

TOWN OF WILMINGTON, VERMONT
Financial Statements and Schedules
June 30, 2021
(With Independent Auditor's 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, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

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, 2021, 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 April 11, 2022 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.

April 11, 2022

Vt. Reg. #357

Love, Cody & Company, CPAs

**TOWN OF WILMINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2021**

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, 2021. 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 \$12,129,983 at June 30, 2021, an increase of \$650,447 from last year.
- Net position of the governmental activities amounted to \$8,686,974, while net position attributable to business-type activities was \$3,443,009.

Fund financial statements:

- The Town's governmental funds reported total fund balances of \$3,631,249. The general fund ended the fiscal year with a fund balance of \$879,859, of which \$838,005 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, 2021**

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, 2021**

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, 2021 and 2020 and the Statements of Activities for the years then ended.

Government-Wide Statements

The Town's combined net position increased by \$650,447 to \$12,129,983 at June 30, 2021. 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)**

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 3,685	2,512	98	69	3,783	2,581
Capital assets	6,116	6,279	4,747	4,913	10,863	11,192
Total assets	9,801	8,791	4,845	4,982	14,646	13,773
Deferred outflows of resources	532	312	-	-	532	312
Total assets and deferred outflows	10,333	9,103	4,845	4,982	15,178	14,085
Current liabilities	173	180	45	42	218	222
Long-term liabilities	1,430	924	1,357	1,400	2,787	2,324
Total liabilities	1,603	1,104	1,402	1,442	3,005	2,546
Deferred inflows of resources	43	59	-	-	43	59
Total liabilities and deferred inflows	1,646	1,163	1,402	1,442	3,048	2,605
Net position:						
Invested in capital						
assets, net of debt	5,777	5,992	3,347	3,472	9,124	9,464
Restricted	186	156	-	-	186	156
Unrestricted	2,724	1,792	96	68	2,820	1,860
Total net position	\$ 8,687	7,940	3,443	3,540	12,130	11,480

The Town's capital assets (Table 1), such as infrastructure, buildings and equipment, less outstanding debt used to acquire them, amounted to \$9.1 million at June 30, 2021 and \$9.5 million at June 30, 2020. These assets represent the largest portion of the Town's net assets. Although the \$9.1 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, 2021, net assets of \$186 thousand (Table 1) have been restricted by the voters or sources external to the Town to be used for specific purposes. Approximately \$2.8 million of the Town's combined net position is unrestricted.

TOWN OF WILMINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2021

Table 2
Changes in Net Position
(in Thousands)

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	\$ 423	325	387	319	810	644
Grants and contributions	352	282	6	-	358	282
General revenues:						
Property taxes	4,676	4,087	-	-	4,676	4,087
Other general revenues	994	729	-	1	994	730
Total revenues	<u>6,445</u>	<u>5,423</u>	<u>393</u>	<u>320</u>	<u>6,838</u>	<u>5,743</u>
Program expenses:						
General government	2,549	1,995	-	-	2,549	1,995
Highways and roads	1,905	2,175	-	-	1,905	2,175
Public safety	777	770	-	-	777	770
Culture and recreation	213	233	-	-	213	233
Cemeteries	43	40	-	-	43	40
Solid waste disposal	209	168	-	-	209	168
Interest on long-term debt	7	11	-	-	7	11
Sewer	-	-	485	479	485	479
Total expenses	<u>5,703</u>	<u>5,392</u>	<u>485</u>	<u>479</u>	<u>6,188</u>	<u>5,871</u>
Excess (deficiency) before transfers and adjustments	<u>742</u>	<u>31</u>	<u>(92)</u>	<u>(159)</u>	<u>650</u>	<u>(128)</u>
Transfers	<u>5</u>	<u>5</u>	<u>(5)</u>	<u>(5)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>\$ 747</u>	<u>36</u>	<u>(97)</u>	<u>(164)</u>	<u>650</u>	<u>(128)</u>

Net position of the Town's governmental activities (Table 2) increased by approximately 9.4% or \$747 thousand as reported in Table 2 for the year ended June 30, 2021, including net operating transfers from business-type activities of \$4,750.

The net position related to business-type activities decreased by approximately \$97 thousand for the year ended June 30, 2021.

**TOWN OF WILMINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2021**

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

	2021		2020	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 2,549	2,195	1,995	1,701
Highways and roads	1,905	1,702	2,175	2,034
Public safety	777	676	770	690
Culture and recreation	213	213	233	233
Cemeteries	43	43	40	40
Solid waste disposal	209	92	168	76
Interest on long-term debt	7	7	11	11
	<u>\$ 5,703</u>	<u>4,928</u>	<u>5,392</u>	<u>4,785</u>

The costs of providing governmental services (Table 3) amounted to approximately \$5.7 and \$5.4 million for the years ended June 30, 2021 and 2020, 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 \$4.9 and \$4.8 million for the years ended June 30, 2021 and 2020. 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	
	2021	2020	2021	2020	2021	2020
Land and antiques/art	\$ 253	253	2	2	255	255
Buildings and improvements	1,162	1,217	1,973	1,973	3,135	3,190
Infrastructure	2,292	2,361	-	-	2,292	2,361
Office equipment and software	28	39	15	15	43	54
Vehicles and equipment	2,381	2,408	233	233	2,614	2,641
Collection and treatment sys.	-	-	2,689	2,689	2,689	2,689
Totals	<u>\$ 6,116</u>	<u>6,278</u>	<u>4,912</u>	<u>4,912</u>	<u>11,028</u>	<u>11,190</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, 2021**

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2021	2020	2021	2020	2021	2020
General obligation bonds	\$ 250	60	-	-	250	60
Capital improvement note	89	178	-	-	89	178
USDA Rural Development	-	-	1,399	1,441	1,399	1,441
Totals	\$ 339	238	1,399	1,441	1,738	1,679

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

This year, as was true for the previous four (4) fiscal years, the Town's financial position shows overall stability in its total net position.

In FY-2020 the Hermitage Club was auctioned and purchased by the newly formed Hermitage Members Club, Inc. (HMC) for \$8,060,000. FY-2021 is their second year of operation at Haystack Ski Mountain, which incorporates the Glebe Lands owned by the Town of Wilmington with a long-term lease to HMC. Management remains confident as HMC membership, along with both full-time and seasonal employment continues to grow.

In March 2021, voter approval was granted to bond for \$5.5M to build a Public Safety Facility. NBF Architects and Bread Loaf Corporation were selected to design and construct this modern facility. 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.

This fiscal year, management felt it appropriate to reinstate the annual delinquent tax sale in June, after deferring tax sale activities the previous fiscal year in the midst of the pandemic. As previously stated, it is in our taxpayers' best interest to collect taxes due so that the cost of running town government is shared equitably. The town assumes a \$500,000 surplus, related to an increase in revenues [examples are American Rescue Plan Act (ARPA) of 2021, town clerk fees, increased tax collections, interest and penalties], and expenses that came in under budget [examples found in budgets for Listers, Police, Insurance, and Legal].

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, 2021

Exhibit A

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash	\$ 3,644,936	85,689	3,730,625
Investments	52,802	-	52,802
Internal balances	(12,654)	12,654	-
Capital assets:			
Land	252,077	1,550	253,627
Antiques and works of art	1,200	-	1,200
Other capital assets, net of accumulated depreciation	5,862,797	4,745,038	10,607,835
Total assets	9,801,158	4,844,931	14,646,089
Deferred outflows of financial resources:			
VMERS pension plan	531,620	-	531,620
Total assets and deferred outflows of financial resources	\$ 10,332,778	4,844,931	15,177,709
Liabilities:			
Due to State of Vermont	\$ 4,852	-	4,852
Payroll withholdings	1,880	-	1,880
Sewer credits	-	2,631	2,631
Due to Fiduciary Funds	47,103	-	47,103
Notes and bonds payable:			
Due within one year	118,800	42,244	161,044
Due in more than one year	220,000	1,357,047	1,577,047
Net pension liability	1,210,543	-	1,210,543
Total liabilities	1,603,178	1,401,922	3,005,100
Deferred inflows of financial resources:			
VMERS pension plan	42,626	-	42,626
Total liabilities and deferred inflows of financial resources	\$ 1,645,804	1,401,922	3,047,726
Net position:			
Invested in capital assets, net of related debt	\$ 5,777,274	3,347,297	9,124,571
Restricted	185,582	-	185,582
Unrestricted	2,724,118	95,712	2,819,830
Total net position	\$ 8,686,974	3,443,009	12,129,983

See accompanying notes to financial statements.

TOWN OF WILMINGTON, VERMONT
Statement of Activities - Modified Cash Basis
June 30, 2021

Exhibit B

Functions/Programs	Expenses	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions		Governmental Activities	Primary Government	
							Business-type Activities	Total
Primary government:								
Governmental activities:								
General government	\$ 2,549,376	268,506	85,509	-		(2,195,361)	-	(2,195,361)
Highways and roads	1,905,229	460	142,776	60,000		(1,701,993)	-	(1,701,993)
Public safety	776,981	38,007	56,166	7,402		(675,406)	-	(675,406)
Culture and recreation	212,996	-	-	-		(212,996)	-	(212,996)
Cemeteries	43,112	-	-	-		(43,112)	-	(43,112)
Solid waste disposal	208,569	116,387	-	-		(92,182)	-	(92,182)
Interest on long-term debt	7,064	-	-	-		(7,064)	-	(7,064)
Total governmental activities	5,703,327	423,360	284,451	67,402		(4,928,114)	-	(4,928,114)
Business-type activities:								
Sewer	484,527	386,618	5,657	-		-	(92,252)	(92,252)
Total business-type activities	484,527	386,618	5,657	-		-	(92,252)	(92,252)
Total primary government	\$ 6,187,854	809,978	290,108	67,402		(4,928,114)	(92,252)	(5,020,366)
General revenues:								
Property taxes						4,676,399	-	4,676,399
Interest and penalties on delinquent taxes						247,874	-	247,874
Payment in lieu of taxes						13,932	-	13,932
Local options tax						382,162	-	382,162
Investment earnings						10,231	147	10,378
Miscellaneous						340,068	-	340,068
Transfers						4,750	(4,750)	-
Total general revenues and transfers						5,675,416	(4,603)	5,670,813
Change in net position						747,302	(96,855)	650,447
Net position - beginning						7,939,672	3,539,864	11,479,536
Net position - ending						\$ 8,686,974	3,443,009	12,129,983

See accompanying notes to financial statements.

TOWN OF WILMINGTON, VERMONT
Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis
Governmental Funds
June 30, 2021

	General Fund	Town Roads Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 3,464,040	-	180,896	3,644,936
Investments	-	-	52,802	52,802
Due from other funds	-	267,715	2,249,977	2,517,692
Total assets	\$ 3,464,040	267,715	2,483,675	6,215,430
Liabilities:				
Due to State of Vermont	\$ 4,852	-	-	4,852
Due to other funds	2,577,449	-	-	2,577,449
Payroll withholdings	1,880	-	-	1,880
Total liabilities	2,584,181	-	-	2,584,181
Fund Balances:				
Nonspendable	\$ -	-	431	431
Restricted	-	-	185,151	185,151
Committed	-	-	1,163,468	1,163,468
Assigned	41,854	-	1,058,918	1,100,772
Unassigned	838,005	267,715	75,707	1,181,427
Total fund balances	879,859	267,715	2,483,675	3,631,249
Total liabilities and fund balances	\$ 3,464,040	267,715	2,483,675	6,215,430

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, 2021

Exhibit D

Total fund balances - governmental funds (from page 11)	\$ 3,631,249
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	6,116,074
Deferred outflows of financial resources related to pension activities are not recognized in the funds	531,620
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(1,549,343)
Deferred inflows of financial resources related to pension activities are not recognized in the funds	(42,626)
Net position of governmental activities (page 9)	<u>\$ 8,686,974</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, 2021

	General Fund	Town Roads Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 2,947,947	1,728,452	-	4,676,399
Penalties, interest and collection costs of delinquent taxes	247,874	-	-	247,874
Intergovernmental	356,723	166,031	554,961	1,077,715
Charges for services	154,394	-	300	154,694
Investment income	2,862	348	7,021	10,231
Licenses and permits	113,352	460	-	113,812
Donations	-	-	100	100
Other	56,311	37,552	71,191	165,054
Total revenues	3,879,463	1,932,843	633,573	6,445,879
Expenditures:				
General government	1,536,096	-	427,057	1,963,153
Highways and streets	8,571	1,624,171	-	1,632,742
Public safety	708,632	-	9,620	718,252
Culture and recreation	191,132	-	-	191,132
Cemeteries	-	-	43,112	43,112
Transfer station	207,257	-	-	207,257
Capital outlay:				
General government	-	-	440,262	440,262
Highways and streets	-	-	164,062	164,062
Culture and recreation	-	-	4,104	4,104
Debt service:				
Principal	118,800	-	49,059	167,859
Interest	5,950	-	1,114	7,064
Total expenditures	2,776,438	1,624,171	1,138,390	5,538,999
Excess (deficiency) of cash receipts over cash disbursements	1,103,025	308,672	(504,817)	906,880
Other financing sources (uses):				
Proceeds from long-term debt	-	-	220,000	220,000
Operating transfers in (out)	(505,042)	(210,000)	719,792	4,750
Total other financing sources (uses)	(505,042)	(210,000)	939,792	224,750
Net change in fund balances	597,983	98,672	434,975	1,131,630
Fund balance, July 1, 2020	281,876	169,043	2,048,700	2,499,619
Fund balance, June 30, 2021	\$ 879,859	267,715	2,483,675	3,631,249

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, 2021

Exhibit F

Net change in fund balances - total governmental funds (from page 13)	\$ 1,131,630
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.	(140,730)
Issuance of long-term obligations is recorded as an other financing source in the governmental funds, but increases long-term liabilities in the statement of net assets	(220,000)
When recognizing the sale or disposal of capital assets, the governmental funds report the total proceeds of the sale. Only the gain or loss on the sale is reported on the statement of activities.	(21,622)
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 position.	167,859
The change in the net pension liability and related deferred inflows and deferred outflows of financial resources is not recognized in the funds	(169,835)
Change in net assets of governmental activities (page 10)	<u>\$ 747,302</u>

See accompanying notes to financial statements.

TOWN OF WILMINGTON, VERMONT
Statement of Net Position - Modified Cash Basis
Proprietary Fund
June 30, 2021

	Sewer Fund
Assets:	
Current assets:	
Cash	\$ 85,689
Due from other funds	12,654
Total current assets	98,343
Capital assets:	
Property, plant and equipment (net of accumulated depreciation)	4,746,588
Total non-current assets	4,746,588
Total assets	\$ 4,844,931
Liabilities:	
Sewer credits	\$ 2,631
Current portion of notes payable	42,244
	44,875
Notes payable, less current portion	1,357,047
Total liabilities	1,401,922
Net position:	
Invested in capital assets, net of related debt	3,347,297
Unrestricted	95,712
Total net position	3,443,009
Total liabilities and net position	\$ 4,844,931

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, 2021

	Sewer Fund
<i>Operating receipts:</i>	
Sewer rents	\$ 371,171
Penalties and interest on delinquents	8,552
Fees	6,895
Total operating receipts	386,618
<i>Operating disbursements:</i>	
Wages and benefits	203,400
Operations and Maintenance	41,812
Utilities	41,410
Depreciation	165,823
Total operating expenses	452,445
<i>Operating loss</i>	(65,827)
<i>Nonoperating receipts (disbursements):</i>	
COVID grant	5,657
Interest income	147
Interest expense	(32,082)
Total nonoperating receipts	(26,278)
<i>Income before transfers</i>	(92,105)
Transfers to General Fund	(4,750)
	(4,750)
<i>Change in modified cash basis net position</i>	(96,855)
<i>Total net position - beginning</i>	3,539,864
<i>Total net position - ending</i>	\$ 3,443,009

See accompanying notes to financial statements.

TOWN OF WILMINGTON, VERMONT
Statement of Fiduciary Net Position - Modified Cash Basis
Fiduciary Funds
June 30, 2021

	Health Trust Fund	Agency Funds
Assets:		
Cash	\$ 6,368	-
Deposits	13,433	-
Due from other funds	-	96,411
Total assets	\$ 19,801	96,411
Liabilities		
Due to taxpayers	\$ -	96,411
Due to other funds	49,308	-
Total liabilities	\$ 49,308	96,411
Fiduciary net position	\$ (29,507)	

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, 2021

	Health Trust Fund
<i>Receipts:</i>	
Employer contributions	\$ 7,710
Member contributions	7,518
Total receipts	15,228
<i>Disbursements:</i>	
Benefits paid	16,536
Total disbursements	16,536
 <i>Change in modified cash basis fiduciary net position</i>	 (1,308)
<i>Total net position - beginning</i>	(28,199)
<i>Total net position - ending</i>	\$ (29,507)

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, 2021:

Cash:	
Deposits with Financial Institutions	\$ <u>3,736,993</u>
Investments:	
Certificates of Deposit	34,965
Money Market Mutual Funds	<u>17,837</u>
Total Investments	<u>52,802</u>
Total Cash and Investments	\$ <u><u>3,789,795</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		\$ 527,897
Uninsured, Collateralized by U.S. Government Securities Held by the Bank's Trust Department with a Security Interest Granted to the Town		<u>3,886,477</u>
Total Cash and Certificates of Deposit	\$ <u>3,771,958</u>	\$ <u>4,414,374</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	\$ 3,736,993
Investments - Certificates of Deposit	<u>34,965</u>
Total	\$ <u>3,771,958</u>

Interest rate risk

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

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(4) Capital Assets

Capital asset activity for the year was as follows:

	Beginning Balance	Additions	Retirements and Transfers	Ending Balance
Governmental Activities				
Land	\$ 252,077	-	-	252,077
Construction in Progress	-	-	-	-
Antiques and Works of Art	1,200	-	-	1,200
Buildings	2,128,134	-	-	2,128,134
Infrastructure	4,234,023	79,150	-	4,313,173
Office Equipment and Software	213,029	-	-	213,029
Vehicles and Equip.- General	7,499	-	-	7,499
Vehicles and Equip. - Roads	2,395,126	183,763	(157,650)	2,421,239
Vehicles and Equip. - Police Department	346,390	36,074	-	382,464
Vehicles and Equip. - Fire Department	1,298,693	-	-	1,298,693
Vehicles and Equip. - Culture and Recreation	147,351	-	-	147,351
Vehicles and Equip. - Solid Waste Disposal	10,500	-	-	10,500
Total Assets	11,034,022	298,987	(157,650)	11,175,359
Less: Accumulated Depreciation				
Buildings	(911,322)	(55,131)	-	(966,453)
Infrastructure	(1,873,183)	(147,556)	-	(2,020,739)
Office Equipment and Software	(174,080)	(10,847)	-	(184,927)
Vehicles and Equip.- General	(6,674)	(118)	-	(6,792)
Vehicles and Equip. - Roads	(869,872)	(134,718)	-	(1,004,590)
Vehicles and Equip. - Police Department	(241,447)	(23,977)	-	(265,424)
Vehicles and Equip. - Fire Department	(633,882)	(58,141)	136,028	(555,995)
Vehicles and Equip. - Culture and Recreation	(40,760)	(7,917)	-	(48,677)
Vehicles and Equip. - Solid Waste Disposal	(4,376)	(1,312)	-	(5,688)
Total Accumulated Depreciation	(4,755,596)	(439,717)	136,028	(5,059,285)
Governmental Activities Capital Assets, Net	\$ 6,278,426	(140,730)	(21,622)	6,116,074
Business-Type Activities				
Land	\$ 1,550	-	-	1,550
Construction in Progress	-	-	-	-
Office Equipment	33,753	-	-	33,753
Buildings and Buildings Improvements	2,381,098	-	-	2,381,098
Vehicles and Equipment	708,266	-	-	708,266
Collection and Treatment System	3,959,802	-	-	3,959,802
Total	7,084,469	-	-	7,084,469
Less: Accumulated Depreciation				
Office Equipment	(18,954)	(799)	-	(19,753)
Buildings and Buildings Improvements	(407,938)	(79,335)	-	(487,273)
Vehicles and Equipment	(474,597)	(20,807)	-	(495,404)
Collection and Treatment System	(1,270,569)	(64,882)	-	(1,335,451)
Total Accumulated Depreciation	(2,172,058)	(165,823)	-	(2,337,881)
Business-Type Activities Capital Assets, Net	\$ 4,912,411	(165,823)	-	4,746,588

(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
	<u>\$ 426,148</u>
Business-type Activities:	
Sewer	<u>\$ 164,736</u>

(5) Internal Balances

Internal balances at June 30, 2021 consisted of the following:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ -	2,577,449
Town Roads Fund	267,715	-
Other Governmental Funds	2,249,977	-
Sewer Fund	12,654	-
Agency Fund - Tax Sale Fund	96,411	-
Agency Fund - Health Care Flex Plan Fund	-	49,308
Total	<u>\$ 2,626,757</u>	<u>2,626,757</u>

Internal transfers for the year ended June 30, 2021 were as follows:

Transfer From	Transfer To	Amount	Purpose
General Fund	Cemetery Fund	\$ 42,000	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	150,000	Annual contribution
General Fund	Planning/Acquisition Capital	221,000	Annual contribution
General Fund	Town Hall Capital Fund	20,000	Annual contribution
General Fund	Police Equipment Capital	20,000	Annual contribution
General Fund	Reappraisal Fund	26,792	Annual contribution
General Fund	Transfer Station Capital	5,000	Annual contribution
Sewer	General Fund	4,750	Administrative fee
		<u>\$ 514,542</u>	

(6) Leases

The Town leased certain equipment under agreements classified as capital leases. The final lease payments were made in the year ended June 30, 2021. At June 30, 2021 equipment recorded under capital lease in the Government-wide financial statements amounted to \$319,900. Accumulated amortization amounted to \$84,580.

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(7) Long-term Liabilities

Long-term liability activity for the year ended June 30, 2021 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Principal Due within One Year
Governmental Activities					
Bond payable, Vermont Municipal Bond Bank, Town Garage construction, interest ranging from 0.804% to 3.514%, payable May and November, annual principal payments of \$35,000 beginning November 2012, due November 2021.	\$ 60,000	-	(30,000)	30,000	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.	177,600	-	(88,800)	88,800	88,800
Bond anticipation note, advances up to \$1.8 million, bearing interest at 1.55% per annum.	-	220,000	-	220,000	-
VMERS net pension liability	804,374	406,169	-	1,210,543	N/A
Total Governmental Activities	\$ 1,041,974	626,169	(118,800)	1,549,343	118,800
Business-type Activities					
USDA Rural Development Loan, 2.25% interest, payable in semi- annual installments of \$36,747 including principal and interest, due June 15, 2046.	1,440,703	-	(41,412)	1,399,291	42,244
Total Business-type Activities	\$ 1,440,703	-	(41,412)	1,399,291	42,244

(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
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	-	-	-	46,199	27,295	73,494
2027-2031	-	-	-	247,156	120,314	367,470
2032-2036	-	-	-	276,412	91,058	367,470
2037-2041	-	-	-	309,131	58,339	367,470
2042-2046	-	-	-	345,595	21,748	367,343
	\$ 118,800	2,747	121,547	1,399,291	437,932	1,837,223

(8) Governmental Fund Balances/Net Assets

At June 30, 2021 the town's fund balances were nonspendable, restricted, committed or assigned as follows:

Special Revenue Fund, Nonspendable:	
Davenport Legacy Fund	\$ <u>431</u>
Special Revenue Fund, Restricted:	
Maintenance of Cemeteries	\$ 85,967
Restoration and Preservation of Municipal records	86,588
Beautification Donations	<u>3,642</u>
Total special revenue funds, restricted	\$ <u>176,197</u>
Capital Projects Fund, Restricted:	
Energy Efficient Improvements Grants	\$ <u>8,954</u>
Total restricted fund balances	\$ <u>185,151</u>
Special Revenue Fund, Committed:	
Housing and Economic Development	\$ <u>962,149</u>
Total special revenue funds, committed	\$ <u>962,149</u>
Capital Projects Fund, Committed:	
Bridge Rehabilitation	\$ 141,865
Memorial Hall Maintenance and Improvement	<u>59,454</u>
Total capital projects funds, committed	\$ <u>201,319</u>
Total committed fund balances	\$ <u>1,163,468</u>

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

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

General Fund, Assigned:

Animal Control	\$ 20,503
Green Mountain Beach	3,645
Public Lands and Fences	16,709
Revenue Sharing	997
Total general funds, assigned	<u>\$ 41,854</u>

Special Revenue Fund, Assigned:

Cemetery Fund	\$ 39,504
Police Department	7
Town Gathering Place	965
Revolving Loan Fund	14,793
Total special revenue fund, assigned	<u>\$ 55,269</u>

Capital Projects Fund, Assigned:

Dry Hydrant Grant	\$ 6,784
Town Hall	55,979
School Field	1,028
Town Road Equipment	93,053
Fire House	23,025
Fire Department Equipment	778,967
Police Equipment Fund	44,813
Total capital project funds, assigned	<u>\$ 1,003,649</u>
Total assigned fund balances	<u><u>\$ 1,100,772</u></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 11.85% of gross wages from each employee. Other Town employees contribute to Plan B which requires withholdings of 5.375%. The Town contributes 10.35% to Plan D and 6.00% 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 \$1,680,339 while covered payroll by the Plan was \$1,581,361. The Town's contribution to the plan for the year ending June 30, 2021 was \$110,299.

(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 2020-2021 fiscal year on November 13, 2020 and February 26, 2021. 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	0.5809	0.5809
Education - Local Share	2.112	1.8385
Total	<u>2.6929</u>	<u>2.4194</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 2021.

(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, 2021, 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, 2020. 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, 2020
Town of Wilmington's portion of the Plan's	
Total net pension liability	\$ 1,210,543

For the year ended June 30, 2020, the Town recognized pension expense of \$280,134. At June 30, 2021 the Town reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$ 115,778	-
Changes in assumptions	162,295	-
Difference between expected and actual experience	109,023	3,588
Changes in proportion and differences between Town contributions and proportionate share of contributions	34,225	39,038
Town contributions subsequent to the measurement date	110,299	-
	<u>\$ 531,620</u>	<u>42,626</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, 2021. 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, 2022	\$	106,958
June 30, 2023		112,414
June 30, 2024		87,147
June 30, 2025		72,176
Therafter		-
	\$	<u>378,695</u>

Significant Actuarial Assumptions and Methods

Investment Rate of Return: 7.00%, net of pension plan investment expenses, including inflation.

Salary Increases: Varying from 7.00% to 4.75% from 0-10 years of service, then a single rate of 4.5% for all subsequent years.

Mortality:

Pre-Retirement:

Groups A/8/C 40% PubG-2010 General Employee below-median and 60% of PubG-2010 General Employee, with generational projection using Scale MP-2019.

Group D PubG-2010 General Employee above-median, with generational projection using scale MP-2019.

Healthy Post-retirement - Retirees:

Groups A/8/C 104% of 40% PubG-2010 General Healthy Retiree below-median and 60% of PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019.

Group D PubG-2010 General Healthy Retiree, with generational projection using scale MP-2019.

Healthy Post-retirement - Beneficiaries:

Groups A/8/C 70% Pub-2010 Contingent Survivor below-median and 30% of Pub-2010 Contingent Survivor, with generational projection using scale MP-2019.

Group D Pub-2010 Contingent Survivor, with generational projection using scale MP- 2019.

Disabled Post-retirement:

All Groups PubNS-2010 Non-Safety Disabled Retiree with generational projection using Scale MP-2019.

(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)

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

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2020 and January 1, 2021 COLAs are 0.80% and 0.40%, respectively, for all groups.

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.

Inflation: 2.3%.

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

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, 2020, is summarized in the following table:

Asset Class	Target Asset Allocation	Long-Term Expected Real Rate of Return
Global Equity	29.00%	7.07%
US Equity - Large Cap	4.00%	6.19%
US Equity - Small/Mid Cap	3.00%	6.93%
Non-US Equity - Large Cap	5.00%	7.01%
Non-US Equity - Small Cap	2.00%	7.66%
Emerging Markets Debt	4.00%	3.66%
Core Bond	20.00%	0.39%
Private & Alternate Credit	10.00%	6.03%
US TIPS	3.00%	-0.20%
Core Real Estate	5.00%	4.06%
Non-Core Real Estate	3.00%	6.43%
Private Equity	10.00%	11.27%
Infrastructure/Farmmland	2.00%	5.44%
	100.00%	

(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)

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members) with scheduled increases through July 1, 2021. Further, based upon Board resolution, projected contributions beginning July 1, 2022, and each subsequent July 1, through 2025 include additional total contribution increases of 0.50% per year. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included.

Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The following table presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.0%) or one percent higher (8.0%):

1% Decrease (6.0%)	Discount Rate (7.0%)	1% Increase (8.0%)
\$ 1,849,464	\$ 1,210,543	\$ 684,846

(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 April 11, 2022, 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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Tax Collections	\$ 2,651,409	2,918,175	266,766
Delinquent Taxes - Interest	55,000	111,502	56,502
Delinquent Taxes - Penalty	52,000	136,372	84,372
Miscellaneous Grants	-	42,492	42,492
Municipal Planning Grant	-	7,564	7,564
CTCL Grant Rev	-	5,000	5,000
East Main Sidewalk	-	831	831
South Main Street	-	120,712	120,712
Glebe Land	85,000	27,301	(57,699)
Licenses	3,300	3,811	511
Zoning Fees	12,000	11,328	(672)
Permit Recording Fee	250	163	(87)
Land Sale/Redemptions	2,000	-	(2,000)
Miscellaneous Administrative	4,750	4,929	179
Miscellaneous Income	3,750	51,382	47,632
Act 60 Grand List Administrative	3,156	3,152	(4)
PILOT Payment	10,000	13,932	3,932
State Education Fund	30,000	29,773	(227)
Reappraisal - State/Parcel Payment	26,765	26,792	27
Land Use	42,000	45,379	3,379
Town Clerk Fees	35,000	98,050	63,050
Surplus	130,000	-	(130,000)
Police Department:			
Fees and Fines	41,000	50,016	9,016
Miscellaneous	500	-	(500)
Outside Employment	12,000	6,424	(5,576)
Alarm Registration Fees	3,600	3,300	(300)
DUI Enforcement Grant	5,000	900	(4,100)
Governor's Highway Safety Grant	5,000	5,250	250
GHSP Equipment Grant	5,000	7,402	2,402
Fire Department:			
Town of Searsburg	25,283	25,283	-
Somerset	3,000	3,000	-
Transfer Station Fees	79,000	116,387	37,387
MHS Fees	600	-	(600)
Memorial Hall Rent	1,000	-	(1,000)
Investment Income	20,000	2,862	(17,138)
Total cash receipts	3,347,363	3,879,464	532,101

(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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements:			
Town Officers:			
Moderator, Election Officials, Ballots	\$ 2,500	1,750	750
Selectboard	6,300	5,100	1,200
BCA Stipend/Expense	7,000	1,975	5,025
	<u>15,800</u>	<u>8,825</u>	<u>6,975</u>
Town Clerk:			
Salary	51,941	51,941	-
Assistant	36,256	39,730	(3,474)
Supplies and Postage	2,800	3,640	(840)
Training	4,300	118	4,182
Temporary help	18,750	8,514	10,236
Taping Town Meeting	600	-	600
Recording Supplies	2,200	2,233	(33)
Copier/Computer/Office Furniture	5,000	3,899	1,101
Election Supplies/Postage	600	7,286	(6,686)
Animal Rabies Control Supplies	400	499	(99)
CTCL Grant Expense	-	4,899	(4,899)
Vote Tabulator	3,200	494	2,706
Cell phone	600	-	600
	<u>126,647</u>	<u>123,253</u>	<u>3,394</u>
Treasurer:			
Town Treasurer Salary	1	-	1
Finance Officer	67,075	67,235	(160)
	<u>67,076</u>	<u>67,235</u>	<u>(159)</u>
Listers:			
Assistant Salary	56,275	67,789	(11,514)
Appraisal Temp	18,750	598	18,152
Lister's Salary/Expense	22,600	17,084	5,516
Mapping	5,000	1,331	3,669
Grievance Costs	20,000	18,931	1,069
Yearly Grand List Maintenance	25,000	3,423	21,577
Digitization COVID Exp	-	13,480	(13,480)
Appraisal Supplies/Computer	1,000	3,425	(2,425)
Reappraisal - Commercial - Everett	1,500	-	1,500
	<u>150,125</u>	<u>126,061</u>	<u>24,064</u>
Town Manager:			
Salaries	100,637	100,637	-
Town Manager Expenses	3,137	414	2,723
Postage and Supplies	4,000	4,838	(838)
Mileage	2,000	-	2,000
	<u>109,774</u>	<u>105,889</u>	<u>3,885</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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements (continued):			
Administration:			
Administrative Secretary	\$ 41,454	40,903	551
Zoning Administrator	49,935	50,095	(160)
Receptionist	-	2,373	(2,373)
Reconciliation Analyst	400	348	52
Ads Non-Zoning	550	642	(92)
Computer Support/Equipment	8,640	19,127	(10,487)
Telephone	9,000	8,435	565
Tax Bills	4,100	2,183	1,917
Training	2,500	179	2,321
Copier	2,165	3,106	(941)
Dog Warden Salary/Expense	-	572	(572)
Zoning Training/Expense	1,400	1,207	193
Zoning Advertising	500	544	(44)
Zoning Postage	250	-	250
	<u>120,894</u>	<u>129,714</u>	<u>(8,820)</u>
Police Department:			
Chief's Salary	79,300	79,338	(38)
Sworn Payroll	276,540	238,135	38,405
Part-time Payroll	6,630	480	6,150
Dispatcher	68,792	68,275	517
Overtime	20,000	27,700	(7,700)
Outside Employment	14,500	8,019	6,481
Cruiser Replacement	-	23,872	(23,872)
Cruiser Operation	27,500	26,360	1,140
Uniform Purchase	2,000	2,018	(18)
Uniform Maintenance	2,000	1,148	852
Firearm Ammunition	950	2,336	(1,386)
Radar	575	539	36
Telephone	6,000	4,030	1,970
Postage	385	789	(404)
Office Supplies	1,150	1,567	(417)
Office Equipment	250	465	(215)
Equipment Maintenance	1,500	532	968
Computer Hardware and Software	3,000	3,834	(834)
Statewide Record Database	9,350	4,575	4,775
Copier	1,500	906	594
Inservice Training	3,240	3,571	(331)
Training Aids and Materials	1,250	590	660
Community Awareness	400	273	127
Radio Maintenance	2,750	622	2,128

(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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Cash Disbursements (continued):</i>			
<i>Police Department (continued):</i>			
Equipment Replacement	\$ 1,950	(907)	2,857
Association Fees	750	580	170
Chief's Expense	500	79	421
Police Department Safety Compliance	150	128	22
Investigation Costs	750	967	(217)
Brattleboro Lockup	1,500	-	1,500
PD Alarm	300	300	-
Towing	200	200	-
GHS Equipment Grant	5,000	7,403	(2,403)
Vest Grants	1,000	194	806
Applicant Advertising	200	404	(204)
	<u>541,862</u>	<u>509,322</u>	<u>32,540</u>
<i>Fire Department:</i>			
Chief's Salary	67,092	67,092	-
Assistant Chief's Salary	2,436	2,388	48
Labor	33,438	33,439	(1)
Officer's Salary	3,000	1,847	1,153
Emergency Op Center Personnel	750	-	750
Emergency Op Center Setup	500	-	500
Electricity	2,000	1,789	211
Telephone	3,400	3,502	(102)
Fire Fighter's Association	700	480	220
Administration	1,900	2,630	(730)
Training	3,500	1,071	2,429
Radio Maintenance	2,500	2,828	(328)
Code Compliance	250	-	250
Air Packs	2,500	241	2,259
Water Rent	1,200	1,243	(43)
Sewer Rent	500	566	(66)
Fire Alarm	250	-	250
Truck Maintenance	6,300	5,451	849
Gas and Oil	2,750	1,581	1,169
Building Maintenance	3,500	5,137	(1,637)
Extinguisher Recharge	275	111	164
Equipment (New & Replacement)	4,000	8,242	(4,242)

(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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Cash Disbursements (continued):</i>			
<i>Fire Department (continued):</i>			
Helmet/Boot/Coat	\$ 5,000	5,195	(195)
Hose	4,100	-	4,100
Foam	700	-	700
Heating Oil	4,200	2,696	1,504
Fire Prevention Education	750	-	750
Travel Expense	2,000	142	1,858
Fire Chief Uniform	250	134	116
Dispatch Assessment Wilmington	44,154	45,479	(1,325)
Dispatch Assessment Searsburg	5,850	6,026	(176)
	<u>209,745</u>	<u>199,310</u>	<u>10,435</u>
<i>Insurance:</i>			
Employment Practices	11,500	8,348	3,152
Liability/Property/Auto	46,000	34,204	11,796
Public Officials Liability	3,500	2,239	1,261
Firemen's Disability	1,250	1,287	(37)
Worker's Compensation	45,000	49,808	(4,808)
	<u>107,250</u>	<u>95,886</u>	<u>11,364</u>
<i>Health and Social Services:</i>			
Health Officer	1,678	1,678	-
Town Nurse	17,668	17,603	65
Council on Aging	350	350	-
Morningside	1,500	1,500	-
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	-
Wings	10,000	10,000	-
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>82,551</u>	<u>79,486</u>	<u>3,065</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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Cash Disbursements (continued):</i>			
<i>Green Mountain Beach:</i>	\$		
Green Mountain Beach Mowing	750	850	(100)
Maintenance and Improvement	900	715	185
Toilets	800	67	733
	<u>2,450</u>	<u>1,632</u>	<u>818</u>
<i>Employee Benefits:</i>			
Social Security	82,560	82,826	(266)
Health Care	337,548	347,643	(10,095)
Disability/Life Insurance	4,822	3,635	1,187
Retirement	72,000	74,625	(2,625)
Employment Security	500	513	(13)
Uniforms	-	(183)	183
	<u>497,430</u>	<u>509,059</u>	<u>(11,629)</u>
<i>Grounds Keeper</i>	<u>8,177</u>	<u>7,023</u>	<u>1,154</u>
<i>Transfer Station:</i>			
Operator	41,937	41,719	218
Management District Assessment	12,350	13,489	(1,139)
Electricity	1,600	1,652	(52)
Telephone	1,200	1,007	193
Post Closure Expense	500	-	500
Tire Recycling	500	-	500
Disposal & Containers	75,000	94,327	(19,327)
TS Recycle	27,000	52,499	(25,499)
Maintenance/Improvements/Supplies	1,250	2,464	(1,214)
Miscellaneous	300	100	200
	<u>161,637</u>	<u>207,257</u>	<u>(45,620)</u>
<i>Legal and Professional Fees</i>	<u>86,550</u>	<u>54,609</u>	<u>31,941</u>
<i>Memorial Hall:</i>			
Electricity	2,400	1,564	836
Water Rent	1,200	1,069	131
Sewer Rent	1,000	1,132	(132)
Maintenance	2,500	2,979	(479)
Grounds	1,200	1,114	86
Heat	2,500	-	2,500
Fire Alarm	600	737	(137)
Insurance	3,000	2,231	769
Cleaning/Janitorial	1,000	185	815
	<u>15,400</u>	<u>11,011</u>	<u>4,389</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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Cash Disbursements (continued):</i>			
<i>Planning Commission:</i>			
Municipal Planning Grant	\$ -	7,564	(7,564)
Windham Region	4,275	4,298	(23)
Manuals	400	-	400
Public Notice	450	123	327
Postage	100	57	43
Training Expenses	250	-	250
	<u>5,475</u>	<u>12,042</u>	<u>(6,567)</u>
<i>Library:</i>			
Library	-	-	-
Library Appropriation	133,100	133,100	-
Library Capital	12,000	12,000	-
	<u>145,100</u>	<u>145,100</u>	<u>-</u>
<i>Memorial Day</i>	<u>400</u>	<u>-</u>	<u>400</u>
<i>Recreation Commission:</i>			
Elementary Program Director	2,627	2,627	-
Elementary Counselors	3,774	3,026	748
MS Program Directors	3,152	-	3,152
MS Art Director	225	-	225
MS Counselors	3,610	-	3,610
Elementary Programs	750	700	50
MHS Supplies	600	600	-
Portable Toilets	2,800	491	2,309
Green-Up Day	75	25	50
Beautification Committee	2,900	982	1,918
Flowers/Barrels	19,700	19,700	-
Tennis Courts	300	913	(613)
Valley Youth Sports	7,000	7,000	-
Playground Expense	-	51	(51)
Parks	-	900	(900)
	<u>47,513</u>	<u>37,015</u>	<u>10,498</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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Cash Disbursements (continued):</i>			
<i>Town Hall:</i>			
Electricity	\$ 8,000	6,027	1,973
Heat	6,500	3,322	3,178
Supplies	1,500	884	616
Fire Alarm	600	370	230
Water Rent	1,300	1,425	(125)
Sewer Rent	1,300	1,500	(200)
Maintenance	5,000	9,717	(4,717)
Elevator	2,700	2,469	231
Janitorial and Carting	8,000	8,808	(808)
	<u>34,900</u>	<u>34,522</u>	<u>378</u>
<i>Selectpersons Contingency:</i>			
Miscellaneous	2,500	1,002	1,498
Economic Development	72,420	71,722	698
	<u>74,920</u>	<u>72,724</u>	<u>2,196</u>
<i>Other</i>			
Garage Bond	31,553	31,553	-
Public Lands & Fences	5,000	5,000	-
Street Lights	15,000	15,012	(12)
Taxes - County Court	74,224	74,224	-
Town Reports	850	796	54
Transfer to Bridge (loan payment)	93,240	93,197	43
Vermont League of Cities and Towns Dues	3,405	3,405	-
Web Site	800	752	48
Wilmington Water District	6,600	6,591	9
Grant Expenditures:			
E Main Street	-	3,367	(3,367)
South Main Sidewalk	-	5,110	(5,110)
North Main Sidewalk	-	94	(94)
Lake Raponda Greeter	-	362	(362)
	<u>230,672</u>	<u>239,463</u>	<u>(8,791)</u>
<i>Total cash disbursements</i>	<u>2,842,348</u>	<u>2,776,438</u>	<u>65,910</u>
<i>Excess (deficiency) of cash receipts over cash disbursements</i>	<u>505,015</u>	<u>1,103,026</u>	<u>598,011</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, 2021**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Other financing sources (uses):</i>			
Operating transfers in (out):			
Administrative WWTP	\$ 4,750	4,750	-
Fire Department Equipment	(150,000)	(150,000)	-
Fire House Capital	(5,000)	(5,000)	-
Memorial Hall Fund Capital Transfer	(20,000)	(20,000)	-
Planning/Aquisition Capital	(221,000)	(221,000)	-
Police Equipment Capital	(20,000)	(20,000)	-
Reappraisal Fund	(26,765)	(26,792)	(27)
Town Hall Capital Fund	(20,000)	(20,000)	-
Transfer Station Capital	(5,000)	(5,000)	-
Transfer to Cemetery Fund	(42,000)	(42,000)	-
	<u>(505,015)</u>	<u>(505,042)</u>	<u>(27)</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</i>	\$ -	597,984	597,984

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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Tax Collections	\$ 1,728,452	1,728,452	-
State Aid	140,000	142,776	2,776
Grant Income	-	23,255	23,255
Permits	100	460	360
Interest Income	400	348	(52)
Other	250	37,552	37,302
Surplus	20,000	-	(20,000)
Total cash receipts	<u>1,889,202</u>	<u>1,932,843</u>	<u>43,641</u>
Cash Disbursements:			
Salaries and Employee Benefits			
Salaries and Wages	447,886	451,158	(3,272)
Unscheduled Overtime	37,000	26,249	10,751
Social Security	37,000	35,418	1,582
Health Insurance	227,036	208,554	18,482
Disability Insurance	2,500	2,273	227
Retirement	29,000	28,590	410
Uniforms	3,100	2,922	178
Workers Comp	33,200	30,681	2,519
	<u>816,722</u>	<u>785,845</u>	<u>30,877</u>
Materials			
Parking Maintenance	2,500	1,432	1,068
Culverts	21,000	23,140	(2,140)
Rails	10,000	6,625	3,375
Chloride	22,000	19,714	2,286
Gravel/Stone/Fabric-Misc	108,000	129,658	(21,658)
Resurfacing	290,000	283,427	6,573
Salt	79,000	46,047	32,953
Sand	75,000	62,081	12,919
Snow Removal	37,500	29,180	8,320
Signs	2,200	2,931	(731)
Crack Sealing	18,000	21,914	(3,914)
Stabilization/Fabric/Hay	7,000	5,258	1,742
	<u>672,200</u>	<u>631,407</u>	<u>40,793</u>
Equipment			
Maintenance to Equipment	60,700	45,785	14,915
Fuel	59,000	36,679	22,321
Rental/Contracted	7,000	2,004	4,996
Training	100	-	100
	<u>126,800</u>	<u>84,468</u>	<u>42,332</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, 2021

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Cash Disbursements (continued):</i>			
<i>Garage</i>			
Advertising	\$ 550	247	303
Electricity	2,900	2,715	185
Tools & Supplies	20,100	16,945	3,155
Personal Protective Equip	1,500	442	1,058
Telephone	2,900	3,250	(350)
Insurance - Vehicles/Bldg	21,000	15,856	5,144
Computer/Office Supplies	800	704	96
Sewer Rent	690	764	(74)
MRGP permit	2,190	1,590	600
Bldg/Maint/Improvements	5,600	1,434	4,166
Fire Alarm	250	250	-
Heating	5,000	3,462	1,538
	<u>63,480</u>	<u>47,659</u>	<u>15,821</u>
<i>Miscellaneous</i>			
Bridge Rehab CH	35,000	35,000	-
Better Back Roads Grant	-	74,792	(74,792)
TRE Appropriation	175,000	175,000	-
	<u>210,000</u>	<u>284,792</u>	<u>(74,792)</u>
<i>Total cash disbursements</i>	<u>1,889,202</u>	<u>1,834,171</u>	<u>55,031</u>
<i>Excess of cash receipts over cash disbursements</i>	\$ <u>-</u>	<u>98,672</u>	<u>98,672</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 (Unaudited)

	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.47852%	0.46364%	0.52790%	0.46888%	0.47601%	0.49197%	0.49731%
Proportionate share of the net pension liability	\$ 1,210,543	804,374	742,691	568,074	612,611	397,287	45,387
Covered-employee payroll	\$ 1,581,361	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	76.55%	54.47%	53.09%	39.25%	44.00%	30.20%	3.55%
Plan fiduciary net position as a percentage of the total pension liability	86.21%	74.52%	80.35%	82.60%	80.95%	87.42%	98.32%
Contractually required contribution	\$ 110,299	99,176	89,081	92,473	76,572	71,695	66,540
Contributions in relation to the contractually required contribution	(110,299)	(99,176)	(89,081)	(92,473)	(76,572)	(71,695)	(66,540)
Contribution deficiency (excess)	\$ -	-	-	-	-	-	-
Contributions as a percentage of covered-employee payroll	6.97%	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, 2021, 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 April 11, 2022.

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.

April 11, 2022

Vt. Reg. #357

Love, Cody & Company, CPAs