

TOWN OF WILMINGTON, VERMONT

Financial Statements and Schedules

June 30, 2022

(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

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and aggregate remaining fund information of the Town of Wilmington, Vermont, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Town of Wilmington, Vermont's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town of Wilmington, Vermont, as of June 30, 2022, and the respective changes in modified cash basis financial position, and where applicable, cash flows thereof for the year then ended in accordance with the modified cash basis of accounting described in Note A.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Wilmington, Vermont, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter—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 opinions are not modified with respect to this matter.

Responsibilities of Management 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, and for 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 fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Wilmington, Vermont's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Wilmington, Vermont's ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the management's discussion and analysis, budgetary comparison information, and pension disclosures but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 6, 2023 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.

April 6, 2023

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

Vt. Reg. #357

Love, Cody & Company, CPAs

**TOWN OF WILMINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2022**

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, 2022. 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 \$15,139,530 at June 30, 2022, an increase of \$1,360,440 from last year.
- Net position of the governmental activities amounted to \$9,978,138, while net position attributable to business-type activities was \$5,161,392.

Fund financial statements:

- The Town's governmental funds reported total fund balances of \$4,819,995. The general fund ended the fiscal year with a fund balance of \$1,153,746, of which \$1,106,587 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, 2022**

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, 2022**

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, 2022 and 2021 and the Statements of Activities for the years then ended.

Government-Wide Statements

The Town's combined net position increased by \$1,360,440 to \$15,139,530 at June 30, 2022. 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	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 5,340	3,685	229	98	5,569	3,783
Capital assets	11,091	6,116	7,543	4,747	18,634	10,863
Total assets	<u>16,431</u>	<u>9,801</u>	<u>7,772</u>	<u>4,845</u>	<u>24,203</u>	<u>14,646</u>
Deferred outflows of resources	422	532	-	-	422	532
Total assets and deferred outflows	<u>16,853</u>	<u>10,333</u>	<u>7,772</u>	<u>4,845</u>	<u>24,625</u>	<u>15,178</u>
Current liabilities	314	173	97	45	411	218
Long-term liabilities	6,105	1,430	2,514	1,357	8,619	2,787
Total liabilities	<u>6,419</u>	<u>1,603</u>	<u>2,611</u>	<u>1,402</u>	<u>9,030</u>	<u>3,005</u>
Deferred inflows of resources	456	43	-	-	456	43
Total liabilities and deferred inflows	<u>6,875</u>	<u>1,646</u>	<u>2,611</u>	<u>1,402</u>	<u>9,486</u>	<u>3,048</u>
Net position:						
Invested in capital assets, net of debt	5,406	5,777	4,934	3,347	10,340	9,124
Restricted	217	186	-	-	217	186
Unrestricted	4,355	2,724	227	96	4,582	2,820
Total net position	<u>\$ 9,978</u>	<u>8,687</u>	<u>5,161</u>	<u>3,443</u>	<u>15,139</u>	<u>12,130</u>

The Town's capital assets (Table 1), such as infrastructure, buildings and equipment, less outstanding debt used to acquire them, amounted to \$10.3 million at June 30, 2022 and \$9.1 million at June 30, 2021. These assets represent the largest portion of the Town's net assets. Although the \$10.3 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, 2022, net assets of \$217 thousand (Table 1) have been restricted by the voters or sources external to the Town to be used for specific purposes. Approximately \$4.6 million of the Town's combined net position is unrestricted.

**TOWN OF WILMINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2022**

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

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program revenues:						
Charges for services	\$ 417	423	791	387	1,208	810
Grants and contributions	251	352	37	6	288	358
General revenues:						
Property taxes	4,575	4,676	-	-	4,575	4,676
Other general revenues	1,127	994	-	-	1,127	994
Total revenues	<u>6,370</u>	<u>6,445</u>	<u>828</u>	<u>393</u>	<u>7,198</u>	<u>6,838</u>
Program expenses:						
General government	1,947	2,549	-	-	1,947	2,549
Highways and roads	2,075	1,905	-	-	2,075	1,905
Public safety	573	777	-	-	573	777
Culture and recreation	230	213	-	-	230	213
Cemeteries	42	43	-	-	42	43
Solid waste disposal	213	209	-	-	213	209
Interest on long-term debt	4	7	-	-	4	7
Sewer	-	-	514	485	514	485
Water	-	-	240	-	240	-
Total expenses	<u>5,084</u>	<u>5,703</u>	<u>754</u>	<u>485</u>	<u>5,838</u>	<u>6,188</u>
Excess (deficiency) before transfers and adjustments	1,286	742	74	(92)	1,360	650
Transfers	5	5	(5)	(5)	-	-
Increase (decrease) in net position	\$ 1,291	747	69	(97)	1,360	650

Net position of the Town's governmental activities (Table 2) increased by approximately 14.9% or \$1.3 million as reported in Table 2 for the year ended June 30, 2022, including net operating transfers from business-type activities of \$4,892.

The net position related to business-type activities decreased by approximately \$69 thousand for the year ended June 30, 2022.

**TOWN OF WILMINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2022**

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

	2022		2021	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
General government	\$ 1,947	1,652	2,549	1,701
Highways and roads	2,075	1,920	1,905	2,034
Public safety	573	467	777	690
Culture and recreation	230	230	213	233
Cemeteries	42	42	43	40
Solid waste disposal	213	101	209	76
Interest on long-term debt	4	4	7	11
	\$ 5,084	4,416	5,703	4,785

The costs of providing governmental services (Table 3) amounted to approximately \$5.1 and \$5.7 million for the years ended June 30, 2022 and 2021, 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 \$4.4 and \$4.8 million for the years ended June 30, 2022 and 2021. 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	
	2022	2021	2022	2021	2022	2021
Land and antiques/art	\$ 253	253	2	2	255	255
Buildings and improvements	6,032	1,162	1,945	1,973	7,977	3,135
Infrastructure	2,274	2,292	-	-	2,274	2,292
Office equipment and software	120	28	13	15	133	43
Vehicles and equipment	2,412	2,381	196	233	2,608	2,614
Collection and treatment sys.	-	-	5,387	2,689	5,387	2,689
Totals	\$ 11,091	6,116	7,543	4,912	18,634	11,028

**TOWN OF WILMINGTON, VERMONT
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended June 30, 2022**

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Bonds payable	\$ 5,500	250	601	-	6,101	250
Notes and contracts	185	89	651	-	836	89
USDA Rural Development	-	-	1,357	1,399	1,357	1,399
Totals	\$ 5,685	339	2,609	1,399	8,294	1,738

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

This year, as in previous years, the Town's financial position shows overall stability in its total net position, while posting a surplus. Over the past year, property sales have been strong and real estate values remain high. As a result, we can anticipate that increased property values will likely change our CLA (common level of appraisal) used to equalize education taxes statewide, triggering a potential statistical reappraisal, even though a townwide reappraisal was completed in 2020. Management remains confident regarding the strength of our economy through tourism in the Deerfield Valley, as the Hermitage Members Club (one of our largest employers) continues to grow in terms of membership and employment opportunities.

In June 2022, voters were treated to an open house to see the newly constructed \$5.5M Public Safety Facility. NBF Architects designed and Bread Loaf Corporation constructed this modern facility. Moving both Police and Fire departments out of the flood zone to protect town infrastructure was one of the many goals identified in the town plan and by the selectboard. Additional town services identified in the town plan, with the goal to move them out of the flood hazard area, are offices located in Town Hall: the Town Clerk on the first floor, with additional offices, and 2nd floor offices of Finance, Listers, Zoning and Town Manager.

The town assumes an estimated \$428,000 surplus, related to an increase in revenues [examples are highway grant income, transfer station, town clerk and zoning fees, and increased tax collections, interest and penalties], along with expenses that came in under budget [examples found in budgets for Listers, Police, Insurances, Legal, Highway's salt & sand, and snow removal].

The Deerfield Valley remains challenged with a lack of affordable workforce housing and rentals, as we see throughout the state. A historically high inflation rate hovers around 9% at the end of this fiscal year.

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, 2022

Exhibit A

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Assets:			
Cash	\$ 4,933,731	62,238	4,995,969
Investments	53,544	-	53,544
Internal balances	(166,683)	166,683	-
Due from fiduciary funds	3,805	-	3,805
Bond proceeds receivable	515,973	-	515,973
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	10,837,286	7,541,686	18,378,972
Total assets	16,430,933	7,772,157	24,203,090
Deferred outflows of financial resources:			
VMERS pension plan	422,271	-	422,271
Total assets and deferred outflows of financial resources	\$ 16,853,204	7,772,157	24,625,361
Liabilities:			
Due to State of Vermont	\$ 4,402	-	4,402
Sewer credits	-	1,848	1,848
Equipment finance obligation:			
Due within one year	34,870	-	34,870
Due in more than one year	149,666	-	149,666
Notes and bonds payable:			
Due within one year	275,000	94,548	369,548
Due in more than one year	5,225,000	2,514,369	7,739,369
Net pension liability	730,176	-	730,176
Total liabilities	6,419,114	2,610,765	9,029,879
Deferred inflows of financial resources:			
VMERS pension plan	455,952	-	455,952
Total liabilities and deferred inflows of financial resources	\$ 6,875,066	2,610,765	9,485,831
Net position:			
Invested in capital assets, net of related debt	\$ 5,406,027	4,934,319	10,340,346
Restricted	216,929	-	216,929
Unrestricted	4,355,182	227,073	4,582,255
Total net position	\$ 9,978,138	5,161,392	15,139,530

See accompanying notes to financial statements.

TOWN OF WILMINGTON, VERMONT
Statement of Activities - Modified Cash Basis
June 30, 2022

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	Primary Government		
					Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 1,946,777	263,032	32,073	-	(1,651,672)	-	(1,651,672)
Highways and roads	2,075,142	287	154,715	-	(1,920,140)	-	(1,920,140)
Public safety	573,238	42,018	58,515	5,529	(467,176)	-	(467,176)
Culture and recreation	229,925	-	-	-	(229,925)	-	(229,925)
Cemeteries	42,393	-	-	-	(42,393)	-	(42,393)
Solid waste disposal	212,700	111,732	-	-	(100,968)	-	(100,968)
Interest on long-term debt	3,872	-	-	-	(3,872)	-	(3,872)
Total governmental activities	5,084,047	417,069	245,303	5,529	(4,416,146)	-	(4,416,146)
Business-type activities:							
Sewer	513,870	477,075	-	-	-	(36,795)	(36,795)
Water	240,457	313,618	-	37,617	-	110,778	110,778
Total business-type activities	754,327	790,693	-	37,617	-	73,983	73,983
Total primary government	\$ 5,838,374	1,207,762	245,303	43,146	(4,416,146)	73,983	(4,342,163)
General revenues:							
Property taxes					4,574,571	-	4,574,571
Interest and penalties on delinquent taxes					132,295	-	132,295
Payment in lieu of taxes					15,559	-	15,559
Local options tax					505,261	-	505,261
Investment earnings					8,685	185	8,870
Miscellaneous					466,047	-	466,047
Transfers					4,892	(4,892)	-
Total general revenues and transfers					5,707,310	(4,707)	5,702,603
Change in net position					1,291,164	69,276	1,360,440
Net position - beginning					8,686,974	5,092,116	13,779,090
Net position - ending					\$ 9,978,138	5,161,392	15,139,530

See accompanying notes to financial statements.

TOWN OF WILMINGTON, VERMONT
Statement of Assets, Liabilities and Fund Balances - Modified Cash Basis
Governmental Funds
June 30, 2022

	General Fund	Town Roads Fund	Other Governmental Funds	Total Governmental Funds
Assets:				
Cash and cash equivalents	\$ 4,740,310	-	193,421	4,933,731
Investments	-	-	53,544	53,544
Due from other funds	-	239,987	3,179,297	3,419,284
Total assets	\$ 4,740,310	239,987	3,426,262	8,406,559
Liabilities:				
Due to State of Vermont	\$ 4,402	-	-	4,402
Due to other funds	3,582,162	-	-	3,582,162
Total liabilities	3,586,564	-	-	3,586,564
Fund Balances:				
Nonspendable	\$ -	-	431	431
Restricted	-	-	216,498	216,498
Committed	-	-	1,463,927	1,463,927
Assigned	47,159	-	1,365,243	1,412,402
Unassigned	1,106,587	239,987	380,163	1,726,737
Total fund balances	1,153,746	239,987	3,426,262	4,819,995
Total liabilities and fund balances	\$ 4,740,310	239,987	3,426,262	8,406,559

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, 2022

Exhibit D

Total fund balances - governmental funds (from page 11)	\$ 4,819,995
Non-current assets (bond proceeds receivable) are not reported in the fund financial statements	515,973
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	11,090,563
Deferred outflows of financial resources related to pension activities are not recognized in the funds	422,271
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(6,414,712)
Deferred inflows of financial resources related to pension activities are not recognized in the funds	(455,952)
Net position of governmental activities (page 9)	<u>\$ 9,978,138</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, 2022

	General Fund	Town Roads Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 2,851,978	1,722,593	-	4,574,571
Penalties, interest and collection costs of delinquent taxes	132,295	-	-	132,295
Intergovernmental	177,347	199,008	803,794	1,180,149
Charges for services	156,188	-	-	156,188
Investment income	4,181	300	4,204	8,685
Licenses and permits	106,557	287	-	106,844
Donations	-	-	7,180	7,180
Other	90,416	472	113,519	204,407
Total revenues	3,518,962	1,922,660	928,697	6,370,319
Expenditures:				
General government	1,585,488	-	300,143	1,885,631
Highways and streets	15,577	1,675,388	-	1,690,965
Public safety	777,667	-	5,811	783,478
Culture and recreation	205,393	-	2,764	208,157
Cemeteries	-	-	42,393	42,393
Transfer station	207,888	-	-	207,888
Capital outlay:				
General government	-	-	8,956	8,956
Highways and streets	-	-	148,684	148,684
Public safety	47,688	-	4,801,468	4,849,156
Culture and recreation	-	-	2,512	2,512
Debt service:				
Principal	118,800	-	595,000	713,800
Interest	2,716	-	1,156	3,872
Total expenditures	2,961,217	1,675,388	5,908,887	10,545,492
Excess (deficiency) of cash receipts over cash disbursements	557,745	247,272	(4,980,190)	(4,175,173)
Other financing sources (uses):				
Proceeds from long-term debt	-	-	5,359,027	5,359,027
Operating transfers in (out)	(283,858)	(275,000)	563,750	4,892
Total other financing sources (uses)	(283,858)	(275,000)	5,922,777	5,363,919
Net change in fund balances	273,887	(27,728)	942,587	1,188,746
Fund balance, July 1, 2021	879,859	267,715	2,483,675	3,631,249
Fund balance, June 30, 2022	\$ 1,153,746	239,987	3,426,262	4,819,995

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, 2022

Exhibit F

Net change in fund balances - total governmental funds (from page 13)	\$	1,188,746
Governmental funds report capital outlays as expenditures. However in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		4,870,245
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		(5,359,027)
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.		(80,292)
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.		713,800
The change in the net pension liability and related deferred inflows and deferred outflows of financial resources is not recognized in the funds		(42,308)
Change in net position of governmental activities (page 10)	\$	<u>1,291,164</u>

See accompanying notes to financial statements.

TOWN OF WILMINGTON, VERMONT
Statement of Net Position - Modified Cash Basis
Proprietary Fund
June 30, 2022

	Sewer Fund	Water Fund	Total
Assets:			
Current assets:			
Cash	\$ 62,238	-	62,238
Due from other funds	92,063	74,620	166,683
Total current assets	154,301	74,620	228,921
Capital assets:			
Property, plant and equipment (net of accumulated depreciation)	4,606,002	2,937,234	7,543,236
Total non-current assets	4,606,002	2,937,234	7,543,236
Total assets	\$ 4,760,303	3,011,854	7,772,157
Liabilities:			
Customer credits	\$ 1,819	29	1,848
Current portion of notes payable	30,294	64,254	94,548
	32,113	64,283	96,396
Notes payable, less current portion	1,326,752	1,187,617	2,514,369
Total liabilities	1,358,865	1,251,900	2,610,765
Net position:			
Invested in capital assets, net of related debt	3,248,956	1,685,363	4,934,319
Unrestricted	152,482	74,591	227,073
Total net position	3,401,438	1,759,954	5,161,392
Total liabilities and net position	\$ 4,760,303	3,011,854	7,772,157

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 Funds
Year Ended June 30, 2022

	Sewer Fund	Water Fund	Total
Operating receipts:			
Sewer rents	\$ 446,449	-	446,449
Water rents	-	307,502	307,502
Penalties and interest on delinquents	12,774	-	12,774
Fees	17,822	2,295	20,117
Other	30	3,821	3,851
Total operating receipts	477,075	313,618	790,693
Operating disbursements:			
Wages and benefits	210,433	117,190	327,623
Operations and Maintenance	64,118	31,061	95,179
Utilities	44,017	4,745	48,762
Depreciation	164,053	63,098	227,151
Total operating expenses	482,621	216,094	698,715
Operating income	(5,546)	97,524	91,978
Nonoperating receipts (disbursements):			
Contributed capital	-	37,617	37,617
Interest income	116	69	185
Interest expense	(31,249)	(24,363)	(55,612)
Total nonoperating receipts	(31,133)	13,323	(17,810)
Income before transfers	(36,679)	110,847	74,168
Transfers to General Fund	(4,892)	-	(4,892)
	(4,892)	-	(4,892)
Change in modified cash basis net position	(41,571)	110,847	69,276
Total net position - beginning	3,443,009	1,649,107	5,092,116
Total net position - ending	\$ 3,401,438	1,759,954	5,161,392

See accompanying notes to financial statements.

TOWN OF WILMINGTON, VERMONT
Statement of Fiduciary Net Position - Modified Cash Basis
Fiduciary Funds
June 30, 2022

	Health Trust Fund	Agency Funds
Assets:		
Cash	\$ 11,758	-
Deposits	4,363	-
Due from other funds	-	41,705
Total assets	\$ 16,121	41,705
Liabilities		
Due to taxpayers	\$ -	27,425
Due to other funds	45,510	-
Total liabilities	\$ 45,510	27,425
Fiduciary net position	\$ (29,389)	

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, 2022

	Health Trust Fund
Receipts:	
Employer contributions	\$ 13,575
Member contributions	10,265
Total receipts	23,840
Disbursements:	
Benefits paid	23,636
Administrative expense	86
Total disbursements	23,722
Change in modified cash basis fiduciary net position	118
Total net position - beginning	(29,507)
Total net position - ending	\$ (29,389)

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 two Enterprise Funds: the Sewer Fund and the Water 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, 2022:

Cash:	
Deposits with Financial Institutions	\$ <u>5,031,195</u>
Investments:	
Certificates of Deposit	35,100
Money Market Mutual Funds	<u>18,444</u>
Total Investments	<u>53,544</u>
Total Cash and Investments	\$ <u><u>5,084,739</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:

	Book Balance	Bank Balance
FDIC Insured		\$ 535,106
Uninsured, Collateralized by U.S. Government Securities Held by the Bank's Trust Department with a Security Interest Granted to the Town		4,708,422
Total Cash and Certificates of Deposit	\$ 5,066,295	\$ 5,243,528

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	\$ 5,031,195
Investments - Certificates of Deposit	35,100
Total	\$ 5,066,295

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	4,941,583	-	7,069,717
Infrastructure	4,313,173	98,755	-	4,411,928
Office Equipment and Software	213,029	132,744	-	345,773
Vehicles and Equip. - General	7,499	-	-	7,499
Vehicles and Equip. - Roads	2,421,239	255,700	(258,964)	2,417,975
Vehicles and Equip. - Police Department	382,464	83,347	(82,253)	383,558
Vehicles and Equip. - Fire Department	1,298,693	52,069	-	1,350,762
Vehicles and Equip. - Culture and Recreation	147,351	-	-	147,351
Vehicles and Equip. - Solid Waste Disposal	10,500	-	-	10,500
Total Assets	11,175,359	5,564,198	(341,217)	16,398,340
Less: Accumulated Depreciation				
Buildings	(966,453)	(71,603)	-	(1,038,056)
Infrastructure	(2,020,739)	(117,480)	-	(2,138,219)
Office Equipment and Software	(184,927)	(40,347)	-	(225,274)
Vehicles and Equip. - General	(6,792)	(119)	-	(6,911)
Vehicles and Equip. - Roads	(868,562)	(163,387)	166,172	(865,777)
Vehicles and Equip. - Police Department	(265,424)	(25,006)	72,753	(217,677)
Vehicles and Equip. - Fire Department	(692,023)	(56,745)	-	(748,768)
Vehicles and Equip. - Culture and Recreation	(48,677)	(7,918)	-	(56,595)
Vehicles and Equip. - Solid Waste Disposal	(5,688)	(4,812)	-	(10,500)
Total Accumulated Depreciation	(5,059,285)	(487,417)	238,925	(5,307,777)
Governmental Activities Capital Assets, Net	\$ 6,116,074	5,076,781	(102,292)	11,090,563
Business-Type Activities				
Land	\$ 1,550	-	-	1,550
Office Equipment	33,753	-	-	33,753
Buildings and Buildings Improvements	2,687,998	-	-	2,687,998
Vehicles and Equipment	710,266	-	-	710,266
Collection and Treatment System	11,663,578	23,467	-	11,687,045
Total	15,097,145	23,467	-	15,120,612
Less: Accumulated Depreciation				
Office Equipment	(19,753)	(701)	-	(20,454)
Buildings and Buildings Improvements	(658,061)	(85,126)	-	(743,187)
Vehicles and Equipment	(497,404)	(16,790)	-	(514,194)
Collection and Treatment System	(6,175,007)	(124,534)	-	(6,299,541)
Total Accumulated Depreciation	(7,350,225)	(227,151)	-	(7,577,376)
Business-Type Activities Capital Assets, Net	\$ 7,746,920	(203,684)	-	7,543,236

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(4) Capital Assets (continued)

Depreciation was charged as follows:

Governmental Activities:	
General government	\$ 20,936
Highways and streets	301,566
Public safety	140,847
Culture and recreation	19,256
Solid waste disposal	4,812
	\$ 487,417
Business-type Activities:	
Sewer	\$ 164,053
Water	63,098
	\$ 227,151

(5) Internal Balances

Internal balances at June 30, 2022 consisted of the following:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ -	3,582,162
Town Roads Fund	239,987	-
Other Governmental Funds	3,179,297	-
Sewer Fund	92,063	-
Water Fund	74,620	-
Agency Fund - Tax Sale Fund	41,705	-
Agency Fund - Health Care Flex Plan Fund	-	45,510
Total	\$ 3,627,672	3,627,672

Internal transfers for the year ended June 30, 2022 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	Town Hall Capital Fund	20,000	Annual contribution
General Fund	Police Equipment Capital	20,000	Annual contribution
General Fund	Reappraisal Fund	26,750	Annual contribution
General Fund	Transfer Station Capital	5,000	Annual contribution
Town Roads Fund	Town Road Equipment Fund	275,000	Annual contribution
Sewer	General Fund	4,892	Administrative fee
		\$ 568,642	

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(6) Long-term Liabilities

Long-term liability activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Principal Due within One Year
Governmental Activities					
Bond payable, Vermont Municipal Bond Bank, Public Facilities Building, interest ranging from 0.6% to 2.61%, payable May and November, annual principal payments of \$275,000 beginning November 2022, due November 2041.	\$ 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.	88,800	-	(88,800)	-	-
Bond anticipation note, advances up to \$1.8 million, bearing interest at 1.55% per annum.	220,000	-	(220,000)	-	-
Bond payable, Vermont Municipal Bond Bank, Public Facilities Building, interest ranging from 0.6% to 2.61%, payable May and November, annual principal payments of \$275,000 beginning November 2022, due November 2041.	-	5,500,000	-	5,500,000	275,000
Equipment financing contract with KS State Bank, secured by Volvo wheeled excavator, interest at 2.8%, payable in five annual installments of \$40,110.38, due September 8, 2026.	-	184,536	-	184,536	34,870
VMERS net pension liability	1,210,543	-	(480,367)	730,176	N/A
Total Governmental Activities	\$ 1,549,343	5,684,536	(819,167)	6,414,712	309,870

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(6) Long-term Liabilities (continued)

Business-type Activities

Sewer Department

USDA Rural Development Loan,
2.25% interest, payable in semi-
annual installments of \$36,747
including principal and interest,
due June 15, 2046.

	1,399,291	-	(42,245)	1,357,046	30,294
Total Business-type Activities	\$ 1,399,291	-	(42,245)	1,357,046	30,294

Water Department

1357046

Loan payable, State of Vermont
Special Environmental Revolving
Fund, Water Construction Loan,
(RF3-316) negative 3% interest,
Annual net principal and negative
Interest Payments of \$24,120,
due November 1, 2048.

	\$ 675,369	-	(24,120)	651,249	24,120
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Bond Payable, Vermont Municipal
Bond Bank, Water System Bond,
annual principal payments,
variable rate interest payable
semi-annually. Due November,
2033

	639,237	-	(38,615)	600,622	40,134
	1,314,606	-	(62,735)	1,251,871	64,254

Total Business-type Activities	2,713,897	-	(104,980)	2,608,917	94,548
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Maturities of bonds and notes payable are as follows:

Year ending June 30,	Governmental Activities			Business-type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 309,870	105,880	415,750	107,453	53,109	160,562
2024	310,860	104,185	415,045	110,008	50,525	160,533
2025	311,878	100,296	412,174	112,647	47,853	160,500
2026	312,926	97,104	410,030	115,373	45,094	160,467
2027	314,002	93,580	407,582	118,188	42,244	160,432
2028-2032	1,375,000	411,135	1,786,135	636,563	128,839	765,402
2033-2037	1,375,000	266,375	1,641,375	523,604	125,766	649,370
2038-2042	1,375,000	89,224	1,464,224	436,726	51,345	488,071
2042-2046	-	-	-	400,115	14,339	414,454
2048-2054	-	-	-	48,240	-	48,240
	\$ 5,684,536	1,267,779	6,952,315	2,608,917	559,114	3,168,031

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(7) Governmental Fund Balances/Net Assets

At June 30, 2022 the Town's fund balances were non-spendable, restricted, committed or assigned as follows:

Special Revenue Fund, Non-spendable:	
Davenport Legacy Fund	\$ <u>431</u>
Special Revenue Fund, Restricted:	
Maintenance of Cemeteries	\$ 85,967
Restoration and Preservation of Municipal records	100,830
Beautification Donations	3,746
Total special revenue funds, restricted	\$ <u>190,543</u>
Capital Projects Fund, Restricted:	
Energy Efficient Improvements Grants	\$ <u>26,405</u>
Total restricted fund balances	\$ <u>216,948</u>
Special Revenue Fund, Committed:	
Housing and Economic Development	\$ 1,216,114
Total special revenue funds, committed	\$ <u>1,216,114</u>
Capital Projects Fund, Committed:	
Bridge Rehabilitation	\$ 142,943
Memorial Hall Maintenance and Improvement	77,016
Public Safety Facility	27,851
Total capital projects funds, committed	\$ <u>247,810</u>
Total committed fund balances	\$ <u>1,463,924</u>
General Fund, Assigned:	
Animal Control	\$ 20,804
Green Mountain Beach	3,646
Public Lands and Fences	21,712
Revenue Sharing	997
Total general funds, assigned	\$ <u>47,159</u>
Special Revenue Fund, Assigned:	
Cemetery Fund	\$ 53,720
Police Department	7
Town Gathering Place	965
Revolving Loan Fund	46,020
Total special revenue fund, assigned	\$ <u>100,712</u>
Capital Projects Fund, Assigned:	
Dry Hydrant Grant	\$ 6,790
Town Hall	76,052
School Field	1,028
Town Road Equipment	218,680
Fire House	28,027
Fire Department Equipment	881,761
Police Equipment Fund	52,193
Total capital project funds, assigned	\$ <u>1,264,531</u>
Total assigned fund balances	\$ <u>1,412,402</u>

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(8) Benefit Plans

All employees of the Town of Wilmington are covered under the State of Vermont Municipal Employees' Retirement System. This system requires that both the Town and employee contribute to the plan which provides retirement, disability and death benefits. Police Department employees contribute to Plan D which requires withholdings of 12.1% of gross wages from each employee. Other Town employees contribute to Plan B which requires withholdings of 5.625%. The Town contributes 10.6% to Plan D and 6.25% 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 \$1,846,405 while covered payroll by the Plan was \$1,736,086. The Town's contribution to the plan for the year ending June 30, 2022 was \$125,338.

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.

(9) Property Taxes

Taxes are payable in two installments which were due for the 2020-2021 fiscal year on August 27, 2021 and February 25, 2022. 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	0.5922	0.5922
Education - Local Share	1.6908	1.6070
Total	<u>2.2830</u>	<u>2.1992</u>

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(10) *Risk Management*

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

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

The Town has elected to pay actual unemployment claims instead of enrolling in an unemployment insurance program. The Town paid no unemployment claims during fiscal year 2021.

(11) *Windham Solid Waste District*

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

(12) *Contingent Liabilities*

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

(13) *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, 2022, 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, 2021. 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, 2021
Town of Wilmington's portion of the Plan's	
Total net pension liability	\$ 730,176

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

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

For the year ended June 30, 2022, the Town recognized pension expense of \$167,646. At June 30, 2022 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	\$ 136,092	430,532
Changes in assumptions	115,415	-
Changes in proportion and differences between Town contributions and proportionate share of contributions	45,426	25,420
Town contributions subsequent to the measurement date	125,338	-
	\$ 422,271	455,952

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, 2023. 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, 2023	\$ 6,304
June 30, 2024	(19,556)
June 30, 2025	(35,544)
June 30, 2026	(110,223)
	\$ (159,019)

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 0-9 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.

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

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

Significant Actuarial Assumptions and Methods (continued)

Healthy Post-retirement - Retirees:

Groups A/B/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/B/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.

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:

(continued)

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

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

<u>Asset Class</u>	<u>Target Asset Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Passive Global Equities	24.00%	5.05%
Active Global Equities	5.00%	5.05%
Large Cap US Equities	4.00%	4.00%
Small/Mid Cap US Equities	3.00%	4.50%
Non-US Developed Market Equities	7.00%	5.50%
Private Equity	10.00%	6.75%
Emerging Market Debt	4.00%	3.00%
Private and alternative Credit	10.00%	4.75%
Non-Core Real Estate	4.00%	5.75%
Core Fixed Income	19.00%	0.00%
Core Real Estate	4.00%	3.75%
US TIPS	3.00%	-0.50%
Infrastructure/Farmland	3.00%	4.25%
	<u>100.00%</u>	

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2021. 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%)
\$ 1,443,235	\$ 730,176	\$ 143,833

TOWN OF WILMINGTON, VERMONT

Notes to Financial Statements

(14) 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.

(15) Subsequent Events

The Town has evaluated subsequent events through April 6, 2023, 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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Tax Collections	\$ 2,727,517	2,826,475	98,958
Delinquent Taxes - Interest	55,000	59,375	4,375
Delinquent Taxes - Penalty	70,000	72,920	2,920
Glebe Land	27,000	28,926	1,926
Licenses	3,300	3,240	(60)
Zoning Fees	12,000	22,945	10,945
Permit Recording Fee	250	303	53
Land Sale/Redemptions	2,000	82,139	80,139
Miscellaneous Administrative	4,992	4,789	(203)
Miscellaneous Income	3,750	2,370	(1,380)
Act 60 Grand List Administrative	3,156	3,147	(9)
PILOT Payment	13,000	15,559	2,559
State Education Fund	30,000	25,503	(4,497)
Reappraisal - State/Parcel Payment	26,500	26,750	250
Land Use	44,000	38,921	(5,079)
Town Clerk Fees	35,000	80,069	45,069
Surplus	140,000	-	(140,000)
Police Department:			
Fees and Fines	41,000	50,179	9,179
Sale of Cruiser	4,500	-	(4,500)
Miscellaneous	500	1,118	618
Outside Employment	7,500	11,821	4,321
Alarm Registration Fees	4,400	3,650	(750)
DUI Enforcement Grant	4,000	4,592	592
Governor's Highway Safety Grant	5,000	3,744	(1,256)
GHSP Equipment Grant	5,000	5,529	529
Fire Department:			
Town of Searsburg	27,875	26,547	(1,328)
Somerset	3,000	-	(3,000)
Miscellaneous	-	198	198
Transfer Station Fees	79,000	111,732	32,732
MHS Fees	600	590	(10)
Memorial Hall Rent	1,000	1,650	650
Investment Income	5,000	4,181	(819)
Total cash receipts	3,385,840	3,518,962	133,122

(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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements:			
Town Officers:			
Moderator, Election Officials, Ballots	\$ 1,200	200	1,000
Selectboard	6,300	5,100	1,200
BCA Stipend/Expense	1,200	1,100	100
	<u>8,700</u>	<u>6,400</u>	<u>2,300</u>
Town Clerk:			
Salary	53,999	53,999	-
Assistant	37,690	40,661	(2,971)
Supplies and Postage	2,000	2,181	(181)
Training	3,000	1,758	1,242
Temporary help	9,000	15,327	(6,327)
Taping Town Meeting	600	-	600
Recording Supplies	2,200	3,204	(1,004)
Copier/Computer/Office Furniture	3,000	2,471	529
Election Supplies/Postage	600	975	(375)
Animal Rabies Control Supplies	400	157	243
Vote Tabulator	1,500	1,227	273
	<u>113,989</u>	<u>121,960</u>	<u>(7,971)</u>
Treasurer:			
Finance Officer	69,733	69,733	-
	<u>69,733</u>	<u>69,733</u>	<u>-</u>
Listers:			
Assistant Salary	58,504	59,852	(1,348)
Appraisal Temp	18,750	102	18,648
Lister's Salary/Expense	22,600	15,415	7,185
Mapping	5,000	1,917	3,083
Grievance Costs	20,000	11,278	8,722
Yearly Grand List Maintenance	25,000	5,485	19,515
Appraisal Supplies/Computer	4,000	3,018	982
Reappraisal - Commercial - Everett	1,500	-	1,500
	<u>155,354</u>	<u>97,067</u>	<u>58,287</u>
Town Manager:			
Salaries	102,650	109,624	(6,974)
Town Manager Expenses	3,200	564	2,636
Postage and Supplies	4,000	4,565	(565)
Mileage	2,000	163	1,837
	<u>111,850</u>	<u>114,916</u>	<u>(3,066)</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements (continued):			
Administration:			
Administrative Secretary	\$ 43,572	44,765	(1,193)
Zoning Administrator	51,946	51,946	-
Receptionist	-	4,918	(4,918)
Reconciliation Analyst	400	387	13
Ads Non-Zoning	550	2,219	(1,669)
Computer Support/Equipment	8,640	6,790	1,850
Telephone	9,000	9,098	(98)
Tax Bills	4,100	5,837	(1,737)
Training	2,500	730	1,770
Copier	2,165	3,020	(855)
Dog Warden Salary/Expense	-	580	(580)
Zoning Training/Expense	1,400	635	765
Zoning Advertising	500	816	(316)
Zoning Postage	250	61	189
Bylaw Modernization Grant	-	1,233	(1,233)
	<u>125,023</u>	<u>133,035</u>	<u>(8,012)</u>
Police Department:			
Chief's Salary	82,442	82,889	(447)
Sworn Payroll	287,907	235,208	52,699
Part-time Payroll	6,630	21,752	(15,122)
Dispatcher	71,405	73,532	(2,127)
Overtime	20,000	26,772	(6,772)
Outside Employment	14,500	12,436	2,064
Cruiser Replacement	48,000	47,688	312
Cruiser Operation	27,500	32,088	(4,588)
Uniform Purchase	2,000	4,615	(2,615)
Uniform Maintenance	2,000	1,323	677
Firearm Ammunition	950	423	527
Radar	575	511	64
Telephone	6,000	3,772	2,228
Postage	385	310	75
Office Supplies	1,300	1,738	(438)
Office Equipment	250	37	213
Equipment Maintenance	1,500	(60)	1,560
Computer Hardware and Software	3,000	3,147	(147)
Statewide Record Database	9,350	8,890	460
Copier	1,500	1,420	80
Inservice Training	3,240	4,164	(924)
Training Aids and Materials	1,250	761	489

(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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements (continued):			
Police Department (continued):			
Community Awareness	\$ 400	322	78
Radio Maintenance	2,750	3,125	(375)
Equipment Replacement	3,500	1,797	1,703
Association Fees	750	656	94
Chief's Expense	500	390	110
Police Department Safety Compliance	150	385	(235)
Investigation Costs	750	575	175
Brattleboro Lockup	1,500	-	1,500
PD Alarm	300	300	-
Towing	200	-	200
GHS Equipment Grant	5,000	7,145	(2,145)
Vest Grants	1,000	995	5
Applicant Advertising	200	-	200
CDBG Grant PD/FD Relocation	8,820	29,917	(21,097)
	<u>617,504</u>	<u>609,023</u>	<u>8,481</u>
Fire Department:			
Chief's Salary	69,749	69,749	-
Assistant Chief's Salary	2,485	2,485	-
Labor	34,106	33,331	775
Officer's Salary	3,060	2,448	612
Emergency Op Center Personnel	750	-	750
Emergency Op Center Setup	500	-	500
Electricity	2,000	2,275	(275)
Telephone	3,400	3,957	(557)
Fire Fighter's Association	700	448	252
Administration	1,900	3,710	(1,810)
Training	3,500	5,779	(2,279)
Radio Maintenance	2,500	2,504	(4)
Code Compliance	250	-	250
Air Packs	2,500	4,762	(2,262)
Water Rent	1,365	1,416	(51)
Sewer Rent	600	598	2
Fire Alarm	250	-	250
Truck Maintenance	6,300	6,545	(245)
Gas and Oil	2,750	4,033	(1,283)
Building Maintenance	3,500	2,627	873
Extinguisher Recharge	275	-	275
Equipment (New & Replacement)	4,000	2,687	1,313

(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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements (continued):			
Fire Department (continued):			
Helmet/Boot/Coat	\$ 5,000	4,771	229
Hose	4,100	3,993	107
Foam	700	708	(8)
Heating Oil	4,200	3,023	1,177
Fire Prevention Education	750	-	750
Travel Expense	2,000	184	1,816
Fire Chief Uniform	250	219	31
Dispatch Assessment Wilmington	44,154	47,753	(3,599)
Dispatch Assessment Searsburg	5,850	6,327	(477)
	<u>213,444</u>	<u>216,332</u>	<u>(2,888)</u>
Insurance:			
Employment Practices	11,500	7,275	4,225
Liability/Property/Auto	46,000	34,535	11,465
Public Officials Liability	3,500	2,011	1,489
Firemen's Disability	1,250	-	1,250
Worker's Compensation	45,000	45,985	(985)
	<u>107,250</u>	<u>89,806</u>	<u>17,444</u>
Health and Social Services:			
Health Officer	1,712	1,745	(33)
Town Nurse	18,021	680	17,341
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	-
SEVCA	2,000	2,000	-
Deerfield Valley Community Care	2,550	2,550	-
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	-
Housing Grant	-	3	(3)
	<u>80,938</u>	<u>63,633</u>	<u>17,305</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements (continued):			
Green Mountain Beach:	\$		
Green Mountain Beach Mowing	750	360	390
Maintenance and Improvement	900	3,635	(2,735)
Toilets	800	393	407
	<u>2,450</u>	<u>4,388</u>	<u>(1,938)</u>
Employee Benefits:			
Social Security	82,815	86,172	(3,357)
Health Care	427,755	332,620	95,135
Disability/Life Insurance	4,822	3,058	1,764
Retirement	79,925	80,389	(464)
Employment Security	500	-	500
Uniforms	-	(191)	191
Merit Bonus	-	35,506	(35,506)
	<u>595,817</u>	<u>537,554</u>	<u>58,263</u>
Grounds Keeper	<u>7,555</u>	<u>7,686</u>	<u>(131)</u>
Transfer Station:			
Operator	43,525	37,465	6,060
Management District Assessment	12,350	12,346	4
Electricity	1,600	2,848	(1,248)
Telephone	1,200	1,052	148
Post Closure Expense	500	-	500
Tire Recycling	500	1,254	(754)
Disposal & Containers	75,000	90,428	(15,428)
TS Recycle	27,000	58,500	(31,500)
Maintenance/Improvements/Supplies	1,250	3,995	(2,745)
Miscellaneous	300	-	300
	<u>163,225</u>	<u>207,888</u>	<u>(44,663)</u>
Legal and Professional Fees	<u>86,550</u>	<u>28,665</u>	<u>57,885</u>
Memorial Hall:			
Electricity	2,400	1,651	749
Water Rent	1,200	1,333	(133)
Sewer Rent	1,180	1,196	(16)
Maintenance	2,500	4,173	(1,673)
Grounds	1,200	1,166	34
Heat	2,500	4,551	(2,051)
Fire Alarm	600	542	58
Insurance	3,000	2,037	963
Cleaning/Janitorial	1,000	1,730	(730)
	<u>15,580</u>	<u>18,379</u>	<u>(2,799)</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements (continued):			
Planning Commission:			
Windham Region	\$ 4,275	4,367	(92)
Manuals	400	-	400
Public Notice	450	111	339
Postage	100	63	37
Training Expenses	250	30	220
	<u>5,475</u>	<u>4,571</u>	<u>904</u>
Library:			
Library	-	(3,921)	3,921
Library Appropriation	137,500	137,500	-
Library Capital	12,000	12,000	-
	<u>149,500</u>	<u>145,579</u>	<u>3,921</u>
Memorial Day	<u>400</u>	<u>485</u>	<u>(85)</u>
Recreation Commission:			
Elementary Program Director	2,627	2,575	52
Elementary Counselors	3,774	3,700	74
MS Program Directors	3,152	3,402	(250)
MS Art Director	225	-	225
MS Counselors	3,610	2,341	1,269
Adult and Junior Soccer	-	895	(895)
Elementary Programs	750	720	30
MHS Supplies	600	422	178
Portable Toilets	2,800	1,545	1,255
Green-Up Day	75	100	(25)
Beautification Committe	2,900	776	2,124
Flowers/Barrels	19,700	19,700	-
Tennis Courts	300	24	276
Valley Youth Sports	7,000	7,000	-
Trails Expenditures	-	10	(10)
ASEAG MS Supplies	-	3,641	(3,641)
Parks	-	279	(279)
	<u>47,513</u>	<u>47,130</u>	<u>383</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, 2022**

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements (continued):			
Town Hall:			
Electricity	\$ 8,000	4,755	3,245
Heat	6,500	4,298	2,202
Supplies	1,500	1,935	(435)
Fire Alarm	600	250	350
Water Rent	1,480	1,748	(268)
Sewer Rent	1,534	1,585	(51)
Maintenance	5,000	15,306	(10,306)
Elevator	2,700	3,862	(1,162)
Janitorial and Carting	8,000	14,528	(6,528)
	<u>35,314</u>	<u>48,267</u>	<u>(12,953)</u>
Selectpersons Contingency:			
Miscellaneous	2,500	1,058	1,442
Economic Development	73,868	73,681	187
	<u>76,368</u>	<u>74,739</u>	<u>1,629</u>
Other			
Garage Bond	31,054	30,527	527
Public Safety Bldg Bond	70,461	85,117	(14,656)
Transfer to Bridge (loan payment)	91,020	90,989	31
Public Lands & Fences	5,000	5,000	-
Street Lights	15,000	14,968	32
Taxes - County Court	74,224	65,665	8,559
Town Reports	850	794	56
Vermont League of Cities and Towns Dues	3,405	3,405	-
Web Site	800	824	(24)
Wilmington Water District	1,000	990	10
E Main Street	-	1,177	(1,177)
North Main Sidewalk	-	14,400	(14,400)
Lake Raponda Greeter	-	125	(125)
	<u>292,814</u>	<u>313,981</u>	<u>(21,167)</u>
Total cash disbursements	<u>3,082,346</u>	<u>2,961,217</u>	<u>121,129</u>
Excess (deficiency) of cash receipts over cash disbursements	<u>303,494</u>	<u>557,745</u>	<u>254,251</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<i>Other financing sources (uses):</i>			
<i>Operating transfers in (out):</i>			
Administrative WWTP	\$ 4,892	4,892	-
Fire Department Equipment	(150,000)	(150,000)	-
Fire House Capital	(5,000)	(5,000)	-
Memorial Hall Fund Capital Transfer	(20,000)	(20,000)	-
Police Equipment Capital	(20,000)	(20,000)	-
Reappraisal Fund	(26,765)	(26,750)	15
Town Hall Capital Fund	(20,000)	(20,000)	-
Transfer Station Capital	(5,000)	(5,000)	-
Transfer to Cemetery Fund	(42,000)	(42,000)	-
	<u>(283,873)</u>	<u>(283,858)</u>	<u>15</u>
<i>Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses</i>	\$ 19,621	273,887	254,266

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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Receipts:			
Tax Collections	\$ 1,722,593	1,722,593	-
State Aid	140,000	154,715	14,715
Grant Income	-	44,293	44,293
Permits	100	287	187
Interest Income	400	300	(100)
Other	250	472	222
Surplus	131,000	-	(131,000)
Total cash receipts	<u>1,994,343</u>	<u>1,922,660</u>	<u>(71,683)</u>
Cash Disbursements:			
Salaries and Employee Benefits			
Salaries and Wages	465,762	486,645	(20,883)
Unscheduled Overtime	37,000	25,530	11,470
Merit bonus	-	11,609	(11,609)
Social Security	38,355	38,708	(353)
Health Insurance	245,500	207,109	38,391
Disability Insurance	2,500	2,112	388
Retirement	31,336	32,748	(1,412)
Uniforms	3,100	3,322	(222)
Workers Comp	33,200	26,135	7,065
	<u>856,753</u>	<u>833,918</u>	<u>22,835</u>
Materials			
Parking Maintenance	2,500	-	2,500
Culverts	21,000	22,839	(1,839)
Rails	10,000	9,176	824
Chloride	22,000	20,432	1,568
Gravel/Stone/Fabric-Misc	108,000	98,936	9,064
Resurfacing	290,000	346,640	(56,640)
Salt	79,000	44,702	34,298
Sand	75,000	56,335	18,665
Snow Removal	37,500	20,570	16,930
Signs	2,200	539	1,661
Crack Sealing	18,000	22,500	(4,500)
Stabilization/Fabric/Hay	7,000	13,336	(6,336)
	<u>672,200</u>	<u>656,005</u>	<u>16,195</u>
Equipment			
Maintenance to Equipment	60,700	43,594	17,106
Fuel	59,000	51,534	7,466
Rental/Contracted	7,000	15,085	(8,085)
Training	100	-	100
	<u>126,800</u>	<u>110,213</u>	<u>16,587</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, 2022

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Cash Disbursements (continued):			
Garage			
Advertising	\$ 550	1,152	(602)
Electricity	2,900	2,646	254
Tools & Supplies	20,100	22,691	(2,591)
Personal Protective Equip	1,500	973	527
Telephone	2,900	3,539	(639)
Insurance - Vehicles/Bldg	21,000	15,636	5,364
Computer/Office Supplies	800	286	514
Sewer Rent	800	807	(7)
MRGP permit	2,190	1,350	840
Bldg/Maint/Improvements	5,600	17,944	(12,344)
Fire Alarm	250	250	-
Heating	5,000	7,978	(2,978)
	<u>63,590</u>	<u>75,252</u>	<u>(11,662)</u>
Miscellaneous			
Bridge Rehab CH	100,000	100,000	-
Better Back Roads Grant	-	-	-
TRE Appropriation	175,000	175,000	-
	<u>275,000</u>	<u>275,000</u>	<u>-</u>
Total cash disbursements	<u>1,994,343</u>	<u>1,950,388</u>	<u>43,955</u>
Excess of cash receipts over cash disbursements	<u>\$ -</u>	<u>(27,728)</u>	<u>(27,728)</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)

	2022	2021	2020	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.49610%	0.47852%	0.46364%	0.52790%	0.46888%	0.47601%	0.49197%	0.49731%
Proportionate share of the net pension liability	\$ 730,176	1,210,543	804,374	742,691	568,074	612,611	397,287	45,387
Covered-employee payroll	\$ 1,736,086	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	42.06%	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	72.96%	86.21%	74.52%	80.35%	82.60%	80.95%	87.42%	98.32%
Contractually required contribution	\$ 125,338	110,299	99,176	89,081	92,473	76,572	71,695	66,540
Contributions in relation to the contractually required contribution	(125,338)	(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	7.22%	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.



**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***

Independent Auditor's Report

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, each major fund, and the aggregate remaining fund information of Town of Wilmington, Vermont, as of and for the year ended June 30, 2022, 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 6, 2023.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Wilmington, Vermont's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Wilmington, Vermont's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. 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.

Vt. Reg. #357

Love, Cody & Company, CPAs