

**TOWN OF WILMINGTON, VERMONT**  
**Financial Statements and Schedules**  
**June 30, 2020**  
**(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, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to 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, 2020, 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 management's discussion and analysis on pages 3-8, the budgetary comparison information pages 36-46 and the pension disclosures on page 47, 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 30, 2021 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.

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

March 30, 2021

Vt. Reg. #357

Love, Cody & Company, CPAs

**TOWN OF WILMINGTON, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2020**

The management's discussion and analysis of the Town of Wilmington, Vermont's financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2020. It focuses on the year-end results and provides an objective analysis of the various funds the Town operates in the conduct of its business from a management perspective. It discusses both the government-wide and fund-based financial statements. Please read it in conjunction with the Town's financial statements, which immediately follow this section.

**FINANCIAL HIGHLIGHTS**

Government-wide financial statements:

- The Town's combined net position was \$11,479,536 at June 30, 2020, a decrease of \$128,470 from last year.
- Net position of the governmental activities amounted to \$7,939,672, while net position attributable to business-type activities was \$3,539,864.

Fund financial statements:

- The Town's governmental funds reported total fund balances of \$2,499,619. The general fund ended the fiscal year with a fund balance of \$281,876, of which \$241,845 was unassigned.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of this report consists of three parts: Managements' Discussion and Analysis (this section), the basic financial statements, and additional required supplementary information. The basic financial statements include two kinds of statements that present different views of the Town. The Statement of Net Assets and the Statement of Activities provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements for governmental activities tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Government-wide Financial Statements

The Statement of Net Assets and the Statement of Activities are also referred to as the Government-wide financial statements. These statements report information about the Town and its activities as a whole. These statements include all assets and liabilities using the modified cash basis of accounting.

These two statements report the Town's net position and changes in net position. You can think of the Town's net position - the difference between assets and liabilities - as one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's roads, to assess the overall health of the Town.

The Statement of Net Position and the Statement of Activities, report two kinds of activities:

- Governmental activities - Most of the Town's basic services are reported here, including general administration, public safety, highways and streets, community development, and culture and recreation.
- Business-type activities - The Town charges a fee to customers to help it cover all or most of the cost of certain services it provides. The Town's sewer system is reported here.

**TOWN OF WILMINGTON, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2020**

Fund Financial Statements

The remaining statements are fund financial statements that focus on individual parts of the Town, reporting the Town's operations in more detail than the Town-wide statements.

- The Governmental Funds - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using the modified cash basis of accounting. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The differences between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds are reconciled in the schedules following each of the governmental fund financial statements.
- The Proprietary Fund - When the Town charges customers for the services it provides -whether to outside customers or to other units of the Town - these services are generally reported in Proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the Town's General Fund budget to reported results for the year. The following table summarizes the major features of the Town's financial statements, including the portion of the Town's activities they cover and the types of information they contain.

**Major Features of the Government-Wide and Fund Financial Statements**

	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire Town (except fiduciary funds)	The activities of the Town that are not proprietary or fiduciary. Includes general fund and special revenue funds.	The activities of the Town for which a fee is charged to external users (such as wastewater treatment activities).
Required financial statements	- Statement of net position - modified cash basis  - Statement of activities - modified cash basis	- Statement of assets, liabilities and fund balances - modified cash basis  - Statement of cash receipts, cash disbursements, and changes in fund balances - modified cash basis	- Statement of net position - modified cash basis  - Statement of cash receipts, cash disbursements, and changes in net position - modified cash basis
Accounting basis and measurement focus	Modified cash basis of accounting and economic resources measurement focus	Modified cash basis of accounting and current financial resources measurement focus	Modified cash basis of accounting and economic resources measurement focus
Type of asset/liability information	All assets and liabilities arising from cash transactions, both financial and capital, short-term and long-term	Generally, assets and liabilities arising from cash transactions; no capital assets or long-term liabilities included	All assets and liabilities arising from cash transactions, both financial and capital, short-term and long-term

**TOWN OF WILMINGTON, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2020**

**FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE**

This section summarizes information and data as related to the Statements of Net Position as of June 30, 2020 and 2019 and the Statements of Activities for the years then ended.

**Government-Wide Statements**

The Town's combined net position decreased by \$128,470 to \$11,479,536 at June 30, 2020. Our analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental and business-type activities.

**Table 1  
Net Assets  
(in Thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 2,512	2,480	69	75	2,581	2,555
Capital assets	6,279	6,382	4,913	5,075	11,192	11,457
Total assets	<u>8,791</u>	<u>8,862</u>	<u>4,982</u>	<u>5,150</u>	<u>13,773</u>	<u>14,012</u>
Deferred outflows of resources	312	358	-	-	312	358
Total assets and deferred outflows	<u>9,103</u>	<u>9,220</u>	<u>4,982</u>	<u>5,150</u>	<u>14,085</u>	<u>14,370</u>
Current liabilities	180	231	42	40	222	271
Long-term liabilities	924	1,029	1,400	1,441	2,324	2,470
Total liabilities	<u>1,104</u>	<u>1,260</u>	<u>1,442</u>	<u>1,481</u>	<u>2,546</u>	<u>2,741</u>
Deferred inflows of resources	59	17	-	-	59	17
Total liabilities and deferred inflows	<u>1,163</u>	<u>1,277</u>	<u>1,442</u>	<u>1,481</u>	<u>2,605</u>	<u>2,758</u>
Net position:						
Invested in capital assets, net of debt	5,992	5,924	3,472	3,593	9,464	9,517
Restricted	156	156	-	-	156	156
Unrestricted	1,792	1,863	68	76	1,860	1,939
Total net position	<u>\$ 7,940</u>	<u>7,943</u>	<u>3,540</u>	<u>3,669</u>	<u>11,480</u>	<u>11,612</u>

The Town's capital assets (Table 1), such as infrastructure, buildings and equipment, less outstanding debt used to acquire them, amounted to \$9.5 million at June 30, 2020 and 2019. These assets represent the largest portion of the Town's net assets. Although the \$9.5 million of the Town's net capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

At June 30, 2020, net assets of \$156 thousand (Table 1) have been restricted by the voters or sources external to the Town to be used for specific purposes. Approximately \$1.8 million of the Town's combined net position is unrestricted.

**TOWN OF WILMINGTON, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2020**

**Table 2  
Changes in Net Position  
(in Thousands)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
<b>Revenues:</b>						
Program revenues:						
Charges for services	\$ 325	286	319	348	644	634
Grants and contributions	282	416	-	14	282	430
General revenues:						
Property taxes	4,087	4,018	-	-	4,087	4,018
Other general revenues	729	448	1	1	730	449
Total revenues	<u>5,423</u>	<u>5,168</u>	<u>320</u>	<u>363</u>	<u>5,743</u>	<u>5,531</u>
<b>Program expenses:</b>						
General government	1,995	1,826	-	-	1,995	1,826
Highways and roads	2,175	1,865	-	-	2,175	1,865
Public safety	770	762	-	-	770	762
Culture and recreation	233	267	-	-	233	267
Cemeteries	40	43	-	-	40	43
Solid waste disposal	168	181	-	-	168	181
Interest on long-term debt	11	15	-	-	11	15
Sewer	-	-	479	470	479	470
Total expenses	<u>5,392</u>	<u>4,959</u>	<u>479</u>	<u>470</u>	<u>5,871</u>	<u>5,429</u>
<b>Excess (deficiency) before transfers and adjustments</b>	31	209	(159)	(107)	(128)	102
Transfers	5	5	(5)	(5)	-	-
<b>Increase (decrease) in net position</b>	<u>\$ 36</u>	<u>214</u>	<u>(164)</u>	<u>(112)</u>	<u>(128)</u>	<u>102</u>

Net position of the Town's governmental activities (Table 2) increased by approximately 0.5% or \$36 thousand as reported in Table 2 for the year ended June 30, 2020, including net operating transfers from business-type activities of \$4,750.

The net position related to business-type activities decreased by approximately \$164 thousand for the year ended June 30, 2020.



**TOWN OF WILMINGTON, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2020**

**Table 3  
Governmental Activities  
(in Thousands)**

	2020		2019	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 1,995	1,701	1,826	1,562
Highways and roads	2,175	2,034	1,865	1,585
Public safety	770	690	762	684
Culture and recreation	233	233	267	267
Cemeteries	40	40	43	43
Solid waste disposal	168	76	181	101
Interest on long-term debt	11	11	15	15
	<u>\$ 5,392</u>	<u>4,785</u>	<u>4,959</u>	<u>4,257</u>

The costs of providing governmental services (Table 3) amounted to approximately \$5.4 and \$5.0 million for the years ended June 30, 2020 and 2019, respectively. The cost of providing services is offset by charges for services and program-specific operating and capital grants, resulting in a net cost of services amounting to approximately \$4.8 and \$4.3 million for the years ended June 30, 2020 and 2019. The net cost of services is funded by property taxes, investment earnings and grants and contributions not restricted to specific programs.

**Table 4  
Capital Assets at Year-end  
(Net of Depreciation, in Thousands)**

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Land and antiques/art	\$ 253	253	2	2	255	255
Buildings and improvements	1,217	1,257	1,973	2,052	3,190	3,309
Infrastructure	2,361	2,538	-	-	2,361	2,538
Office equipment and software	39	27	15	16	54	43
Vehicles and equipment	2,408	2,307	233	250	2,641	2,557
Collection and treatment sys.	-	-	2,689	2,754	2,689	2,754
Totals	<u>\$ 6,278</u>	<u>6,382</u>	<u>4,912</u>	<u>5,074</u>	<u>11,190</u>	<u>11,456</u>

The Town recently completed a 2.5 million dollar capital refurbishment project at the Wastewater Treatment Plant. The Project included the construction of a new primary treatment building, the demolition of the old building, adding state-of-the-art biological contactors, and other equipment, the refurbishment of a second building, all new electrical controls, new heating and ventilation systems, and a new backup generator.

**TOWN OF WILMINGTON, VERMONT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended June 30, 2020**

**Table 5  
Outstanding Debt, at Year-end  
(in Thousands)**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total Primary Government</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
General obligation bonds	\$ 60	95	-	-	60	95
Capital improvement note	178	266	-	-	178	266
USDA Rural Development	-	-	1,441	1,481	1,441	1,481
<b>Totals</b>	<b>\$ 238</b>	<b>361</b>	<b>1,441</b>	<b>1,481</b>	<b>1,679</b>	<b>1,842</b>

**FINANCIAL ANALYSIS OF THE TOWN'S FUNDS**

This year, as was true for the previous three (3) fiscal years, the Town's financial position shows overall stability in its total net position. Management was able to maintain this status by making the decision to withhold the "school user fee". This decision was made in conjunction with management's postponement of a tax sale for this year, because of the corona virus global pandemic and the impact it had on local businesses and tax payers.

Over the past year, it was well reported by the media that members of The Hermitage Club at Haystack Mountain filed for a Chapter 7 bankruptcy (involuntary) to proceed in Federal Bankruptcy Court in Vermont; ultimately the Hermitage Club was auctioned and purchased by the newly formed Hermitage Members Club, Inc. (HMC) for \$8,060,000. While there had been uncertainty as to the future of the Hermitage at Haystack Ski Mountain, management is confident that HMC is in a strong position to revive and grow as a private ski club.

In March 2020, voter approval was granted to appropriate \$221,000 to move the Public Safety Facility Project from the feasibility phase into the design phase and develop construction documents for general construction bidding. The need to replace Police and Fire Department buildings is documented in the Town Plan with the goal to relocate town services out of the floodplain and to protect town infrastructure.

**CONTACTING THE TOWN'S FINANCIAL MANAGEMENT**

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the finances of the Town and to demonstrate the Town's accountability with the funds it receives. If you have any questions about this report or need any additional financial information, please contact:

Mr. Scott Tucker, Town Manager  
2 East Main Street  
Wilmington, VT 05363

**TOWN OF WILMINGTON, VERMONT**  
**Statement of Net Position - Modified Cash Basis**  
**June 30, 2020**

Exhibit A

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>Assets:</b>			
Cash	\$ 2,446,440	85,641	2,532,081
Investments	49,415	-	49,415
Internal balances	16,396	(16,396)	-
<b>Capital assets:</b>			
Land	252,077	1,550	253,627
Antiques and works of art	1,200	-	1,200
Other capital assets, net of accumulated depreciation	6,025,149	4,910,861	10,936,010
<b>Total assets</b>	<b>8,790,677</b>	<b>4,981,656</b>	<b>13,772,333</b>
<b>Deferred outflows of financial resources:</b>			
VMERS pension plan	312,269	-	312,269
<b>Total assets and deferred outflows of financial resources</b>	<b>\$ 9,102,946</b>	<b>4,981,656</b>	<b>14,084,602</b>
<b>Liabilities:</b>			
Due to State of Vermont	\$ 4,557	-	4,557
Sewer credits	-	1,089	1,089
Due to Fiduciary Funds	8,075	-	8,075
<b>Capital lease obligation:</b>			
Due within one year	49,059	-	49,059
<b>Notes and bonds payable:</b>			
Due within one year	118,000	41,309	159,309
Due in more than one year	119,600	1,399,394	1,518,994
Net pension liability	804,374	-	804,374
<b>Total liabilities</b>	<b>1,103,665</b>	<b>1,441,792</b>	<b>2,545,457</b>
<b>Deferred inflows of financial resources:</b>			
VMERS pension plan	59,609	-	59,609
<b>Total liabilities and deferred inflows of financial resources</b>	<b>\$ 1,163,274</b>	<b>1,441,792</b>	<b>2,605,066</b>
<b>Net position:</b>			
Invested in capital assets, net of related debt	\$ 5,991,767	3,471,708	9,463,475
Restricted	155,483	-	155,483
Unrestricted	1,792,422	68,156	1,860,578
<b>Total net position</b>	<b>\$ 7,939,672</b>	<b>3,539,864</b>	<b>11,479,536</b>

See accompanying notes to financial statements.

**TOWN OF WILMINGTON, VERMONT**  
**Statement of Activities - Modified Cash Basis**  
**June 30, 2020**

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
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 1,994,889	194,286	99,626	-	(1,700,977)	-	(1,700,977)
Highways and roads	2,174,571	30	140,465	-	(2,034,076)	-	(2,034,076)
Public safety	770,286	38,976	36,755	4,859	(689,696)	-	(689,696)
Culture and recreation	233,359	-	-	-	(233,359)	-	(233,359)
Cemeteries	40,226	-	-	-	(40,226)	-	(40,226)
Solid waste disposal	167,444	91,993	-	-	(75,451)	-	(75,451)
Interest on long-term debt	11,360	-	-	-	(11,360)	-	(11,360)
<b>Total governmental activities</b>	<b>5,392,135</b>	<b>325,285</b>	<b>276,846</b>	<b>4,859</b>	<b>(4,785,145)</b>	<b>-</b>	<b>(4,785,145)</b>
<b>Business-type activities:</b>							
Sewer	479,165	318,627	-	-	-	(160,538)	(160,538)
<b>Total business-type activities</b>	<b>479,165</b>	<b>318,627</b>	<b>-</b>	<b>-</b>	<b>(160,538)</b>	<b>(160,538)</b>	<b>(160,538)</b>
<b>Total primary government</b>	<b>\$ 5,871,300</b>	<b>643,912</b>	<b>276,846</b>	<b>4,859</b>	<b>(4,785,145)</b>	<b>(160,538)</b>	<b>(4,945,683)</b>
<b>General revenues:</b>							
Property taxes					4,086,823	-	4,086,823
Interest and penalties on delinquent taxes					134,791	-	134,791
Payment in lieu of taxes					13,227	-	13,227
Local options tax					283,506	-	283,506
Investment earnings					38,235	853	39,088
Miscellaneous					259,778	-	259,778
Transfers					4,750	(4,750)	-
<b>Total general revenues and transfers</b>					<b>4,821,110</b>	<b>(3,897)</b>	<b>4,817,213</b>
<b>Change in net position</b>					<b>35,965</b>	<b>(164,435)</b>	<b>(128,470)</b>
<b>Net position - beginning</b>					<b>7,903,707</b>	<b>3,704,299</b>	<b>11,608,006</b>
<b>Net position - ending</b>					<b>\$ 7,939,672</b>	<b>3,539,864</b>	<b>11,479,536</b>

See accompanying notes to financial statements.

**TOWN OF WILMINGTON, VERMONT**  
**Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis**  
**Governmental Funds**  
**June 30, 2020**

	General Fund	Town Roads Fund	Other Governmental Funds	Total Governmental Funds
<b>Assets:</b>				
Cash and cash equivalents	\$ 2,277,805	-	168,635	2,446,440
Investments	-	-	49,415	49,415
Due from other funds	-	169,043	1,830,650	1,999,693
<b>Total assets</b>	<b>\$ 2,277,805</b>	<b>169,043</b>	<b>2,048,700</b>	<b>4,495,548</b>
<b>Liabilities:</b>				
Due to State of Vermont	\$ 4,557	-	-	4,557
Due to other funds	1,991,372	-	-	1,991,372
<b>Total liabilities</b>	<b>1,995,929</b>	<b>-</b>	<b>-</b>	<b>1,995,929</b>
<b>Fund Balances:</b>				
Nonspendable	\$ -	-	430	430
Restricted	-	-	155,053	155,053
Committed	-	-	874,024	874,024
Assigned	40,031	-	907,990	948,021
Unassigned	241,845	169,043	111,203	522,091
<b>Total fund balances</b>	<b>281,876</b>	<b>169,043</b>	<b>2,048,700</b>	<b>2,499,619</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,277,805</b>	<b>169,043</b>	<b>2,048,700</b>	<b>4,495,548</b>

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, 2020**

Exhibit D

Total fund balances - governmental funds (from page 11)	\$ 2,499,619
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	6,278,426
Deferred outflows of financial resources related to pension activities are not recognized in the funds	312,269
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(1,091,033)
Deferred inflows of financial resources related to pension activities are not recognized in the funds	(59,609)
Net position of governmental activities (page 9)	<u>\$ 7,939,672</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, 2020**

	General Fund	Town Roads Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>				
Property taxes	\$ 2,338,861	1,747,962	-	4,086,823
Penalties, interest and collection costs of delinquent taxes	134,791	-	-	134,791
Intergovernmental	256,505	348,915	317,312	922,732
Charges for services	132,936	-	-	132,936
Investment income	20,950	1,808	15,477	38,235
Licenses and permits	61,350	30	-	61,380
Donations	-	-	100	100
Other	9,753	-	36,599	46,352
<b>Total revenues</b>	<b>2,955,146</b>	<b>2,098,715</b>	<b>369,488</b>	<b>5,423,349</b>
<b>Expenditures:</b>				
General government	1,326,601	-	544,668	1,871,269
Highways and streets	142,907	1,702,689	-	1,845,596
Public safety	709,916	-	279	710,195
Culture and recreation	210,667	-	-	210,667
Cemeteries	-	-	40,226	40,226
Transfer station	166,132	-	-	166,132
Capital outlay:				
General government	-	-	8,992	8,992
Highways and streets	-	-	253,132	253,132
Public safety	-	-	1,688	1,688
Culture and recreation	-	-	18,901	18,901
Debt service:				
Principal	123,800	-	46,901	170,701
Interest	9,154	-	3,272	12,426
<b>Total expenditures</b>	<b>2,689,177</b>	<b>1,702,689</b>	<b>918,059</b>	<b>5,309,925</b>
<b>Excess (deficiency) of cash receipts over cash disbursements</b>	<b>265,969</b>	<b>396,026</b>	<b>(548,571)</b>	<b>113,424</b>
<b>Other financing sources (uses):</b>				
Operating transfers in (out)	(496,702)	(265,000)	766,452	4,750
<b>Total other financing sources (uses)</b>	<b>(496,702)</b>	<b>(265,000)</b>	<b>766,452</b>	<b>4,750</b>
<b>Net change in fund balances</b>	<b>(230,733)</b>	<b>131,026</b>	<b>217,881</b>	<b>118,174</b>
<b>Fund balance, July 1, 2019</b>	<b>512,609</b>	<b>38,017</b>	<b>1,830,819</b>	<b>2,381,445</b>
<b>Fund balance, June 30, 2020</b>	<b>\$ 281,876</b>	<b>169,043</b>	<b>2,048,700</b>	<b>2,499,619</b>

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, 2020**

Exhibit F

Net change in fund balances - total governmental funds (from page 13)	\$	118,174
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 depreciation exceeded capital outlays in the current period.		(103,500)
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.		171,767
The change in the net pension liability and related deferred inflows and deferred outflows of financial resources is not recognized in the funds		(150,476)
Change in net assets of governmental activities (page 10)	\$	<u>35,965</u>

See accompanying notes to financial statements.



**TOWN OF WILMINGTON, VERMONT**  
**Statement of Net Position - Modified Cash Basis**  
**Proprietary Fund**  
**June 30, 2020**

	<b>Sewer Fund</b>
<b>Assets:</b>	
Current assets:	
Cash	\$ 85,641
<b>Total current assets</b>	<b>85,641</b>
Capital assets:	
Property, plant and equipment (net of accumulated depreciation)	4,912,411
<b>Total non-current assets</b>	<b>4,912,411</b>
<b>Total assets</b>	<b>\$ 4,998,052</b>
<b>Liabilities:</b>	
Due to other funds	\$ 16,396
Sewer credits	1,089
Current portion of notes payable	41,309
	<b>58,794</b>
Notes payable, less current portion	1,399,394
<b>Total liabilities</b>	<b>1,458,188</b>
<b>Net position:</b>	
Invested in capital assets, net of related debt	3,471,708
Unrestricted	68,156
<b>Total net position</b>	<b>3,539,864</b>
<b>Total liabilities and net position</b>	<b>\$ 4,998,052</b>

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, 2020**

	<b>Sewer Fund</b>
<b>Operating receipts:</b>	
Sewer rents	\$ 312,332
Penalties and interest on delinquents	5,789
Fees	456
Other	50
<b>Total operating receipts</b>	<b>318,627</b>
<b>Operating disbursements:</b>	
Wages and benefits	190,128
Operations and Maintenance	51,241
Utilities	39,961
Depreciation	164,736
<b>Total operating expenses</b>	<b>446,066</b>
<b>Operating loss</b>	<b>(127,439)</b>
<b>Nonoperating receipts (disbursements):</b>	
USDA Grant	-
State Grant	-
Interest income	853
Interest expense	(33,099)
Loss on disposal of asset	-
<b>Total nonoperating receipts</b>	<b>(32,246)</b>
<b>Income before transfers</b>	<b>(159,685)</b>
Transfers to General Fund	(4,750)
	(4,750)
<b>Change in modified cash basis net position</b>	<b>(164,435)</b>
<b>Total net position - beginning</b>	<b>3,704,299</b>
<b>Total net position - ending</b>	<b>\$ 3,539,864</b>

See accompanying notes to financial statements.

**TOWN OF WILMINGTON, VERMONT**  
**Statement of Fiduciary Net Position - Modified Cash Basis**  
**Fiduciary Funds**  
**June 30, 2020**

	<b>Health Trust Fund</b>	<b>Agency Funds</b>
<b>Assets:</b>		
Cash	\$ 3,507	-
Deposits	16,105	-
Due from other funds	-	55,886
<b>Total assets</b>	<b>\$ 19,612</b>	<b>55,886</b>
<b>Liabilities</b>		
Due to taxpayers	\$ -	55,886
Due to other funds	47,811	-
<b>Total liabilities</b>	<b>\$ 47,811</b>	<b>55,886</b>
<b>Fiduciary net position</b>	<b>\$ (28,199)</b>	

See accompanying notes to financial statements.

**TOWN OF WILMINGTON, VERMONT**  
**Statement of Cash Receipts, Cash Disbursements, and**  
**Changes in Fiduciary Net Position - Modified Cash Basis**  
**Year Ended June 30, 2020**

	<b>Health Trust Fund</b>
<b>Receipts:</b>	
Employer contributions	\$ -
Member contributions	4,675
<b>Total receipts</b>	<b>4,675</b>
<b>Disbursements:</b>	
Benefits paid	25,860
Administrative expense	8
<b>Total disbursements</b>	<b>25,868</b>
<b>Change in modified cash basis fiduciary net position</b>	<b>(21,193)</b>
<b>Total net position - beginning</b>	<b>(10,693)</b>
<b>Total net position - ending</b>	<b>\$ (31,886)</b>

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. The 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.

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 one major Special Revenue Fund: the Town Roads Fund.

##### **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.

(continued)

# TOWN OF WILMINGTON, VERMONT

## Notes to Financial Statements

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

#### (b) **Basis of Presentation (continued)**

**Fiduciary Funds** - These funds account for monies maintained for the health care flex plan (trust fund) and excess tax sale monies (agency fund).

#### (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.

#### (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.

(continued)

# TOWN OF WILMINGTON, VERMONT

## Notes to Financial Statements

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

#### *(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 appointed and consisted of the following at June 30, 2020:

Cash:	
Deposits with Financial Institutions	\$ <u>2,535,588</u>
Investments:	
Certificates of Deposit	34,648
Money Market Mutual Funds	<u>14,767</u>
Total Investments	<u>49,415</u>
Total Cash and Investments	\$ <u><u>2,585,003</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	\$ 527,828	\$ 527,828
Uninsured, Collateralized by U.S. Government Securities Held by the Bank's Trust Department with a Security Interest Granted to the Town	<u>2,042,408</u>	<u>2,144,874</u>
Total Cash and Certificates of Deposit	<u>\$ 2,570,236</u>	<u>\$ 2,672,702</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	\$ 2,535,588
Investments - Certificates of Deposit	<u>34,648</u>
Total	<u>\$ 2,570,236</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
<b>Governmental Activities</b>				
Land	\$ 252,077	-	-	252,077
Construction in Progress	-	-	-	-
Antiques and Works of Art	1,200	-	-	1,200
Buildings	2,112,754	15,380	-	2,128,134
Infrastructure	4,234,023	-	-	4,234,023
Office Equipment and Software	195,930	17,099	-	213,029
Vehicles and Equip. - General	7,499	-	-	7,499
Vehicles and Equip. - Roads	2,154,026	241,100	-	2,395,126
Vehicles and Equip. - Police Department	297,321	49,069	-	346,390
Vehicles and Equip. - Fire Department	1,428,475	-	(129,782)	1,298,693
Vehicles and Equip. - Culture and Recreation	147,351	-	-	147,351
Vehicles and Equip. - Solid Waste Disposal	10,500	-	-	10,500
<b>Total Assets</b>	<b>10,841,156</b>	<b>322,648</b>	<b>(129,782)</b>	<b>11,034,022</b>
Less: Accumulated Depreciation				
Buildings	(856,275)	(55,047)	-	(911,322)
Infrastructure	(1,695,825)	(177,358)	-	(1,873,183)
Office Equipment and Software	(168,991)	(5,089)	-	(174,080)
Vehicles and Equip. - General	(6,555)	(119)	-	(6,674)
Vehicles and Equip. - Roads	(789,886)	(79,986)	-	(869,872)
Vehicles and Equip. - Police Department	(210,127)	(31,320)	-	(241,447)
Vehicles and Equip. - Fire Department	(695,665)	(67,999)	129,782	(633,882)
Vehicles and Equip. - Culture and Recreation	(32,842)	(7,918)	-	(40,760)
Vehicles and Equip. - Solid Waste Disposal	(3,064)	(1,312)	-	(4,376)
<b>Total Accumulated Depreciation</b>	<b>(4,459,230)</b>	<b>(426,148)</b>	<b>129,782</b>	<b>(4,755,596)</b>
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 6,381,926</b>	<b>(103,500)</b>	<b>-</b>	<b>6,278,426</b>
<b>Business-Type Activities</b>				
Land	\$ 1,550	-	-	1,550
Office Equipment	33,753	-	-	33,753
Buildings and Buildings Improvements	2,381,098	-	-	2,381,098
Vehicles and Equipment	705,439	2,827	-	708,266
Collection and Treatment System	3,959,802	-	-	3,959,802
<b>Total</b>	<b>7,081,642</b>	<b>2,827</b>	<b>-</b>	<b>7,084,469</b>
Less: Accumulated Depreciation				
Office Equipment	(18,145)	(809)	-	(18,954)
Buildings and Buildings Improvements	(328,604)	(79,334)	-	(407,938)
Vehicles and Equipment	(454,886)	(19,711)	-	(474,597)
Collection and Treatment System	(1,205,687)	(64,882)	-	(1,270,569)
<b>Total Accumulated Depreciation</b>	<b>(2,007,322)</b>	<b>(164,736)</b>	<b>-</b>	<b>(2,172,058)</b>
<b>Business-Type Activities Capital Assets, Net</b>	<b>\$ 5,074,320</b>	<b>(161,909)</b>	<b>-</b>	<b>4,912,411</b>

(continued)

**TOWN OF WILMINGTON, VERMONT**

**Notes to Financial Statements**

**(4) Capital Assets (continued)**

Depreciation was charged as follows:

Governmental Activities:	
General government	\$ 20,149
Highways and streets	278,044
Public safety	107,472
Culture and recreation	19,171
Solid waste disposal	1,312
	\$ 426,148
Business-type Activities:	
Sewer	\$ 164,736

**(5) Internal Balances**

Internal balances at June 30, 2020 consisted of the following:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ -	1,991,372
Town Roads Fund	169,043	-
Other Governmental Funds	1,830,650	-
Sewer Fund	-	16,396
Agency Fund - Tax Sale Fund	55,886	-
Agency Fund - Health Care Flex Plan Fund	-	47,811
Total	\$ 2,055,579	2,055,579

Internal transfers for the year ended June 30, 2020 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Cemetery Fund	\$ 38,000	Annual contribution
General Fund	Fire House Capital	5,000	Annual contribution
General Fund	Memorial Hall Capital Fund	20,000	Annual contribution
General Fund	Fire Department Equipment Fund	125,000	Annual contribution
General Fund	Town Hall Capital Fund	20,000	Annual contribution
General Fund	Police Equipment Capital	10,000	Annual contribution
General Fund	Reappraisal Fund	278,452	Annual contribution
General Fund	Transfer Station Capital	5,000	Annual contribution
Sewer	General Fund	4,750	Administrative fee
		\$ 506,202	

**(6) Leases**

The Town leases certain equipment under agreements, which are classified as capital leases. At June 30, 2020 equipment recorded under capital lease in the Government-wide financial statements amounted to \$319,900. Accumulated amortization amounted to \$66,126.

(continued)

**TOWN OF WILMINGTON, VERMONT**

**Notes to Financial Statements**

**(6) Leases (continued)**

Future minimum payments required under capital leases are as follows:

Year ending June 30, 2021		\$	50,173
Total minimum lease payments			50,173
Less amount representing interest			(1,114)
Present value of minimum lease payments		\$	49,059

**(7) Long-term Liabilities**

Long-term liability activity for the year ended June 30, 2020 was as follows:

**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	Principal Due within One Year
<b>Governmental Activities</b>					
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.	\$ 95,000	-	(35,000)	60,000	30,000
Capital improvement note, People's United Bank, N. A., for bridge improvements, interest at 2.50% per annum, annual principal payments of \$88,800 beginning April 7, 2018, due April 7, 2022.	266,400	-	(88,800)	177,600	88,800
<b>Total Governmental Activities</b>	<b>\$ 361,400</b>	<b>-</b>	<b>(123,800)</b>	<b>237,600</b>	<b>118,800</b>
<b>Business-type Activities</b>					
USDA Rural Development Loan, 2.25% interest, payable in semi-annual installments of \$36,747 including principal and interest, due June 15, 2046.	1,481,098	-	(40,395)	1,440,703	41,309
<b>Total Business-type Activities</b>	<b>\$ 1,481,098</b>	<b>-</b>	<b>(40,395)</b>	<b>1,440,703</b>	<b>41,309</b>

(continued)

**TOWN OF WILMINGTON, VERMONT**

**Notes to Financial Statements**

**(7) Long-term Liabilities (continued)**

Maturities of bonds and notes payable are as follows:

Year ending June 30,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 118,800	5,993	124,793	41,309	32,185	73,494
2022	118,800	2,747	121,547	42,244	31,250	73,494
2023	-	-	-	43,200	30,294	73,494
2024	-	-	-	44,177	29,317	73,494
2025	-	-	-	45,177	28,317	73,494
2026-2030	-	-	-	241,687	125,783	367,470
2031-2035	-	-	-	270,296	97,174	367,470
2036-2040	-	-	-	302,291	65,179	367,470
2041-2045	-	-	-	338,073	29,397	367,470
2046-2050	-	-	-	72,249	1,221	73,470
	<b>\$ 237,600</b>	<b>8,740</b>	<b>246,340</b>	<b>1,440,703</b>	<b>470,117</b>	<b>1,910,820</b>

**(8) Governmental Fund Balances/Net Assets**

At June 30, 2020 the town's fund balances were nonspendable, restricted, committed or assigned as follows:

<b>Special Revenue Fund, Nonspendable:</b>		
Davenport Legacy Fund		\$ <u>430</u>
<b>Special Revenue Fund, Restricted:</b>		
Maintenance of Cemeteries		\$ 85,967
Restoration and Preservation of Municipal records		56,609
Beautification Donations		<u>3,537</u>
Total special revenue funds, restricted		\$ <u>146,113</u>
<b>Capital Projects Fund, Restricted:</b>		
Energy Efficient Improvements Grants		\$ <u>8,940</u>
Total restricted fund balances		\$ <u>155,053</u>
<b>Special Revenue Fund, Committed:</b>		
Housing and Economic Development		\$ <u>753,262</u>
Total special revenue funds, committed		\$ <u>753,262</u>
<b>Capital Projects Fund, Committed:</b>		
Bridge Rehabilitation		\$ 77,286
Memorial Hall Maintenance and Improvement		<u>43,476</u>
Total capital projects funds, committed		\$ <u>120,762</u>
Total committed fund balances		\$ <u>874,024</u>

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

**(8) Governmental Fund Balances/Net Assets (continued)**

**General Fund, Assigned:**

Animal Control	\$	20,029
Green Mountain Beach		3,643
Public Lands and Fences		15,363
Revenue Sharing		996
Total general funds, assigned	\$	<u>40,031</u>

**Special Revenue Fund, Assigned:**

Cemetery Fund	\$	23,916
Police Department		7
Town Gathering Place		965
Revolving Loan Fund		66,032
Total special revenue fund, assigned	\$	<u>90,920</u>

**Capital Projects Fund, Assigned:**

Dry Hydrant Grant	\$	6,773
Town Hall		35,904
School Field		1,028
Town Road Equipment		97,030
Fire House		18,019
Fire Department Equipment		627,946
Police Equipment Fund		30,370
Total capital project funds, assigned	\$	<u>817,070</u>
Total assigned fund balances	\$	<u>948,021</u>

**(9) 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. Police Department employees contribute to Plan D which requires withholdings of 11.6% of gross wages from each employee. Other Town employees contribute to Plan B which requires withholdings of 5.125%. The Town contributes 10.1% to Plan D and 5.75% 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 \$1,574,818 while covered payroll by the Plan was \$1,476,706. The Town's contribution to the plan for the year ending June 30, 2020 was \$99,176.

(continued)



TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(9) Benefit Plans (continued)

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.

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 Prudential Retirement Insurance and Annuity Company.

(10) Property Taxes

Taxes are payable in two installments which were due for the 2019-2020 fiscal year on August 30, 2019 and February 28, 2020. Interest of 1% for three (3) months and 1-½% 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	0.5519	0.5519
Education - Local Share	2.1233	1.7004
Total	<u>2.6752</u>	<u>2.2523</u>

(11) 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 no unemployment claims during fiscal year 2019.

(12) 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**

**(13) 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.

**(14) Pension Reporting for Assets/Liabilities and Deferred Outflows/Inflows of Financial Resources**

**Pension Plan Description and Benefits Provided**

A detailed description of the Vermont Municipal Employees Retirement System (VMERS) is included in Note 9 to the financial statements.

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

At June 30, 2020, the Town reported the following liability for its proportionate share of the net pension liability for VMERS. The net pension liability was measured as of June 30, 2019. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Town's proportion of the net liability was based on a projection of the Town's long-term share of contributions to VMERS relative to the projected contributions of all participating members, actuarially determined. This information was provided by VMERS reports provided to the Town.

Actuarial valuation date	June 30, 2019
Town of Wilmington's portion of the Plan's	
Total net pension liability	\$ 804,374

For the year ended June 30, 2020, the Town recognized pension expense of \$249,653. At June 30, 2020 the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 54,787	-
Changes in assumptions	26,856	-
Difference between expected and actual experience	104,215	6,953
Changes in proportion and differences between Town contributions and proportionate share of contributions	27,235	52,656
Town contributions subsequent to the measurement date	99,176	
	<u>\$ 312,269</u>	<u>59,609</u>

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

**(14) Pension Reporting for Assets/Liabilities and Deferred Outflows/Inflows of Financial Resources (continued)**

The Town's contributions subsequent to the measurement date which will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

June 30, 2021	\$	66,941
June 30, 2022		33,559
June 30, 2023		38,873
June 30, 2024		14,111
Therafter		-
	\$	<u>153,484</u>

**Significant Actuarial Assumptions and Methods**

**Investment Rate of Return:** 7.50%, net of pension plan investment expenses, including inflation.

**Salary Increases:** 5% per year

**Mortality:**

*Death in Active Service:*

Groups A, B, C - 98% of RP-2006 blended 60% Blue Collar Employee, 40% Healthy Employee with generational projection using Scale SSA-2017.

Group D – 100% of RP-2006 Blue Collar Employee Mortality Table with generation projection using Scale SSA-2017.

*Healthy Post-retirement:*

Groups A, B, C - 98% of RP-2006 blended 60% Blue Collar Annuitant, 40% Healthy Annuitant with generational projection using Scale SSA-2017.

Group D - 100% of RP-2006 Blue Collar Annuitant Mortality Table with generational projection using Scale SSA-2017.

*Disabled Post-retirement:*

All Groups - RP-2006 Disabled Mortality Table with generational projection using Scale SSA-2017.

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

**Cost-of-Living Adjustments:** 1.15% for Group A members and 1.30% for Group C, B and D members. The January 1, 2019 and January 1, 2020 COLAs are 1.30% and 0.80%, respectively, for all groups.

(continued)

**TOWN OF WILMINGTON, VERMONT**

**Notes to Financial Statements**

**(14) Pension Reporting for Assets/Liabilities and Deferred Outflows/Inflows of Financial Resources (continued)**  
**Significant Actuarial Assumptions and Methods (continued)**

**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.

**Actuarial Value of Assets:** A smoothing method is used, under which the value of assets for actuarial purposes equals market value less a five-year phase-in of the differences between actual and assumed investment return. The value of assets for actuarial purposes may not differ from the market value of assets by more than 20%.

**Inflation:** 2.5%.

**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 real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2019, is summarized in the following table:

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global Equity	29.00%	6.90%
US Equity - Large Cap	4.00%	5.94%
US Equity - Small/Mid Cap	3.00%	6.72%
Non-US Equity - Large Cap	5.00%	6.81%
Non-US Equity - Small Cap	2.00%	7.31%
Emerging Markets Debt	4.00%	4.26%
Core Bond	14.00%	1.79%
Non-Core Bonds	6.00%	3.22%
Short Quality Credit	5.00%	1.81%
Private Credit	5.00%	6.00%
US TIPS	3.00%	1.45%
Core Real Estate	5.00%	4.26%
Non-Core Real Estate	3.00%	5.76%
Private Equity	10.00%	10.81%
Infrastrmcture/Fannland	2.00%	4.89%
	<u>100.00%</u>	

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

**(14) Pension Reporting for Assets/Liabilities and Deferred Outflows/Inflows of Financial Resources (continued)**

**Discount Rate**

The discount rate used to measure the total pension liability was 7.50%. In accordance with paragraph 29 of GASB 68, professional judgement was applied to determine that the System's projected fiduciary net position exceeds projected benefit payments for current active and inactive members for all years. The analysis was based on the expectation that employers will continue to contribute at the rates set by the Board, which exceed the actuarially determined contribution, which is comprised on an employer normal cost payment and a payment to reduce the unfunded liability to zero by June 30, 2038. 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.

**Significant Actuarial Assumptions and Methods (continued)**

The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.5%) or one percent higher (8.5%):

1% Decrease (6.5%)	Discount Rate (7.5%)	1% Increase (8.5%)
\$ 1,319,052	\$ 804,374	\$ 378,315

**(15) Note Receivable**

In connection with a grant from the Vermont Agency of Commerce and Community Development, the Town has a note receivable from PE 1 Housing Limited Partnership in the amount of \$266,000. The note is non-interest bearing and matures on May 28, 2045. The note receivable is not recognized in the accompanying financial statements as a result of the Town reporting on the modified cash basis of accounting.

**(16) Subsequent Events**

The Town has evaluated subsequent events through March 30, 2021, 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, 2020**

	<u>Budget</u>	<u>Actual</u>	<b>Variance Favorable (Unfavorable)</b>
<b>Cash Receipts:</b>			
Tax Collections	\$ 2,544,619	2,309,329	(235,290)
Delinquent Taxes - Interest	55,000	56,621	1,621
Delinquent Taxes - Penalty	52,000	78,170	26,170
Lake Raconda Greeter	-	9,402	9,402
Echo Grant	-	2,000	2,000
East Main Sidewalk	-	(831)	(831)
South Main Street	-	56,437	56,437
Glebe Land	85,000	87,072	2,072
Licenses	3,300	3,291	(9)
Zoning Fees	12,000	6,711	(5,289)
Permit Recording Fee	250	138	(112)
Land Sale/Redemptions	2,000	-	(2,000)
Miscellaneous Administrative	100	-	(100)
Miscellaneous Income	3,750	3,319	(431)
Act 60 Grand List Administrative	3,156	3,152	(4)
PILOT Payment	10,000	13,227	3,227
State Education Fund	25,000	29,532	4,532
Reappraisal - State/Parcel Payment	26,500	-	(26,500)
Land Use	42,000	44,432	2,432
Town Clerk Fees	30,000	51,210	21,210
Surplus	233,000	-	(233,000)
Fees and Fines	25,000	26,199	1,199
Sale of Cruiser	4,000	4,568	568
Miscellaneous	-	1,866	1,866
Outside Employment	12,000	7,432	(4,568)
Alarm Registration Fees	3,600	4,465	865
DUI Enforcement Grant	5,000	4,064	(936)
Governor's Highway Safety Grant	10,000	6,492	(3,508)
GHSP Equipment Grant	5,000	4,859	(141)
Fire Department:			
Town of Searsburg	24,079	24,079	-
Somerset	3,000	3,000	-
Transfer Station Fees	73,000	91,993	18,993
MHS Fees	600	667	67
Memorial Hall Rent	1,000	1,300	300
Investment Income	10,000	20,950	10,950
<b>Total cash receipts</b>	<b>3,303,954</b>	<b>2,955,146</b>	<b>(348,808)</b>

(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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Cash Disbursements:</b>			
<b>Town Officers:</b>			
Moderator, Election Officials, Ballots Selectboard	\$ 1,200	925	275
	<u>6,300</u>	<u>6,000</u>	<u>300</u>
	<u>7,500</u>	<u>6,925</u>	<u>575</u>
<b>Town Clerk:</b>			
Salary	50,923	56,490	(5,567)
Assistant	35,542	35,545	(3)
Supplies and Postage	1,800	1,460	340
Training	3,300	512	2,788
Taping Town Meeting	600	600	-
Recording Supplies	2,200	1,978	222
Copier/Computer/Office Furniture	3,100	1,676	1,424
Election Supplies/Postage	400	400	-
Animal Rabies Control Supplies	400	341	59
Vote Tabulator	2,000	773	1,227
	<u>100,265</u>	<u>99,775</u>	<u>490</u>
<b>Treasurer:</b>			
Town Treasurer Salary	4,901	4,901	-
Finance Officer	54,312	60,860	(6,548)
	<u>59,213</u>	<u>65,761</u>	<u>(6,548)</u>
<b>Listers:</b>			
Assistant Salary	55,172	61,322	(6,150)
Lister Training	250	-	250
Appraisal Temp	3,750	1,707	2,043
Lister's Salary/Expense	20,000	13,428	6,572
Mapping	5,000	1,758	3,242
Grievance Costs	10,000	3,435	6,565
Yearly Grand List Maintenance	15,000	750	14,250
Appraisal Supplies/Computer	750	-	750
Reappraisal - Commercial - Everett	1,500	-	1,500
	<u>111,422</u>	<u>82,400</u>	<u>29,022</u>
<b>Town Manager:</b>			
Salaries	98,664	98,664	-
Town Manager Expenses	3,075	889	2,186
Postage and Supplies	4,000	3,008	992
Mileage	2,000	140	1,860
	<u>107,739</u>	<u>102,701</u>	<u>5,038</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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Cash Disbursements (continued):</b>			
<b>Administration:</b>			
Administrative Secretary	\$ 40,434	41,443	(1,009)
Zoning Administrator	48,956	46,859	2,097
Receptionist	-	12	(12)
Reconciliation Analyst	250	299	(49)
Ads Non-Zoning	550	1,325	(775)
Computer Support/Equipment	4,500	8,289	(3,789)
Telephone	6,000	9,795	(3,795)
Tax Bills	4,100	2,241	1,859
Training	2,500	348	2,152
Copier	2,165	2,443	(278)
Dog Warden Salary/Expense	-	138	(138)
Zoning Training/Expense	1,400	850	550
Zoning Advertising	500	956	(456)
Zoning Postage	250	54	196
	<u>111,605</u>	<u>115,052</u>	<u>(3,447)</u>
<b>Police Department:</b>			
Chief's Salary	77,745	75,671	2,074
Sworn Payroll	255,052	199,199	55,853
Part-time Payroll	6,500	351	6,149
Dispatcher	62,280	66,999	(4,719)
Overtime	18,000	42,923	(24,923)
Outside Employment	14,500	9,675	4,825
Cruiser Replacement	35,000	44,146	(9,146)
Cruiser Operation	25,500	25,419	81
Uniform Purchase	4,000	4,420	(420)
Uniform Maintenance	1,800	1,392	408
Firearm Ammunition	950	848	102
Radar	575	520	55
Telephone	6,000	5,192	808
Postage	385	344	41
Office Supplies	1,150	1,355	(205)
Office Equipment	250	298	(48)
Equipment Maintenance	4,500	2,115	2,385
Computer Hardware and Software	1,500	1,958	(458)
Statewide Record Database	9,350	7,320	2,030
Copier	1,500	1,155	345
Inservice Training	3,240	3,125	115
Training Aids and Materials	1,250	570	680
Community Awareness	400	1,193	(793)
Radio Maintenance	2,750	2,959	(209)

(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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Cash Disbursements (continued):</b>			
<b>Police Department (continued):</b>			
Equipment Replacement	\$ 1,950	1,628	322
Association Fees	750	640	110
Chief's Expense	500	98	402
Police Department Safety Compliance	150	154	(4)
Investigation Costs	750	918	(168)
Brattleboro Lockup	1,500	986	514
PD Alarm	300	300	-
Towing	200	-	200
GHS Equipment Grant	6,000	4,496	1,504
Vest Grants	3,000	2,488	512
Applicant Advertising	550	383	167
	<u>549,827</u>	<u>511,238</u>	<u>38,589</u>
<b>Fire Department:</b>			
Chief's Salary	65,776	65,776	-
Assistant Chief's Salary	2,388	2,388	-
Labor	32,782	32,589	193
Officer's Salary	2,308	1,847	461
Emergency Op Center Personnel	750	-	750
Emergency Op Center Setup	500	-	500
Electricity	2,375	1,512	863
Telephone	2,200	3,766	(1,566)
Fire Fighter's Association	700	510	190
Administration	1,900	1,789	111
Training	3,500	420	3,080
Radio Maintenance	2,500	1,848	652
Code Compliance	500	-	500
Air Packs	2,500	1,218	1,282
Water Rent	1,200	1,256	(56)
Sewer Rent	500	466	34
Fire Alarm	250	422	(172)
Truck Maintenance	6,300	6,656	(356)
Gas and Oil	2,750	2,501	249
Building Maintenance	3,500	4,645	(1,145)
Extinguisher Recharge	275	519	(244)
Equipment (New & Replacement)	4,000	2,275	1,725

(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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Cash Disbursements (continued):</b>			
<b>Fire Department (continued):</b>			
Helmet/Boot/Coat	\$ 5,000	6,087	(1,087)
Hose	4,100	4,336	(236)
Foam	700	509	191
Heating Oil	4,200	4,108	92
Fire Prevention Education	500	363	137
Travel Expense	1,750	626	1,124
Fire Chief Uniform	250	242	8
Dispatch Assessment Wilmington	44,150	44,154	(4)
Dispatch Assessment Searsburg	5,850	5,850	-
	<u>205,954</u>	<u>198,678</u>	<u>7,276</u>
<b>Insurance:</b>			
Employment Practices	11,000	9,657	1,343
Liability/Property/Auto	46,000	32,112	13,888
Public Officials Liability	3,500	2,135	1,365
Firemen's Disability	1,250	1,333	(83)
Worker's Compensation	45,000	52,418	(7,418)
	<u>106,750</u>	<u>97,655</u>	<u>9,095</u>
<b>Health and Social Services:</b>			
Health Officer	1,645	1,424	221
Town Nurse	17,322	17,448	(126)
Council on Aging	350	350	-
Morningside	75	75	-
Health Care & Rehabilitation	155	155	-
Windham County Youth Service	300	300	-
Women's Crisis Center	850	850	-
Visiting Nurse Alliance	6,000	6,000	-
Gathering Place	3,000	-	3,000
SEVCA	2,000	2,000	-
Deerfield Valley Community Care	1,550	1,550	-
Windham County Humane Society	750	750	-
DV Food Pantry	1,500	1,500	-
DV Community Partnership	2,500	2,500	-
Senior Meals	2,000	2,000	-
SASH	10,000	10,000	-
WDART	250	250	-
SV Therapy Riding	500	500	-
Rescue	20,000	20,000	-
	<u>70,747</u>	<u>67,652</u>	<u>3,095</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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Cash Disbursements (continued):</b>			
<b>Green Mountain Beach:</b>			
	\$		
Green Mountain Beach Mowing	750	1,260	(510)
Maintenance and Improvement	900	440	460
Toilets	800	567	233
	<u>2,450</u>	<u>2,267</u>	<u>183</u>
<b>Employee Benefits:</b>			
Social Security	80,941	77,243	3,698
Health Care	253,000	255,353	(2,353)
Disability/Life Insurance	4,822	3,587	1,235
Retirement	69,294	66,871	2,423
Employment Security	500	-	500
Uniforms	-	(163)	163
	<u>408,557</u>	<u>402,891</u>	<u>5,666</u>
<b>Grounds Keeper</b>	<u>8,016</u>	<u>6,672</u>	<u>1,344</u>
<b>Transfer Station:</b>			
Operator	41,115	39,548	1,567
Management District Assessment	13,000	12,894	106
Electricity	1,200	1,503	(303)
Telephone	1,200	1,041	159
Post Closure Expense	500	-	500
Tire Recycling	500	1,551	(1,051)
Disposal & Containers	72,000	80,781	(8,781)
TS Recycle	23,000	28,090	(5,090)
Maintenance/Improvements/Supplies	1,250	724	526
Miscellaneous	300	-	300
	<u>154,065</u>	<u>166,132</u>	<u>(12,067)</u>
<b>Legal and Professional Fees</b>	<u>43,700</u>	<u>55,603</u>	<u>(11,903)</u>
<b>Memorial Hall:</b>			
Electricity	2,400	2,658	(258)
Water Rent	1,200	1,142	58
Sewer Rent	1,000	932	68
Maintenance	2,500	1,756	744
Grounds	900	1,019	(119)
Heat	2,500	2,020	480
Fire Alarm	600	1,236	(636)
Insurance	3,000	2,170	830
Cleaning/Janitorial	1,000	690	310
	<u>15,100</u>	<u>13,623</u>	<u>1,477</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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Cash Disbursements (continued):</b>			
<b>Planning Commission:</b>			
Municipal Planning Grant	\$ 2,500	-	2,500
Windham Region	4,275	4,270	5
Manuals	400	-	400
Public Notice	450	204	246
Postage	100	-	100
Training Expenses	250	-	250
	<u>7,975</u>	<u>4,474</u>	<u>3,501</u>
<b>Library:</b>			
Library	-	(124)	124
Library Appropriation	130,500	130,500	-
Library Capital	12,000	12,000	-
	<u>142,500</u>	<u>142,376</u>	<u>124</u>
<b>Memorial Day</b>	<u>400</u>	<u>-</u>	<u>400</u>
<b>Recreation Commission:</b>			
Elementary Program Director	2,575	2,575	-
Elementary Counselors	3,700	3,700	-
MS Program Directors	3,090	2,700	390
MS Art Director	220	-	220
MS Counselors	2,200	3,380	(1,180)
Adult and Junior Soccer	2,500	-	2,500
Elementary Programs	750	586	164
MHS Supplies	500	(77)	577
Portable Toilets	2,800	1,482	1,318
Green-Up Day	75	34	41
Beautification Committe	2,900	744	2,156
Flowers/Barrels	19,700	19,644	56
Tennis Courts	300	252	48
Valley Youth Sports	7,000	7,000	-
Playground Expense	-	(745)	745
Fences	-	439	(439)
Sidewalks	-	25	(25)
Parks	-	10,500	(10,500)
	<u>48,310</u>	<u>52,239</u>	<u>(3,929)</u>

(continued)

**Schedule of Cash Receipts, Cash Disbursements and Changes in Fund Balance (Modified Cash Basis) -  
Budget and Actual - General Fund (Continued)  
Year Ended June 30, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Cash Disbursements (continued):</b>			
<b>Town Hall:</b>			
Electricity	\$ 8,000	5,318	2,682
Heat	6,500	5,829	671
Supplies	1,500	1,947	(447)
Fire Alarm	600	1,258	(658)
Water Rent	1,300	1,444	(144)
Sewer Rent	1,300	1,235	65
Maintenance	5,000	5,454	(454)
Elevator	2,700	2,983	(283)
Janitorial and Carting	8,000	9,016	(1,016)
	<u>34,900</u>	<u>34,484</u>	<u>416</u>
<b>Selectpersons Contingency:</b>			
Miscellaneous	7,500	1,543	5,957
Economic Development	71,000	68,946	2,054
	<u>78,500</u>	<u>70,489</u>	<u>8,011</u>
<b>Other</b>			
Garage Bond	37,593	37,593	-
Public Lands & Fences	15,000	15,000	-
Street Lights	13,800	14,568	(768)
Taxes - County Court	60,883	61,955	(1,072)
Town Reports	850	775	75
Transfer to Bridge (loan payment)	95,460	95,361	99
Vermont League of Cities and Towns Dues	3,271	3,271	-
Web Site	800	682	118
Wilmington School District	200,000	-	200,000
Wilmington Water District	5,600	5,600	-
WWD Merger/Acquisition	1,000	5,265	(4,265)
<b>Grant Expenditures</b>			
Better Backroads Grant	-	8,000	(8,000)
Echo Grant	-	1,552	(1,552)
E Main Street	-	11,445	(11,445)
South Main Sidewalk	-	121,910	(121,910)
Lake Raponda Greeter	-	7,113	(7,113)
	<u>434,257</u>	<u>390,090</u>	<u>44,167</u>
<b>Total cash disbursements</b>	<u>2,809,752</u>	<u>2,689,177</u>	<u>120,575</u>
<b>Excess (deficiency) of cash receipts over cash disbursements</b>	<u>494,202</u>	<u>265,969</u>	<u>(228,233)</u>

**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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b><i>Other financing sources (uses):</i></b>			
<b><i>Operating transfers in (out):</i></b>			
Administrative WWTP	\$ 4,750	4,750	-
Fire Department Equipment	(125,000)	(125,000)	-
Fire House Capital	(5,000)	(5,000)	-
Memorial Hall Fund Capital Transfer	(20,000)	(20,000)	-
Police Equipment Capital	(10,000)	(10,000)	-
Reappraisal Fund	(278,452)	(278,452)	-
Town Hall Capital Fund	(20,000)	(20,000)	-
Transfer Station Capital	(5,000)	(5,000)	-
Transfer to Cemetery Fund	(38,000)	(38,000)	-
	<u>(496,702)</u>	<u>(496,702)</u>	-
<b><i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</i></b>	<b>\$ (2,500)</b>	<b>(230,733)</b>	<b>(228,233)</b>

**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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Cash Receipts:</b>			
Tax Collections	\$ 1,747,962	1,747,962	-
State Aid	136,500	140,465	3,965
Grant Income	-	208,450	208,450
Permits	100	30	(70)
Interest Income	400	1,808	1,408
Other	250	-	(250)
<b>Total cash receipts</b>	<u>1,885,212</u>	<u>2,098,715</u>	<u>213,503</u>
<b>Cash Disbursements:</b>			
<b>Salaries and Employee Benefits</b>			
Salaries and Wages	435,047	423,140	11,907
Unscheduled Overtime	35,000	25,370	9,630
Social Security	35,958	33,493	2,465
Health Insurance	172,000	162,103	9,897
Disability Insurance	2,500	380	2,120
Retirement	27,027	25,637	1,390
Uniforms	3,100	3,591	(491)
Workers Comp	33,200	32,452	748
	<u>743,832</u>	<u>706,166</u>	<u>37,666</u>
<b>Materials</b>			
Parking Maintenance	2,500	9	2,491
Culverts	20,000	17,810	2,190
Rails	10,000	-	10,000
Chloride	24,000	28,094	(4,094)
Gravel/Stone/Fabric-Misc	108,000	101,154	6,846
Resurfacing	290,000	300,734	(10,734)
Salt	79,000	68,338	10,662
Sand	75,000	70,006	4,994
Snow Removal	37,500	46,885	(9,385)
Sidewalks/Park n Ride	-	1,200	(1,200)
Signs	2,200	1,194	1,006
Crack Sealing	18,000	16,000	2,000
Stabilization/Fabric/Hay	7,000	4,506	2,494
	<u>673,200</u>	<u>655,930</u>	<u>17,270</u>
<b>Equipment</b>			
Maintenance to Equipment	60,700	44,057	16,643
Fuel	57,500	42,068	15,432
Rental/Contracted	7,000	4,308	2,692
Training	100	25	75
	<u>125,300</u>	<u>90,458</u>	<u>34,842</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, 2020**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Cash Disbursements (continued):</b>			
<b>Garage</b>			
Advertising	\$ 550	799	(249)
Electricity	2,900	2,687	213
Tools & Supplies	20,100	16,253	3,847
Personal Protective Equip	1,500	925	575
Telephone	2,900	3,316	(416)
Insurance - Vehicles/Bldg	21,000	15,314	5,686
Computer/Office Supplies	800	366	434
Sewer Rent	690	629	61
MRGP permit	2,190	1,350	840
Bldg/Maint/Improvements	20,000	29,866	(9,866)
Fire Alarm	250	250	-
Heating	5,000	3,180	1,820
	<u>77,880</u>	<u>74,935</u>	<u>2,945</u>
<b>Miscellaneous</b>			
Bridge Rehab CH	35,000	35,000	-
Better Back Roads Grant	-	200	(200)
Class II Paving Grant	-	175,000	(175,000)
TRE Appropriation	230,000	230,000	-
	<u>265,000</u>	<u>440,200</u>	<u>(175,200)</u>
<b>Total cash disbursements</b>	<u>1,885,212</u>	<u>1,967,689</u>	<u>(82,477)</u>
<b>Excess of cash receipts over cash disbursements</b>	<u>\$ -</u>	<u>131,026</u>	<u>131,026</u>



**TOWN OF WILMINGTON, VERMONT**  
**Schedule of the Town's Proportionate Share of the Net Pension Liability**  
**and Town Contributions**  
**Vermont Municipal Employees Retirement Plan**

	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.46364%	0.52790%	0.46888%	0.47601%	0.49197%	0.49731%
Proportionate share of the net pension liability	\$ 804,374	742,691	568,074	612,611	397,287	45,387
Covered-employee payroll	\$ 1,476,706	1,398,899	1,447,344	1,392,229	1,315,382	1,279,449
Proportionate share of the net pension liability as a percentage of its covered employee payroll	54.47%	53.09%	39.25%	44.00%	30.20%	3.55%
Plan fiduciary net position as a percentage of the total pension liability	74.52%	80.35%	82.60%	80.95%	87.42%	98.32%
Contractually required contribution	\$ 99,176	89,081	92,473	76,572	71,695	66,540
Contributions in relation to the contractually required contribution	(99,176)	(89,081)	(92,473)	(76,572)	(71,695)	(66,540)
Contribution deficiency (excess)	\$ -	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	6.72%	6.37%	6.39%	5.50%	5.45%	5.20%

Notes to Required Supplemental Information:

Schedule Presentation

This schedule is intended to present information for 10 years. Until a 10-year trend is compiled, information is presented for those years for which information is available.



**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***

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, 2020, 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 X, 2021.

***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 30, 2021

Vt. Reg. #357

Love, Cody & Company, CPAs