

MEMORANDUM

TO: Selectboard

FROM: Susan Lamb, Finance Director

RE: Town Audit, Fiscal Year 2011

DATE: January 12, 2012

I am pleased to deliver to you the annual Town Audit for fiscal year 2011. The Audit has several parts. First is the separate letter from the auditors to the town staff and selectboard; second is a two page 'Independent Auditor's Report' on pages 1 and 2; third is the "Management's Discussion and Analysis" on pages 3-11; and fourth is the audit itself, which begins on page 12.

In the first two documents please note that there were no adverse findings nor any suggestions or recommendations for improvements in the way accounts are managed by the Town of Williston. The letter to the staff and selectboard does note two "misstatements" which they deemed immaterial. The first is a situation in which anticipated sidewalk grant revenue was booked in the wrong year and the second was an invoice for FY 11 which was mistakenly posted to FY 12. Considering the number of transactions which take place in the course of a year with over 25 different funds and about 35 individual grants, this is a very good finding regarding the administration of finances by the Town of Williston.

The Management's Discussion and Analysis is prepared by town staff to summarize and high light the statements in the Audit. In this report you will see that in FY 11 the total net assets of the Town increased by \$634,920 while the net assets of the Water and Sewer departments decreased by \$21,536. The latter decrease is mainly due to depreciation charged against the assets of these funds. Tables 1 and 2 compare net assets in 2011 with those of the previous year. The Town received \$809,349 in operating grants and state aid. Another \$765,810 was received in capital grants, of which about \$600,000 was donated in the form of roads and utility lines.

Table 3 shows the total and net costs of the different departments of Town government. Net cost is total cost minus associated revenues including grants. These net costs show the financial burden that was placed on the Town's taxpayers by each of these services. The net costs can vary year to year because of grants and other non regular revenues.

As reported to you earlier, the Town General Fund fund balance increased by \$124,068. Significant variations from budget are explained on page 8. Revenues exceeded budget for taxes and planning fees. Revenues fell short of budget for public safety revenue and investment interest. Savings were realized in the expenditures for police patrol services,

firefighting, ambulance, the manager's office, the clerk's office and planning and zoning. Expenses exceeded budget in recreation and capital expenses. Significant changes in the fund balances of other funds are explained on page 7. Decreases in the fund balances of Conservation, Host Town, Sidewalks and Equipment Savings were due to the conversion of cash to capital assets.

Capital assets are summarized in Table 4 on page 9. Total capital assets, net of depreciation, increased by \$306,448. The Town and Utilities added \$1.9 million dollars in capital assets in FY 11. Contributed roads and utility lines accounted for about \$600,000 of that amount. The Town's long term debt, as shown on page 10, decreased by \$545,226, as bonds were paid down.

The Audit itself begins on page 12 with government wide statements on pages 12 through 14. Individual fund statements begin on page 15, with a summary of revenues and expenditures for the general fund and the combined other governmental funds. The detail of the general fund begins on page 17 and shows the budget to actual data. Statements for the Utility funds begin on page 27. On page 30 is a summary of the funds over which the Town has fiduciary responsibility but which are not actual assets of the Town. These include Williston in Bloom, the Brick Church Concerts and escrow accounts. Special Revenue and Capital funds are reported on pages 47 to 52. The notes to the statements begin on page 31. More detail about capital assets is available on page 39 and long term debt is summarized on pages 41 and 42. Fund balances by levels of restriction are shown on pages 43 and 44.

There is a huge amount of information in the audit and these comments are intended to high light some of the information and show you where to find other pieces of information. As you read through the audit, I hope you will contact me about any questions you may have.