views: the government-wide financial statements and the fund financial statements. These basic financial statements also include the notes to financial statements that explain in more detail certain information in the financial statements and also provide the user with the accounting policies used in the preparation of the financial statements.

Government-Wide Financial Statements

The government-wide financial statements provide a broad view of the Town's operations in a manner that is similar to private businesses. These statements provide both short-term as well as long-term information in regard to the Town's financial position. These financial statements are prepared using the accrual basis of accounting. This measurement focus takes into account all revenues and expenses associated with the fiscal year regardless of when cash is received or paid. The government-wide financial statements include the following two statements:

The Statement of Net Position – this statement presents *all* of the government's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference being reported as net position.

The Statement of Activities – this statement presents information that shows how the government's net position changed during the period. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows.

Both of the above-mentioned financial statements have one column for the Town's activity. The type of activity presented for the Town of New Haven is:

- *Governmental activities* - The activities in this section are mostly supported by taxes and intergovernmental revenues (federal and state grants). All of the Town's basic services are reported in governmental activities, which include general government, public safety, health and sanitation, highway, recreation and culture, education and unclassified.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of New Haven, like other local governments, uses fund accounting to ensure and demonstrate compliance with financial related legal requirements. All of the funds of the Town of New Haven are classified as governmental funds.

Governmental funds: All of the basic services provided by the Town are financed through governmental funds. Governmental funds are used to account for essentially the same functions reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on near-term inflows and outflows of spendable resources. They also focus on the balance of spendable resources available at the end of the fiscal year. Such information will be useful in evaluating the government's near-term financing requirements. This approach is known as the current financial resources measurement focus and the modified accrual basis of accounting. Under this approach, revenues are recorded when cash is received or when susceptible to accrual. Expenditures are recorded when liabilities are incurred and due. These statements provide a detailed short-term view of the Town's finances to assist in determining whether there will be adequate financial resources available to meet the current needs of the Town.

Because the focus of governmental funds is narrower than that of government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. These reconciliations are presented on the page immediately following each governmental fund financial statement.

The Town of New Haven presents four columns in the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The Town's major governmental funds are the general fund, highway fund and the facilities reserve fund. All other funds are shown as nonmajor and are combined in the "Other Governmental Funds" column on these statements.

The general fund and the highway fund are the only funds for which the Town legally adopted a budget. The Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund and Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Highway Fund provide a comparison of the original and final budget and the actual expenditures for the current year.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and the Fund Financial Statements. The Notes to Financial Statements can be found following the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities.

Required Supplementary Information

The basic financial statements are followed by a section of required supplementary information, which includes a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund and a Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Highway Fund.

Other Supplementary Information

Other supplementary information follows the required supplementary information. These combining and other schedules provide information in regards to nonmajor funds and other detailed budgetary information for the general fund.

Government-Wide Financial Analysis

Our analysis below focuses on the net position and changes in net position of the Town's governmental activities. The Town's total net position for governmental activities increased by \$127,454 from \$4,762,549 to \$4,890,003.

Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased to \$1,097,133 for governmental activities at the end of this year.

Table 1
Town of New Haven, Vermont
Net Position
December 31,

	2019	2018 (Restated)
Assets		
Current Assets	\$ 1,266,266	\$ 1,490,936
Noncurrent Assets	3,919,515	3,618,622
Total Assets	5,185,781	5,109,558
Liabilities		
Current Liabilities	30,000	50,903
Noncurrent Liabilities	260,000	290,000
Total Liabilities	290,000	340,903
Deferred Inflows of Resources		
Prepaid Taxes	5,778	6,106
Total Deferred Inflows of Resources	5,778	6,106
Net Position		
Net Investment in Capital Assets	3,629,515	3,298,622
Restricted: Highway Fund	119,579	283,526
Permanent Fund	43,776	44,743
Unrestricted	1,097,133	1,135,658
Total Net Position	\$ 4,890,003	\$ 4,762,549

Revenues and Expenses

Revenues increased by \$658,708 from the prior year or 12.53%, primarily due to increases in property tax revenue. Expenses increased by \$423,639 from the prior year or 7.90%. This increase was primarily due to education.

Table 2
Town of New Haven, Vermont
Changes in Net Position
For the Years Ended December 31,

	<u>2019</u>	<u>2018</u>
Revenues		
<i>Program Revenues:</i>		
Charges for services	\$ 39,290	\$ 33,074
Operating grants and contributions	164,208	177,785
<i>General Revenues:</i>		
Taxes	5,554,305	4,941,779
Grants and contributions not restricted to specific programs	16,078	18,181
Interest income	11,986	6,656
Miscellaneous	128,366	78,050
Total Revenues	<u>5,914,233</u>	<u>5,255,525</u>
Expenses		
General government	378,536	340,680
Public safety	99,282	108,910
Health and sanitation	15,260	11,258
Highway	949,968	1,033,927
Recreation and culture	77,282	80,305
Education	4,162,537	3,752,979
County tax	12,382	11,174
Unclassified	91,532	23,907
Total Expenses	<u>5,786,779</u>	<u>5,363,140</u>
Change in Net Position	127,454	(107,615)
Net Position - January 1, Restated	<u>4,762,549</u>	<u>4,870,164</u>
Net Position - December 31	<u>\$ 4,890,003</u>	<u>\$ 4,762,549</u>

Financial Analysis of the Town's Fund Statements

Governmental funds: The financial reporting focus of the Town's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information may be useful in assessing the Town's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a government's financial position at the end of the year and the net resources available for spending.

Table 3
Town of New Haven, Vermont
Fund Balances - Governmental Funds
December 31,

	<u>2019</u>	<u>2018</u>
Major Funds:		
General Fund:		
Unassigned	\$ 173,264	\$ 294,118
Total General Fund	<u>173,264</u>	<u>294,118</u>
Highway Fund:		
Restricted	119,579	283,526
Total Highway Fund	<u>119,579</u>	<u>283,526</u>
Facilities Reserve Fund:		
Assigned	178,193	164,780
Total Facilities Reserve Fund	<u>178,193</u>	<u>164,780</u>
 Total Major Funds	 <u>\$ 471,036</u>	 <u>\$ 742,424</u>
Nonmajor Funds:		
Special Revenue Funds:		
Assigned	\$ 94,674	\$ 85,114
Capital Projects Funds:		
Assigned	643,690	505,856
Permanent Funds:		
Restricted	43,776	44,743
Total Nonmajor Funds	<u>\$ 782,140</u>	<u>\$ 635,713</u>

The general fund total fund balance decreased by \$120,854 from the prior fiscal year as a result of positive budgetary variances that were exceeded by a budgeted use of fund balance. The highway fund total fund balance decreased by \$163,947 from the prior fiscal year due to the budgeted use of fund balance. The facilities reserve fund total fund balance increased by \$13,413 from the prior year primarily as a result of transfers from other funds. The nonmajor funds total fund balance increased by \$146,427 from the prior fiscal year due to net transfers from other funds and a net operating excess.

Budgetary Highlights

There was no difference between the original and final budget for the general fund.

The general fund actual revenues exceeded the budget by \$206,185. This was due to all revenues being receipted in excess of budgeted amounts.

The general fund actual expenditures were over the budget by \$20,461. This was the result of all expenditure categories being within or under budget with the exception of county tax, unclassified and transfers to other funds.

There was no difference between the original and final budget for the highway fund.

The highway fund actual revenues were under budget by \$137,290. This was due to all revenue categories being receipted within or below budgeted amounts with the exception of highway aid, charges for services and other revenue.

The highway fund actual expenditures were under budget by \$271,418. This was due to all expenditure categories being under budget with the exception of wages, equipment and transfers to other funds.

Capital Asset and Debt Administration

Capital Assets

As of December 31, 2019, the net book value of capital assets recorded by the Town increased by \$300,893 from the prior year. This increase was the result of current year additions of \$741,082, less depreciation expense of \$440,189.

**Table 4
Town of New Haven, Vermont
Capital Assets (Net of Depreciation)
December 31,**

	2019	2018
Land	\$ 65,000	\$ 65,000
Buildings and Improvements	846,356	833,018
Furniture and Equipment	53,472	50,120
Vehicles	302,234	156,316
Infrastructure	2,652,453	2,514,168
Total	\$ 3,919,515	\$ 3,618,622

Debt

At December 31, 2019, the Town had \$290,000 in a bond payable versus \$320,000 last year. For additional information on the Town's outstanding debt, refer to Note 5 of Notes to Financial Statements.

Economic Factors and Next Year's Budgets and Rates

The Town's unassigned fund balance has fallen below a level sufficient to sustain government operations for a period of approximately three months. The government does maintain significant reserve accounts for future capital and program needs.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers and investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Office at 78 North Street, New Haven, Vermont 05472.

TOWN OF NEW HAVEN, VERMONT

STATEMENT OF NET POSITION
DECEMBER 31, 2019

	<u>Governmental Activities</u>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,193,467
Accounts receivable (net of allowance for uncollectibles):	
Delinquent taxes receivable	72,799
Total current assets	<u>1,266,266</u>
Noncurrent assets:	
Capital assets:	
Land and other assets not being depreciated	65,000
Buildings and vehicles, net of accumulated depreciation	3,854,515
Total noncurrent assets	<u>3,919,515</u>
TOTAL ASSETS	<u><u>\$ 5,185,781</u></u>
LIABILITIES	
Current liabilities:	
Current portion of long-term obligations	\$ 30,000
Total current liabilities	<u>30,000</u>
Noncurrent liabilities:	
Noncurrent portion of long-term obligations:	
Bond payable	260,000
Total noncurrent liabilities	<u>260,000</u>
TOTAL LIABILITIES	<u>290,000</u>
DEFERRED INFLOWS OF RESOURCES	
Prepaid taxes	5,778
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>5,778</u>
NET POSITION	
Net investment in capital assets	3,629,515
Restricted: Highway fund	119,579
Permanent funds	43,776
Unrestricted	1,097,133
TOTAL NET POSITION	<u>4,890,003</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	<u><u>\$ 5,185,781</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF NEW HAVEN, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Position
					Total Governmental Activities
Governmental activities:					
General government	\$ 378,536	\$ 37,800	\$ -	\$ -	\$ (340,736)
Public safety	99,282	-	-	-	(99,282)
Health and sanitation	15,260	-	-	-	(15,260)
Highway	949,968	-	164,208	-	(785,760)
Recreation and culture	77,282	-	-	-	(77,282)
Education	4,162,537	-	-	-	(4,162,537)
County tax	12,382	1,490	-	-	(10,892)
Unclassified	91,532	-	-	-	(91,532)
Total government	<u>\$ 5,786,779</u>	<u>\$ 39,290</u>	<u>\$ 164,208</u>	<u>\$ -</u>	<u>(5,583,281)</u>

STATEMENT B (CONTINUED)
TOWN OF NEW HAVEN, VERMONT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Governmental Activities</u>
Changes in net position:	
Net (expense) revenue	<u>(5,583,281)</u>
General revenues:	
Taxes:	
Property taxes, levied for general purposes	5,554,305
Grants and contributions not restricted to specific programs	16,078
Interest income	11,986
Miscellaneous	<u>128,366</u>
Total general revenues	<u>5,710,735</u>
Change in net position	127,454
NET POSITION - JANUARY 1, RESTATED	<u>4,762,549</u>
NET POSITION - DECEMBER 31	<u><u>\$ 4,890,003</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF NEW HAVEN, VERMONT

BALANCE SHEET - GOVERNMENTAL FUNDS

DECEMBER 31, 2019

	General Fund	Highway Fund	Facilities Reserve	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 233,134	\$ -	\$ 178,193	\$ 782,140	\$ 1,193,467
Accounts receivable (net of allowance for uncollectibles):					
Delinquent taxes receivable	72,799	-	-	-	72,799
Due from other funds	-	119,579	-	-	119,579
TOTAL ASSETS	\$ 305,933	\$ 119,579	\$ 178,193	\$ 782,140	\$ 1,385,845
LIABILITIES					
Due to other funds	\$ 119,579	\$ -	\$ -	\$ -	\$ 119,579
TOTAL LIABILITIES	119,579	-	-	-	119,579
DEFERRED INFLOWS OF RESOURCES					
Prepaid taxes	5,778	-	-	-	5,778
Deferred property tax	7,312	-	-	-	7,312
TOTAL DEFERRED INFLOWS OF RESOURCES	13,090	-	-	-	13,090
FUND BALANCES					
Nonspendable	-	-	-	-	-
Restricted	-	119,579	-	43,776	163,355
Committed	-	-	-	-	-
Assigned	-	-	178,193	738,364	916,557
Unassigned	173,264	-	-	-	173,264
TOTAL FUND BALANCES	173,264	119,579	178,193	782,140	1,253,176
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 305,933	\$ 119,579	\$ 178,193	\$ 782,140	\$ 1,385,845

See accompanying independent auditors' report and notes to financial statements.

TOWN OF NEW HAVEN, VERMONT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2019

	<u>Total Governmental Funds</u>
Total Fund Balances	\$ 1,253,176
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds, net of accumulated depreciation	3,919,515
Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds shown above:	
Taxes and liens receivable	7,312
Long-term obligations are not due and payable in the current period and therefore are not reported in the funds:	
Bond payable	<u>(290,000)</u>
Net position of governmental activities	<u>\$ 4,890,003</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF NEW HAVEN, VERMONT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	General Fund	Highway Fund	Facilities Reserve	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 4,648,960	\$ 983,823	\$ -	\$ -	\$ 5,632,783
Intergovernmental	16,078	164,208	-	-	180,286
Charges for services	37,800	1,490	-	-	39,290
Interest income	1,357	-	1,995	8,634	11,986
Miscellaneous	88,103	40,212	-	51	128,366
TOTAL REVENUES	<u>4,792,298</u>	<u>1,189,733</u>	<u>1,995</u>	<u>8,685</u>	<u>5,992,711</u>
EXPENDITURES					
Current:					
General government	391,582	-	-	-	391,582
Public safety	99,282	-	-	-	99,282
Health and sanitation	15,260	-	-	-	15,260
Highway	-	1,237,815	-	-	1,237,815
Recreation and culture	77,282	-	-	-	77,282
Education	4,162,537	-	-	-	4,162,537
County tax	12,382	-	-	-	12,382
Unclassified	121,481	-	-	51	121,532
TOTAL EXPENDITURES	<u>4,879,806</u>	<u>1,237,815</u>	<u>-</u>	<u>51</u>	<u>6,117,672</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(87,508)</u>	<u>(48,082)</u>	<u>1,995</u>	<u>8,634</u>	<u>(124,961)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	17,671	145,000	15,000	286,017	463,688
Transfers (out)	(51,017)	(260,865)	(3,582)	(148,224)	(463,688)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(33,346)</u>	<u>(115,865)</u>	<u>11,418</u>	<u>137,793</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(120,854)	(163,947)	13,413	146,427	(124,961)
FUND BALANCES - JANUARY 1	<u>294,118</u>	<u>283,526</u>	<u>164,780</u>	<u>635,713</u>	<u>1,378,137</u>
FUND BALANCES - DECEMBER 31	<u>\$ 173,264</u>	<u>\$ 119,579</u>	<u>\$ 178,193</u>	<u>\$ 782,140</u>	<u>\$ 1,253,176</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF NEW HAVEN, VERMONT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019

Net change in fund balances - total governmental funds (Statement E)	<u>\$ (124,961)</u>
<p>Amounts reported for governmental activities in the Statement of Activities (Statement B) are different because:</p>	
<p>Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to be allocated to those expenditures over the life of the assets:</p>	
Capital asset acquisitions	741,082
Depreciation expense	<u>(440,189)</u>
	<u>300,893</u>
<p>Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds:</p>	
Taxes and liens receivable	<u>(78,478)</u>
<p>Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term obligations in the Statement of Net Net Position</p>	
	<u>30,000</u>
Change in net position of governmental activities (Statement B)	<u><u>\$ 127,454</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF NEW HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of New Haven was incorporated under the laws of the State of Vermont. The Town operates under the selectboard-treasurer form of government and provides the following services: general government, public safety, health and sanitation, highway, recreation and culture, education and unclassified.

The Town's financial statements are prepared in accordance with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations).

The Town's combined financial statements include all accounts and all operations of the Town. We have determined that the Town has no component units as described in GASB Statement No. 14 and amended by GASB Statements No. 39 and No. 61.

Implementation of New Accounting Standards

During the year ended December 31, 2019, the following statements of financial accounting standards issued by the Governmental Accounting Standards Board became effective:

Statement No. 83 "Certain Asset Retirement Obligations". This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. This Statement requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external laws, regulations, contracts or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities. Laws and regulations may require governments to take specific actions to retire certain tangible capital assets at the end of the useful lives of those capital assets, such as decommissioning nuclear reactors and dismantling and removing sewage treatment plants. Other obligations to retire tangible capital assets may arise from contracts or court judgments. Internal obligating events include the occurrence of contamination, placing into operation a tangible capital asset that is required to be retired, abandoning a tangible capital asset before it is placed into operation or acquiring a tangible capital asset that has an existing ARO. This Statement also requires disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities and the estimated remaining useful life of the associated tangible capital assets. If an ARO (or portions thereof) has been incurred by a government but is not yet recognized because it is not reasonably estimable, the

TOWN OF NEW HAVEN, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

government is required to disclose that fact and the reasons therefor. This Statement requires similar disclosures for a government's minority shares of AROs. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 84 "Fiduciary Activities". This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval or condition is required to be taken or met by the beneficiary to release the assets. Management has determined the impact of this Statement is not material to the financial statements

Statement No. 88 "Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements". This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences and significant subjective acceleration clauses. Management has determined the impact of this Statement is not material to the financial statements.

Statement No. 90 "Majority Equity Interests". This Statement defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity

TOWN OF NEW HAVEN, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

interest at fair value. For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. Management has determined the impact of this Statement is not material to the financial statements.

Government-Wide and Fund Financial Statements

The Town's basic financial statements include both government-wide (reporting the Town as a whole) and fund financial statements (reporting the Town's major funds).

In the government-wide Statement of Net Position, the governmental activities column is (a) presented on a consolidated basis by column and (b) is reported on a full accrual, economic resources basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The Town's net position is reported in three parts - net investment in capital assets; restricted net position; and unrestricted net position. The Town first utilizes restricted resources to finance qualifying activities.

Both the government-wide and fund financial statements categorize primary activities as governmental. The Town categorizes all activities of the entity as governmental.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions (general government, public safety, etc.) excluding fiduciary activities. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, miscellaneous revenues, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. For the most part, the interfund activity has been eliminated from these government-wide financial statements.

The net costs (by function) are normally covered by general revenue (taxes, certain intergovernmental revenues and charges for services, etc.).

The Town does not allocate indirect costs. All costs are charged directly to the corresponding department.

TOWN OF NEW HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The government-wide focus is more on the sustainability of the Town as an entity and the change in the Town's net position resulting from the current year's activities.

Measurement Focus - Basic Financial Statements and Fund Financial Statements

The financial transactions of the Town are reported in the individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures / expenses. The various funds are reported by generic classification within the financial statements. Both fiduciary funds and component units that are fiduciary in nature have been excluded from these financial statements. The following fund types are used by the Town:

1. Governmental Funds:

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

Major Funds

- a. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.
- b. The Highway Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.
- c. The Facilities Reserve Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

Nonmajor Funds

- d. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
- e. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities or equipment.

TOWN OF NEW HAVEN, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- f. Permanent Funds are used to account for assets held by the Town that are legally restricted and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. The Town's policy for authorizing and spending investment income follows State statutes.

The emphasis in fund financial statements is on the major funds in the governmental activity category. Nonmajor funds by category are summarized into a single column, GASB Statement No. 34 sets forth minimum criteria (percentage of the assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues or expenses of either the fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

1. Accrual

Governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

2. Modified Accrual

The governmental fund financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. 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.

TOWN OF NEW HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budget

The Town's policy is to adopt an annual budget for operations. The budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles.

The following procedures are followed in establishing budgetary data reflected in the financial statements:

1. Early in the second half of the year the Town prepares a budget for the fiscal year beginning January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the inhabitants of the Town was called for the purpose of adopting the proposed budget after public notice of the meeting was given.
3. The budget was adopted subsequent to passage by the inhabitants of the Town.

Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

It is the Town's policy to value investments at fair value. None of the Town's investments are reported at amortized cost. The Town Treasurer is authorized by State Statutes to invest all excess funds in the following:

- Obligations of the U.S. Government, its agencies and instrumentalities
- Certificates of deposits and other evidences of deposits at banks, savings and loan associations and credit unions
- Repurchase agreements
- Money market mutual funds

The Town of New Haven has no formal investment policy but instead follows the State of Vermont Statutes.

Receivables

Receivables include amounts due from governmental agencies. All receivables are current and therefore due within one year. Receivables are reported net of an allowance for uncollectible accounts and revenues net of uncollectibles. Allowances are

TOWN OF NEW HAVEN, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

reported when accounts are proven to be uncollectible. The allowance for uncollectible accounts is estimated to be \$0 as of December 31, 2019. Allowances for uncollectible accounts netted with accounts receivable were \$0 for the year ended December 31, 2019.

Interfund Receivables and Payables

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

Transactions Between Funds

Legally authorized transfers are treated as interfund transfers and are included in the results of operations of Governmental Funds.

Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Infrastructure such as streets, traffic signals and signs are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the estimated useful lives.

The assets are valued at historical cost when available and estimated historical cost where actual invoices or budgetary data was unavailable. Donated fixed assets are valued at their estimated fair market value on the date received. All retirements have been recorded by eliminating the net carrying values.

Infrastructure assets include roads, bridges, underground pipe (other than related to independently owned utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the Town. The Town has not retroactively recorded infrastructure.

TOWN OF NEW HAVEN, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Estimated useful lives are as follows:

Buildings	20 - 50 years
Infrastructure	50 - 100 years
Machinery and equipment	3 - 50 years
Vehicles	3 - 25 years

Long-term Obligations

The accounting treatment of long-term obligations depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in government-wide statements. The long-term obligation consists of a bond payable.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as expenditures. The accounting for proprietary fund is the same in the fund statements as it is in the government-wide statements.

Net Position

Net position represents the difference between all other elements in a statement of financial position. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for those assets and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on its use either through enabling legislations adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position is the net amount of the assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or restricted net position.

TOWN OF NEW HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Balance

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned and unassigned.

Nonspendable - This includes amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - This includes amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed - This includes amounts that can be used only for specific purposes determined by a formal action of the inhabitants of the Town. The inhabitants of the Town through Town meetings are the highest level of decision-making authority of the Town. Commitments may be established, modified or rescinded only through a Town meeting vote.

Assigned - This includes amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The authority for assigning fund balance is expressed by the Selectboard.

Unassigned - This includes all other spendable amounts. The general fund is the only fund that reports a positive unassigned fund balance amount. Other governmental funds besides the general fund can only report a negative unassigned fund balance amount.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Town meeting vote has provided otherwise in its commitment or assignment actions.

TOWN OF NEW HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows and Inflows of Resources

In addition to assets, the statement of financial position and/or balance sheet will at times report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town currently does not have any deferred outflows.

In addition to liabilities, the statement of financial position and/or balance sheet will at times report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred tax revenues, which arises only under a modified accrual basis of accounting, qualifies for reporting in this category. Accordingly, this item is reported in the governmental funds balance sheet. Prepaid taxes also qualify for reporting in this category. This item is reported in both the statements of net position and governmental funds balance sheet. All items in this category are deferred and recognized as an inflow of resources in the period that the amounts become available.

Revenue Recognition - Property Taxes - Modified Accrual Basis

The Town's property tax for the current year was levied July 1, 2019 on the assessed value listed as of April 1, 2019, for all real and personal property located in the Town. Taxes were due on October 1, 2019. Payments received after the due date were charged interest of 1% per month. Payments received after October 2, 2019 were considered delinquent and subject to a penalty of 8% plus interest accrued at 1% per month.

Property tax revenues are recognized when they become available. Available includes those property tax receivables collected by June 1. The remaining receivables due for the current fiscal year have been recorded as deferred revenues.

Tax liens are placed on real property within twenty-four months following the tax commitment date if taxes are delinquent. The Town has the authority to foreclose on property two months after the filing of the lien if tax liens and associated costs remain unpaid.

TOWN OF NEW HAVEN, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Program Revenues

Program revenues include all directly related income items applicable to a particular program (charges to customers or applicants for goods, services or privileges provided; operating capital grants and contributions, including special assessments).

Encumbrance Accounting

Encumbrances are not liabilities and, therefore, are not recorded as expenditures until receipt of material or service. For budgetary purposes, appropriations lapse at fiscal year-end. The Town does not utilize encumbrance accounting for its general fund.

Use of Estimates

During the preparation of the Town's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosure of contingent items as of the date of the financial statements and the reported amounts of revenues and expenses/expenditures during the reporting period. Actual results may differ from these estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

The Town's investment policies, which follow state statutes, authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. These investment policies apply to all Town funds.

Custodial credit risk for deposits is the risk that, in the event of a failure of a depository financial institution, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The Town does not have a policy covering custodial credit risk. However, the Town maintains deposits in qualifying financial institutions that are a member of the FDIC or NCUSIF. Town funds that may exceed insurance limits are fully collateralized with securities held by the financial institution in the Town's name.

At December 31, 2019, the Town's cash balances of \$1,193,467 were comprised of bank balances of \$1,253,393, of which \$500,000 were insured by federal depository insurance and consequently were not exposed to custodial credit risk. The remaining bank balances of \$753,393 were collateralized with securities held by the financial institution in the Town's name.

TOWN OF NEW HAVEN, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2019

NOTE 2 - DEPOSITS AND INVESTMENTS (CONTINUED)

<u>Account Type</u>	<u>Bank Balance</u>
Checking accounts	\$ 293,062
Money market accounts	960,331
	\$ 1,253,393

Custodial credit risk for investments is that, in the event of failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

At December 31, 2019, the Town had no investments.

Credit risk - Statutes for the State of Vermont authorize the Town to invest in obligations of the U.S. Treasury, agencies and instrumentalities, other states and Canada, provided such securities are rated within the three highest grades by an approved rating service of the State of Vermont, corporate stocks and bonds within statutory limits, financial institutions, mutual funds and repurchase agreements. The Town has an investment policy on credit risk.

Interest rate risk - is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from fluctuations in interest rates.

NOTE 3 - INTERFUND RECEIVABLES AND PAYABLES

Interfund balances at December 31, 2019 consisted of the following individual fund receivables and payables:

	<u>Receivables (Due From)</u>	<u>Payables (Due To)</u>
General fund	\$ -	\$ 119,579
Highway fund	119,579	-
	\$ 119,579	\$ 119,579

TOWN OF NEW HAVEN, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended December 31, 2019:

	Balance 1/1/19	Additions	Disposals	Balance 12/31/19
Non-depreciated assets:				
Land	\$ 65,000	\$ -	\$ -	\$ 65,000
	<u>65,000</u>	<u>-</u>	<u>-</u>	<u>65,000</u>
Depreciated assets:				
Buildings and improvements	1,325,724	52,900	-	1,378,624
Furniture and equipment	433,648	18,963	-	452,611
Vehicles	647,319	201,424	(110,483)	738,260
Infrastructure	4,457,994	467,795	-	4,925,789
	<u>6,864,685</u>	<u>741,082</u>	<u>(110,483)</u>	<u>7,495,284</u>
Less accumulated depreciation:				
Buildings and improvements	(492,706)	(39,562)		(532,268)
Furniture and equipment	(383,528)	(15,611)		(399,139)
Vehicles	(491,003)	(55,506)	110,483	(436,026)
Infrastructure	(1,943,826)	(329,510)		(2,273,336)
	<u>(3,311,063)</u>	<u>(440,189)</u>	<u>110,483</u>	<u>(3,640,769)</u>
Net depreciated assets	<u>3,553,622</u>	<u>300,893</u>	<u>-</u>	<u>3,854,515</u>
Net capital assets	<u>\$ 3,618,622</u>	<u>\$ 300,893</u>	<u>\$ -</u>	<u>\$ 3,919,515</u>
<u>Current year depreciation:</u>				
General government				\$ 39,854
Highway				<u>400,335</u>
Total depreciation expense				<u>\$ 440,189</u>

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in long-term debt for the year ended December 31, 2019:

	Balance 1/1/19	Additions	Deletions	Balance 12/31/19	Current Year Portion
Bond payable	\$ 320,000	\$ -	\$ (30,000)	\$ 290,000	\$ 30,000
	<u>320,000</u>	<u>-</u>	<u>(30,000)</u>	<u>290,000</u>	<u>30,000</u>

TOWN OF NEW HAVEN, VERMONT
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2019

NOTE 5 - LONG-TERM DEBT (CONTINUED)

The following is a summary of the outstanding bond payable:

\$410,000 bond payable, annual principal payments of \$30,000 due on November 1st through 2027, \$25,000 due on November 1st through 2029. Interest is charged at a fixed rate ranging from 1.39% of 4.98% per annum. \$ 290,000

Principal and interest requirements on the bond payable to maturity are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2020	\$ 30,000	13,231	\$ 43,231
2021	30,000	12,013	42,013
2022	30,000	10,749	40,749
2023	30,000	9,444	39,444
2024	30,000	8103	38,103
2025-2029	<u>140,000</u>	<u>19,684</u>	<u>159,684</u>
	<u><u>\$ 290,000</u></u>	<u><u>\$ 73,224</u></u>	<u><u>\$ 363,224</u></u>

NOTE 6 - OPERATING LEASE

The Town has entered into an operating lease agreement with U.S. Bancorp for the lease of a copier. The lease term is for five years ending in June of 2020. Monthly payments are \$470.

NOTE 7 - RESTRICTED FUND BALANCES

At December 31, 2019, the Town had the following restricted fund balances:

Highway fund	\$ 119,579
Nonmajor permanent funds (Schedule I)	<u>43,776</u>
	<u><u>\$ 163,355</u></u>

TOWN OF NEW HAVEN, VERMONT
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 8 - ASSIGNED FUND BALANCES

At December 31, 2019, the Town had the following assigned fund balances:

Facilities reserve	\$ 178,193
Nonmajor special revenue funds (Schedule E)	94,674
Nonmajor capital projects funds (Schedule G)	643,690
	<u>\$ 916,557</u>

NOTE 9 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance or participates in a public entity and self-insured risk pool sponsored by the Vermont League of Cities and Towns.

Based on the coverage provided by the insurance purchased, the Town is not aware of any material actual or potential claim liabilities which should be recorded as of December 31, 2019. There were no significant reductions in insurance coverage from that of the prior year and amounts of settlements have not exceeded insurance coverage in the past three years.

In addition, the Town is a member of the Vermont League of Cities and Towns (VLCT). The VLCT has set up three insurance trusts; the Property and Casualty Intermunicipal Fund, Inc. (PACIF) for multi-line insurance; the Vermont League of Cities and Towns Health Trust (VLCTHT) for health, life and disability coverage; and the Vermont League of Cities and Towns Unemployment Trust, Inc. (VLCTUT) for unemployment compensation. PACIF, VLCTHT and VLCTUT are nonprofit corporations formed to provide insurance and risk management programs for Vermont cities and towns and is owned by the participating members. The Trusts are not licensed insurance carriers and members are not protected by the Vermont Insurance Guaranty Association.

To provide insurance coverage, PACIF has established a self-funded insurance trust. It provides extensive coverage for losses to member municipalities for property damage, auto accidents, injured employees, public official liability and employment practices liability, members gain additional benefits from PACIF's unique public safety and risk management programs as well as dedicated in-house claims adjusters. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and PACIF is unable to meet its required obligations, the Program will be terminated with each member assessed their proportionate share of the deficit.

TOWN OF NEW HAVEN, VERMONT

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

NOTE 9 - RISK MANAGEMENT (CONTINUED)

To provide unemployment coverage, VLCTUT has established a separate trust of funds from member contributions to pay administrative costs, unemployment claims and provide excess reinsurance protection. Contributions are based on payroll expense and the previous two-year unemployment compensation experience. In the event that total contributions assessed to and made by all members result in an actual or projected financial deficit and VLCTUT is unable to meet its required obligations, the Program will be terminated with each member assessed their proportionate share of the deficit.

NOTE 10 - CONTINGENCIES

With regard to pending legal claims or any unasserted claims, it is not feasible at this time to predict or determine their outcome. Management believes, however, that settlement amounts, if any, will not have a material adverse effect on the Town's financial position.

The Town participates in various intergovernmental grant programs which may be subject to future program compliance audits by the grantors or their representatives. Accordingly, the Town's compliance with applicable grant requirement may be established at some future date. The amount, if any, of any liabilities arising from the disallowance of expenditures or ineligibility of grant revenues cannot be determined at this time.

NOTE 11 - COMPARATIVE DATA/RECLASSIFICATIONS

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the Town's financial position and operations. Also, certain amounts presented in the prior year's data have been reclassified to be consistent with the current year's presentation.

NOTE 12 - RESTATEMENT

In 2019, the Town determined that certain transactions in prior years required a revision to the government-wide financial statements. The government-wide net position increased by \$129,885. The increase reflects an adjustment to the fixed asset accumulated depreciation. The government-wide net position changed from \$4,632,664 to \$4,762,549.

Required Supplementary Information

Required supplementary information includes financial information and disclosures that are required by the Governmental Accounting Standards Board but are not considered a part of the basic financial statements. Such information includes:

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund
- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - Highway Fund

TOWN OF NEW HAVEN, VERMONT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ 294,118	\$ 294,118	\$ 294,118	\$ -
Resources (Inflows):				
Property taxes	4,547,643	4,547,643	4,648,960	101,317
Intergovernmental	16,000	16,000	16,078	78
Charges for services	24,800	24,800	37,800	13,000
Interest income	-	-	1,357	1,357
Other revenue	12,141	12,141	88,103	75,962
Transfers from other funds	3,200	3,200	17,671	14,471
Amounts Available for Appropriation	<u>4,897,902</u>	<u>4,897,902</u>	<u>5,104,087</u>	<u>206,185</u>
Charges to Appropriations (Outflows):				
General government	402,773	402,773	391,582	11,191
Public safety	127,478	127,478	99,282	28,196
Health and sanitation	16,431	16,431	15,260	1,171
Recreation and culture	81,851	81,851	77,282	4,569
Education	4,162,537	4,162,537	4,162,537	-
County tax	12,000	12,000	12,382	(382)
Unclassified	99,292	99,292	121,481	(22,189)
Transfers to other funds	8,000	8,000	51,017	(43,017)
Total Charges to Appropriations	<u>4,910,362</u>	<u>4,910,362</u>	<u>4,930,823</u>	<u>(20,461)</u>
Budgetary Fund Balance, December 31	<u>\$ (12,460)</u>	<u>\$ (12,460)</u>	<u>\$ 173,264</u>	<u>\$ 185,724</u>
Utilization of unassigned fund balance	<u>\$ 306,578</u>	<u>\$ 306,578</u>	<u>\$ -</u>	<u>\$ (306,578)</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF NEW HAVEN, VERMONT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - HIGHWAY FUND
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Budgeted Amounts		Actual Amounts	Variance Positive (Negative)
	Original	Final		
Budgetary Fund Balance, January 1	\$ 283,526	\$ 283,526	\$ 283,526	\$ -
Resources (Inflows):				
Property taxes	983,823	983,823	983,823	-
Highway aid	120,000	120,000	121,016	1,016
Grant reimbursement	175,000	175,000	43,192	(131,808)
Charges for services	1,200	1,200	1,490	290
Other revenue	-	-	40,212	40,212
Transfers from other funds	192,000	192,000	145,000	(47,000)
Amounts Available for Appropriation	<u>1,755,549</u>	<u>1,755,549</u>	<u>1,618,259</u>	<u>(137,290)</u>
Charges to Appropriations (Outflows):				
Wages	165,260	165,260	166,490	(1,230)
Benefits	70,138	70,138	58,080	12,058
Garage expenditures	29,950	29,950	28,093	1,857
Equipment	102,500	102,500	233,449	(130,949)
Maintenance	214,250	214,250	195,497	18,753
Bridges	577,000	577,000	39,201	537,799
Projects	561,000	561,000	517,005	43,995
Transfers to other funds	50,000	50,000	260,865	(210,865)
Total Charges to Appropriations	<u>1,770,098</u>	<u>1,770,098</u>	<u>1,498,680</u>	<u>271,418</u>
Budgetary Fund Balance, December 31	<u>\$ (14,549)</u>	<u>\$ (14,549)</u>	<u>\$ 119,579</u>	<u>\$ 134,128</u>
Utilization of unassigned fund balance	<u>\$ 298,075</u>	<u>\$ 298,075</u>	<u>\$ -</u>	<u>\$ (298,075)</u>

See accompanying independent auditors' report and notes to financial statements.

Other Supplementary Information

Other supplementary information includes financial statements not required by the Governmental Accounting Standards Board, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

- Budgetary Comparison Schedule - Budgetary Basis - Budget and Actual - General Fund Revenues
- Schedule of Departmental Operations - General Fund
- Combining Balance Sheet - Nonmajor Governmental Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds
- Combining Balance Sheet - Nonmajor Special Revenue Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds
- Combining Balance Sheet - Nonmajor Capital Projects Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Projects Funds
- Combining Balance Sheet - Nonmajor Permanent Funds
- Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Permanent Funds

TOWN OF NEW HAVEN, VERMONT

BUDGETARY COMPARISON SCHEDULE - BUDGETARY BASIS
 BUDGET AND ACTUAL - GENERAL FUND REVENUES
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Final Budget	Actual Amounts	Variance Positive (Negative)
Resources (Inflows):				
Property taxes:				
Current taxes	\$ 4,435,643	\$ 4,435,643	\$ 4,557,578	\$ 121,935
Delinquent property taxes	10,000	10,000	9,254	(746)
Penalties and interest	2,000	2,000	(2,991)	(4,991)
Current land use	100,000	100,000	85,119	(14,881)
Intergovernmental revenues:				
PILOT	8,000	8,000	7,509	(491)
State funds	8,000	8,000	8,569	569
Charges for services:				
Fees for services	24,800	24,800	37,800	13,000
Investment income	-	-	1,357	1,357
Other income:				
Litigation settlement	-	-	25,000	25,000
Grants	750	750	26,750	26,000
Sheriff's department	10,000	10,000	27,524	17,524
Other income	1,391	1,391	8,829	7,438
Transfers from other funds	3,200	3,200	17,671	14,471
Amounts Available for Appropriation	<u>\$ 4,603,784</u>	<u>\$ 4,603,784</u>	<u>\$ 4,809,969</u>	<u>\$ 206,185</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF NEW HAVEN, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
General government:					
Town office	\$ 152,490	\$ -	\$ 152,490	\$ 158,865	\$ (6,375)
Town clerk	46,916	-	46,916	45,328	1,588
Treasurer	51,206	-	51,206	49,969	1,237
Listers	38,468	-	38,468	28,131	10,337
Delinquent tax collectors	800	-	800	2,403	(1,603)
Zoning	30,848	-	30,848	17,951	12,897
Planning	13,582	-	13,582	26,735	(13,153)
Development review board	4,276	-	4,276	2,900	1,376
Board of civil authority	100	-	100	-	100
Elections	3,700	-	3,700	2,314	1,386
Auditors	10,430	-	10,430	8,909	1,521
Selectboard	49,957	-	49,957	48,077	1,880
Totals	<u>402,773</u>	<u>-</u>	<u>402,773</u>	<u>391,582</u>	<u>11,191</u>
Public safety:					
Fire department	87,200	-	87,200	50,065	37,135
Rescue/ambulance	15,313	-	15,313	15,313	-
Constable/animal control	3,965	-	3,965	2,460	1,505
Sheriff's department	15,000	-	15,000	27,312	(12,312)
Street lights	6,000	-	6,000	4,132	1,868
Totals	<u>127,478</u>	<u>-</u>	<u>127,478</u>	<u>99,282</u>	<u>28,196</u>
Health and sanitation:					
Health officer	431	-	431	400	31
Recycling removal	16,000	-	16,000	14,860	1,140
Totals	<u>16,431</u>	<u>-</u>	<u>16,431</u>	<u>15,260</u>	<u>1,171</u>

TOWN OF NEW HAVEN, VERMONT

SCHEDULE OF DEPARTMENTAL OPERATIONS - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2019

	Original Budget	Budget Adjustments	Final Budget	Actual Expenditures	Variance Positive (Negative)
Recreation and culture:					
Events	16,871	-	16,871	16,158	713
Park	7,000	-	7,000	6,152	848
Summer grants program	1,500	-	1,500	1,500	-
Sports	4,000	-	4,000	992	3,008
Library	52,480	-	52,480	52,480	-
Totals	<u>81,851</u>	<u>-</u>	<u>81,851</u>	<u>77,282</u>	<u>4,569</u>
County tax	<u>12,000</u>	<u>-</u>	<u>12,000</u>	<u>12,382</u>	<u>(382)</u>
Education	<u>4,162,537</u>	<u>-</u>	<u>4,162,537</u>	<u>4,162,537</u>	<u>-</u>
Unclassified:					
Cemeteries	9,834	-	9,834	10,134	(300)
Town office	42,500	-	42,500	61,102	(18,602)
Town hall	20,000	-	20,000	21,607	(1,607)
Tax gravel pit	1,500	-	1,500	1,421	79
Outside agencies	25,458	-	25,458	27,217	(1,759)
Totals	<u>99,292</u>	<u>-</u>	<u>99,292</u>	<u>121,481</u>	<u>(22,189)</u>
Transfers to other funds	<u>8,000</u>	<u>-</u>	<u>8,000</u>	<u>51,017</u>	<u>(43,017)</u>
TOTAL DEPARTMENTAL OPERATIONS	<u><u>\$ 4,910,362</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 4,910,362</u></u>	<u><u>\$ 4,930,823</u></u>	<u><u>\$ (20,461)</u></u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF NEW HAVEN, VERMONT

COMBINING BALANCE SHEET - NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 94,674	\$ 643,690	\$ 43,776	\$ 782,140
TOTAL ASSETS	<u>\$ 94,674</u>	<u>\$ 643,690</u>	<u>\$ 43,776</u>	<u>\$ 782,140</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	43,776	43,776
Committed	-	-	-	-
Assigned	94,674	643,690	-	738,364
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>94,674</u>	<u>643,690</u>	<u>43,776</u>	<u>782,140</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 94,674</u>	<u>\$ 643,690</u>	<u>\$ 43,776</u>	<u>\$ 782,140</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF NEW HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2019

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES				
Interest income	\$ 1,043	\$ 7,058	\$ 533	\$ 8,634
Other income	51	-	-	51
TOTAL REVENUES	<u>1,094</u>	<u>7,058</u>	<u>533</u>	<u>8,685</u>
EXPENDITURES				
Unclassified	51	-	-	51
TOTAL EXPENDITURES	<u>51</u>	<u>-</u>	<u>-</u>	<u>51</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,043</u>	<u>7,058</u>	<u>533</u>	<u>8,634</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,517	277,500	-	286,017
Transfers (out)	-	(146,724)	(1,500)	(148,224)
TOTAL OTHER FINANCING SOURCES (USES)	<u>8,517</u>	<u>130,776</u>	<u>(1,500)</u>	<u>137,793</u>
NET CHANGE IN FUND BALANCES	9,560	137,834	(967)	146,427
FUND BALANCES - JANUARY 1	<u>85,114</u>	<u>505,856</u>	<u>44,743</u>	<u>635,713</u>
FUND BALANCES - DECEMBER 31	<u>\$ 94,674</u>	<u>\$ 643,690</u>	<u>\$ 43,776</u>	<u>\$ 782,140</u>

See accompanying independent auditors' report and notes to financial statements.

Special Revenue Funds

Special revenue funds are established to account for the proceeds of specific revenue sources (other than fiduciary trusts or for major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF NEW HAVEN, VERMONT

COMBINING BALANCE SHEET - NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2019

	Reappraisal Fund	Community Projects	Conservation Fund	Total
ASSETS				
Cash and cash equivalents	\$ 49,208	\$ 39,380	\$ 6,086	\$ 94,674
TOTAL ASSETS	<u>\$ 49,208</u>	<u>\$ 39,380</u>	<u>\$ 6,086</u>	<u>\$ 94,674</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	49,208	39,380	6,086	94,674
Unassigned	-	-	-	-
TOTAL FUND BALANCES	<u>49,208</u>	<u>39,380</u>	<u>6,086</u>	<u>94,674</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 49,208</u>	<u>\$ 39,380</u>	<u>\$ 6,086</u>	<u>\$ 94,674</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF NEW HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Reappraisal Fund	Community Projects	Conservation Fund	Total
REVENUES				
Interest income	\$ 503	\$ 467	\$ 73	\$ 1,043
Other income	-	-	-	51
TOTAL REVENUES	<u>503</u>	<u>467</u>	<u>73</u>	<u>1,094</u>
EXPENDITURES				
Unclassified	-	-	-	51
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>51</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>503</u>	<u>467</u>	<u>73</u>	<u>1,043</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	8,000	517	-	8,517
Transfers (out)	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>8,000</u>	<u>517</u>	<u>-</u>	<u>8,517</u>
NET CHANGE IN FUND BALANCES	8,503	984	73	9,560
FUND BALANCES - JANUARY 1	<u>40,705</u>	<u>38,396</u>	<u>6,013</u>	<u>85,114</u>
FUND BALANCES - DECEMBER 31	<u>\$ 49,208</u>	<u>\$ 39,380</u>	<u>\$ 6,086</u>	<u>\$ 94,674</u>

See accompanying independent auditors' report and notes to financial statements.

Capital Projects Funds

Capital projects funds are established to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary or trust funds. The projects also include significant purchases of vehicles and equipment, as well as the servicing of leases and bonds associated with those purchases. Projects are generally segregated by the related Town department managing the project.

TOWN OF NEW HAVEN, VERMONT

COMBINING BALANCE SHEET - NONMAJOR CAPITAL PROJECTS FUNDS

DECEMBER 31, 2019

	Office Equipment Fund	Road Equipment Fund	Fire Truck Fund	Restoration Fund	Bridge Fund	Total
ASSETS						
Cash and cash equivalents	\$ -	\$ 69,343	\$ 140,913	\$ 38,731	\$ 394,703	\$ 643,690
TOTAL ASSETS	\$ -	\$ 69,343	\$ 140,913	\$ 38,731	\$ 394,703	\$ 643,690
LIABILITIES						
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL LIABILITIES	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	-	-	-	-	-	-
Committed	-	-	-	-	-	-
Assigned	-	69,343	140,913	38,731	394,703	643,690
Unassigned	-	-	-	-	-	-
TOTAL FUND BALANCES	-	69,343	140,913	38,731	394,703	643,690
TOTAL LIABILITIES AND FUND BALANCES	\$ -	\$ 69,343	\$ 140,913	\$ 38,731	\$ 394,703	\$ 643,690

See accompanying independent auditors' report and notes to financial statements.

TOWN OF NEW HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Office Equipment Fund	Road Equipment Fund	Fire Truck Fund	Restoration Fund	Bridge Fund	Total
REVENUES						
Interest income	\$ 8	\$ 918	\$ 1,391	\$ 2,203	\$ 2,538	\$ 7,058
TOTAL REVENUES	<u>8</u>	<u>918</u>	<u>1,391</u>	<u>2,203</u>	<u>2,538</u>	<u>7,058</u>
EXPENDITURES						
Capital outlay	-	-	-	-	-	-
EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>8</u>	<u>918</u>	<u>1,391</u>	<u>2,203</u>	<u>2,538</u>	<u>7,058</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	50,000	27,500	-	200,000	277,500
Transfers (out)	(1,724)	(145,000)	-	-	-	(146,724)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,724)</u>	<u>(95,000)</u>	<u>27,500</u>	<u>-</u>	<u>200,000</u>	<u>130,776</u>
NET CHANGE IN FUND BALANCES	(1,716)	(94,082)	28,891	2,203	202,538	137,834
FUND BALANCES - JANUARY 1	<u>1,716</u>	<u>163,425</u>	<u>112,022</u>	<u>36,528</u>	<u>192,165</u>	<u>505,856</u>
FUND BALANCES - DECEMBER 31	<u>\$ -</u>	<u>\$ 69,343</u>	<u>\$ 140,913</u>	<u>\$ 38,731</u>	<u>\$ 394,703</u>	<u>\$ 643,690</u>

See accompanying independent auditors' report and notes to financial statements.

Permanent Funds

Permanent funds are used to account for assets held by the Town of New Haven, Vermont that are legally restricted and unless otherwise specified, only earnings and not principal, may be used for purposes that benefit the Town or its citizenry. These funds have been established for various purposes including the provision and/or maintenance of the cemeteries.

TOWN OF NEW HAVEN, VERMONT

COMBINING BALANCE SHEET - NONMAJOR PERMANENT FUNDS
DECEMBER 31, 2019

	Riverside Cemetery Fund	West Cemetery Fund	Total
	<u> </u>	<u> </u>	<u> </u>
ASSETS			
Cash and cash equivalents	\$ 20,382	\$ 23,394	\$ 43,776
TOTAL ASSETS	<u>\$ 20,382</u>	<u>\$ 23,394</u>	<u>\$ 43,776</u>
LIABILITIES			
Due to others funds	\$ -	\$ -	\$ -
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES			
Nonspendable	-	-	-
Restricted	20,382	23,394	43,776
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
TOTAL FUND BALANCES	<u>20,382</u>	<u>23,394</u>	<u>43,776</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 20,382</u>	<u>\$ 23,394</u>	<u>\$ 43,776</u>

See accompanying independent auditors' report and notes to financial statements.

TOWN OF NEW HAVEN, VERMONT

COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2019

	Riverside Cemetery Fund	West Cemetery Fund	Total
REVENUES			
Investment income	\$ 245	\$ 288	\$ 533
TOTAL REVENUES	<u>245</u>	<u>288</u>	<u>533</u>
EXPENDITURES			
Other	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>245</u>	<u>288</u>	<u>533</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers (out)	-	(1,500)	(1,500)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>(1,500)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	245	(1,212)	(967)
FUND BALANCES - JANUARY 1	<u>20,137</u>	<u>24,606</u>	<u>44,743</u>
FUND BALANCES - DECEMBER 31	<u>\$ 20,382</u>	<u>\$ 23,394</u>	<u>\$ 43,776</u>

See accompanying independent auditors' report and notes to financial statements.



Proven Expertise & Integrity

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Selectboard
Town of New Haven
New Haven, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of New Haven, Vermont as of and for the year ended December 31, 2019 and the related notes to the financial statements, which collectively comprise the Town of New Haven, Vermont's basic financial statements and have issued our report thereon dated March 27, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of New Haven, Vermont's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of New Haven, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of New Haven, Vermont's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of New Haven, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*. We noted certain other matters that we reported to management of the Town of New Haven in a separate letter dated January 20, 2020.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RHR Smith & Company

Buxton, Maine
Vermont Registration No. 092.0000697
March 27, 2020