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TOWN OF FAIRFIELD, VERMONT

FINANCIAL STATEMENTS

December 31, 2021



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INDEPENDENT AUDITOR'S REPORT

To the Board of Selectmen
Town of Fairfield, Vermont
Fairfield, Vermont 05455

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Fairfield, Vermont as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town of Fairfield, Vermont's basic financial statements as listed in the table of contents.

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 Fairfield, Vermont, as of December 31, 2021, and the respective change in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors Responsibilities for the Audit of the Financial Statements section our report. We are required to be independent of the Town of Fairfield, Vermont and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Fairfield, Vermont's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and

A.M. PEISCH & COMPANY, LLP

therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town of Fairfield, Vermont's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Fairfield, Vermont's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charges with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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 and note on pages 3–10 and 39–44, the Schedules of the Town's proportionate share of the net pension liability and contributions on page 45, and the Notes to required supplementary information – Pension plan on page 45, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Fairfield, Vermont's basic financial statements. The accompanying combining nonmajor governmental funds financial statements and the combining private purpose trust funds statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 combining nonmajor governmental funds financial statements and the combining private purpose trust funds statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Management, Discussion and Analysis, but does not include the basic financial statements and our auditors report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance there on.

In connection with our audit of the basic financial statements, our responsibility to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2022, on our consideration of the Town of Fairfield, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Fairfield, Vermont's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Fairfield, Vermont's internal control over financial reporting and compliance.

A.M. Peioch & Company, LLP

St. Albans, Vermont
February 2, 2022
VT. Reg. No. 92-0000102

MANAGEMENT'S DISCUSSION AND ANALYSIS

**TOWN OF FAIRFIELD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021**

The discussion and analysis of the Town of Fairfield's financial performance is intended to provide a narrative introduction and overview of the Town's financial activities for the year ended December 31, 2021. Please use this report in conjunction with the Town's financial statements.

Highlights

1. **Paving:** 1.5 miles of road pavement resurfacing was done on Pion Road and Church Road. These projects totaled \$135,495 for work completed by Frank W. Whitcomb Construction Company and \$5,410 for supplies and work from Pike Industries. To prepare for this new pavement, the Fairfield Highway Department conducted a hydraulics study and replaced a culvert with a box culvert. They also completed ditching and excavation where needed and built roadway shoulders up with gravel. The Selectboard continues planning major improvements to the infrastructure each year as part of a long-term plan.
2. **New Generator:** A generator purchased through surplus in 2006, used between the Town Garage and the Fire Department, was replaced in July of 2021. The new generator was purchased from Johnson Hardware for \$13,369 and installed by Kane Electric.
3. **Loans/ Debt Retirement**
 - 2017 Freightliner Truck: Purchased in 2016 in the amount of \$172,674. \$50,000 was paid out of the budget leaving \$122,674 financed with People's Trust Company for a term of five years at a rate of 2.25%. This loan was refinanced in April 2020 at an interest rate of 1.90%. Total payments in the amount of \$130,377 were made, including the debt retirement payment in 2021 of \$25,826.
 - Sand/Salt Shed Building: Built in 2018 at a cost of \$389,000. \$135,769 was paid out of the Capital Improvement Fund and \$53,231 was paid out of the General Fund. The remaining amount of \$200,000 was financed with the Peoples Trust Company in 2018 for a term of four years at an interest rate of 2.65%. This loan was refinanced in April 2020 at an interest rate of 2.20%. Total payments in the amount of \$210,540 have been made, including a payment of \$52,266 that was made in August 2021, and the remaining balance on that loan is \$53,575. The Payoff date for this loan is August 23, 2022.
 - 2021 Freightliner Truck: Purchased from Clark's Truck Center in 2021 in the amount of \$165,072 (after trade of 2012 International 7600 for \$33,979). \$75,072 was paid out of the budget leaving \$90,000 financed with the People's Trust Company for a term of 3 years, at a rate of 2.05%, with the first payment of \$31,238. due on February 1, 2022.
 - Library Building: A loan to pay for the library building built in 2010, in the amount of \$500,000 at an interest rate of 2.95% and term of five years, was refinanced in 2013 in the amount of \$406,372 at a term of 15 years and an interest rate of 3.25%. The balance was refinanced in January 2017 for a term of 10 years and an interest rate of 2.75%. This loan was again refinanced in May 2020 at an interest rate of 2.60%. In 2018, 2019, and 2020. payments were made in the amount of \$32,503 each, leaving a balance of \$204,481. A payment in the amount of \$26,840 was made in 2021. There are currently 6 payments left and the next payment, due 02/20/2022 is \$32,169. This loan payment is paid out of the BNML endowment investment account, currently with Charles Schwab, each year.

**TOWN OF FAIRFIELD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021**

4. Grants:

- **Romar Road Improvements:** A grant in the amount of \$29,760 was awarded by the Regional Planning Commission for culvert replacement, ditching and shoulder improvements to Romar Road. The required match for this grant was 20%. In 2021, \$67,139 was spent, of which \$29,760 was reimbursed.
- **North Road Culverts:** Two North Road Culvert projects are planned for Summer 2022. One grant is pending- a category D grant in the amount of \$60,000, with a \$13,457 match (total project cost \$73,457). A Town Highway Structures Grant was received in the amount of \$175,000 for a separate project on North Road, with a 10% match, A Municipal Grants-In Aid grant in the amount of \$25,600 will also be used for this project, with a match of 20%.
- **Community Center Pavilion:** A CDBG CDDP Implementation grant in the amount of \$77,255 was awarded to build an outdoor pavilion structure at the Fairfield Community Center. Award Conditions were submitted 2/1/2022, and work will begin in the summer.
- **Juaire Road Bridge replacement:** This FEMA supported project is part of Public Assistance grant #DR-4474 approved to address road damage caused by a severe storm and flooding incident on October 31, 2019. The Juaire Road Bridge Replacement project went out to bid in February 2022, with final engineering designs completed by Ruggiano Engineering. FY21 expenses to Ruggiano Engineering for this project totaled \$30,240. The estimated cost of the project is \$829,057. FEMA will present an obligated amount for this project scheduled for this summer. Previous project amounts expended from earlier subawards will be received along with this reimbursement upon completion of the project.
- **ARPA Funding:** In response to the COVID pandemic, the American Rescue Plan Act (ARPA) awarded county and local governments funds to be used by 2025. Funding amounts were based on population count. In 2021, Fairfield received a local payment of \$102,228, and another payment in this amount is expected in 2022. Fairfield also received an ARPA County First payment in the amount of \$189,674, and another payment in this amount is expected in 2022. The total amount of ARPA funding will amount to \$583,803 and planning for its use will begin in February of 2022. Funds will be used only within the parameters of the federal government's final rule, announced in January 2022 and will be determined by the Fairfield Selectboard.

Brief Explanation of the Basic Financial Statements

This annual report consists of a series of financial statements on all the various activities of the Town. The Government-Wide Financial Statements include presentations on the Statement of Net Position and a Statement of Activities. These statements provide information about the activities of the Town as a whole and present information on a longer term basis. The Government-Wide Financials are followed by Fund Financial Statements for governmental activities; these statements show how services were financed in the short term as well as the balances remaining for future spending. Fund financial statements report the Town's operations in more detail than the government-wide statements by providing information on the Town's most significant funds. The Other Supplementary Information reports, beginning on page 46, provide financial information about activities for which the Town acts as a trustee for the benefit of others and nonmajor governmental programs which are restricted for specific purposes.

TOWN OF FAIRFIELD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

Reporting the Government-Wide Financials

The Statement of Net Position and the Statement of Activities (pages 11 and 12) will provide you with information concerning the financial "health" of the Town. Included in these statements is information regarding Capital Assets. This information is in addition to the cash accounts, payables, and receivables.

These statements include all assets and liabilities using the accrual basis of accounting, which means that all current year revenues and expenses are taken into account regardless of when cash is actually received or paid. These reports encompass the Town's governmental activities - basic services including but not limited to public service, accounting, highway maintenance/repair, and general administration; and Town department activities - the Town includes Library, Recreation, and Pond Funds, as the Town is financially accountable for them.

This discussion and analysis are intended to serve as an introduction to the Town of Fairfield, Vermont basic financial statements. The Town of Fairfield, Vermont basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves. The following table summarizes the major features of the basic financial statements with further explanations below:

Major Features of the Town's Government-Wide and Fund Financial Statements			
	Government-wide Financial Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire Town government except fiduciary funds, and any applicable discretely presented component units	The activities of the Town that are not proprietary or fiduciary, such as General Government, Public Safety and Public Works	Instances in which the Town is the trustee or agent for someone else's resources
Required financial statements	Statement of Net Position; Statement of Activities	Balance Sheet; Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Fiduciary Net Position; Statement of Changes in Fiduciary Net Position (if applicable)
Measurement focus and basis of accounting	Economic resources measurement focus and accrual basis of accounting	Current financial resources measurement focus and modified accrual basis of accounting	Economic resources measurement focus and accrual basis of accounting
Type of asset / liability information presented	All assets and liabilities, both financial and capital, and both short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and both short-term and long-term
Type of inflow / outflow information presented	All revenues and expenses during the year, regardless of when cash is received or paid	Revenues for which cash is received during the year or soon after the end of the year, expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Reporting the Town's Most Significant Funds

The fund financial statements (pages 13-16) provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by State law and by bond covenants. The Board of Selectpersons/Voters have established other funds to help control and manage

TOWN OF FAIRFIELD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

money for particular purposes (i.e. the Recreation Fund or the Common School Fund) or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (i.e. Homeland Security Grant).

Governmental Funds - Most of the Town's basic services are reported in the section on Governmental Funds. These funds focus on how money flows in and out, and the balances left at year-end and available to spend. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash, as opposed to capital assets, which are used in operations rather than converted to cash for use in spending.

The Town as Trustee

The Town serves as trustee, or fiduciary for certain cemetery funds. These activities are reported in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position (pages 17 and 18). These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Condensed Financial Information for our Government-Wide Financial Statements

The Net Position reflects approximately \$682,520 for the use of the Town including, \$187,955 for the purchase of equipment, \$1,939,200 for the use of the Library, \$650,859 for nonmajor governmental funds and \$8,198,602 in land, building and equipment. The Library assets are part of bequests left for the benefit of the Bent-Northrop Memorial Library, by Consuelo Bailey, Mary Wallis, and Winston & Fredericka Sargent. The unrestricted net position are those funds that can be used to fund the daily operations without constraints established by debt covenants, enabling legislature, or other legal requirements.

General Fund Budgetary Highlights

During the fiscal year ended December 31, 2021, the Town incurred some significant variances between budgeted amounts and actual amounts. The overall expenditures budget was under spent by \$21,715. An unfavorable variance of \$21,626 was reported in expenditures for town garage repairs and maintenance. The Town expended \$23,626 with a budgeted amount of only \$2,000. An unfavorable variance in budget was reported in road maintenance materials of \$25,229, the amount budgeted for road materials was \$275,000 and \$300,229 was expended.

TOWN OF FAIRFIELD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

The Town as a whole

The following is a comparative schedule of our Town Wide Net Position.

	Statement of Net Position			
	<u>2021</u>	<u>2020</u>	<u>Change</u>	<u>% Change</u>
ASSETS				
Current and other assets	\$ 3,492,160	\$ 2,986,590	\$ 505,570	16.9%
Capital assets	<u>8,519,906</u>	<u>8,796,891</u>	<u>(276,985)</u>	<u>-3.1%</u>
TOTAL ASSETS	<u>12,012,066</u>	<u>11,783,481</u>	<u>228,585</u>	<u>1.9%</u>
Deferred outflows of resources	<u>103,520</u>	<u>75,874</u>	<u>27,646</u>	<u>36.4%</u>
Total Assets and deferred outflows	<u>\$ 12,115,586</u>	<u>\$ 11,859,355</u>	<u>\$ 256,231</u>	<u>2.2%</u>
LIABILITIES				
Current liabilities	\$ 62,461	\$ 46,487	\$ 15,974	34.4%
Unearned revenue	-	2,500	(2,500)	-100.0%
Long-term debt outstanding	<u>559,896</u>	<u>521,785</u>	<u>38,111</u>	<u>7.3%</u>
TOTAL LIABILITIES	<u>622,357</u>	<u>570,772</u>	<u>51,585</u>	<u>9.0%</u>
Deferred inflows of resources	<u>22,048</u>	<u>6,885</u>	<u>15,163</u>	<u>220.2%</u>
NET POSITION				
Net investment in capital assets	8,198,602	8,463,710	(265,108)	-3.1%
Restricted for:				
Library	1,939,200	1,760,788	178,412	10.1%
Capital projects	-	187,955	(187,955)	-100.0%
Roads grant	-	39,691	(39,691)	-100.0%
Other purposes	650,859	158,621	492,238	310.3%
Unrestricted	<u>682,520</u>	<u>670,933</u>	<u>11,587</u>	<u>1.7%</u>
TOTAL NET POSITION	<u>11,471,181</u>	<u>11,281,698</u>	<u>189,483</u>	<u>1.7%</u>
Total liabilities, deferred inflows and net position	<u>\$ 12,115,586</u>	<u>\$ 11,859,355</u>	<u>\$ 256,231</u>	<u>2.2%</u>

Governmental Activities

The Changes in Net Position are reflected in the Statement of Activities Report on page 12. Net expense is the cost to the Town after any charges, grants, and contributions have been accounted for (i.e. delinquent penalties, clerk/treasurer fees, state aid to highways and federal funds or grants). The appropriation activities are those taxes raised and expended for non-governmental entities including but not limited to the school, fire department and community based groups and are not part of the working budget.

TOWN OF FAIRFIELD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

The following is a comparative schedule of our Town Wide Activities.

	Statement of Activities			
	2021	2020	Change	% Change
Program revenues:				
Charges for services	\$ 56,216	\$ 64,047	\$ (7,831)	-12.2%
Operating grants and revenues	463,856	323,356	140,500	43.5%
Capital grants and contributions	325,895	697,391	(371,496)	-53.3%
General revenues:				
Property taxes	1,245,843	1,231,924	13,919	1.1%
Other taxes	234,044	224,111	9,933	4.4%
Delinquent tax penalty	12,713	11,091	1,622	14.6%
Interest income	8,185	6,591	1,594	24.2%
Net gain on disposition of fixed assets	15,597	-	15,597	100.0%
Miscellaneous	34,544	31,472	3,072	9.8%
Total revenues	<u>2,396,893</u>	<u>2,589,983</u>	<u>(193,090)</u>	<u>-7.5%</u>
Program expenses:				
General Government	453,591	415,024	38,567	9.3%
Highways and streets	787,465	728,396	59,069	8.1%
Cemetery	6,540	6,935	(395)	-5.7%
Parks and recreation	6,467	10,969	(4,502)	-41.0%
Zoning	4,002	7,177	(3,175)	-44.2%
Library	134,232	128,701	5,531	4.3%
Appropriations	116,196	118,196	(2,000)	-1.7%
Debt service	11,017	11,789	(772)	-6.5%
Depreciation	679,528	645,681	33,847	5.2%
Miscellaneous	8,373	10,197	(1,824)	-17.9%
Total expenses	<u>2,207,411</u>	<u>2,083,065</u>	<u>124,346</u>	<u>6.0%</u>
Change in net position	189,482	506,918	(317,436)	-62.6%
Net position - Beginning of year	11,281,699	10,774,780	506,919	4.7%
Net position - End of year	<u>\$ 11,471,181</u>	<u>\$ 11,281,698</u>	<u>\$ 189,483</u>	<u>1.7%</u>

Governmental Activities Analysis

There is an increase in net position for governmental activities of \$189,482 compared to 2020. Compared to 2020, revenues decreased by \$193,090 primarily because of the decrease in capital grants of \$371,496, and an decrease in charges for services of \$7,831. Compared to 2020, expenses increased by \$124,346. The major differences in program expenses from 2020 was an increase in highway and streets expenses of \$59,069, and an increase in general government of \$38,567, and an increase in depreciation of \$33,847.

Capital Asset and Debt Administration

Capital Assets

As found in audit Note 7, the December 31, 2021 net capital assets are \$8,519,906. This represents a broad range of capital assets, including paving, highway equipment and infrastructure, net of accumulated depreciation. (See Table below) This amount represents a net decrease (including additions, deletions and depreciation) of \$276,985 over last year.

TOWN OF FAIRFIELD, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2021

(Net of Accumulated Depreciation)

	Governmental Activities	
	2021	2020
Infrastructure	\$8,812,580	\$8,616,142
Land	226,056	226,056
Equipment	1,592,156	1,556,109
Office equipment, furniture, etc.	268,282	249,521
Buildings	3,421,391	3,421,391
Less: Accumulated depreciation	(5,800,559)	(5,272,328)
Totals	\$8,519,906	\$8,796,891

This year's major additions included:

Paving	\$ 135,495
2021 International Truck	199,051
Juaire Road Bridge	43,108
Totals	\$ 377,654

Debt

At December 31, 2021, the Town had \$321,304 in notes outstanding versus \$333,181 on December 31, 2020 – a decrease of \$11,877 – as shown below. The town purchased a 2021 International truck that resulted in new debt of \$90,000. There were payments on outstanding debt of \$101,877.

Outstanding Debt at Year-End

	Governmental Activities	
	2021	2020
General obligation notes	\$ 321,304	\$ 333,181
Totals	\$ 321,304	\$ 333,181
Decrease	\$ (11,877)	

Economic Factors and Calendar Year 2022 Budget

The calendar year 2022 estimated expenditure budget is \$1,595,000. The Selectboard at the time estimated that none of the fund balance carryover will be used to offset taxes.

Contacting the Town's Financial Officer

This financial report is designed to provide our citizens, taxpayers and customers with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the Treasurer's Office, (802) 827-3261, P.O. Box 5, Fairfield, VT 05455.

BASIC FINANCIAL STATEMENTS

TOWN OF FAIRFIELD, VERMONT

**STATEMENT OF NET POSITION
December 31, 2021**

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 1,501,712
Investments	1,901,500
Accounts receivable	429
Delinquent taxes receivable	49,398
Delinquent interest receivable	1,175
Delinquent penalty receivable	3,952
Grants receivable	33,994
Total current assets	3,492,160
Capital assets:	
Land	226,056
Infrastructure	8,812,580
Buildings	3,421,391
Road equipment and vehicles	1,592,156
Office equipment, furniture and fixtures	268,282
Less: accumulated depreciation	(5,800,559)
Total capital assets - Net	8,519,906
Total assets	12,012,066
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - Pension	103,520
Total deferred outflows of resources	103,520
LIABILITIES	
Accounts payable	30,860
Accrued payroll and interest	26,800
Due to other funds	4,801
Noncurrent liabilities:	
Net pension liability	238,592
Portion due or payable within one year	110,572
Portion due or payable after one year	210,732
Total liabilities	622,357
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - Pension	16,243
Taxes paid in advance	5,805
Total deferred inflows of resources	22,048
NET POSITION	
Net investment in capital assets	8,198,602
Restricted for:	
Library	1,939,200
Other purposes	650,859
Unrestricted	682,520
Total net position	\$ 11,471,181

See accompanying notes.

TOWN OF FAIRFIELD, VERMONT

STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

<u>Funds/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
Selectboard	\$ 187,000	\$ -	\$ -	\$ -	\$ (187,000)
Town clerk and treasurer	176,166	35,893	-	-	(140,273)
Town auditors	2,119	-	-	-	(2,119)
Listers	39,567	-	8,944	-	(30,623)
Delinquent tax collector	15,267	-	-	-	(15,267)
Town properties	33,472	4,567	-	-	(28,905)
Cemeteries	6,540	-	-	-	(6,540)
Parks and recreation	6,467	-	-	-	(6,467)
Street lights	5,148	-	-	-	(5,148)
Appropriations - General Town	116,196	-	-	-	(116,196)
Road maintenance	609,534	7,425	218,561	325,895	(57,653)
Equipment	142,019	8,189	-	-	(133,830)
Grant writer	8,373	-	-	-	(8,373)
Town garage	30,764	-	-	-	(30,764)
Zoning	4,002	-	-	-	(4,002)
Library	134,232	142	236,351	-	102,261
Depreciation - Unallocated	679,528	-	-	-	(679,528)
Interest on long-term debt	11,017	-	-	-	(11,017)
Total governmental activities	<u>\$ 2,207,411</u>	<u>\$ 56,216</u>	<u>\$ 463,856</u>	<u>\$ 325,895</u>	<u>(1,361,444)</u>
General revenues:					
Property taxes					1,245,843
Current use tax					234,044
Delinquent tax penalty					12,713
Interest and dividend income					8,185
Net loss on disposal of fixed assets					15,597
Miscellaneous					34,544
Total general revenues					<u>1,550,926</u>
Change in net position					189,482
Net position, Governmental activities - Beginning of year					<u>11,281,699</u>
Net position, Governmental activities - End of year					<u>\$ 11,471,181</u>

See accompanying notes.

TOWN OF FAIRFIELD, VERMONT

**BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2021**

	<u>General Fund</u>	<u>Library Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:				
Cash and cash equivalents	\$ 900,915	\$ 37,700	\$ 563,097	\$ 1,501,712
Investments	-	1,901,500	-	1,901,500
Accounts receivable	429	-	-	429
Delinquent taxes receivable	49,398	-	-	49,398
Delinquent interest receivable	1,175	-	-	1,175
Delinquent penalties receivable	3,952	-	-	3,952
Due from other funds	54,569	13,962	448,643	517,174
	<u>54,569</u>	<u>13,962</u>	<u>448,643</u>	<u>517,174</u>
 Total assets	 <u>\$ 1,010,438</u>	 <u>\$ 1,953,162</u>	 <u>\$ 1,045,734</u>	 <u>\$ 4,009,334</u>
 Liabilities:				
Accounts payable	\$ 30,860	\$ -	\$ -	\$ 30,860
Accrued payroll and interest	18,313	1,754	-	20,067
Due to other funds	467,405	-	54,569	521,974
	<u>467,405</u>	<u>-</u>	<u>54,569</u>	<u>521,974</u>
 Total liabilities	 <u>516,578</u>	 <u>1,754</u>	 <u>54,569</u>	 <u>572,901</u>
 Deferred inflows of resources:				
Unavailable revenue - Property taxes	35,441	-	-	35,441
Property taxes paid in advance	5,805	-	-	5,805
	<u>5,805</u>	<u>-</u>	<u>-</u>	<u>5,805</u>
 Total deferred inflows of resources	 <u>41,246</u>	 <u>-</u>	 <u>-</u>	 <u>41,246</u>
 Fund balances:				
Restricted	-	1,939,200	650,859	2,590,059
Committed	-	-	311,293	311,293
Assigned	-	12,208	35,804	48,012
Unassigned	452,614	-	(6,791)	445,823
	<u>452,614</u>	<u>-</u>	<u>(6,791)</u>	<u>445,823</u>
 Total fund balances	 <u>452,614</u>	 <u>1,951,408</u>	 <u>991,165</u>	 <u>3,395,187</u>
 Total liabilities, deferred inflows of resources, and fund balances	 <u>\$ 1,010,438</u>	 <u>\$ 1,953,162</u>	 <u>\$ 1,045,734</u>	 <u>\$ 4,009,334</u>

See accompanying notes.

TOWN OF FAIRFIELD, VERMONT

**RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
December 31, 2021**

Total fund balances - Governmental funds	\$ 3,395,187
Amount reported for governmental activities in the statement of net position are different because:	
Delinquent taxes are recognized as revenue when levied in the government-wide financial statements, but amounts not collected within 60 days are reported as a deferred inflow in the governmental funds	35,441
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$14,320,465, and the accumulated depreciation is \$5,800,559.	8,519,906
Current year pension contributions and other changes in the net pension liability are reported as deferred outflows of resources in the statement of net position, but are not reported as expenses in the governmental funds.	103,520
The net pension liability is reported as a liability in the statement of net position, but is not reported in the governmental funds.	(238,592)
Changes in the Town's proportionate share of pension contributions and other changes in the net pension liability are reported as deferred inflows of resources in the statement of net position, but are not reported in the governmental funds.	(16,243)
Accrued interest on long-term liabilities is an expense for governmental activities but not recorded as an expenditure in governmental funds.	(6,734)
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of four notes payable.	<u>(321,304)</u>
Total net position - Governmental activities	<u><u>\$ 11,471,181</u></u>

See accompanying notes.

TOWN OF FAIRFIELD, VERMONT

STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	General Fund	Library Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Real and personal taxes - Municipal	\$ 1,164,845	\$ -	\$ -	\$ 1,164,845
School overpayment credit	38,170	-	-	38,170
Federal Aid	-	-	291,901	291,901
State aid:				
Highway	218,561	-	-	218,561
Current use	234,044	-	-	234,044
Listers	2	-	8,942	8,944
Taxes	51,289	-	-	51,289
Interest and dividends	6,373	51,579	1,381	59,333
Licenses and fees	36,607	23	8,996	45,626
Grants	-	7,657	-	7,657
Delinquent tax penalty	12,713	-	-	12,713
Rent and lease income	17,541	-	-	17,541
Donation	-	588	-	588
Net decrease in fair value of investments	-	176,959	-	176,959
Miscellaneous income	12,564	1,554	13,478	27,596
	<u>1,792,709</u>	<u>238,360</u>	<u>358,692</u>	<u>2,389,761</u>
EXPENDITURES				
Selectboard	187,000	-	-	187,000
Town clerk and treasurer	165,561	-	-	165,561
Town auditors	2,119	-	-	2,119
Listers	16,982	-	22,586	39,568
Delinquent tax collector	15,267	-	-	15,267
Town properties	28,238	-	1,925	30,163
Cemeteries	6,540	-	-	6,540
Parks and recreation	2,325	-	5,083	7,408
Street lights	5,148	-	-	5,148
Appropriations	116,196	-	-	116,196
Road maintenance	715,062	-	6,312	721,374
Equipment	140,275	-	169,548	309,823
Town garage	49,525	-	-	49,525
Planning and zoning	-	-	4,002	4,002
Grant writer	-	-	8,373	8,373
Grant expenditures	-	2,500	46,122	48,622
Library	-	128,100	-	128,100
Contracted services	-	-	22,070	22,070
Debt service:				
Principal retirement	75,231	26,646	-	101,877
Interest charges	4,913	5,523	-	10,436
	<u>1,530,382</u>	<u>162,769</u>	<u>286,021</u>	<u>1,979,172</u>
Excess (deficiency) of revenues over expenditures	<u>262,327</u>	<u>75,591</u>	<u>72,671</u>	<u>410,589</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from long term debt	-	-	90,000	90,000
Operating transfers in	-	103,132	187,000	290,132
Operating transfers out	(290,132)	-	-	(290,132)
	<u>(290,132)</u>	<u>103,132</u>	<u>277,000</u>	<u>90,000</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(27,805)</u>	<u>178,723</u>	<u>349,671</u>	<u>500,589</u>
Fund balance at beginning of year	480,419	1,772,685	641,494	2,894,598
Fund balance at end of year	<u>\$ 452,614</u>	<u>\$ 1,951,408</u>	<u>\$ 991,165</u>	<u>\$ 3,395,187</u>

See accompanying notes.

TOWN OF FAIRFIELD, 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, 2021**

Net change in fund balances - Total governmental funds		\$ 500,589
Amounts reported for governmental activities in the Statement of Activities are different because:		
Delinquent taxes not collected within 60 days of year end are recognized as revenue when levied in the government-wide financial statements, but are not reported as income in governmental funds.		(8,461)
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:		
Capital asset purchases capitalized	\$ 420,925	
Depreciation expense	<u>(679,528)</u>	
Capital asset additions, net of depreciation		(258,603)
Governmental funds report proceeds from sales of fixed assets as revenue while governmental activities report the net gain from sale of fixed assets by adjusting for the cost basis of asset sold.		(18,392)
Interest accrued on long-term liabilities is recorded as an expenditure in the government-wide financial statements, but is not reported as an expenditure in governmental funds.		(574)
Pension expense for the defined benefit plan (VMERS) is recognized in the governmental funds based on current year employer matching contributions Pension expense in the government-wide statements is based on net change in the net pension liability.		(36,954)
Proceeds of long-term debt is income in the governmental funds, but the proceeds increase long-term liabilities in the Statement of Net Position:		
Proceeds of long-term debt		(90,000)
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		<u>101,877</u>
Change in net position of governmental activities		<u><u>\$ 189,482</u></u>

See accompanying notes.

TOWN OF FAIRFIELD, VERMONT

STATEMENT OF FIDUCIARY NET POSITION

December 31, 2021

	Private Purpose Trust Funds	Agency Fund Tax Sale Escrow	Custodial Funds	Total Fiduciary Funds
ASSETS				
Cash and cash equivalents	\$ 21,144	\$ 8,003	\$ -	\$ 29,147
Due from other funds	4,800	-	-	4,800
Total assets	25,944	8,003	-	33,947
LIABILITIES				
Due to other individuals	-	8,003	-	8,003
Total liabilities	-	8,003	-	8,003
NET POSITION				
Restricted for Bradley cemetery	15,824	-	-	15,824
Restricted for specific purposes	10,120	-	-	10,120
Total net position	\$ 25,944	\$ -	\$ -	\$ 25,944

See accompanying notes.

TOWN OF FAIRFIELD, VERMONT

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
For the Year Ended December 31, 2021**

	Private Purpose Trust Funds	Agency Fund Tax Sale Escrow	Custodial Fund	Total Fiduciary Funds
ADDITIONS				
Interest	\$ 66	\$ -	\$ -	\$ 66
Taxes collected for other governments	-	-	2,660,602	2,660,602
Total additions	<u>66</u>	<u>-</u>	<u>2,660,602</u>	<u>2,660,668</u>
DEDUCTIONS				
Taxes distributed to other governments	-	-	2,660,602	2,660,602
Total deductions	<u>-</u>	<u>-</u>	<u>2,660,602</u>	<u>2,660,602</u>
Change in net position	66	-	-	66
Net position at beginning of year	<u>25,878</u>	<u>-</u>	<u>-</u>	<u>25,878</u>
Net position at end of year	<u><u>\$ 25,944</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 25,944</u></u>

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The financial statements of the Town of Fairfield, Vermont have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Town are described below.

A. Reporting Entity

The Selectboard, comprised of five elected individuals, is the primary governing authority of the Town. As required by GAAP, these financial statements present the accounts of all Town operations. The Town does not have any component units.

B. Basic Financial Statements - Government-Wide 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). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The Town's parks and recreation, road maintenance, library, fire station building, and general administrative services are classified as governmental activities. The Town does not have any business-type activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the Town's functions. The functions are also supported by general government revenues (property taxes, certain intergovernmental revenues, etc.). The Statement of Activities reduces gross expenses (excluding depreciation) by related program revenues, operating and capital grants, and contributions. Program revenues must be directly associated with the function (Selectboard, road maintenance, parks and recreation, library, etc.). Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reports capital-specific grants.

The net costs by function are normally covered by general revenue (property taxes, intergovernmental revenues, interest and investment income, etc.). The Town does not allocate indirect costs.

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.

C. Basic Financial Statements – Fund Financial Statements

The financial transactions of the Town are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures.

The emphasis in fund financial statements is on the major funds in the governmental activities categories. Nonmajor funds by category are summarized into a single column. GASBS No. 34 sets forth the minimum criteria (percentage of the assets, liabilities, revenues, or expenditures of either fund category or the governmental combined) for the determination of major funds. The Town electively added funds, as major funds, which either had debt outstanding or specific community focus.

Note 1. Summary of Significant Accounting Policies (Continued)

1. Governmental Funds:

The focus of the governmental funds' measurement (in the fund 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 Town reports on the following major governmental funds:

General Fund. This is the general operating fund of the Town. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Library Fund. This fund accounts for the revenues and expenditures associated with the library.

The activities reported in these funds are reported as governmental activities in the government-wide financial statements.

2. Fiduciary Funds:

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

The Town reports on the following fiduciary fund types.

Private Purpose Trust Funds. These funds are used to account for assets held in trust for a specific purpose.

Tax Sale Escrow Funds. This fund is used to account for assets held in escrow on behalf of two parties in a transaction before the assets are transferred from one party to another. This fund reports assets and liabilities and has no fund balance.

Custodial Funds. This fund is used to report resources held by the Town in a purely custodial capacity for other governments, private organizations or individuals. This fund reports assets and liabilities and has no fund balance.

D. Basis of Accounting

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

1. Accrual

Both governmental activities in the government-wide financial statements and the fiduciary fund financial statements are presented on the economic resources measurement focus and the accrual basis of accounting. Property taxes are reported in the period for which levied. Other nonexchange revenues, including intergovernmental revenues and grants, are reported when all eligibility requirements have been met. Fees and charges and other exchange revenues are recognized when earned and expenses are recognized when incurred.

Note 1. Summary of Significant Accounting Policies (Continued)

2. Modified Accrual

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period for property taxes and six months for other revenues. Intergovernmental revenues and grants are recognized when all eligibility requirements are met and the revenues are available. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

E. Budgetary Data

Budgets are presented on the modified cash basis of accounting for the General Fund. Budgets are not adopted on a Town level for any other funds. All annual appropriations lapse at fiscal year-end with the exception of those indicated as a fund balance reserve. The following procedures are used in establishing the budgetary data reflected in the financial statements.

- The Selectboard prepares and legally warns a budget for the year beginning January 1. The operating budget includes proposed expenditures and means of financing them.
- Any revisions to the budget must be approved by the Selectboard.
- The legal voters of the Town of Fairfield, Vermont meet on the first Tuesday in March to review, discuss, and vote on the budget.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- The General Fund budgetary comparison schedule presents comparisons of the legally adopted budget with actual data on a budgetary basis which conforms with the modified cash basis of accounting. For the Town, the accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles. As the other funds do not have legally adopted budgets, no schedules are presented for these funds.

Negative variances in total revenues and the positive variances in total expenditures are largely a result of federal and state program revenues and related expenditures that do not have a direct impact on the unassigned fund balance. Budgets generally assume the expenditure of all available resources. Therefore, when the budget is prepared, it is assumed these funds will not have a carryover of revenue to a subsequent year. Program revenue received but not spent is restricted and deferred to the subsequent year. As a result, overall fund revenue variances will be negative and overall fund expenditures variances will be positive.

Note 1. Summary of Significant Accounting Policies (Continued)

F. Defined Benefit Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Vermont Municipal Employees Retirement System (VMERS) and additions to/deductions from VMERS' fiduciary net position have been determined on the same basis as they are reported by VMERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms.

VMERS investments are reported at fair value. VMERS does not issue stand-alone financial reports, but is instead included as part of the State of Vermont's Comprehensive Annual Financial Report (CAFR).

G. Financial Statement Items

1. Deposits and Investments

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

Investments are reported at fair market value. Changes in the fair value of investments are recorded as current year income or expense.

2. Interfund Receivables and Payable

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., current portion of inter-fund loans) or "advances from/to other funds" (i.e., the non-current portion of inter-fund loans).

3. Receivables

The Town utilizes the allowance method for uncollectible accounts. They have determined that all accounts are collectible and the allowance is zero.

4. Property Taxes

Property taxes are levied in August and are due and payable on or before the first Friday in November and become delinquent on the following day. The Town prepares the bills and collects all taxes.

5. Deferred Outflows/Inflows of Resources

The Town reports deferred outflows of resources on its statement of net position. Deferred outflows of resources represent 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 the applicable period. Deferred outflows consist of (1) the Town's current year pension contributions subsequent to the measurement date, (2) the change in the Town's proportionate share of pension contributions, (3) the Town's proportionate share of the difference between projected and actual investment earnings, (4) the Town's proportionate share of change in the net pension liability due to changes in assumptions, and

Note 1. Summary of Significant Accounting Policies (Continued)

(5) the Town's proportionate share of differences between expected and actual experience. The Town reports deferred inflows of resources on its statement of net position. Deferred inflows of resources represent 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 future period. Deferred inflows on the statement of net position consist of the change in the Town's proportionate share of differences between expected and actual experience, the change in the Town's proportionate share of pension contributions, and property taxes received in advance. Deferred inflows on the governmental fund balance sheet consist of unavailable revenue - property taxes that were not collected within 60 days of year end and property taxes received in advance.

6. Capital Assets

Capital assets are property owned by the Town and include computers, such as computer equipment, software, and peripherals; equipment, such as vehicles, machinery, copiers, and office equipment; buildings and land; and infrastructure, such as roads, bridges, tunnels, rights of way, and culverts.

General capital assets are capitalized and recorded when all of the following criteria are met:

- 1) The asset is tangible and complete.
- 2) The asset is used in the operation of the Town's activities.
- 3) The asset has a value and useful life at the date of acquisition that meets or exceeds the following:
 - \$5,000 value and two years of life for software, office equipment, maintenance equipment, and other equipment.
 - \$5,000 value and two years of life for all capital improvements.
 - All buildings and land must be reported regardless of value and useful life at date of acquisition.
 - \$5,000 and three years of life for infrastructure and infrastructure improvements.

All general capital assets must be recorded at either historical cost or estimated historical cost. Assets acquired through donation will be recorded at their estimated fair market value on the date of donation. In addition to purchase price or construction cost, costs of capitalization may include incidental costs, such as bond interest during the construction phase and bond issuance cost, insurance during transit, freight, duties, title search, title registration, installation, and breaking-in costs.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and equipment	5-10 years
Improvements	10-20 years
Other infrastructure	10-50 years

Note 1. Summary of Significant Accounting Policies (Continued)

7. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position.

8. Governmental Fund Balances

Fund balances of governmental fund type financial statements are classified as *nonspendable* (not in spendable form or legally required to remain intact); *restricted* (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); *committed* (constraints on the use of resources are imposed by formal action of the voters at town meeting); *assigned* (reflecting the Select board's intended use of the resources); and *unassigned* (indicates the portion of fund equity that is available for appropriation and expenditure in future periods).

9. Government-Wide Net Position

Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources in the statement of net position. Net investment in capital assets includes restricted capital assets, less accumulated depreciation, less any debt that remains outstanding that was used to finance those assets, plus deferred outflows of resources, and less deferred inflows of resources related to those assets. Net position is reported as restricted when there are legal limitations imposed on their use by Town legislation or external restrictions by creditors, grantors, laws, or regulations of other governments. All other net position is recorded in the unrestricted category.

10. Use of Restricted Resources

When an expense is incurred that can be paid from either restricted or unrestricted resources (net position), the Town's policy is to first apply the expense toward restricted resources and then to unrestricted resources. In governmental funds, the Town's policy is to first apply the expenditure toward restricted fund balance and then to other less-restrictive classifications – committed then assigned fund balances before using unassigned fund balances.

11. Use of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles require management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenditures during the period. Accordingly, actual results could differ from those estimates.

H. Effect of New Governmental Accounting Standards Board (GASB) Pronouncements

Implementation of new accounting principles

The Town is reviewing the following GASB Statements, which are effective in future years, for possible implementation.

GASB Statement No. 87, *Leases*

GASB Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowing and Direct Placements*

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

GASB Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*

GASB Statement No. 91, *Accounting for Nonrefundable Fees and Costs Associated with Originating or Acquiring Loans and Initial Direct Costs of Leases*

GASB Statement No. 92, *Omnibus 2020*

GASB Statement No. 93, *Replacement of Interbank Offered Rates*

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*

Note 2. Cash and Custodial Credit Risk - Deposits in Financial Institutions

Cash belonging to the Town is placed in the custody of the Town Treasurer who is elected. The Town does not have a policy for custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. At December 31, 2021, the Town of Fairfield, Vermont's deposits had a carrying amount of \$1,530,859 and a bank balance of \$1,560,605. Of the bank balance, \$1,060,605 was exposed to custodial credit risk as follows:

Collateral held by pledging institution's	
trust department not in the government's name	<u>\$ 1,060,605</u>
Total	<u><u>\$ 1,060,605</u></u>

Note 3. Inter-fund Receivables/Payables and Advances

A summary of inter-fund due from/due to accounts is as follows:

Receivable Fund	Payable Fund	Amount
Act 200 Fund	General Fund	\$ 859
Equipment Fund	General Fund	113,000
ARPA Fund	General Fund	291,901
Computerization Fund	General Fund	10,678
Capital Projects Fund	General Fund	20,000
Grant Writer Fund	General Fund	9,815
Cemetery Fund	General Fund	4,800
Legal Fund	General Fund	2,390
Library Fund	General Fund	13,962
Total due from General Fund		<u>467,405</u>
General Fund	Damaged Roads Fund	23,788
General Fund	Fire Station Fund	360
General Fund	Lister/Reappraisal Fund	11,689
General Fund	Roads Grant Fund	6,431
General Fund	Recreation Fund	3,144
General Fund	Zoning Fund	4,291
General Fund	Historical Soc/Building Fund	632
General Fund	Better Backroads Grant	4,234
Total due to General Fund		<u>54,569</u>
Total due to / due from		<u>\$ 521,974</u>

The interfund balances mainly resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note 4. Investments

Special Revenue Funds – The Fairfield Trustees of Library Funds are charged with maximizing the return on all invested funds while maintaining their security. By state statute, the Trustees may invest in any security issued, insured, or guaranteed by the United States; highly rated bonds, repurchase agreements and debt securities of any federally insured financial institution; shares of a registered investment company, or a unit investment trust, if such mutual investment fund has been in operation for at least ten years and has net assets of at least \$500,000,000; or deposits in federally insured financial institutions.

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of the Town’s investments in securities are held by the counterparty’s trust department in the Town’s name.

Note 4. Investments (Continued)

Library Fund investments at December 31, 2021 consisted of the following:

Investment Type	Unrealized		Market Value	Investment maturities in years		
	Gain/Loss	Cost		Less than 1	1-5	6-10
U.S. Corporate Bonds	\$ 6,557	\$ 460,538	\$ 467,095	\$ 20,001	\$ 381,331	\$ 65,763
U.S. Treasury Securities	1,749	95,076	96,825	50,686	46,139	-
Total fixed income	8,306	555,614	563,920	<u>70,687</u>	<u>427,470</u>	<u>65,763</u>
Money funds	-	37,032	37,032			
Exchange traded and closed end funds	(274)	19,480	19,206			
Common stocks and options	531,321	750,021	1,281,342			
Total at December 31, 2020	<u>\$ 539,353</u>	<u>\$ 1,362,147</u>	<u>\$ 1,901,500</u>			

Activity for the year consisted of:

Beginning balance - January 1, 2020	\$ 1,723,520
Interest and dividends earned	51,147
Realized gain on sales	(27)
Brokerage fees	(17,957)
Unrealized loss on investments	176,986
Transfer to operating account to cover costs	<u>(32,169)</u>
Ending balance, December 31, 2020	<u>\$ 1,901,500</u>

Fair Value Measurement

Town of Fairfield, Vermont's investments measured and reported at fair value are classified according to the following hierarchy:

The Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurement and Disclosures*, defines fair value as the price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Topic 820 also established a framework for measuring fair value, which provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of inputs used to measure fair value are as follows:

Level 1: Quoted prices for identical assets and liabilities traded in active exchange markets, such as the New York Stock Exchange.

Level 2: Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data.

Level 3: Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single dealer quotes not corroborated by observable market data.

Note 4. Investments (Continued)

	12/31/2021	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by fair value level</u>				
<i>Debt Securities</i>				
Money market mutual funds	\$ 37,032	\$ 37,032	\$ -	\$ -
U.S. Corporate Bonds	467,095	-	467,095	-
U.S. Government Securities	96,825	96,825	-	-
Total debt securities	<u>600,952</u>	<u>133,857</u>	<u>467,095</u>	<u>-</u>
<i>Equity Securities</i>				
Exchange-traded and closed end funds	19,206	19,206	-	-
U.S. common and preferred stock	1,281,342	1,281,342	-	-
Total equity securities	<u>1,300,548</u>	<u>1,300,548</u>	<u>-</u>	<u>-</u>
Total investments by fair value level	<u>\$ 1,901,500</u>	<u>\$ 1,434,405</u>	<u>\$ 467,095</u>	<u>\$ -</u>

Note 5. Grants

The Town receives significant financial assistance from federal and state governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the Town's independent auditors and other governmental auditors. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable fund. Based on prior experience, the Town administration believes such disallowance, if any, would be immaterial.

Note 6. 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; injuries to employees; and natural disasters. The Town maintains insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this commercial 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 consultations with actuaries. Fund members are subject to 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.

The Town is a member of Vermont Leagues of Cities and Towns Unemployment Insurance Trust. The Unemployment Trust is a nonprofit corporation formed to provide unemployment coverage for Vermont municipalities and is owned by the participating members. The agreement does not permit the Unemployment Trust to make additional assessments to its members.

Note 7. Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Additions/ Completions</u>	<u>Retirements/ Adjustments</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 226,056	\$ -	\$ -	\$ 226,056
Total capital assets not being depreciated	<u>226,056</u>	<u>-</u>	<u>-</u>	<u>226,056</u>
Capital assets, being depreciated				
Infrastructure	8,616,142	196,438	-	8,812,580
Building	3,421,391	-	-	3,421,391
Road equipment and vehicles	1,556,109	205,726	(169,679)	1,592,156
Office equipment, furniture and fixtures	249,521	18,761	-	268,282
Total capital assets being depreciated	<u>13,843,163</u>	<u>420,925</u>	<u>(169,679)</u>	<u>14,094,409</u>
Less accumulated depreciation for:				
Infrastructure	(2,946,781)	(434,457)	-	(3,381,238)
Building	(1,164,899)	(84,610)	-	(1,249,509)
Road equipment and vehicles	(931,656)	(156,553)	151,297	(936,912)
Office equipment, furniture and fixtures	(228,992)	(3,908)	-	(232,900)
Total accumulated depreciation	<u>(5,272,328)</u>	<u>(679,528)</u>	<u>151,297</u>	<u>(5,800,559)</u>
Total capital assets, being depreciated, net	<u>8,570,835</u>	<u>(258,603)</u>	<u>(18,382)</u>	<u>8,293,850</u>
Governmental activities capital assets, net	<u>\$ 8,796,891</u>	<u>\$ (258,603)</u>	<u>\$ (18,382)</u>	<u>\$ 8,519,906</u>
Governmental activities:				
General government and administration		\$ 245,071		
Road maintenance		434,457		
Total depreciation expense - Governmental activities		<u>\$ 679,528</u>		

Note 8. Municipal Employee' Retirement System

Plan Description

The Vermont Municipal Employees' Retirement System is a cost-sharing, multi-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for school districts and other municipal employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. During the year ended June 30, 2020, the retirement system consisted of 353 participating employers.

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125.

The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by

Note 8. Municipal Employee' Retirement System (Continued)

the membership of the system, and two employer representatives—one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

Summary of System Provisions

There are four levels of contributions and benefits available under the system, Group A, Group B, Group C, and Group D. The Town's employees are covered under Groups B. The following is a summary of system provisions under Groups B.

Membership	Full time employees of participating municipalities.
Creditable service	Service as a member plus purchased service.
Average Final Compensation (AFC)	Average annual compensation during highest 3 consecutive years.
Service Retirement Allowance	
Eligibility:	The earlier of age 62 with 5 years of service or age 55 with 30 years of service.
Amount:	1.7% of AFC x service as Group B member plus percentage earned as Group A member x AFC.
	Maximum benefit is 60% of AFC. The above amounts include the portion of the allowance provided by member contributions.
Early Retirement Allowance	
Eligibility:	Age 55 with 5 years of service.
Amount:	Normal allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes Normal Retirement Age.
Vested Retirement Allowance	
Eligibility:	5 years of service.
Amount:	Allowance beginning at normal retirement age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on "Post-Retirement Adjustments" described below.
Disability Retirement Allowance	
Eligibility:	5 years of service and disability as determined by Retirement Board.
Amount:	Immediate allowance based on AFC and service to date of disability.
Death Benefit	
Eligibility:	Death after 5 years of service.

Note 8. Municipal Employee' Retirement System (Continued)

Amount:	Reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor's benefit under disability annuity computed as of date of death.
Optional Benefit And Death after Retirement	Lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee.
Refund of Contribution	Upon termination, if the member so elects or if no other benefit is payable, the member's accumulated contributions are refunded.
Post-Retirement Adjustments	Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in Consumer Price Index but not more than 3%.
Member Contributions	5.375% effective 07/01/20, 5.125% for fiscal year ended 06/30/20
Employer Contributions	6.00% effective 07/01/20, 5.75% for fiscal year ended 06/30/20
Retirement Stipend	\$25 per month payable at the option of the Board of retirees.

Contributions

The contribution requirements of VMERS members and the Town are established by the VMERS Board of Trustees. The contribution rates are reviewed annually by the VMERS Board as recommended by the actuary of the retirement system in order to achieve and preserve the financial integrity of the fund. The employees' contributions are deducted from the employee's wages or salary and remitted by the Town to VMERS on a quarterly basis. The Town's contractually required contribution rates for the year ended December 31, 2021 were 5.750% for Group B members prior to July 1 and 6.000% after July 1. These rates were actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Town's contributions to the Plan for the year ended December 31, 2021 were \$20,172.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the Town reported a liability of \$238,592 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating entities, actuarially determined. At June 30, 2020, the Town's proportion was .09431%, which was a decrease of .000144% from its proportion of .10871% as of June 30, 2019.

Since the State's pension reports for the fiscal year end June 30, 2021 are not available, an eighteen month look back period is used for the calculation. Since the Town has only been a part of the retirement system for four years, the difference in the look back period amounts are not material to the financial statements for the year ended December 31, 2021, the Town recognized pension expense of \$58,075. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources.

Note 8. Municipal Employee' Retirement System (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 21,488	\$ 707
Changes in assumptions	31,988	-
Difference between projected and actual investment earnings	22,819	-
Changes in proportionate share of contributions	7,053	15,536
Town contributions subsequent to the measurement date	<u>20,172</u>	<u>-</u>
 Total	 <u>\$ 103,520</u>	 <u>\$ 16,243</u>

The \$20,172 of deferred outflows of resources resulting from the Town's contribution subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in pension expense as follows:

Year ending December 31,	
2022	\$ 44,117
2023	18,404
2024	15,206
2025	9,550
Thereafter	-
Total	<u>\$ 87,277</u>

Significant Actuarial Assumptions

The total pension liability in the June 30, 2020 actuarial valuations was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return: 7.00%, net of pension plan investment expenses, including inflation.

Salary Increases: Varying service-based rates from 0-10 years of service, then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years.

Mortality:

Pre-Retirement: 40% PubG-2010 General Employee below median and 60% of PubG-2010 General Employee, with generational projection using scale MP-2019.

Healthy Post-Retirement - Retirees: 104% of 40% PubG-2010 Health Retiree below-median and 60% of PubG-2010 General Healthy Retiree, with general projection using scale MP-2019.

Health Post-Retirement – Beneficiaries: 70% Pub-2010 Contingent Survivor below-median and 30% of PubG-2010 Contingent Survivor, with generational projection using scale MP-2019.

Disabled Post-Retirement: PubNS-2010 Non-Safety Disabled Retiree Mortality Table with generational projection using scale MP-2019.

Note 8. Municipal Employee' Retirement System (Continued)

Spouse's Age: Females three years younger than males.

Cost-of-Living Adjustments: 1.20% for Group B. The January 1, 2020 and January 1, 2021 COLAs are .80% and .40%, respectively, for Group B.

Actuarial Cost Method: Entry age actuarial cost method. Entry age is the age at date of employment, or if date is unknown, current age minus years of service. Normal cost and actuarial accrued liability are calculated on an individual basis and are allocated by salary, with normal cost determined using the plan of benefits applicable to each participant.

Assets: The valuation is based on the market value of assets as of the valuation date, as provided by the System. The System uses an "actuarial value of assets" that differs from market value to gradually reflect year-to-year changes in the market value of assets in determining the contribution requirements.

Inflation: 2.30% per year.

Long-term expected rate of return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic rates of return for each major asset class included in the target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	29.00%	7.07%
US Equity - Large Cap	4.00%	6.19%
US Equity - Small/Mid Cap	3.00%	6.93%
Non-US Equity - Large Cap	5.00%	7.01%
Non-US Equity - Small Cap	2.00%	7.66%
Emerging Markets Debt	4.00%	3.66%
Core Bond	20.00%	0.39%
Private & Alternate Credit	10.00%	6.03%
US TIPS	3.00%	-0.20%
Core Real Estate	5.00%	4.06%
Non-Core Real Estate	3.00%	6.43%
Private Equity	10.00%	11.27%
Infrastrucutre/Farmland	2.00%	5.44%
	<u>100%</u>	

Note 8. Municipal Employee' Retirement System (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members) with scheduled increases through July 1, 2021. Further, based upon Board resolution, projected contributions beginning July 1, 2022, and each subsequent July 1, through 2025 include additional total contribution increases of 0.50% per year. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's Proportionate Share of the Net Pension Liability to Change in the Discount Rate

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%) than the current rate:

1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
\$364,520	\$238,592	\$134,980

Pension Expense

As discussed above, most changes in the net pension liability are included in pension expense in the year of change, including changes resulting from current-period service cost, interest on the total pension liability, changes in benefit terms, and projected earnings on the pension plan's investments. Other changes in net pension liability are recorded as deferred pension outflows of resources and deferred pension inflows of resources, and included in pension expense on a systematic and rational manner over current and future periods.

Detailed information about the plan's fiduciary net position is available in the separately issued State of Vermont Comprehensive Annual Financial Report. This report may be obtained by writing the State Auditor of Accounts, 132 State Street, Montpelier, VT 05602.

Note 9. Deferred Compensation Plan

The Town offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all Town employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are solely the property and rights of the participants. The Town has no liability for losses under the plan.

Investments are managed by the plan’s administrator under several different investment options, or combinations thereof. The choice of the investment option(s) is made by the participants. The Town has no management control over the assets of the plan. Accordingly, the assets of the plan are not included in these financial statements per GASB Statement No. 32.

Note 10. Operating Transfers

The Town made the following transfers during the year ended December 31, 2021:

		Transfer From		
		General Fund	Capital Projects Fund	Total
Transfer to	Equipment Fund	\$ 153,000	\$ (153,000)	\$ -
	Capital Projects Fund	20,000	(20,000)	-
	Library Fund	103,132	(103,132)	-
	Recreation Fund	10,000	(10,000)	-
	Grant Writer Fund	4,000	(4,000)	-
	Total	\$ 290,132	\$ (290,132)	\$ -

The transfers from the general fund were made to record budgeted property tax contributions to these other funds, as well as matching grant expenditures.

Note 11. Short-Term Debt

Below is a summary of changes in short-term debt for the year ended December 31, 2021:

	Beginning Balance	Additions	Principal Payments	Ending Balance	Interest Paid
Tax anticipation note taken out on 7/01/21 and paid off 11/17/2021 at a rate of 1.250%	\$ -	\$ 500,000	\$ 500,000	\$ -	\$ -
Totals	\$ -	\$ 500,000	\$ 500,000	\$ -	\$ -

Interest paid on short-term debt for the year ended December 31, 2021 was \$3,894.

Note 12. Long-Term Debt

Below is a summary of changes in long-term debt for the year ended December 31, 2021:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Principal Payments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Notes Payable					
Peoples Trust Company, commercial promissory note taken out on 02/01/2021 due 02/01/2024 at a rate of 2.05% secured by a 2021 International truck with a net book value of \$180,805.	\$ -	\$ 90,000	\$ -	\$ 90,000	\$ 29,376
Peoples Trust Company, commercial promissory note taken out on 8/23/18 due 8/23/2022 at a rate of 2.65% was refinanced on 04/01/20 due 08/23/2022 at a rate of 2.20% secured by the Town's salt shed with net book value of \$359,220.	103,569	-	49,994	53,575	53,575
Peoples Trust Company, annual payments of \$33,592 including interest at 3.25% was refinanced in May 2020 at an interest rate of 2.60% due May 2027 secured by the Library with a net book value of \$567,749.	204,375	-	26,646	177,729	27,621
Peoples Trust Company, annual payments of \$26,215 including interest at 2.25% was refinanced in April 2020 at an interest rate of 1.90% due December 2021, secured by a 2017 Freightliner with a net book value of \$83,458.	<u>25,237</u>	<u>-</u>	<u>25,237</u>	<u>-</u>	<u>-</u>
Total notes payable	333,181	90,000	101,877	321,304	110,572
Other long term liabilities:					
Net pension liability	<u>188,604</u>	<u>135,293</u>	<u>85,305</u>	<u>238,592</u>	<u>-</u>
Total long-term liabilities	<u>\$ 521,785</u>	<u>\$ 225,293</u>	<u>\$ 187,182</u>	<u>\$ 559,896</u>	<u>\$ 110,572</u>

Interest paid on long-term debt for the year ended December 31, 2021 was \$10,436.

Principal and interest payments on the note payable indebtedness to maturity will be as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 110,572	\$ 7,912	\$ 118,484
2023	58,601	5,375	63,976
2024	59,801	3,974	63,775
2025	29,963	2,538	32,501
2026	30,787	1,714	32,501
2027	<u>31,580</u>	<u>921</u>	<u>32,501</u>
	<u>\$ 321,304</u>	<u>\$ 22,434</u>	<u>\$ 343,738</u>

Note 13. Fund Balances

Net position in the governmental activities is restricted as follows:

Governmental Activities	
ARPA Funds - restricted by agreement	\$ 291,901
Library fund - restricted by statute	1,939,200
Capital projects fund - restricted by agreement	208,491
Federal grant fund - restricted by statute	859
Lister/reappraisal fund - restricted by agreement	124,228
Historical Soc/building fund - restricted by agreement	19,408
Better backroads fund - restricted by agreement	5,972
Total Governmental Activities	<u>\$ 2,590,059</u>

The analysis of the fund balances at December 31, 2021 are as follows:

	Balance 12/31/2020	Increase	Decrease	Other financing sources (uses)	Balance 12/31/2021
Restricted fund balances					
Major Governmental Funds					
Library Fund	\$ 1,760,788	\$ 228,618	\$ 50,206	\$ -	\$ 1,939,200
Total major governmental funds	<u>1,760,788</u>	<u>228,618</u>	<u>50,206</u>	<u>-</u>	<u>1,939,200</u>
Nonmajor Governmental Funds					
Capital Projects Fund	187,955	536	-	20,000	208,491
Federal Grant Fund	859	-	-	-	859
Lister/Reappraisal Fund	136,452	10,362	22,586	-	124,228
ARPA Fund	-	291,901	-	-	291,901
Historical Soc/Building Fund	21,310	23	1,925	-	19,408
Better Backroads Grant Fund	-	4,234	4,234	-	-
Better Backroads Fund	-	29,760	23,788	-	5,972
Total nonmajor governmental funds	<u>158,621</u>	<u>306,520</u>	<u>28,745</u>	<u>20,000</u>	<u>650,859</u>
Total restricted fund balances	<u>\$ 1,919,409</u>	<u>\$ 535,138</u>	<u>\$ 78,951</u>	<u>\$ 20,000</u>	<u>\$ 2,590,059</u>
Committed fund balances					
Nonmajor Governmental Funds					
Equipment Fund	\$ 111,092	\$ 7,597	\$ 165,072	\$ 243,000	\$ 196,617
Grant Writer Fund	9,187	5,001	8,373	4,000	9,815
Legal Fund	2,390	-	-	-	2,390
Paving Fund	65,313	178	-	-	65,491
Recreation Fund	6,281	811	5,083	10,000	12,009
Common School Fund	24,934	37	-	-	24,971
Total nonmajor governmental funds	<u>219,197</u>	<u>13,624</u>	<u>178,528</u>	<u>257,000</u>	<u>311,293</u>
Total committed fund balances	<u>\$ 219,197</u>	<u>\$ 13,624</u>	<u>\$ 178,528</u>	<u>\$ 257,000</u>	<u>\$ 311,293</u>
Assigned fund balances					
Major Fund - Library Fund	\$ 11,897	\$ 9,742	\$ 112,563	\$ 103,132	\$ 12,208
Nonmajor Governmental Funds					
Zoning Fund	6,711	18	4,002	-	2,727
Computerization Fund	29,319	8,234	4,476	-	33,077
Total nonmajor governmental funds	<u>36,030</u>	<u>8,252</u>	<u>8,478</u>	<u>-</u>	<u>35,804</u>
Total assigned fund balances	<u>\$ 47,927</u>	<u>\$ 17,994</u>	<u>\$ 121,041</u>	<u>\$ 103,132</u>	<u>\$ 48,012</u>
Unassigned fund balances					
General Fund	\$ 480,419	\$ 1,792,709	\$ 1,530,382	\$ (290,132)	\$ 452,614
Roads Grant Fund	39,691	-	46,122	-	(6,431)
Better Backroads Grant Fund	-	-	360	-	(360)
Total unassigned fund balances	<u>\$ 520,110</u>	<u>\$ 1,792,709</u>	<u>\$ 1,576,864</u>	<u>\$ (290,132)</u>	<u>\$ 445,823</u>
Total fund balances	<u>\$ 2,706,643</u>	<u>\$ 2,359,465</u>	<u>\$ 1,955,384</u>	<u>\$ 90,000</u>	<u>\$ 3,395,187</u>

Note 14. Commitments and Contingencies

On January 29, 2014 the Town entered into an agreement with AmCare Medical Systems, Inc. to provide exclusive emergency and non-emergency ambulance services for its community. AmCare agrees to provide emergency ambulance coverage to The Town twenty-four (24) hours per day, seven (7) days per week. The agreement terms are from 2014 to 2024. The 2021 annual payment is \$38,920.

On April 22, 2021 the Town entered into an agreement with the City of St. Albans for two years to provide emergency communications and dispatch services through June 30, 2023. The Town shall pay to the City an annual fee of \$23,004.

A contract in the amount of \$106,512 was awarded in 2020 to NEMRC for the Reappraisal project mandated by the State of Vermont. \$22,585 was expended in 2021. The rest of the project is scheduled to be completed in 2022.

Note 15. Tax Abatements

The Town enters into property tax abatement agreements with local charitable and fraternal organizations pursuant to Vermont Statutes Annotated, Title 32, Chapter 125 §3840, as approved by the voters during town meeting. This statutes states that fraternal organizations, volunteer fire, and ambulance or rescue companies who own real estate exclusively for such purposes, may be exempted from real estate taxation, either in whole or in part, for a period not exceeding 10 years, if the Town so votes. Upon the expiration of the exemption, the Town may vote additional periods of exemption not exceeding five years each.

During the 2015 Town meeting, the voters approved an additional five year exemption of real estate taxes for the Fairfield Volunteer Fire Department. The real property value exempted from taxes was \$285,200, which amounted to \$7,174 in taxes during the year ended December 31, 2021.

During the 2015 Town meeting, the voters approved an initial ten year exemption of real estate taxes for the Fairfield Meeting House. The real property value exempted from taxes was \$40,410, which amounted to \$1,016 in taxes during the year ended December 31, 2021.

During the 2015 Town meeting, the voters approved an initial ten year exemption of real estate taxes for the Fairfield Community Center. The real property value exempted from taxes was \$438,495, which amounted to \$11,030 in taxes during the year ended December 31, 2021.

Note 16. Risk and Uncertainties

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which may negatively impact net position. However, the related financial impact and duration cannot be reasonably estimated at this time.

Note 17. Subsequent Events

The Town has evaluated all subsequent events through February 2, 2022, the date the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF FAIRFIELD, VERMONT

**BUDGETARY COMPARISON SCHEDULE
GENERAL FUND**

For the Year Ended December 31, 2021

	Original & Final Budgeted Amounts	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
REVENUES			
Real and personal taxes - Municipal	\$ 1,239,783	\$ 1,168,303	\$ (71,480)
School overpayment credit	-	38,170	38,170
State aid:			
Special bridge/highway	20,000	-	(20,000)
Highway	200,000	218,561	18,561
Current use	224,000	234,044	10,044
Listers	-	2	2
Taxes	3,500	51,289	47,789
Interest and dividends	3,500	7,194	3,694
Licenses and fees	18,940	36,607	17,667
Delinquent tax penalty	10,000	12,989	2,989
Rent and forest lease	17,800	17,541	(259)
Miscellaneous	7,000	12,556	5,556
	<u>1,744,523</u>	<u>1,797,256</u>	<u>52,733</u>
EXPENDITURES			
Selectboard:			
Salary secretary	1,000	585	415
Stipends	7,500	7,320	180
Payroll taxes	850	631	219
Mileage	500	-	500
Dues / Subscriptions	5,000	3,598	1,402
Advertising / Publishing	1,000	5,236	(4,236)
Legal	8,000	1,495	6,505
Insurance - General	48,000	66,519	(18,519)
Insurance - Unemployment	2,600	560	2,040
Supplies	500	-	500
Flags	1,000	1,045	(45)
Dog expense	500	105	395
Audit	13,600	14,100	(500)
Ambulance / Dispatch	62,000	61,924	76
Professional services	5,000	2,556	2,444
Equipment	500	-	500
Security	720	838	(118)
Landfill	2,000	1,919	81
County tax	17,500	16,460	1,040
MRPG	2,000	1,350	650
Drug and alcohol testing	1,000	125	875
Miscellaneous	500	634	(134)
Total Selectboard	<u>181,270</u>	<u>187,000</u>	<u>(5,730)</u>

Continued

TOWN OF FAIRFIELD, VERMONT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2021

EXPENDITURES (Continued)	Original & Final Budgeted Amounts	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
Town clerk and treasurer:			
Town administrator	41,200	52,010	(10,810)
Salary - Clerk	41,200	41,200	-
File clerk	7,500	7,064	436
Treasurer	5,150	5,150	-
Payroll taxes	7,500	8,184	(684)
Health insurance	14,000	11,415	2,585
Life insurance and accidental death	300	264	36
Disability insurance	650	647	3
Retirement	5,000	5,789	(789)
Supplies	1,500	2,768	(1,268)
Restoration	2,000	-	2,000
Vitals and land records	1,200	10	1,190
Telephone	4,000	4,056	(56)
Banking	300	64	236
Postage and shipping	2,500	2,711	(211)
Computer expense	10,000	16,545	(6,545)
Election expense	500	127	373
Mileage	400	52	348
Education and training	1,500	271	1,229
Equipment	2,000	2,524	(524)
Tax bill expense	500	159	341
Miscellaneous	250	494	(244)
Total town clerk and treasurer	149,150	161,504	(12,354)
Town auditors:			
Salary or stipend	750	750	-
Payroll taxes	75	57	18
Publications	2,000	1,288	712
Supplies	-	24	(24)
Postage and shipping	500	-	500
Total town auditors	3,325	2,119	1,206
Listers:			
Salary or stipend	10,000	6,774	3,226
Payroll taxes	1,000	518	482
Supplies	250	100	150
Postage and shipping	250	57	193
Computer expense	3,000	2,418	582
Mileage	250	40	210
Education and training	250	-	250
Equipment	100	-	100
Reappraisal	-	160	(160)
Parcel mapping	5,000	7,350	(2,350)
Total listers	20,100	17,417	2,683

Continued

TOWN OF FAIRFIELD, VERMONT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2021

	Original & Final Budgeted Amounts	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
EXPENDITURES (Continued)			
Delinquent tax collector:			
Salary	10,000	9,038	962
Stipends	2,500	2,500	-
Payroll taxes	1,250	883	367
Advertising and publishing	500	179	321
Supplies	200	-	200
Postage and shipping	500	464	36
Mileage	200	141	59
Training and education	200	-	200
Equipment	100	-	100
Grant expenditures	-	2,062	(2,062)
Total delinquent tax collector	15,450	15,267	183
Town properties:			
Salary	1,500	1,188	312
Supplies	500	1,004	(504)
Electricity	6,200	5,209	991
Heat	2,000	7,474	(5,474)
Repairs and maintenance	4,000	3,200	800
Repairs and maintenance - Fire Department	-	225	(225)
Security	800	884	(84)
Security - Fire Department	800	825	(25)
Maintenance - Chester's	1,000	632	368
Maintenance - Community Center	3,500	3,705	(205)
Maintenance - North Road	1,500	-	1,500
Water	400	500	(100)
Professional services	500	312	188
Equipment	2,500	-	2,500
Capital improvements	11,968	3,080	8,888
Miscellaneous	500	-	500
Total town properties	37,668	28,238	9,430
Cemeteries:			
Supplies	350	140	210
Contracted services	6,650	6,400	250
Total cemeteries	7,000	6,540	460
Parks and recreation:			
Electricity	500	555	(55)
Contracted services	1,000	1,000	-
Portolet rental	400	770	(370)
Miscellaneous	1,000	-	1,000
Total parks and recreation	2,900	2,325	575
Street lights:			
Electricity	5,000	5,148	(148)
Total street lights	5,000	5,148	(148)

Continued

TOWN OF FAIRFIELD, VERMONT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2021

	Original & Final Budgeted Amounts	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
EXPENDITURES (Continued)			
Appropriations:			
Warning	23,471	23,971	(500)
Fire Department	92,225	92,225	-
Total appropriations	<u>115,696</u>	<u>116,196</u>	<u>(500)</u>
Road maintenance:			
Salaries	196,500	180,151	16,349
Payroll taxes	17,000	16,026	974
Retirement	14,000	12,401	1,599
Health insurance	41,000	43,678	(2,678)
Life insurance and accidental death	650	654	(4)
Disability insurance	1,500	1,785	(285)
Equipment	2,000	558	1,442
Contracted services	172,500	151,815	20,685
Materials	275,000	300,229	(25,229)
Guardrails	5,000	-	5,000
Blasting	5,000	-	5,000
Road signs	2,000	5,933	(3,933)
Miscellaneous	500	187	313
Total road maintenance	<u>732,650</u>	<u>713,417</u>	<u>19,233</u>
Equipment:			
Labor	38,500	17,593	20,907
Supplies	30,000	51,183	(21,183)
Repairs and maintenance	15,000	14,942	58
Materials	-	81	(81)
Fuel and oil	55,000	45,971	9,029
Equipment	-	7,984	(7,984)
Debt retirement - Interest and principal	57,000	25,826	31,174
Total equipment	<u>195,500</u>	<u>163,580</u>	<u>31,920</u>
Town garage:			
Salaries	10,000	11,548	(1,548)
Supplies	2,000	6,250	(4,250)
Telephone	300	301	(1)
Tools	2,500	2,194	306
Electricity	2,500	2,338	162
Heat	1,000	1,154	(154)
Repairs and maintenance	2,000	23,626	(21,626)
Water	200	200	-
Computer	300	90	210
Equipment	1,500	277	1,223
Security	800	825	(25)
Contracted services	1,000	-	1,000
Miscellaneous	500	722	(222)
Total town garage	<u>24,600</u>	<u>49,525</u>	<u>(24,925)</u>
Continued			

TOWN OF FAIRFIELD, VERMONT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2021

	Original & Final Budgeted Amounts	Actual Budgetary Basis	Variance with Final Budget Positive (Negative)
EXPENDITURES (Continued)			
Debt service:			
Principal	53,000	50,037	2,963
Interest	1,000	2,229	(1,229)
Interest - General	-	2,052	(2,052)
Total debt service	<u>54,000</u>	<u>54,318</u>	<u>(318)</u>
Total expenditures	<u>1,544,309</u>	<u>1,522,594</u>	<u>21,715</u>
Excess of revenues over expenditures	<u>200,214</u>	<u>274,662</u>	<u>74,448</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers out			
Capital projects fund	(27,500)	(20,000)	7,500
Equipment fund	(40,000)	(153,000)	(113,000)
Recreation fund	(10,000)	(10,000)	-
Library fund	(103,132)	(103,132)	-
Grant writer fund	(4,000)	(4,000)	-
Maintenance - Common School	(2,500)	(2,950)	(450)
Total other financing sources (uses)	<u>(187,132)</u>	<u>(293,082)</u>	<u>(105,950)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>\$ 13,082</u>	<u>\$ (18,420)</u>	<u>\$ (31,502)</u>

TOWN OF FAIRFIELD, VERMONT

NOTE TO BUDGETARY COMPARISON SCHEDULE

GENERAL FUND

For the Year Ended December 31, 2021

Note A. Budget to Actual Reconciliation

An explanation of the differences between budgetary revenues and expenditures and revenues and expenditures determined in accordance with generally accepted accounting principles follows:

Revenues:

Actual amounts (budgetary basis) from the budgetary comparison schedule \$ 1,797,256

Revenues collected for school taxes are not budgetary revenue but is a revenue for financial reporting purposes -

Grant revenue to be collected from the state are not a budgetary revenue but is a revenue for financial reporting purposes -

Tax revenue to be collected within 60 days of year-end is a revenue for financial reporting purposes but is not a revenue for budgetary purposes (4,547)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental funds \$ 1,792,709

Expenditures:

Actual amounts (budgetary basis) from the budgetary comparison schedule \$ 1,522,594

Accrued payroll is included in expenditures for financial reporting purposes but is not an expenditure for budgetary purposes 7,788

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - Governmental funds \$ 1,530,382

TOWN OF FAIRFIELD, VERMONT

**SCHEDULE OF THE TOWN'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY**
Vermont Municipal Employees Retirement System
Last 5 Fiscal years

	2020	2019	2018	2017	2016
Town's proportion of the net pension liability	0.094315%	0.108710%	0.10770%	0.10765%	0.0571%
Town's proportionate share of the net pension liability	\$ 238,592	\$ 188,604	\$ 151,505	\$ 130,423	\$ 73,460
Town's covered-employee payroll	\$ 329,805	\$ 306,522	\$ 349,027	\$ 318,357	\$ 306,723
Town's portion of the net pension liability as a percentage of the covered-employee payroll	72.34%	61.53%	43.41%	40.97%	23.95%
Plan fiduciary net position as a percentage of the total pension liability	74.52%	80.35%	82.60%	83.64%	80.95%

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
Vermont Municipal Employees Retirement System
Last 5 Fiscal years

	2020	2019	2018	2017	2016
Statutorily required contribution	\$ 19,547	\$ 20,887	\$ 18,864	\$ 17,580	\$ 8,675
Contributions in relation to the statutorily required contribution	19,547	20,887	18,864	17,580	8,675
Annual contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered-employee payroll	\$ 329,805	\$ 306,522	\$ 349,027	\$ 318,357	\$ 306,723
Contributions in relation to the statutory required contribution as a percentage of the covered-employee payroll	5.927%	5.750%	5.750%	5.500%	5.500%

Notes to the Required Supplementary Information - Pension

Changes in actuarial assumptions and methods:

- The investment return assumption was lowered from 7.50% to 7.00%.
- The inflation assumption was lowered from 2.50% to 2.30%.
- The COLA Assumption was lowered from 1.30% to 1.20% for Group B members.
- The mortality assumptions were updated as follows:
Pre-Retirement: Group B - 40% PubG General Employee below-median
Health Post-Retirement - Retirees: Group B - 104% of 40% PubG-2010 General healthy Retiree below-median
Health Post-Retirement - Beneficiaries: Group B - 70% PubG-2010 Contingent Survivor below-median
Disabled Retirees: PubNS-2010 Non-Safety Disabled Retiree Mortality table with generational projection using scale MP-2019.
- The salary scale assumption was revised for varying service based rates from 0-10 years of service, then a single rate of 2.20% for all subsequent years, plus revised inflation of 2.30%
- The active retirement rates were updated as follows, Group B: For females, slightly decreased the rates at younger ages and then increased the rates at later ages. For males, slightly decreased the rates at most ages.
- The inactive retirement assumption was updated to add a rate of 10% from early retirement age for each year until normal retirement age, then 100% at normal retirement age.
- The liability load of accumulated contributions for inactive members was removed. Liabilities for inactive members are now based on 100% of the accumulated contributions. Inactive members who are vested immediately become deferred members, and the liabilities for all deferred members are based on the accrued benefit.
- The termination rates were updated as follows: Simplified female rates to one set of slightly reduced rates for all females.

The changes increased the total pension liability as of June 30, 2020 by \$22.6 million and increased the service cost as of June 30, 2020 by \$2.0 million.

Changes in Plan Provisions:

There have been no changes in plan provisions since the last measurement date.

Note: These schedules will eventually present 10 years of information; however, they currently only provide information on fiscal years for which it is available.

TOWN OF FAIRFIELD, VERMONT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2021

	Zoning Fund	Federal Grant Fund	ARPA Grant Fund	Equipment Fund	Lister/ Reappraisal Fund	Historical Soc/Building Fund	Grant Writer Fund	Capital Projects Fund	Paving Fund	Fire Station Fund	Legal Fund	Computerization Fund	Recreation Fund	Common School Fund	Roads Grant Fund	Better Back Roads Fund	Better Backroads Grant Fund	Total Nonmajor Governmental Funds
ASSETS																		
Cash	\$ 7,018	\$ -	\$ -	\$ 83,617	\$ 135,917	\$ 20,040	\$ -	\$ 188,491	\$ 65,491	\$ -	\$ -	\$ 22,399	\$ 15,153	\$ 24,971	\$ -	\$ -	\$ -	\$ 563,097
Grants receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,760	4,234	33,994
Due from other funds	-	859	291,901	113,000	-	-	9,815	20,000	-	-	2,390	10,678	-	-	-	-	-	448,643
Total assets	<u>\$ 7,018</u>	<u>\$ 859</u>	<u>\$ 291,901</u>	<u>\$ 196,617</u>	<u>\$ 135,917</u>	<u>\$ 20,040</u>	<u>\$ 9,815</u>	<u>\$ 208,491</u>	<u>\$ 65,491</u>	<u>\$ -</u>	<u>\$ 2,390</u>	<u>\$ 33,077</u>	<u>\$ 15,153</u>	<u>\$ 24,971</u>	<u>\$ -</u>	<u>\$ 29,760</u>	<u>\$ 4,234</u>	<u>\$ 1,045,734</u>
LIABILITIES AND FUND BALANCE																		
LIABILITIES																		
Due to other funds	\$ 4,291	\$ -	\$ -	\$ -	\$ 11,689	\$ 632	\$ -	\$ -	\$ -	\$ 360	\$ -	\$ -	\$ 3,144	\$ -	\$ 6,431	\$ 23,788	\$ 4,234	\$ 54,569
Total liabilities	<u>4,291</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,689</u>	<u>632</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>360</u>	<u>-</u>	<u>-</u>	<u>3,144</u>	<u>-</u>	<u>6,431</u>	<u>23,788</u>	<u>4,234</u>	<u>54,569</u>
FUND BALANCES																		
Fund balances:																		
Restricted	-	859	291,901	-	124,228	19,408	-	208,491	-	-	-	-	-	-	-	5,972	-	650,859
Committed	-	-	-	196,617	-	-	9,815	-	65,491	-	2,390	-	12,009	24,971	-	-	-	311,293
Assigned	2,727	-	-	-	-	-	-	-	-	-	-	33,077	-	-	-	-	-	35,804
Unassigned	-	-	-	-	-	-	-	-	-	(360)	-	-	-	-	(6,431)	-	-	(6,791)
Total fund balances	<u>2,727</u>	<u>859</u>	<u>291,901</u>	<u>196,617</u>	<u>124,228</u>	<u>19,408</u>	<u>9,815</u>	<u>208,491</u>	<u>65,491</u>	<u>(360)</u>	<u>2,390</u>	<u>33,077</u>	<u>12,009</u>	<u>24,971</u>	<u>(6,431)</u>	<u>5,972</u>	<u>-</u>	<u>991,165</u>
Total liabilities and fund balances	<u>\$ 7,018</u>	<u>\$ 859</u>	<u>\$ 291,901</u>	<u>\$ 196,617</u>	<u>\$ 135,917</u>	<u>\$ 20,040</u>	<u>\$ 9,815</u>	<u>\$ 208,491</u>	<u>\$ 65,491</u>	<u>\$ -</u>	<u>\$ 2,390</u>	<u>\$ 33,077</u>	<u>\$ 15,153</u>	<u>\$ 24,971</u>	<u>\$ -</u>	<u>\$ 29,760</u>	<u>\$ 4,234</u>	<u>\$ 1,045,734</u>

TOWN OF FAIRFIELD, VERMONT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2021

	Zoning Fund	Federal Grant Fund	ARPA Grant Fund	Equipment Fund	Lister/ Reappraisal Fund	Historical Soc/Building Fund	Grant Writer Fund	Capital Projects Fund	Fire Station Fund	Paving Fund	Legal Fund	Computerization Fund	Recreation Fund	Common School Fund	Roads Grant Fund	Better Back Roads Fund	Better Backroads Grant Fund	Total Nonmajor Governmental Funds
REVENUES																		
State aid - Listers	\$ 18	\$ -	\$ -	\$ -	\$ 8,942	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,942
Interest	-	-	-	172	368	23	-	536	-	178	-	45	4	37	-	-	-	1,381
Licenses and fees	-	-	-	-	-	-	-	-	-	-	-	8,189	807	-	-	-	-	8,996
Grants - Federal	-	-	291,901	-	-	-	-	-	-	-	-	-	-	-	-	-	-	291,901
Grants - State	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	29,760	4,234	33,994
Miscellaneous	-	-	-	7,425	1,052	-	5,001	-	-	-	-	-	-	-	-	-	-	13,478
Total revenues	18	-	291,901	7,597	10,362	23	5,001	536	-	178	-	8,234	811	37	-	29,760	4,234	358,692
EXPENDITURES																		
Salary and stipend	-	-	-	-	-	-	7,778	-	-	-	-	-	-	-	-	-	-	7,778
Payroll taxes	-	-	-	-	-	-	595	-	-	-	-	-	-	-	-	-	-	595
Repairs and maintenance	-	-	-	-	-	-	-	-	-	-	-	-	1,970	-	-	-	-	1,970
Grant expenditures	4,002	-	-	-	-	-	-	-	-	-	-	-	-	-	46,122	-	-	50,124
Equipment	-	-	-	165,072	-	-	-	-	-	-	-	4,476	942	-	-	-	-	170,490
Contracted/Professional services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,836	4,234	22,070
Materials	-	-	-	-	-	-	-	-	360	-	-	-	-	-	-	5,952	-	6,312
Miscellaneous	-	-	-	-	22,586	1,925	-	-	-	-	-	-	2,171	-	-	-	-	26,682
Total expenditures	4,002	-	-	165,072	22,586	1,925	8,373	-	360	-	-	4,476	5,083	-	46,122	23,788	4,234	286,021
Excess (deficiency) of revenues over expenditures	(3,984)	-	291,901	(157,475)	(12,224)	(1,902)	(3,372)	536	(360)	178	-	3,758	(4,272)	37	(46,122)	5,972	-	72,671
OTHER FINANCING SOURCES (USES)																		
Proceeds from loan	-	-	-	90,000	-	-	-	-	-	-	-	-	-	-	-	-	-	90,000
Operating transfers in	-	-	-	153,000	-	-	4,000	20,000	-	-	-	-	10,000	-	-	-	-	187,000
Total other financing sources (uses)	-	-	-	243,000	-	-	4,000	20,000	-	-	-	-	10,000	-	-	-	-	277,000
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(3,984)	-	291,901	85,525	(12,224)	(1,902)	628	20,536	(360)	178	-	3,758	5,728	37	(46,122)	5,972	-	349,671
Fund balance at beginning of year	6,711	859	-	111,092	136,452	21,310	9,187	187,955	-	65,313	2,390	29,319	6,281	24,934	39,691	-	-	641,494
Fund balance at end of year	\$ 2,727	\$ 859	\$ 291,901	\$ 196,617	\$ 124,228	\$ 19,408	\$ 9,815	\$ 208,491	\$ (360)	\$ 65,491	\$ 2,390	\$ 33,077	\$ 12,009	\$ 24,971	\$ (6,431)	\$ 5,972	\$ -	\$ 991,165

OTHER SUPPLEMENTARY INFORMATION

TOWN OF FAIRFIELD, VERMONT

COMBINING STATEMENT OF PRIVATE PURPOSE TRUST FUNDS

December 31, 2021

	<u>Cemetery Fund</u>	<u>Morey Fund</u>	<u>Total Private Purpose Trust Funds</u>
ASSETS			
Cash	\$ 18,397	\$ 2,747	\$ 21,144
Due from other funds	4,800	-	4,800
	<hr/>	<hr/>	<hr/>
Total assets	23,197	2,747	25,944
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Total liabilities	-	-	-
	<hr/>	<hr/>	<hr/>
NET POSITION			
Restricted for Bradley Cemetery	15,824	-	15,824
Restricted for specific purposes	7,373	2,747	10,120
	<hr/>	<hr/>	<hr/>
Total net position	<u>\$ 23,197</u>	<u>\$ 2,747</u>	<u>\$ 25,944</u>

TOWN OF FAIRFIELD, VERMONT

**COMBINING STATEMENT OF CHANGES
IN PRIVATE PURPOSE TRUST FUNDS
For the Year Ended December 31, 2021**

	Cemetery Fund	Morey Fund	Total Private Purpose Trust Funds
ADDITIONS			
Interest	\$ 57	\$ 9	\$ 66
Total additions	57	9	66
DEDUCTIONS			
Miscellaneous	-	-	-
Total deductions	-	-	-
Change in net position	57	9	66
Net position at beginning of year	23,140	2,738	25,878
Net position at end of year	\$ 23,197	\$ 2,747	\$ 25,944