

TOWN OF WILMINGTON, VERMONT

Financial Statements and Schedules

June 30, 2013

(With Independent Auditors' Report Thereon)

Love, Cody & Company, CPAs

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Independent Auditor's Report

The Select Board
Town of Wilmington, Vermont

We have audited the accompanying financial statements of Town of Wilmington, Vermont, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position—modified cash basis of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Wilmington, Vermont, as of June 30, 2013, and the respective changes in financial position—modified cash basis, thereof for the year then ended in accordance with the basis of accounting as described in Note 1.

Basis of Accounting

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

Disclaimer of Opinion on Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wilmington, Vermont's basic financial statements. The budgetary comparison information on pages 27-35 and 36-37, which are the responsibility of management, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wilmington, Vermont's basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements.

The schedule of expenditures of federal awards is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 4, 2014, on our consideration of the Town of Wilmington, Vermont's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Town of Wilmington, Vermont's internal control over financial reporting and compliance.

March 4, 2014

Love, Cody & Company, CPAs, P.C.

Vt. Reg. #357

Love, Cody & Company, CPAs

TOWN OF WILMINGTON, VERMONT
Statement of Net Position - Modified Cash Basis
June 30, 2013

Exhibit A

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash	\$ 1,820,324	119,744	1,940,068
Investments	87,416	-	87,416
Internal balances	(362,148)	362,148	-
Capital assets:			
Land	193,995	1,550	195,545
Antiques and works of art	1,200	-	1,200
Other capital assets, net of accumulated depreciation	5,526,118	3,292,572	8,818,690
Total assets	\$ 7,266,905	3,776,014	11,042,919
Liabilities:			
Due to State of Vermont	\$ 1,786	-	1,786
Due to Fiduciary Funds	132,045	-	132,045
Bonds payable:			
Due within one year	35,000	-	35,000
Due in more than one year	270,000	-	270,000
Total liabilities	438,831	-	438,831
Net position:			
Invested in capital assets, net of related debt	5,415,113	3,294,122	8,709,235
Restricted	241,840	-	241,840
Unrestricted	1,171,121	481,892	1,653,013
Total net position	\$ 6,828,074	3,776,014	10,604,088

See accompanying notes to financial statements.

TOWN OF WILMINGTON, VERMONT
Statement of Activities - Modified Cash Basis
 June 30, 2013

Exhibit B

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government	
						Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 1,587,545	75,188	134,558	-	(1,377,799)	-	(1,377,799)
Highways and roads	1,440,252	240	163,253	948,539	(328,220)	-	(328,220)
Public safety	590,262	40,683	102,716	114,306	(332,557)	-	(332,557)
Culture and recreation	191,785	4,292	-	136,000	(51,493)	-	(51,493)
Cemeteries	24,582	-	-	-	(24,582)	-	(24,582)
Solid waste disposal	148,742	60,215	-	-	(88,527)	-	(88,527)
Interest on long-term debt	10,628	-	-	-	(10,628)	-	(10,628)
Total governmental activities	3,993,796	180,618	400,527	1,198,845	(2,213,806)	-	(2,213,806)
Business-type activities:							
Sewer	324,775	228,338	42	-	-	(96,395)	(96,395)
Total business-type activities	324,775	228,338	42	-	-	(96,395)	(96,395)
Total primary government	\$ 4,318,571	408,956	400,569	1,198,845	(2,213,806)	(96,395)	(2,310,201)
General revenues:							
Property taxes					3,016,594	-	3,016,594
Interest and penalties on delinquent taxes					118,495	-	118,495
Payment in lieu of taxes					10,080	-	10,080
Local options tax					158,580	-	158,580
Investment earnings					11,549	1,475	13,024
Miscellaneous					77,019	-	77,019
Transfers					4,750	(4,750)	-
Total general revenues and transfers					3,397,067	(3,275)	3,393,792
Change in net position					1,183,261	(99,670)	1,083,591
Net position - beginning					5,644,813	3,875,684	9,520,497
Net position - ending					\$ 6,828,074	3,776,014	10,604,088

See accompanying notes to financial statements.

TOWN OF WILMINGTON, VERMONT
Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis
Governmental Funds
June 30, 2013

	General Fund	Town Roads Fund	FEMA Fund	Other Governmental Funds	Total Governmental Funds
Assets:					
Cash and cash equivalents	\$ 1,618,960	-	-	201,364	1,820,324
Investments	-	-	-	87,416	87,416
Due from other funds	-	122,912	241,602	363,541	728,055
Total assets	\$ 1,618,960	122,912	241,602	652,321	2,635,795
Liabilities:					
Due to State of Vermont	\$ 1,786	-	-	-	1,786
Due to other funds	1,222,248	-	-	-	1,222,248
Total liabilities	1,224,034	-	-	-	1,224,034
Fund Balances:					
Nonspendable	\$ -	-	-	425	425
Restricted	-	122,912	-	118,503	241,415
Committed	-	-	-	317,198	317,198
Assigned	39,775	-	241,602	216,195	497,572
Unassigned	355,151	-	-	-	355,151
Total fund balances	394,926	122,912	241,602	652,321	1,411,761
Total liabilities and fund balances	\$ 1,618,960	122,912	241,602	652,321	2,635,795

See accompanying notes to financial statements.

TOWN OF WILMINGTON, VERMONT
Reconciliation of the Statement of Assets, Liabilities and Fund Balances -
Modified Cash Basis - Governmental Funds to the Statement of
Net Position - Modified Cash Basis
June 30, 2013

Exhibit D

Total fund balances - governmental funds (from page 6)	\$ 1,411,761
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	5,721,313
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(305,000)
Net position of governmental activities (page 4)	<u>\$ 6,828,074</u>

See accompanying notes to financial statements.

TOWN OF WILMINGTON, VERMONT
Statement of Cash Receipts, Cash Disbursements and Changes in
Fund Balances - Modified Cash Basis
Governmental Funds
Year Ended June 30, 2013

	General Fund	Town Roads Fund	FEMA Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 1,861,574	1,155,020	-	-	3,016,594
Penalties, interest and collection costs of delinquent taxes	118,495	-	-	-	118,495
Intergovernmental	361,660	163,253	571,926	243,696	1,340,535
Charges for services	112,248	-	-	-	112,248
Investment income	8,219	997	-	2,333	11,549
Licenses and permits	72,880	240	-	440	73,560
Donations	136,000	-	10,963	600	147,563
Other	42,908	-	291,497	22,109	356,514
Total revenues	2,713,984	1,319,510	874,386	269,178	5,177,058
Expenditures:					
General government	1,198,796	-	350,117	16,051	1,564,964
Highways and streets	-	1,101,313	-	70,105	1,171,418
Public safety	541,427	-	-	1,339	542,766
Culture and recreation	184,626	-	-	1,367	185,993
Cemeteries	-	-	-	24,582	24,582
Sanitation	103,984	-	-	-	103,984
Capital outlay:					
General government	1,685	-	562,747	-	564,432
Highways and streets	-	211,947	-	146,486	358,433
Public safety	146,563	-	-	-	146,563
Culture and recreation	136,000	-	-	42,131	178,131
Debt service:					
Principal	35,000	-	550,000	-	585,000
Interest	7,172	-	3,456	-	10,628
Total expenditures	2,355,253	1,313,260	1,466,320	302,061	5,436,894
Excess (deficiency) of cash receipts over cash disbursements	358,731	6,250	(591,934)	(32,883)	(259,836)
Other financing sources (uses):					
Operating transfers in (out)	(55,000)	(15,000)	-	70,000	-
Total other financing sources (uses)	(55,000)	(15,000)	-	70,000	-
Net change in fund balances	303,731	(8,750)	(591,934)	37,117	(259,836)
Fund balance, July 1, 2012	91,195	131,662	833,536	615,204	1,671,597
Fund balance, June 30, 2013	\$ 394,926	122,912	241,602	652,321	1,411,761

See accompanying notes to financial statements.

TOWN OF WILMINGTON, VERMONT
Reconciliation of the Statement of Cash Receipts, Cash Disbursements, and
Changes in Fund Balances - Modified Cash Basis - Governmental Funds
to the Statement of Activities - Modified Cash Basis
Year Ended June 30, 2013

Exhibit F

Net change in fund balances - total governmental funds (from page 8)	\$	(259,836)
<p>Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.</p>		
		859,850
<p>When recognizing the sale of capital assets, the governmental funds report the total proceeds of the sale. Only the gain or loss on the sale is reported on the Statement of Net Assets.</p>		
		(1,753)
<p>Repayment of principal on long-term obligations is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
		585,000
Change in net assets of governmental activities (page 5)	\$	<u><u>1,183,261</u></u>

See accompanying notes to financial statements.

TOWN OF WILMINGTON, VERMONT
Statement of Net Position - Modified Cash Basis
Proprietary Fund
June 30, 2013

	Sewer Fund
Assets:	
Current assets:	
Cash	\$ 119,744
Due from other funds	362,148
Total current assets	481,892
Capital assets:	
Property, Plant and Equipment (net of accumulated depreciation)	3,294,122
Total non-current assets	3,294,122
Total assets	\$ 3,776,014
Liabilities	
-	
Net position:	
Invested in capital assets, net of related debt	3,294,122
Unrestricted	481,892
Total net position	3,776,014
Total liabilities and net position	\$ 3,776,014

See accompanying notes to financial statements.

TOWN OF WILMINGTON, VERMONT
Statement of Cash Receipts, Cash Disbursements, and
Changes in Net Position - Modified Cash Basis
Proprietary Fund
Year Ended June 30, 2013

	Sewer Fund
<i>Operating receipts:</i>	
Sewer Rents	\$ 217,497
Penalties and Interest on Delinquents	3,485
Fees	7,356
Other	-
Total operating receipts	228,338
<i>Operating disbursements:</i>	
Wages and Benefits	155,340
Operations and Maintenance	40,392
Utilities	40,239
Depreciation	85,272
Total operating expenses	321,243
<i>Operating income (loss)</i>	(92,905)
<i>Nonoperating receipts (disbursements):</i>	
Insurance Reimbursement	-
FEMA reimbursement	42
Storm Damage - Irene	(3,532)
Interest Income	1,475
Total nonoperating receipts (disbursements)	(2,015)
<i>Loss before transfers</i>	(94,920)
Transfers to General Fund	(4,750)
	(4,750)
<i>Change in modified cash basis net position</i>	(99,670)
<i>Total net position - beginning</i>	3,875,684
<i>Total net position - ending</i>	\$ 3,776,014

See accompanying notes to financial statements.

TOWN OF WILMINGTON, VERMONT
Statement of Fiduciary Net Assets - Modified Cash Basis
Fiduciary Funds
June 30, 2013

Exhibit I

	Agency Funds
<hr/>	
Assets:	
Cash	\$ 2,009
Due from other funds	132,821
Total assets	\$ 134,830
<hr/>	
Liabilities	
Due to taxpayers	\$ 132,821
Due to employees	1,233
Due to other funds	776
Total liabilities	\$ 134,830
<hr/>	
Net assets	\$ -
<hr/>	

See accompanying notes to financial statements.

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

(a) Financial Reporting Entity

The Town of Wilmington, Vermont (the "Town") is a unit of local government chartered by the State of Vermont. The Town operates under a Select Board - Manager form of government and provides services as outlined in its charter.

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

As discussed further in Note 1 (d), these financial statements are presented on the modified cash basis and cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles.

(b) Basis of Presentation

The accounts of the Town are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, liabilities, fund equity, receipts, and disbursements. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

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

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(1) *Summary of Significant Accounting Policies (continued)*

(b) *Basis of Presentation (continued)*

Government-wide Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all non-fiduciary activities of the Town. Eliminations have been made to minimize the effect of internal transactions between funds. Governmental activities generally are financed through taxes, State aid, intergovernmental revenues, and other exchange and non-exchange transactions. Operating grants include operating-specific and discretionary (either operating or capital) grants, while the capital grants column reflects capital-specific grants.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the Town's governmental and business-type activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements

The fund statements provide information about the Town's funds. Separate statements for each fund category (governmental and proprietary) are presented. The emphasis of fund financial statements is on major funds, each displayed in a separate column. All remaining funds are aggregated and reported as non-major funds, however because the Town has only one non-major fund in each fund type, they are reported in individual columns.

The financial activities of the Town that are reported in the accompanying financial statements have been classified in the major funds described in the following paragraphs.

Governmental Funds

General Fund - The General Fund is used to account for all revenues and expenditures applicable to the general operations of the governmental agencies of the Town. All general operating revenues which are not restricted as to use by sources external to the Town are recorded in the General Fund.

Special Revenue Funds - The Special Revenue Funds are operating funds, for which the use of revenues is restricted, generally by Federal and state governments. The Town uses two Special Revenue Funds: the Town Roads Fund and the Federal Emergency Management Agency (FEMA) Fund.

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(1) *Summary of Significant Accounting Policies (continued)*

(b) *Basis of Presentation (continued)*

Proprietary Funds

Enterprise Funds - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges. The Town uses one Enterprise Fund: the Sewer Fund.

Agency Funds - These funds account for monies maintained for the health care flex plan and excess tax sale monies.

(c) *Measurement Focus*

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide and proprietary fund financial statements are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting. Equity (i.e., modified cash basis net position) is segregated into restricted modified cash basis net position and unrestricted modified cash basis net position. Operating statements present increases (i.e., receipts) and decreases (i.e., disbursements) in modified cash basis net position.

Governmental fund financial statements are reported using the current financial resources measurement focus within the limitations of the modified cash basis of accounting. Their reported fund balances (modified cash basis fund balances) are considered a measure of available spendable resources and are segregated into nonspendable; restricted; committed; assigned and unassigned amounts. Operating statements of these funds present increases (i.e., receipts and other financing sources) and decreases (i.e., disbursements and other financing uses) in modified cash basis fund balances.

(d) *Basis of Accounting*

Basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The Town's policy is to prepare its financial statements on the modified cash basis of accounting; consequently, certain revenue and related assets are recognized when received rather than when earned, and certain expenditures and related liabilities are recognized when paid rather than when the obligation is incurred except that the Town reports capital assets, lines of credit and long-term debt in the government-wide and proprietary fund financial statements and reports investments, payroll withholdings, prepaid fees and fees owed to the State of Vermont in all financial statements. General capital asset acquisitions are reported as expenditures in the governmental fund financial statements. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources in the governmental fund financial statements. When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the Town's policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(1) **Summary of Significant Accounting Policies (continued)**

(e) Budgets and Budgetary Accounting

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

(f) Internal Balances and Transfers

Internal balances arise primarily as a result of the Town's pooling of cash deposits. Internal transfers represent administrative charges paid by the enterprise funds and community development fund to the general governmental activities fund.

(g) Capital Assets

Property and equipment is stated at known or estimated historical cost. Net interest costs are capitalized on projects during the construction period. Depreciation is computed using the straight-line method over the estimated useful lives of assets as follows: office furniture and equipment – 3 to 10 years, motor vehicles and equipment – 5 to 10 years, buildings and building improvements – 50 to 100 years, collection and treatment systems – 50 to 100 years and infrastructure – 15 to 30 years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. Deduction is made for retirements resulting from renewals or betterments. GASB No. 34 requires the Town to report and depreciate new infrastructure assets effective with the statement's implementation.

(h) Cash and Cash Equivalents

For purposes of the statement of cash flows presented for the proprietary funds, cash equivalents include all short-term highly liquid investments which are readily convertible to known amounts of cash and have original maturities of three months or less.

(i) Investments

The Town invests in investments as allowed by State statute. Investments are reported at cost.

(j) Long-term Debt and Deferred Charges

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(1) *Summary of Significant Accounting Policies (continued)*

(k) *Governmental Fund Balance/Net Assets*

Beginning with fiscal year 2011, the Town implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions." This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The following classifications describe the relative strength of the spending constraints:

Non-spendable fund balance is either not in spendable form (such as inventory), or is required to be maintained intact legally or contractually.

Restricted fund balance—amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Committed fund balance—amounts constrained to specific purposes by the Town itself, through formal action of the voters.

Assigned fund balance—amounts the Town intends to use for a specific purpose. Intent can be expressed by the Selectboard or by an official or body to which the Selectboard Council delegates the authority.

Unassigned fund balance—amounts that are available for any purpose. Positive amounts are reported only in the general fund.

In the government-wide financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Restricted resources are used first to fund appropriations when there are both restricted and unrestricted resources available.

Unrestricted – This category includes both designated and undesignated net assets of the Town. Designated net assets include reserves that were established by the Board, which are considered internally designated. Undesignated net assets are not restricted for any project or other purpose.

In the fund financial statements, reserves and designations segregate portions of fund balance that are either not available or have been earmarked for specific purposes. While a separate bank account is not necessary for each reserve fund, a separate identity for each reserve fund is maintained.

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(1) **Summary of Significant Accounting Policies (continued)**

(l) **Encumbrance Accounting**

Encumbrances outstanding at year-end are recorded as a reservation of fund balance in the Town's governmental funds, since they do not constitute expenditures or liabilities

(m) **Use of Accounting Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(2) **Explanation of Certain Differences Between Governmental Fund Statements and the Government-wide Statements**

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the government-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities (within the limitations of the modified cash basis of accounting), compared with the current financial resources focus (also within the limitations of the modified cash basis of accounting) of the governmental funds.

Capital-related differences arise because governmental funds report capital outlays as current period expenditures, whereas, government-wide statements report depreciation as an expense. Further, governmental funds report the proceeds from the sale of capital assets as an other financing source, whereas, government-wide statements report the gain or loss from the sale of capital assets as revenue or expense.

Long-term debt transaction differences arise because governmental funds report debt proceeds as other financing sources and principal payments as expenditures, whereas, government-wide statements report those transactions as increases and decreases in liabilities.

(3) **Cash and Investments**

Cash and investments are placed in the custody of the Town Treasurer who is elected and consisted of the following at June 30, 2013:

Cash:	
Deposits with Financial Institutions	\$ <u>1,942,077</u>
Investments:	
Certificates of Deposit	10,193
Money Market Mutual Funds	68,310
Mutual Funds - Holdings in Stocks & Bonds	<u>8,913</u>
Total Investments	<u>87,416</u>
Total Cash and Investments	\$ <u><u>2,029,493</u></u>

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(3) Cash and Investments (continued)

The objective of the Town's investment policy is to ensure the safety, liquidity, and yield of the Town's investments, in that order of priority. In order to maximize investment opportunities, accurate, ongoing cash flow analysis will be maintained. The Treasurer shall act responsibly as custodian of the public trust and avoid any transaction that might impair public confidence. The Treasurer may invest and reinvest the Town funds as statutorily allowed in fully insured certificates of deposit or bank money market accounts without the prior approval of the legislative body. However, when possible, the Treasurer will discuss options with the Town Manager prior to investment. Investments in any other instruments other than those listed here will require prior approval of the legislative body.

Custodial Credit Risk of Bank Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Town's mutual funds are open-ended and are not exposed to custodial credit risk. The Town's cash and certificates of deposits are exposed to custodial credit risk as outlined in the following table:

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC Insured	\$ 500,000	\$ 500,000
Uninsured, Collateralized by U.S. Government Securities Held by the Bank's Trust Department with a Security Interest Granted to the Town	<u>1,452,272</u>	<u>1,710,112</u>
Total Cash and Certificates of Deposit	<u>\$ 1,952,272</u>	<u>\$ 2,210,112</u>

The difference between the book and the bank balance is due to reconciling items such as deposits in transit and outstanding checks.

Cash and certificates of deposit are comprised of the following:

Cash - Deposits with Financial Institutions	\$ 1,942,077
Investments - Certificates of Deposit	<u>10,193</u>
Total	<u>\$ 1,952,270</u>

Interest rate risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have any policy to limit the exposure to interest rate risk. The certificates of deposit are due within one year. The money market mutual funds holdings have an average maturity of less than one year. Interest rate risk information for the mutual fund holdings in stocks and bonds is unavailable.

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(4) Capital Assets

Capital asset activity for the year was as follows:

	Beginning Balance	Additions	Retirements and Transfers	Ending Balance
Governmental Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 193,995	-	-	193,995
Antiques and Works of Art	1,200	-	-	1,200
Total Capital Assets, Not Being Depreciated	<u>193,653</u>	<u>-</u>	<u>-</u>	<u>195,195</u>
Capital Assets, Being Depreciated:				
Buildings	2,053,727	50,516	(5,045)	2,099,198
Infrastructure	1,967,063	944,730	-	2,911,793
Office Equipment and Software	124,996	93,734	-	218,730
Vehicles and Equip.- General	5,814	1,685	-	7,499
Vehicles and Equip. - Roads	1,584,357	104,065	(16,335)	1,672,087
Vehicles and Equip. - Police Department	192,051	-	-	192,051
Vehicles and Equip. - Fire Department	973,505	52,829	-	1,026,334
Vehicles and Equip. - Culture and Recreation	11,111	-	-	11,111
Total Assets, Being Depreciated	<u>6,912,624</u>	<u>1,247,559</u>	<u>(21,380)</u>	<u>8,138,803</u>
Less: Accumulated Depreciation				
Buildings	(497,705)	(51,590)	5,045	(544,250)
Infrastructure	(468,456)	(157,136)	-	(625,592)
Office Equipment and Software	(71,832)	(17,649)	-	(89,481)
Vehicles and Equip.- General	(2,544)	(514)	-	(3,058)
Vehicles and Equip. - Roads	(763,388)	(86,923)	14,582	(835,729)
Vehicles and Equip. - Police Department	(76,542)	(34,239)	-	(110,781)
Vehicles and Equip. - Fire Department	(353,025)	(39,658)	-	(392,683)
Vehicles and Equip. - Culture and Recreation	(11,111)	-	-	(11,111)
Total Accumulated Depreciation	<u>(2,244,603)</u>	<u>(387,709)</u>	<u>19,627</u>	<u>(2,612,685)</u>
Total Capital Assets, Being Depreciated	<u>4,668,021</u>	<u>859,850</u>	<u>(1,753)</u>	<u>5,526,118</u>
Governmental Activities Capital Assets, Net	<u>\$ 4,861,674</u>	<u>859,850</u>	<u>(1,753)</u>	<u>5,721,313</u>
Business-Type Activities				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,550	-	-	1,550
Total Capital Assets, Not Being Depreciated	<u>1,550</u>	<u>-</u>	<u>-</u>	<u>1,550</u>
Capital Assets, Being Depreciated:				
Office Equipment	16,253	-	-	16,253
Buildings and Buildings Improvements	399,703	-	-	399,703
Vehicles and Equipment	586,630	-	-	586,630
Collection and Treatment System	3,775,250	-	-	3,775,250
Total	<u>4,777,836</u>	<u>-</u>	<u>-</u>	<u>4,777,836</u>
Less: Accumulated Depreciation				
Office Equipment	(14,598)	(715)	-	(15,313)
Buildings and Buildings Improvements	(221,841)	(12,203)	-	(234,044)
Vehicles and Equipment	(368,575)	(19,066)	-	(387,641)
Collection and Treatment System	(794,979)	(53,287)	-	(848,266)
Total Accumulated Depreciation	<u>(1,399,993)</u>	<u>(85,271)</u>	<u>-</u>	<u>(1,485,264)</u>
Total Capital Assets, Being Depreciated	<u>3,377,843</u>	<u>(85,271)</u>	<u>-</u>	<u>3,292,572</u>
Business-Type Activities Capital Assets, Net	<u>\$ 3,379,393</u>	<u>(85,271)</u>	<u>-</u>	<u>3,294,122</u>

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(4) Capital Assets (continued)

Depreciation was charged as follows:

Governmental Activities:	
General government	\$ 22,581
Highways and streets	267,082
Public safety	47,496
Culture and recreation	5,792
Solid waste disposal	44,758
	\$ 387,709
Business-type Activities:	
Sewer	\$ 85,271

(5) Internal Balances

Internal balances at June 30, 2013 consisted of the following:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ -	1,222,248
Town Roads Fund	122,912	-
FEMA Fund	241,602	-
Other Governmental Funds	363,541	-
Sewer Fund	362,148	-
Agency Fund - Tax Sale Fund	132,821	-
Agency Fund - Health Care Flex Plan Fund	-	776
Total	\$ 1,223,024	1,223,024

Internal transfers for the year ended June 30, 2013 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Cemetery Fund	\$ 20,000	Annual contribution
General Fund	Police Special Fund	15,000	Annual contribution
General Fund	Memorial Hall Capital Fund	15,000	Annual contribution
General Fund	Fire Department Equipment Fund	5,000	Annual contribution
Town Roads Fund	Bridge Rehabilitation Fund	10,000	Annual contribution
Town Roads Fund	Town Road Equipment Fund	5,000	Annual contribution
Sewer	General Fund	4,750	Administrative fee
		\$ 74,750	

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(6) Long-term Liabilities

Long-term liability activity for the year ended June 30, 2013 was as follows:

Line of credit:

The Town entered into an emergency line of credit agreement due to damages caused by Hurricane Irene. The line of credit allows for total advances up to \$3 million.

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities				
Line of Credit, People's United Bank Storm Damage, \$3,000,000 Available, \$550,000 Drawn, Interest at 1.3%, Due and Paid November 21, 2012	550,000	-	(550,000)	-
Total Governmental Activities	550,000	-	550,000	-

Bonds payable:

General obligation bonds payable, secured by the general revenue raising powers of the Town, consisted of the following:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
Governmental Activities					
Bond Payable, Vermont Municipal Bond Bank, Town Garage Construction, Interest Ranging from 0.804% to 3.514% Payable May and November, Annual Principal Payments of \$35,000 Beginning November 2012, Due November, 2021.	\$ 340,000	-	(35,000)	305,000	35,000
Total Governmental Activities	\$ 340,000	-	(35,000)	305,000	35,000

Maturities of bonds payable are as follows:

	Governmental Activities		
	Principal	Interest	Total
2014	\$ 35,000	6,855	41,855
2015	35,000	6,448	41,448
2016	35,000	5,932	40,932
2017	35,000	5,301	40,301
2018	35,000	4,529	39,529
2018-2022	130,000	8,292	138,292
	\$ 305,000	37,357	342,357

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(7) Governmental Fund Balances/Net Assets

At June 30, 2013 the town's fund balances were nonspendable, restricted, committed or assigned as follows:

Special Revenue Fund, Nonspendable:	
Davenport Legacy Fund	\$ <u>425</u>
Town Road Fund, Restricted:	
Highway Expenditures	\$ <u>122,912</u>
Special Revenue Fund, Restricted:	
Maintenance of Cemeteries	85,967
Restoration and Preservation of Municipal records	16,646
Police Grant	1,575
Beautification Donations	<u>5,690</u>
Total special revenue funds, restricted	<u>109,878</u>
Capital Projects Fund, Restricted:	
Energy Efficient Improvements Grants	<u>8,625</u>
Total restricted fund balances	\$ <u>241,415</u>
Garage Capital Fund, Committed:	
Garage Construction	<u>44,176</u>
Special Revenue Fund, Committed:	
Police Officer Salary Fund	45,000
Housing and Economic Development	<u>162,603</u>
Total special revenue fund, committed	<u>207,603</u>
Capital Projects Fund, Committed:	
Memorial Hall Maintenance and Improvement	<u>65,419</u>
Total committed fund balances	\$ <u>317,198</u>
General Fund, Assigned:	
Animal Control	\$ 15,604
Town Trails	20,371
Green Mountain Beach	<u>3,800</u>
Total general funds, assigned	<u>39,775</u>
FEMA Fund, Assigned:	
Flood Fund	<u>241,602</u>

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(7) Governmental Fund Balances/Net Assets (continued)

Special Revenue Fund, Assigned:	
Cemetary Fund	\$ 19,530
Reappraisal Fund	12,565
Police Department	<u>7</u>
Total special revenue fund, assigned	<u>32,102</u>
Capital Projects Fund, Assigned:	
Bridge Rehabilitation	(31,540)
Dry Hydrant Grant	1,851
Town Hall	18,465
School Field	1,021
Town Road Equipment	88,101
Fire House	10,588
Fire Department Equipment	<u>95,607</u>
Total capital project funds, assigned	<u>184,093</u>
Total assigned fund balances	<u>\$ 497,572</u>

(8) Benefit Plans

All employees of the Town of Wilmington are covered under the State of Vermont Municipal Employees' Retirement System. This system requires that both the Town and employee contribute to the plan which provides retirement, disability and death benefits. All employees contribute to Plan B which requires withholdings of 4.5% of gross wages from each employee. The Town contributes 5.0% to Plan B.

The Town of Wilmington pays all costs accrued each year for the plan. The premise of this plan is to provide a retirement plan covering municipal employees at a uniform state-wide contribution rate based upon an actuarial valuation of all State of Vermont municipal employees. Activity in this plan is done in the aggregate, not by municipality. Due to the nature of this pension plan, net assets available for benefits as well as the present value of vested and nonvested plan benefits by municipality are not available.

Total payroll for the year was \$1,299,222 while covered payroll by the Plan was \$1,203,729. The Town's contribution to the plan for the year ending June 30, 2013 was \$59,687.

Additional information regarding the State of Vermont Municipal Employees' Retirement System is available upon request from the State of Vermont.

The Town administers a Section 125 cafeteria plan for all full time employees. The plan allows employees to pay for health related expenses and life insurance premiums pre-tax and pre-social security.

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(8) Benefit Plans (continued)

The Town also offers its employees a deferred compensation plan through the State of Vermont in accordance with Internal Revenue Code Section 457. The plan permits employees to defer up to 100% of their current salary (not to exceed Internal Revenue Service limits) until future years. Deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. All of the investments are self-directed by each employee. The plan is administered by Great West Life and Annuity Insurance Company.

(9) Property Taxes

Taxes are payable in two installments which were due for the 2012-2013 fiscal year on August 17, 2012 and February 22, 2013. Interest of 1% for three (3) months and 1-1/2% thereafter with an 8% penalty is charged for delinquent payments for each installment. The tax rate for the year is as follows:

	<u>Residential</u>	<u>Non-Residential</u>
Town	0.4529	0.4529
Education - Local Share	1.5227	1.3531
Total	<u>1.9756</u>	<u>1.8060</u>

(10) Risk Management

The Town of Wilmington is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this coverage in any of the past three fiscal years.

The Town must remain a member for the minimum of one year and may withdraw from the Fund after that time by giving sixty days' notice. Fund underwriting are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

The Town has elected to pay actual unemployment claims instead of enrolling in an unemployment insurance program. The Town paid unemployment claims in the amount of \$4,850 during fiscal year 2013.

(11) Windham Solid Waste District

The Town is a participating member of the Windham Solid Waste District. The Town could be subject to a portion of the District's debt if the District experiences financial difficulties.

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(12) *Contingent Liabilities*

The Town participates in a number of federally assisted and state grant programs that are subject to audits by the grantors or their representatives. Accordingly, compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

(13) *Subsequent Events*

The Town has evaluated subsequent events through March 4, 2014, the date on which the financial statements were available to be issued.

TOWN OF WILMINGTON, VERMONT
Schedule of Cash Receipts, Cash Disbursements and Changes in Fund Balance (Modified Cash Basis) -
Budget and Actual - General Fund
Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Tax Collections	\$ 1,788,993	1,842,353	53,360
Delinquent Taxes - Interest	40,000	57,076	17,076
Delinquent Taxes - Penalty	58,000	61,419	3,419
TransCanada Payment	36,000	43,243	7,243
Miscellaneous Grants	3,000	-	(3,000)
Municipal Planning Grant	7,500	5,250	(2,250)
Glebe Land	22,500	23,810	1,310
Licenses	3,250	2,753	(497)
Zoning Fees	13,150	26,110	12,960
Permit Recording Fee	500	354	(146)
Land Sale/Redemptions	1,500	28,686	27,186
Miscellaneous Administrative	100	-	(100)
Miscellaneous Income	-	1,873	1,873
Act 60 Grand List Administrative	3,200	3,108	(92)
PILOT Payment	8,000	10,080	2,080
State Education Fund	18,000	19,221	1,221
Listers Income	415	414	(1)
Reappraisal - State/Parcel Payment	27,500	26,418	(1,082)
Land Use	14,000	32,729	18,729
Administrative Roads and Sewer	4,750	4,750	-
Town Clerk Fees	30,000	43,663	13,663
Police Department:			
Fees and Fines	58,000	50,184	(7,816)
Sale of Cruiser	-	5,800	5,800
Miscellaneous	500	-	(500)
Outside Employment	16,000	15,660	(340)
Alarm Registration Fees	4,500	3,025	(1,475)
COPS Grant	47,070	11,852	(35,218)
PD Homeland Security Grant	-	35,454	35,454
DUI Enforcement Grant	8,000	341	(7,659)
Governor's Highway Safety Grant	9,000	4,885	(4,115)
Equitable Share Proceeds	1,500	-	(1,500)
GHSP Equipment Grant	-	4,430	4,430
State Radio Grant	-	63,515	63,515
Fire Department:			
Town of Searsburg	16,798	16,798	-
Somerset	5,350	2,000	(3,350)
Miscellaneous	-	3,200	3,200

(continued)

TOWN OF WILMINGTON, VERMONT

Schedule of Cash Receipts, Cash Disbursements and Changes in Fund Balance (Modified Cash Basis) -
 Budget and Actual - General Fund (Continued)
 Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts (continued):			
Fire Department:			
Fire Department Emergency Management	\$ 6,500	-	(6,500)
FEMA Fire Grant - Hose	-	46,361	46,361
Metal Recycling	2,500	951	(1,549)
Landfill User Fees	70,000	60,215	(9,785)
Library Repayment	9,450	6,549	(2,901)
Elementary Program Fees	1,350	943	(407)
MHS Fees	750	644	(106)
Memorial Hall Lease	5,320	-	(5,320)
Memorial Hall Rent	500	450	(50)
Memorial Hall Event Donations	-	3,198	3,198
Investment Income	10,000	8,219	(1,781)
Total cash receipts	<u>2,353,446</u>	<u>2,577,984</u>	<u>224,538</u>
Cash Disbursements:			
Town Officers:			
Moderator, Election Officials, Ballots	1,750	1,600	150
Selectboard	6,300	5,100	1,200
	<u>8,050</u>	<u>6,700</u>	<u>1,350</u>
Town Clerk:			
Salary	41,405	41,405	-
Assistant	24,860	24,875	(15)
Supplies and Postage	1,500	1,483	17
Training	450	734	(284)
Taping Town Meeting	600	600	-
Recording Supplies	1,400	1,400	-
Copier/Computer/Office Furniture	1,900	1,801	99
Election Supplies/Postage	400	357	43
Animal Rabies Control Supplies	300	300	-
Vote Tabulator	2,375	1,903	472
	<u>75,190</u>	<u>74,858</u>	<u>332</u>
Treasurer:			
Town Treasurer Salary	3,985	3,985	-
Finance Officer	44,160	44,160	-
	<u>48,145</u>	<u>48,145</u>	<u>-</u>

(continued)

TOWN OF WILMINGTON, VERMONT
Schedule of Cash Receipts, Cash Disbursements and Changes in Fund Balance (Modified Cash Basis) -
Budget and Actual - General Fund (Continued)
Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements (continued):			
Listers:			
Assistant Salary	\$ 44,860	44,694	166
Lister Training	500	175	325
Lister's Salary/Expense	15,500	6,019	9,481
Mapping	2,500	-	2,500
Grievance Costs	5,000	1,135	3,865
Yearly Grand List Maintenance	13,000	9,800	3,200
Appraisal Supplies/Computer	1,750	889	861
Reappraisal - Commercial - Everett	2,000	1,000	1,000
	<u>85,110</u>	<u>63,712</u>	<u>21,398</u>
Town Manager:			
Salaries	73,000	69,000	4,000
Town Manager Expenses	1,000	1,353	(353)
Postage and Supplies	5,000	5,183	(183)
Official Meeting Expense	225	277	(52)
Mileage	250	-	250
	<u>79,475</u>	<u>75,813</u>	<u>3,662</u>
Administration:			
Administrative Secretary	35,425	31,889	3,536
Zoning Administrator	38,590	38,590	-
Receptionist	24,140	26,398	(2,258)
Reconciliation Analyst	250	145	105
Ads Non-Zoning	750	348	402
Computer Support/Equipment	6,000	2,859	3,141
Telephone	6,000	6,063	(63)
Tax Bills	3,000	3,555	(555)
Tax Sales	500	972	(472)
Training	1,500	1,415	85
Copier	2,500	2,216	284
Dog Warden Salary/Expense	-	852	(852)
Zoning Training/Expense	500	569	(69)
Zoning Advertising	300	838	(538)
Zoning Postage	50	110	(60)
	<u>119,505</u>	<u>116,819</u>	<u>2,686</u>

(continued)

TOWN OF WILMINGTON, VERMONT
Schedule of Cash Receipts, Cash Disbursements and Changes in Fund Balance (Modified Cash Basis) -
Budget and Actual - General Fund (Continued)
Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements (continued):			
Police Department:			
Chief's Salary	\$ 63,215	64,431	(1,216)
Sworn Payroll	184,305	161,986	22,319
COPS Grant	47,070	4,350	42,720
Part-time Payroll	6,000	13,471	(7,471)
Dispatcher	50,000	55,639	(5,639)
Overtime	17,800	25,876	(8,076)
Outside Employment	14,500	14,260	240
Cruiser Replacement	5,000	3,190	1,810
Cruiser Operation	26,500	24,936	1,564
Photo Equipment	100	-	100
Uniform Purchase	1,250	2,047	(797)
Uniform Maintenance	1,200	1,305	(105)
Firearm Ammunition	750	1,393	(643)
Radar	500	691	(191)
Telephone	4,800	6,116	(1,316)
Postage	600	382	218
Office Supplies	1,250	1,536	(286)
Office Equipment	250	1	249
Equipment Maintenance	1,750	4,835	(3,085)
Computer Hardware and Software	750	580	170
Statewide Record Database	8,000	4,013	3,987
Copier	1,250	1,462	(212)
Inservice Training	1,750	1,974	(224)
Training Aids and Materials	500	545	(45)
Community Awareness	150	212	(62)
Radio Maintenance	1,500	23	1,477
Equipment Replacement	1,500	83,668	(82,168)
Association Fees	250	200	50
Chief's Expense	400	318	82
Police Department Safety Compliance	250	90	160
Investigation Costs	750	261	489
Brattleboro Lockup	1,800	656	1,144
PD Alarm	300	300	-
Towing	200	-	200
Applicant Advertising	50	2,078	(2,028)
Asset Forfeiture Purchase	1,500	-	1,500
	<u>447,740</u>	<u>482,825</u>	<u>(35,085)</u>

(continued)

TOWN OF WILMINGTON, VERMONT
Schedule of Cash Receipts, Cash Disbursements and Changes in Fund Balance (Modified Cash Basis) -
Budget and Actual - General Fund (Continued)
Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements (continued):			
Fire Department:			
Chief's Salary	\$ 47,277	47,277	-
Assistant Chief's Salary	2,000	2,000	-
Labor	21,000	20,903	97
Officer's Salary	2,000	1,633	367
Emergency Op Center Personnel	1,000	-	1,000
Electricity	2,500	2,176	324
Telephone	2,150	2,414	(264)
Fire Fighter's Association	625	624	1
Administration	1,800	1,799	1
Training	4,500	2,226	2,274
Radio Maintenance	2,000	2,759	(759)
Code Compliance	500	-	500
Air Packs	3,500	1,897	1,603
Water Rent	1,000	1,116	(116)
Sewer Rent	350	325	25
Fire Alarm	300	180	120
Truck Maintenance	5,000	8,218	(3,218)
Gas and Oil	2,500	2,582	(82)
Building Maintenance	3,000	1,899	1,101
Extinguisher Recharge	300	249	51
Equipment (New & Replacement)	4,500	2,314	2,186
Helmet/Boot/Coat	3,500	2,412	1,088
Hose	1,600	132	1,468
Foam	350	324	26
Heating Oil	5,470	4,328	1,142
Fire Prevention Education	250	-	250
Travel Expense	2,000	1,160	840
Dispatch Assessment Wilmington	34,656	34,624	32
Dispatch Assessment Searsburg	4,204	4,172	32
FEMA Fire Grant - Hose	-	55,422	(55,422)
	<u>159,832</u>	<u>205,165</u>	<u>(45,333)</u>
Insurance:			
Employment Practices	4,000	2,427	1,573
Liability/Property/Auto	40,000	44,012	(4,012)
Public Officials Liability	3,000	1,373	1,627
Firemen's Disability	1,250	1,203	47
Worker's Compensation	27,000	25,120	1,880
	<u>75,250</u>	<u>74,135</u>	<u>1,115</u>

(continued)

TOWN OF WILMINGTON, VERMONT
Schedule of Cash Receipts, Cash Disbursements and Changes in Fund Balance (Modified Cash Basis) -
Budget and Actual - General Fund (Continued)
Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements (continued):			
Green Mountain Beach:			
Green Mountain Beach Mowing	\$ 1,000	1,040	(40)
Maintenance and Improvement	500	342	158
Toilets	1,225	1,469	(244)
	<u>2,725</u>	<u>2,851</u>	<u>(126)</u>
Health and Social Services:			
Town Nurse	14,708	14,963	(255)
Council on Aging	450	450	-
Hospice	113	113	-
Morningside	75	75	-
Health Care & Rehabilitation	155	155	-
R.S.V.P	400	400	-
Windham County Youth Service	300	300	-
Women's Crisis Center	750	750	-
Visiting Nurse Alliance	5,562	5,562	-
Gathering Place	250	250	-
SEVCA	1,500	1,500	-
Deerfield Valley Community Care	500	500	-
Windham County Humane Society	500	500	-
DV Food Pantry	500	500	-
Windham County Reads	500	500	-
Kids Country Day Care	4,185	4,185	-
DV Community Partnership	2,500	2,500	-
	<u>32,948</u>	<u>33,203</u>	<u>(255)</u>
Employee Benefits:			
Social Security	65,612	62,900	2,712
Health Care	200,825	184,891	15,934
Disability/Life Insurance	4,750	4,725	25
Retirement	37,900	35,653	2,247
Employment Security	500	4,850	(4,350)
Uniforms	-	(111)	111
	<u>309,587</u>	<u>292,908</u>	<u>16,679</u>
Grounds Keeper:	<u>6,500</u>	<u>6,235</u>	<u>265</u>

(continued)

TOWN OF WILMINGTON, VERMONT
Schedule of Cash Receipts, Cash Disbursements and Changes in Fund Balance (Modified Cash Basis) -
Budget and Actual - General Fund (Continued)
Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements (continued):			
Landfill:			
Operator	\$ 32,000	31,512	488
Management District Assessment	21,440	16,079	5,361
Electricity	1,300	1,281	19
Telephone	450	526	(76)
Post Closure Expense	5,250	2,729	2,521
Tire Recycling	750	292	458
Transportation Fees	14,000	-	14,000
Disposal & Containers	63,000	50,839	12,161
Maintenance/Improvements/Supplies	1,000	726	274
	<u>139,190</u>	<u>103,984</u>	<u>35,206</u>
Legal and Professional Fees:	<u>28,350</u>	<u>31,325</u>	<u>(2,975)</u>
Memorial Hall:			
Electricity	800	1,355	(555)
Water Rent	1,000	1,112	(112)
Sewer Rent	650	650	-
Maintenance	2,400	6,713	(4,313)
Grounds	900	469	431
Heat	4,500	7,267	(2,767)
Fire Alarm	1,300	1,006	294
Insurance	2,646	1,483	1,163
Cleaning/Janitorial	525	328	197
Advertising	3,000	4,301	(1,301)
	<u>17,721</u>	<u>24,684</u>	<u>(6,963)</u>
Planning Commission:			
Municipal Planning Grant	-	7,500	(7,500)
Windham Region	3,943	3,264	679
Zoning Rewrite	-	57	(57)
Manuals	50	-	50
Public Notice	200	-	200
Postage	50	-	50
Training Expenses	300	172	128
	<u>4,543</u>	<u>10,993</u>	<u>(6,450)</u>

(continued)

TOWN OF WILMINGTON, VERMONT
Schedule of Cash Receipts, Cash Disbursements and Changes in Fund Balance (Modified Cash Basis) -
Budget and Actual - General Fund (Continued)
Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements (continued):			
Library:			
Library	\$ -	3,797	(3,797)
Library Appropriation	103,830	103,830	-
	<u>103,830</u>	<u>107,627</u>	<u>(3,797)</u>
Memorial Day:	<u>400</u>	<u>400</u>	<u>-</u>
Recreation Commission:			
Elementary Program Director	2,215	2,282	(67)
Elementary Arts & Crafts Director	-	-	-
Elementary Counselors	3,000	2,270	730
MHS Program Directors	3,265	3,363	(98)
MHS Counselors	2,200	1,895	305
Adult and Junior Soccer	300	-	300
Elementary Programs	750	750	-
MHS Supplies	650	650	-
Drama Program	4,000	-	4,000
Deerfield Valley Farmers Day Association	4,425	4,425	-
Fireworks	7,750	7,750	-
Portable Toilets	3,750	4,114	(364)
Green-Up Day	75	(11)	86
Beautification Committee	16,282	15,475	807
Tennis Courts	750	111	639
Valley Youth Sports	7,200	7,200	-
Trails Expenditures	-	17,595	(17,595)
Playground Park	-	44	(44)
	<u>56,612</u>	<u>67,913</u>	<u>(11,301)</u>
Town Hall:			
Electricity	6,200	5,690	510
Heat	4,500	5,646	(1,146)
Supplies	1,550	1,986	(436)
Fire Alarm	1,100	680	420
Water Rent	2,000	1,215	785
Sewer Rent	900	860	40
Maintenance	6,000	3,698	2,302
Elevator	1,750	1,800	(50)
Janitorial and Carting	7,000	6,565	435
	<u>31,000</u>	<u>28,140</u>	<u>2,860</u>

(continued)

TOWN OF WILMINGTON, VERMONT

**Schedule of Cash Receipts, Cash Disbursements and Changes in Fund Balance (Modified Cash Basis) -
Budget and Actual - General Fund (Continued)
Year Ended June 30, 2013**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Cash Disbursements (continued):</i>			
<i>Select persons Contingency:</i>			
Grant Matching Funds	\$ 100,000	26,365	73,635
Miscellaneous	2,000	2,119	(119)
Economic Development	52,500	32,493	20,007
	<u>154,500</u>	<u>60,977</u>	<u>93,523</u>
<i>Other</i>			
Street Lights	11,750	12,135	(385)
Taxes - County Court	43,000	30,582	12,418
Town Reports	3,400	3,020	380
Vermont League of Cities and Towns Dues	2,893	2,893	-
Wilmington School District	200,000	200,000	-
Wilmington Water District	5,600	5,600	-
WWD Merger/Acquisition	-	2,939	(2,939)
Web Sites	600	502	98
Garage Bond	45,000	42,172	2,828
Transfer to Cemetery Fund	20,000	20,000	-
Police Special Fund Transfer	15,000	15,000	-
Memorial Hall Fund Capital Transfer	15,000	15,000	-
Fire Department Equipment	5,000	5,000	-
	<u>367,243</u>	<u>354,843</u>	<u>12,400</u>
<i>Total cash disbursements</i>	<u>2,353,446</u>	<u>2,274,255</u>	<u>79,191</u>
<i>Excess (deficiency) of cash receipts over cash disbursements</i>	\$ <u>-</u>	<u>303,729</u>	<u>303,729</u>

TOWN OF WILMINGTON, VERMONT
Schedule of Cash Receipts, Cash Disbursements and Changes in Fund Balance (Modified Cash Basis) -
Budget and Actual - Town Roads Fund
Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Tax Collections	\$ 1,155,020	1,155,020	-
State Aid	140,010	137,330	(2,680)
Grant Income	-	25,922	25,922
Permits	500	240	(260)
Interest Income	2,300	997	(1,303)
Other	800	-	(800)
Total cash receipts	<u>1,298,630</u>	<u>1,319,509</u>	<u>20,879</u>
Cash Disbursements:			
Salaries and Employee Benefits			
Salaries and Wages	352,500	353,348	(848)
Unscheduled Overtime	36,500	28,370	8,130
Social Security	29,760	27,807	1,953
Health Insurance	155,400	152,016	3,384
Disability Insurance	2,420	2,735	(315)
Retirement	19,450	19,062	388
Uniforms	3,900	2,720	1,180
Workers Comp	22,000	19,384	2,616
	<u>621,930</u>	<u>605,442</u>	<u>16,488</u>
Materials			
Culverts	11,750	9,641	2,109
Chloride	20,000	18,617	1,383
Gravel/Stone/Fabric-Misc	100,000	90,416	9,584
Resurfacing	185,000	181,747	3,253
Salt	46,000	51,386	(5,386)
Sand	70,000	51,000	19,000
Snow Removal	35,000	36,360	(1,360)
Sidewalks/Park n Ride	-	13,779	(13,779)
Signs	2,400	1,198	1,202
Stabilization/Fabric/Hay	1,500	291	1,209
	<u>471,650</u>	<u>454,435</u>	<u>17,215</u>

(continued)

TOWN OF WILMINGTON, VERMONT
Schedule of Cash Receipts, Cash Disbursements and Changes in Fund Balance (Modified Cash Basis) -
Budget and Actual - Town Roads Fund (Continued)
Year Ended June 30, 2013

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements (continued):			
Equipment			
Maintenance to Equipment	\$ 50,500	124,321	(73,821)
Fuel	70,000	60,886	9,114
Rental/Contracted	13,500	13,407	93
Training	900	210	690
	<u>134,900</u>	<u>198,824</u>	<u>(63,924)</u>
Garage			
Electricity	2,700	3,303	(603)
Tools & Supplies	18,500	20,779	(2,279)
Personal Protective Equip	1,000	1,769	(769)
Telephone	1,750	2,449	(699)
Insurance - Vehicles/Bldg	18,000	20,580	(2,580)
Computer/Office Supplies	150	88	62
Water Rent	300	868	(568)
Sewer Rent	875	876	(1)
Bldg/Maint/Improvements	-	1,378	(1,378)
Fire Alarm	1,000	500	500
Heating	10,000	1,139	8,861
Pagers	875	829	46
	<u>55,150</u>	<u>54,558</u>	<u>592</u>
Miscellaneous			
Bridge Rehab CH	10,000	10,000	-
TRE Appropriation	5,000	5,000	-
	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total cash disbursements	<u>1,298,630</u>	<u>1,328,259</u>	<u>(29,629)</u>
Excess (deficiency) of cash receipts over cash disbursements	\$ <u>-</u>	<u>(8,750)</u>	<u>(8,750)</u>

TOWN OF WILMINGTON, VERMONT
 Schedule of Expenditures of Federal Awards
 For the Year Ended June 30, 2013

Schedule 3

Federal Grant/Program Title	CFDA Number	Grant Number	Expenditures
<u>United States Department of Agriculture</u>			
Community Facilities Loans and Grants	10.923	69-1644-12-72	\$ 78,816
Total U.S. Department of Agriculture			<u>78,816</u>
<u>United States Department of Justice</u>			
COPS Hiring Recovery Program	16.710	2009RKWX0872	4,350
Total U.S. Department of Justice			<u>4,350</u>
<u>United States Department of Transportation</u>			
Passed through Vermont Department of Public Safety:			
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	02140-1113-5038	754
Minimum Penalties for Repeat Offenders for Driving While Intoxicated	20.608	02140-1213-2140	3,828
Total U.S. Department of Transportation			<u>4,582</u>
<u>United States Department of Homeland Security</u>			
Passed through Vermont Agency of Transportation:			
Disaster Grants - Public Assistance	97.036	08131-FE0576	538,882
Passed through Vermont Department of Public Safety:			
Hazard Mitigation Grant	97.390	02140-34000-031	1,505
Hazard Mitigation Grant	97.390	02140-34000MC-031	502
			<u>2,007</u>
Assistance to Firefighters Grant	97.044	EMW-2011-FO-02336	55,422
Homeland Security Grant Program	97.067	02140-70264V-112	70,000
Homeland Security Grant Program	97.067	02140-78252-053	9,977
			<u>79,977</u>
Total U.S. Department of Homeland Security			<u>676,288</u>
Total Expenditures of Federal Awards			<u>\$ 764,036</u>



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

To the Select Board
Town of Wilmington, Vermont

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Town of Wilmington, Vermont, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Town of Wilmington, Vermont's basic financial statements, and have issued our report thereon dated March 4, 2014.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Town of Wilmington, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Love, Cody & Company, CPAs, P.C.

March 4, 2014

Vt. Reg. #357

Love, Cody & Company, CPAs



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133**

To the Select Board
Town of Wilmington, Vermont

Report on Compliance for Each Major Federal Program

We have audited Town of Wilmington, Vermont's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Town of Wilmington, Vermont's major federal programs for the year ended June 30, 2013. Town of Wilmington, Vermont's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Town of Wilmington, Vermont's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Town of Wilmington, Vermont's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of Town of Wilmington, Vermont's compliance.

Opinion on Each Major Federal Program

In our opinion, Town of Wilmington, Vermont, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2013.

Report on Internal Control Over Compliance

Management of Town of Wilmington, Vermont, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Town of Wilmington, Vermont's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Town of Wilmington, Vermont's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Love, Cody & Company, CPAs, P.C.

March 4, 2014

Vt. Reg. #357

Love, Cody & Company, CPAs

TOWN OF WILMINGTON, VERMONT
Summary Schedule of Prior Audit Findings
Year Ended June 30, 2013

U.S. Department of Homeland Security

Finding 12-2 Disaster Grants – Public Assistance

Condition: This finding was a significant deficiency stating that prior to the commencement of work, the Town did not obtain a certification or verify that the contractors working on the FEMA projects were not suspended or debarred.

Recommendation: The auditor recommended that the Town implement controls over suspension and debarment including ensuring that all documentation is maintained.

Current Status: The recommendation was adopted in March 2013. No similar findings were noted in the 2013 audit.

Finding 12-3 Schedule of Expenditures of Federal Awards

Condition: This finding was a significant deficiency stating that internal controls over the data utilized to prepare the Schedule of Expenditures of Federal Awards are inadequately designed. The Town prepared a Schedule of Federal Awards, however, there were several errors resulting in adjustments to the schedule.

Recommendation: The auditor recommended that the Town implement procedures to ensure that the data utilized to prepare the Schedule of Expenditures of Federal Awards is accurate

Current Status: The recommendation was adopted in March 2013. No similar findings were noted in the 2013 audit.

TOWN OF WILMINGTON, VERMONT
Schedule of Findings and Questioned Costs
Year Ended June 30, 2013

Summary of Auditor's Results:

1. The auditors' report expresses an unqualified opinion on the financial statements of Town of Wilmington, Vermont.
2. No instances of noncompliance material to the financial statements of Town of Wilmington, Vermont, which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
3. The auditors' report on compliance for the major federal award programs for Town of Wilmington, Vermont expresses an unqualified opinion on the major federal programs.
4. No reportable conditions relating to the audit of the major federal award program are reported in the *Report on Compliance with Requirements That Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133*.
5. There are no audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133.
6. The program tested as a major program for the year ended June 30, 2013 was:

FEMA Disaster Relief (CFDA 97.036).
7. The threshold used for distinguishing between Type A and B programs was \$300,000.
8. Town of Wilmington, Vermont did not qualify as a low-risk auditee.