

# WOLCOTT TOWN COUNCIL

Regular Meeting

Tuesday, December 18, 2012

Council Chambers, Wolcott Town Hall

7:30 p.m.

Page 1 of 8

## MINUTES

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**Note:** These are summary minutes; a tape recording of this meeting is on file in Commission Secretary's Office in Wolcott Town Hall.

Chairman Valletta called the meeting to order at 7:30 p.m. with the Pledge of Allegiance, and requested that all remain standing for a moment of silence for the tragedy in Newtown.

Attendance was taken.

**MEMBERS PRESENT:** Chairman David Valletta, Vice-Chairman Gale Lanza Mastrofrancesco, Jeffrey Slavin, Charles Marsella, Roger Picard, James Pape, and Rachel Wisler

**MEMBERS ABSENT:** Donald Charette Sr. and Francis Masi

**ALSO PRESENT:** Mayor Thomas G. Dunn; Linda R. Bruce, Municipal Finance Officer; Town Attorney Brian Tynan; Vanessa Rossitto, Engagement Partner, Blum, Shapiro & Co., P.C.; Mark Bobman, Executive Director, Bristol Resource Recovery Facility Operating Committee (BRRFOC); Joseph Vitali, Business Manager, Covanta Energy; et. al.

### APPROVAL OF MINUTES:

▪ **Regular Meeting – December 4, 2012**

Upon **MOTION** by Roger Picard, seconded by Jeffrey Slavin, it was unanimously voted to **approve** the minutes of the Regular Meeting held on December 4, 2012, with one abstention from Rachel Wisler.

### TAXPAYERS' TIME: (Limited to Items on the Agenda)

No taxpayers came forward.

### CORRESPONDENCE (on file):

1. Finance Office Transfer submitted by Linda Bruce
2. Proposed Resolution (#360): Authorization for Mayor to Execute Proposed Municipal Service Agreement with Covanta Energy
3. Proposed Public Hearing Notice for Joint Public Hearing

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## **MINUTES**

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- 4. Letter dated November 26<sup>th</sup> from Robert Larson, Farmingbury Hills Golf Commission Chairman, Regarding Golf Fees & Rates for 2013**
  - 5. Letter dated December 13<sup>th</sup> from Town Attorney Tynan regarding 58 & 64 Woodtick Road**
  - 6. Letter dated December 13<sup>th</sup> from Town Attorney Tynan regarding Balance of Taxes for 127 Mad River Road**
  - 7. Board of Education Year to Date Budget Report dated 11-30-12 (separate email attachment)**
  - 8. Town of Wolcott Expenditure Report, Revenue Report, & Trial Balance, for month ending 11-30-12**
  - 9. Audited Financial Statements, Federal & State Single Audit Reports, and Audit Communication Letter for Fiscal Year Ended June 30, 2012 (previously emailed under separate cover by Susan Hale on 12-12-12) {Hard Copy Booklets distributed at meeting}**
  - 10. Submitted by Town Attorney Tynan at meeting, from Tax Records, tax balance of 127 Mad River Road in the amount of \$909.30.**

### **MAYOR'S REPORT:**

Mayor Dunn came forward and reported the following:

- The road reconstruction project has been completed for this year; the asphalt plants are closed down
- The project was a great success; they were hoping to do maybe 3-5 miles, however they were able to reconstruct 10.59 miles of roads, including all of the drainage; they seal coated 5.25 miles of roads
- Drainage has been completed on Catering Road and Longmeadow Drive; those roads will be ready to reconstruct right away in the spring
- Next year they will be focusing on Boundline Road, Woodtick Road, and Spindle Hill Road; they are looking into the possibility of a grant for a good portion of Spindle Hill Road, which would save a lot of money
- He would like to thank everyone involved in putting the budget together and all department heads involved in the audit process; they had another great audit and he would especially like to thank the Finance Office for all of their work
- They have set up a donation fund; checks can be made payable to: The Sandy Hook Fund; donations can be brought to the Town Hall

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- Over the weekend, Wolcott Police Officers collected over 3,000 toys for Toys for Tots; they did a tremendous job

Mrs. Wisler commented that in addition, the Junior Women's Club is taking care of 54 families in town. Mayor Dunn agreed that the organizations are doing a great job; Junior Women's and the Lions Club.

Mr. Pape referenced the dead end up near Stanley Street and inquired if the sign that is hanging from the chain can come down. Mayor Dunn stated he believes that they need some type of signage there; he will find out what the law is to see if they need the sign there.

Mrs. Wisler inquired if the Town has a fuel fund, not through the State, that can be donated to, at which time Mayor Dunn replied that they do. There is an account set up which comes through the Municipal Agent's Office for people who are in need. Mayor Dunn added that they will be holding a fundraiser for the people in need tomorrow evening from 6:30 p.m. to 9:30 p.m. at the Mona Lisa Restaurant; he and the Police Chief will be waiting on the public.

Mr. Picard commented that he would like to thank the Mayor and members of the Clergy from the community for organizing the vigil on the Town Green last night; it was a real nice turnout in spite of the weather. He added that over the weekend there was a young lady named Irelynn Janell and her mother who baked over 300 cupcakes in one night. They set up shop next to the police officers collecting the toys and they collected over \$2,600.00 for Sandy Hook. The Miss Greater Waterbury Scholarship Organization organized it, and there were many volunteers.

Mrs. Mastrofrancesco inquired if Beach Road is in the plan for the road project, at which time Mayor Dunn replied that it is. Mr. Slavin inquired about the seal coated roads. Mayor Dunn stated that those roads will not be paved, they only required a coating.

### FINANCE OFFICER'S REPORT/TRANSFERS:

Linda Bruce came forward and stated that she does not have a report this evening, and noted that she submitted one transfer for approval.

Upon **MOTION** by Rachel Wisler, seconded by Jeffery Slavin, it was unanimously voted to **approve** the following transfer: Dept. 167 Registrars; from line item #4400 Maint. Voting Machines \$1,200.00, to line item #8220 Election Expense \$1,200.00, with one abstention from James Pape (**see attached**).

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### SUB-COMMITTEE AND LIAISON REPORTS:

**BUILDING COMMITTEE FOR ROAD RECONSTRUCTION:** Mrs. Wisler reported that the Committee has a meeting scheduled for this Thursday, at 5:30 p.m. in the Council Chambers for the purpose of reviewing the roads that were done, expenditures to date, and the remaining balance.

**FIRE DEPARTMENT:** Mr. Marsella reported that the new tanker has been delivered and is in service. He will inform the Council of a future date to bring it up to the Town Hall before a meeting.

### UNFINISHED BUSINESS:

There was no unfinished business.

### NEW BUSINESS:

#### **1. Blum, Shapiro & Company, P.C. – Presentation of Fiscal Year 2011-2012 Audit Report**

Vanessa Rossitto, came forward, at which time she advised that she will review the audit report for year ended June 30, 2012, which consists of the Audited Financial Statements, the State Single Audit Report, the Federal Single Audit Report, and the Audit Communication letter (**full report on file**).

Ms. Rossitto advised that they have issued to the Town of Wolcott a clean or unqualified opinion, which is the best opinion that can be received. It basically means that everything in the financial statements is stated correctly.

- **Pages 3-10**, 'Management's Discussion & Analysis'; this was written by Linda Bruce. She advised that this is a good summary of a comparison of last year to this year. It describes what has transpired financially in the Town from last year to this year in all of the major funds.

Ms. Rossitto next reviewed the following financial statements contained within the audit report, in detail, and described what each one depicts:

- **Page 13**; these are the major funds of the Town which consist of the General Fund, the Capital Improvement Fund, the Water Assessments Fund, the Small Cities Grant Programs, and in the fifth column includes the rest of the smaller funds which are aggregated together
- **Page 15**; the General Fund has a total fund balance of \$2.721 million dollars at the end of the year; which is an increase from the prior year which ended at \$2.497 million; she commented that this is good news

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- **Pages 50 & 51;** this is the budgetary statement for the General Fund; on a budgetary basis, the revenues were pretty equal to budget; they came in \$44,000 less than budgeted
- **Pages 52 & 53;** expenditures for the General Fund were \$251,000 less than budget, which means they did a good job keeping expenditures down knowing that revenues would be short
- Interest on investments came in extremely low due to how low the interest rates are; she is seeing this in each municipality that she audits
- **Pages 13 & 15;** the Capital Improvement Fund has a negative fund balance of \$1.1 million dollars; the only reason that fund balance is in a negative position is because on the balance sheet the Town has issued short term debt-there is a note payable of \$7.2 million dollars; when that short term debt converts to long term debt, the deficit fund balance will go away
- The Water Assessments Fund has an ending fund balance of \$1.69 million dollars, which is a slight decrease from the prior year of \$78,000
- The Small Cities Grant Fund has an ending fund balance of \$68,000, which is a small decrease of about \$6,000 from the previous year.
- **Pages 17 & 18;** this is the Town's insurance fund called the Internal Service Fund; it has ending net assets of \$1.5 million dollars, which is an increase of \$288,000 from last year
- **Pages 20 & 21;** these are the fiduciary funds of the Town, consisting of the Pension Trust Funds, the Scholarship Fund, and the Agency Funds. The Pension Trust Fund net assets at June 30<sup>th</sup> are \$21.2 million dollars which is a small decrease from the prior year of \$21,000; there was a decrease in fair value of investments of \$353,000, which is because of market conditions
- Almost every financial statement that they are producing for 2012 has a decrease in the fair value of investments; however, the Town still fared pretty well in spite of that big decrease
- Private Purpose Trust Fund: the Scholarship Fund has ending net assets of \$244,000, and Agency Funds of \$420,000, which consists of a student activity fund and a performance bond fund

Ms. Rossitto next referenced the Federal and State Single Audit Reports and advised that because the town receives both federal and state grants, they are required to report on them and test certain grants. Ms. Rossitto referenced Page 9 of the Federal Single Audit Report, and advised that they tested three programs: the Education Jobs Fund, the Congressionally Mandated Projects Grant, which was the Long Swamp Road project, and the Disaster Grants-Public Assistance, which was the FEMA monies for the two storms. They had no findings and issued clean opinions on the compliance over those programs and over the internal controls. Ms. Rossitto next referenced Page 10 of the State Single Audit Report, which is similar, and noted that they again issued clean opinions on the compliance over those programs and over the internal controls.

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Ms. Rossitto stated that the audit was pretty much all good news, and commented that Linda Bruce and her department do a fantastic job, and so does Todd Bendtsen with the Board of Education. She added that they are a pleasure to work with.

Mrs. Wisler commented that they have received a good audit report and Linda Bruce does a fabulous job here in the Town. She next inquired if there is anything that the Town of Wolcott should be considering or working towards to improve over the next five years. Mrs. Rossitto stated that there is nothing that came to their attention that the Town should be working on; if they thought that there was a control weakness, they would have issued a Management Letter.

Mrs. Rossitto advised that if anyone has any questions they can contact her and she would be happy to speak with them.

### **2. Set Joint Public Hearing for Proposed Water Trunk Line Assessments for MacCormack Drive**

Upon **MOTION** by Roger Picard, seconded by Rachel Wisler, it was unanimously voted to **set** a Joint Public Hearing for Tuesday, January 15, 2013 at 6:30 p.m. in the Council Chambers of the Wolcott Town Hall, for the MacCormack Drive water trunk line assessments.

### **3. Discussion & Possible Action on Amendment to Inter-Municipal Agreement Pertaining to 58 & 64 Woodtick Road, Wolcott**

A **MOTION** was offered by Roger Picard, seconded by Jeffery Slavin, to **amend** the 1989 Addendum to the 1986 Inter-Municipal Water Agreement between Waterbury and Wolcott so the Addendum shall read "Exhibit B, 58 Woodtick Road and 64 Woodtick Road". All other terms and conditions of the 1986 Inter-Municipal Water Agreement, the 1989 Addendum and the Addendum #1 shall remain in full force and effect. The purpose of this motion is to allow the properties known as 58 Woodtick Road and 64 Woodtick Road to connect to the water line recently installed beneath lower Woodtick Road.

Attorney Tynan came forward and referenced his letter that he submitted regarding this issue (**see attached**). He next gave a brief history of the situation with these two properties with respect to the Inter-Municipal Agreement from 1986.

When the new waterline on lower Woodtick Road was recently installed by Wolcott, both property owners went to Wolcott Sewer & Water to hook up, and were informed that they couldn't because they were not customers of the City of Waterbury. He has been working with Corporation Counsel in Waterbury to resolve this issue, and further noted that last Monday night the Waterbury Board

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of Aldermen granted permission for these last two properties to hook up to the waterline, and last night Wolcott Sewer & Water did the same. This item is really just a housekeeping technicality.

Chairman Valletta called for a vote on the above motion which *carried* unanimously by voice vote.

#### 4. Discussion & Possible Action on Balance of Taxes for 127 Mad River Road

Attorney Tynan referenced his letter that he submitted to the Council regarding this item, and noted that this is also just a housekeeping item (**see attached**). He advised that he also distributed the tax balance from the tax records to the Council this evening which totals \$909.30 (**see attached**).

Upon **MOTION** by Gale Mastrofrancesco, seconded by Jeffery Slavin, it was unanimously voted to **waive** the balance of taxes and any liens or late fees for property known as 127 Mad River Road, Wolcott, Connecticut from the date of October 24, 2012 forward as the Town of Wolcott acquired title to said property on that date.

#### 5. Discussion & Possible Action on Resolution to Authorize Mayor to Execute Proposed Municipal Service Agreement with Covanta Energy

Upon **MOTION** by Rachel Wisler, seconded by James Pape, it was unanimously voted to **table** the following item on the agenda to Executive Session: 'Discussion & Possible Action on Resolution to Authorize Mayor to Execute Proposed Municipal Service Agreement with Covanta Energy'.

#### ITEMS FOR NEXT AGENDA:

Chairman Valletta advised that the next regular meeting scheduled for January, 1<sup>st</sup> is cancelled due to the holiday; the next meeting will be January 15, 2013. He advised that if anyone has any items that they should contact himself or the Clerk.

#### TAXPAYERS' TIME:

No taxpayers came forward.

#### EXECUTIVE SESSION:

Upon **MOTION** by Roger Picard, seconded by Charles Marsella, it was unanimously voted at 8:06 p.m. to **enter** into Executive Session for the purpose

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of discussing a Contractual Matter inviting Mayor Dunn, Town Attorney Brian Tynan, Mark Bobman (BRRFOC), and Joseph Vitali (Covanta).

Chairman Valletta called the regular session back to order at 8:26 p.m.

- **Discussion & Possible Action on Resolution to Authorize Mayor to Execute Proposed Municipal Service Agreement with Covanta Energy**

Upon **MOTION** by Gale Mastrofrancesco, seconded by Jeffrey Slavin, it was unanimously voted to **adopt** the following resolution: Resolved that Mayor Thomas G. Dunn is authorized to execute and deliver to Covanta Bristol, Inc. on behalf of the Town of Wolcott a Municipal Solid Waste Disposal and Recycling Services Agreement, effective December 21, 2012, substantially in the form as that Agreement was approved by the Bristol Resource Recovery Operating Committee on December 7, 2012 (**see attached**).

### ADJOURNMENT:

Upon **MOTION** by James Pape, seconded by Roger Picard, it was unanimously voted to **adjourn** the meeting at 8:27 p.m.

### APPROVED:

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Elizabeth Gaudiosi, Secretary  
WOLCOTT TOWN COUNCIL

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David Valletta, Chairman  
WOLCOTT TOWN COUNCIL



# TOWN OF WOLCOTT

TOWN HALL • 10 Kenea Avenue  
Wolcott, Connecticut 06716  
Tel. (203) 879-8100 • Fax: (203) 879-8105

December 11, 2012

David Valletta, Chairman  
Wolcott Town Council  
10 Kenea Avenue  
Wolcott, CT 06716

**RE: TRANSFERS WITHIN/BETWEEN DEPARTMENTS - FISCAL YEAR  
2012/2013**

Dear Mr. Valletta:

In accordance with the provisions of the Wolcott Town Charter, I am hereby notifying you of the following transfer for Fiscal Year 2012/2013 contained in Schedule A (Fund 01) which is attached hereto and made a part hereof.

If you have any questions, please feel free to contact me.

Sincerely,

Linda R. Bruce,  
Municipal Finance Officer

LRB/jes  
Enclosure

**MAYOR'S ACTION:**

DATE: December 11, 2012

APPROVED BY: .....

Thomas G. Dunn, Mayor  
Town of Wolcott

**COUNCIL'S ACTION:**

DATE: December 18, 2012

APPROVED BY: .....

Chairman, Wolcott Town Council

**SCHEDULE A**  
**TRANSFERS WITHIN / BETWEEN DEPARTMENTS - FUND 01**  
**2012-2013 FISCAL YEAR - FOR REVIEW ON DECEMBER 18, 2012**

<u>DEPARTMENT</u>	<u>ACCOUNT</u>	<u>DESCRIPTION</u>	<u>DEBIT</u>	<u>CREDIT</u>
167 - REGISTRARS				
	TO 01-1-167-8-8220	ELECTION EXPENSE	1,200.00	
	FROM 01-1-167-4-4400	MAINT. VOTING MACHINES		1,200.00

Reason: To pay for additional expenses resulting from recount.

# TOWN of WOLCOTT

## REQUEST FOR TRANSFER

DATE: 12/10/12

REQUESTOR: Linda R. Bruce

DEPT(S) 167

The following budget transfer(s) is requested:

	<u>ACCOUNT NUMBER</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
TO	01-1-167-8-8220	ELECTION EXPENSE	1,200.00
FROM	01-1-167-4-4400	MAINT. VOTING MACHINES	1,200.00

**ALL REQUESTS FOR TRANSFERS MUST BE PRESENTED TO THE  
TOWN COUNCIL FOR APPROVAL - PLEASE ENSURE  
THAT ALL INFORMATION IS COMPLETE & ACCURATE**

The reasons the "to" account(s) are exhausted:

Recount resulted in additional expenses.

Transfer is needed for:

To pay for additional expenses.

The effect on the "from" account(s):

The account will retain a balance.

APPROVAL L. Bruce.....

FINANCE OFFICE USE

DATE: 12/11/2012

**TYNAN & IANNONE**  
*Attorneys at Law*  
250 Wolcott Road  
Wolcott, Connecticut 06716-2634

WILLIAM F. TYNAN  
MARK IANNONE  
BRIAN TYNAN  
CLIFFORD COMERFORD  
MATTHEW A. LUCARELLI

TELEPHONE  
(203) 879-1431  
FAX  
(203) 879-9152

December 13, 2012

Chairman David Valletta  
Wolcott Town Hall  
10 Kenea Avenue  
Wolcott, CT 06716

**RE: 58 and 64 Woodtick Road, Wolcott, CT**

Dear Chairman Valletta and Members of the Wolcott Town Council:

As you may be aware the Town of Wolcott has recently brought the water line from the Town limits with the City of Waterbury up onto Woodtick Road. There were two properties namely 58 and 64 Woodtick Road which previously had been supplied water from Waterbury but in the last few years had wells drilled. Unfortunately those wells also produced an inadequate amount of water. When the property owners attempted to connect to the newly installed water line they were informed they were not customers of Waterbury and therefore could not connect. I have been working with the Waterbury Corporation Council's Office to obtain permission for the two property owners to connect to the water line.

On Monday, December 10, 2012 the Waterbury Board of Alderman granted permission to allow these two property owners to connect to the existing water line. Therefore, I would request that the Wolcott Town Council do the same. Attached please find a short Motion to that affect.

Thank you very much for your attention to this matter.

Very truly yours,

  
Brian Tynan

BT/an  
Enclosure

**TYNAN & IANNONE**  
*Attorneys at Law*  
250 Wolcott Road  
Wolcott, Connecticut 06716-2634

WILLIAM F. TYNAN  
MARK IANNONE  
BRIAN TYNAN  
CLIFFORD COMERFORD  
MATTHEW A. LUCARELLI

TELEPHONE  
(203) 879-1431  
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(203) 879-9152

December 13, 2012

Chairman David Valletta  
Wolcott Town Hall  
10 Kenea Avenue  
Wolcott, CT 06716

**RE: Recent Purchase of Property next to Peterson Park**

Dear Chairman Valletta and Members of the Wolcott Town Council:

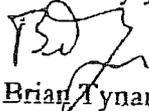
The Town of Wolcott was able to purchase the property adjacent to Peterson Park on October 24, 2012. As with most real estate contracts, the buyers and the sellers adjusted the taxes for the property as of that particular date.

Since the balance of the taxes from that date forward through December 31, 2012 and also the January 1, 2013 tax bill would technically be in the Town of Wolcott's name, the Tax Collector and I would request that the Town Council have a formal vote to waive payment of taxes from the Town of Wolcott to the Town of Wolcott. I have attached a simple Motion to this affect.

Should you have any questions I would be happy to answer them on December 18, 2012.

Thank you very much for your attention to this matter.

Very truly yours,

  
Brian Tynan

BT/an  
Enclosure



**Town Of Wolcott**

[Save to a PDF File](#)

[View All Bills](#)

<b>Tax Payer Information</b>	
<b>Bill #:</b>	2011-1-0000374 (REAL ESTATE)
<b>Unique ID:</b>	P0448000
<b>District &amp; Flag:</b>	
<b>Name:</b>	BDM ENTERPRISES LLC
<b>Address:</b>	
<b>Property Location:</b>	127 MAD RIVER RD 113 4N

<b>Bill Information as of 12/18/2012</b>					
<b>Due 1:</b>	07/01/2012	<b>Install 1:</b>	\$2385.87	<b>Total Installments:</b>	\$4771.74
<b>Due 2:</b>	01/01/2013	<b>Install 2:</b>	\$2385.87	<b>Paid:</b>	\$1503.05
<b>Due 3:</b>		<b>Install 3:</b>	\$0.00	<b>Tax/Princ/Bint Due:</b>	\$882.82
<b>Due 4:</b>		<b>Install 4:</b>	\$0.00	<b>Interest Due:</b>	\$26.48
		<b>Total:</b>	\$4771.74	<b>Lien Due:</b>	\$0.00
		<b>Total Adjustment:</b>	\$0.00	<b>Fee Due:</b>	\$0.00
<b>To Pay This Bill in Full:</b>				<b>Total Due Now:</b>	<b>\$909.30</b>
					<b>\$3295.17</b>

<b>Payment History</b>						
Pay Date	Type	Tax/Principal	Interest	Lien	Fee	Total
10/24/2012	PAY	\$1503.05	\$143.15	\$0.00	\$0.00	\$1646.20

\* Total Payments made to taxes in 2011: **\$0.00**

\* This is not a tax form, contact your tax office or financial advisor for information regarding tax reporting.

#360

## Certified Resolution of the Wolcott Town Council

Resolved that Mayor Thomas G. Dunn is authorized to execute and deliver to Covanta Bristol, Inc. on behalf of the Town of Wolcott a Municipal Solid Waste Disposal and Recycling Services Agreement, effective December 21, 2012, substantially in the form as that Agreement was approved by the Bristol Resource Recovery Operating Committee on December 7, 2012.

Adopted by the TOWN COUNCIL of the TOWN OF WOLCOTT on December 18, 2012.



David Valletta, Chairman  
Wolcott Town Council

Dated at Wolcott, CT on December 18, 2012.

I, Dolores C. Slater, the Town Clerk of the Town of Wolcott, do hereby certify this to be a true copy of the resolution duly adopted at the Town Council Meeting on **December 18, 2012**, and that it has not been rescinded, amended or altered in any way, and that it remains in full force and in effect.

  
Dolores C. Slater, Town Clerk

12-19-2012  
Date

{Town Seal}

# BlumShapiro

Accounting | Tax | Business Consulting

To the Town Council  
Town of Wolcott, Connecticut

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Wolcott, Connecticut, for the year ended June 30, 2012. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 11, 2012. Professional standards also require that we communicate to you the following information related to our audit.

## **Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Wolcott, Connecticut, are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2012. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive estimates significant to the financial statements.

The financial statement disclosures are neutral, consistent and clear. There were no sensitive disclosures affecting the financial statements.

## **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

### **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

### **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated December 4, 2012.

### **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Town Council and management of the Town of Wolcott, Connecticut, and is not intended to be and should not be used by anyone other than these specified parties.

*Blum, Shapiro & Company, P.C.*

December 4, 2012

**TOWN OF WOLCOTT, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012**

This discussion and analysis of the Town of Wolcott, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the Fiscal Year ended June 30, 2012. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX.

**Financial Highlights**

- Net assets of our governmental activities decreased by \$1,709,658 or 3.03%.
- During the year, the Town had expenses that were \$1,709,658 more than the \$57,622,398 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$59,332,056 with no new programs added this year.
- The General Fund reported a fund balance this year of \$2,721,563. The unassigned Fund Balance increased by \$207,617 from \$2,335,382 to \$2,542,999.
- The resources available for appropriation were \$43,947 less than budgeted for the General Fund. Expenditures were under spent by \$251,564, thereby contributing to the \$207,617 increase to the General Fund's unassigned fund balance.

**Overview of the Financial Statements**

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities (Exhibits I and II, respectively) 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 are presented in Exhibits III to IX. For governmental activities, these statements 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 analysis of the Town as a whole begins on Exhibits I and II. The statement of net assets and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net assets and changes in them. The Town's net assets, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net assets and the statement of activities, the Town reports its activities as follows:

- *Governmental activities* - The Town's basic services are reported here, including education, public safety, public works, culture and recreation, health and welfare, and general administration. Property taxes, charges for services and state and federal grants finance most of these activities.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 4, 2012 on our consideration of the Town of Wolcott, Connecticut's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 and the budgetary comparison information on pages 51 through 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who consider it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Wolcott, Connecticut's financial statements as a whole. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

*Blum, Shapiro & Company, P.C.*

December 4, 2012

**TOWN OF WOLCOTT, CONNECTICUT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2012**

This discussion and analysis of the Town of Wolcott, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the Fiscal Year ended June 30, 2012. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX.

**Financial Highlights**

- Net assets of our governmental activities decreased by \$1,709,658 or 3.03%.
- During the year, the Town had expenses that were \$1,709,658 more than the \$57,622,398 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$59,332,056 with no new programs added this year.
- The General Fund reported a fund balance this year of \$2,721,563. The unassigned Fund Balance increased by \$207,617 from \$2,335,382 to \$2,542,999.
- The resources available for appropriation were \$43,947 less than budgeted for the General Fund. Expenditures were under spent by \$251,564, thereby contributing to the \$207,617 increase to the General Fund's unassigned fund balance.

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The analysis of the Town as a whole begins on Exhibits I and II. The statement of net assets and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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In the statement of net assets and the statement of activities, the Town reports its activities as follows:

- *Governmental activities* - The Town's basic services are reported here, including education, public safety, public works, culture and recreation, health and welfare, and general administration. Property taxes, charges for services and state and federal grants finance most of these activities.

## Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by Charter. However, the Town Council establishes many other funds to help control and manage financial activities for particular purposes (like the Sewer Usage Fund) or to show that it is meeting legal responsibilities for using grants and other money (like grants received for education from the state and federal governments). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental funds (Exhibit III and IV)* - 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 an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. 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 relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in a reconciliation included in the fund financial statements.
- *Proprietary funds (Exhibit V, VI and VII)* - 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. Internal service funds (the component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities, such as the Town's self-insured medical plan.
- *Fiduciary funds (Exhibit VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

## Government-Wide Financial Analysis

The Town's combined net assets decreased from a year ago, from \$56,465,393 to \$54,755,735. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town's governmental activities.

**TABLE 1  
NET ASSETS**

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Current and other assets	\$ 29,774,888	\$ 24,918,552
Capital assets, net of accumulated depreciation	74,064,219	74,004,751
Total assets	<u>103,839,107</u>	<u>98,923,303</u>
Long-term liabilities outstanding	38,031,269	38,591,117
Other liabilities	11,052,103	3,866,793
Total liabilities	<u>49,083,372</u>	<u>42,457,910</u>
Net Assets:		
Invested in capital assets, net of related debt	44,372,996	43,006,337
Unrestricted	<u>10,382,739</u>	<u>13,459,056</u>
Total Net Assets	<u>\$ 54,755,735</u>	<u>\$ 56,465,393</u>

Net assets of the Town's governmental activities decreased \$1,709,658, a 3.03% decrease (\$54,755,735 compared to \$56,465,393). Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - decreased \$3,076,317 from \$13,459,056 at June 30, 2011 to \$10,382,739 at June 30, 2012.

**TABLE 2  
CHANGE IN NET ASSETS**

	Governmental Activities	
	2012	2011
Revenues:		
Program revenues:	\$ 3,488,436	\$ 3,312,140
Charges for services	20,668,235	19,567,653
Operating grants and contributions	1,827,204	1,866,257
Capital grants and contributions		
General revenues:	31,086,889	31,360,406
Property taxes	454,979	643,799
Grants and contributions not restricted to specific purposes	6,511	21,118
Unrestricted investment earnings	90,144	234,224
Other general revenues	57,622,398	57,005,597
Total revenues		
 Expenses:		
General government	7,023,500	6,341,207
Public safety	5,926,932	5,317,260
Public works	4,392,996	3,858,043
Health and welfare	239,942	226,266
Culture and recreation	1,423,916	1,223,458
Education	39,185,344	38,916,414
Interest on long-term debt	1,139,426	1,515,258
Total expenses	59,332,056	57,397,906
 Decrease in Net Assets	\$ (1,709,658)	\$ (392,309)

The Town's total revenues were \$57,622,398. The total cost of all programs and services was \$59,332,056. Our analysis below separately considers the operations of governmental activities.

**Governmental Activities**

Total revenues realized by the Town were \$57,622,398 for the 2012 Fiscal Year, an increase of \$616,801 or 1.1% from last year. Operating grants and contributions increased mainly due to the State of Connecticut's Teacher Retirement contribution of \$708,891.

Table 3 presents the cost of each of the Town's five largest programs - general government, public safety, public works, culture and recreation, and education - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

**TABLE 3  
GOVERNMENTAL ACTIVITIES**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General government	\$ 7,023,500	\$ 6,341,207	\$ 6,703,902	\$ 5,991,869
Public safety	5,926,932	5,317,260	5,272,507	5,053,142
Public works	4,392,996	3,858,043	1,673,058	1,385,508
Culture and recreation	1,423,916	1,223,458	724,361	612,480
Education	39,185,344	38,916,414	17,688,185	18,063,248
All others	1,379,368	1,741,524	1,286,168	1,545,609
<b>Total</b>	<b>\$ 59,332,056</b>	<b>\$ 57,397,906</b>	<b>\$ 33,348,181</b>	<b>\$ 32,651,856</b>

**Town Funds Financial Analysis**

**Governmental Funds**

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$6,108,590, representing a decrease of \$1,389,127 from last year's total of \$7,497,717. Included in this year's total change in fund balance is a decrease of \$1,829,690 in the Town's Capital Improvement Fund resulting from the October 2011, \$7,280,000 Bond Anticipation Note. Prior to permanent bonding, Bond Anticipation Notes are recorded as a liability. The Capital Improvement Fund at June 30, 2011 listed a positive fund balance of \$645,575 compared to a negative fund balance at June 30, 2012 of \$1,184,115.

Also included in this year's total change in fund balance is an increase of \$224,191 in the Town's General Fund and a combined increase of \$216,372 in the Water Assessment Fund and Nonmajor Governmental Funds. The Town's earned revenues were below budgeted estimates by \$43,947 as reflected in RSI-1. This budgetary shortfall was offset by reported expenditures that were \$251,564 less than budgeted for as reflected in RSI-2. The General Fund's \$251,564 favorable variance when compared with budgetary expenditure estimates is attributable to favorable variances spread throughout the Town's departmental budgets.

The Town's General Fund balance of \$2,721,563 reported on Exhibit III differs from the General Fund's budgetary fund balance of \$2,542,999. This is because the budgetary fund balance includes \$178,564 of outstanding encumbrances at year end that are reported as expenditures for budgetary purposes. The General Fund's unassigned fund balance increased from \$2,335,382 at June 30, 2011 to \$2,542,999 at June 30, 2012 for an increase of \$207,617. The General Fund's total fund balance of \$2,721,563 represents 5.7% of the General Fund's expenditures and other financing uses incurred during the year as compared with 5.3% at the end of the prior fiscal year. The General Fund's unassigned fund balance represents 5.3% of the General Fund's expenditures at June 30, 2012 compared to 5.0% at June 30, 2011.

**Proprietary Funds**

The Town's Internal Service Fund accounts for the charges to other units of the Town and employees to fund the self-insured medical plan of the Town, including the Board of Education. The risk management claim estimated liability for incurred but not reported claims at June 30, 2012 is \$420,470, a decrease of \$21,714 from June 30, 2011. The fund's unrestricted net assets increased by \$288,554 from \$1,218,104 to \$1,506,658 as indicated on Exhibits V and VI.

## Capital Asset and Debt Administration

### Capital Assets

At June 30, 2012 the Town had \$74,064,219 invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and water and sewer lines (see Table 4). This amount represents a net increase (including additions, deductions and depreciation) of \$59,468 over last year.

**TABLE 4**  
**CAPITAL ASSETS (Net of Depreciation)**

	Governmental Activities	
	<u>2012</u>	<u>2011</u>
Land	\$ 3,695,726	\$ 3,695,726
Land improvements	1,611,886	1,707,581
Buildings	33,703,049	34,724,867
Vehicles, machinery and equipment	5,720,145	6,196,096
Infrastructure	26,013,010	24,834,625
Construction in progress	<u>3,320,403</u>	<u>2,845,856</u>
Total	<u>\$ 74,064,219</u>	<u>\$ 74,004,751</u>

Major changes to capital assets included investments to the Town's infrastructure for road reconstruction by the use of Bond Anticipation Notes received in October 2011. The same Bond Anticipation Notes include other ongoing projects for improvements to Wolcott's public school facilities, a waterline, purchase of fire apparatus and extension of the walking trail at Scovill Reservoir.

More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

## Long-Term Debt

At June 30, 2012, the Town had \$26,535,000 in bonds outstanding versus \$28,545,000 last year, a decrease of 7%, as shown in Table 5.

**TABLE 5  
OUTSTANDING DEBT**

	Governmental Activities	
	2012	2011
General Obligation Bonds (Backed by the Town)	\$ 26,535,000	\$ 28,545,000

On October 28, 2011, the Town issued bond anticipation notes totaling \$7,280,000 toward a bonding authorization of \$12,325,000 approved on August 27, 2011 for the following purposes:

<u>Project</u>	<u>Bonding Authorization</u>	<u>Bonded/Grants/ Paydowns</u>	<u>The Notes</u>	<u>Authorized But Unissued</u>
Road Reconstruction and Repairs	\$9,000,000	\$0	\$4,500,000	\$4,500,000
Wolcott Schools Upgrades	1,800,000	-	1,800,000	0
Woodtick Road Waterline	350,000	-	350,000	0
Walking Trail at Scovill Reservoir	350,000	-	100,000	250,000
Fire Truck Purchase	500,000	-	500,000	0
Issuance Costs	325,000	-	30,000	295,000
<b>Total</b>	<b>\$12,325,000</b>	<b>\$0</b>	<b>\$7,280,000</b>	<b>\$5,045,000</b>

The bond anticipation notes matured on October 25, 2012. The Town issued bond anticipation notes on October 25, 2012 for a total of \$9,780,000. The bond anticipation notes mature on October 24, 2013 at which time the Town plans to issue bond anticipation notes for the total authorization of \$12,325,000.

The Town's general obligation bond rating remained at A1. This was recalibrated by Moody's Investors Service to A1 from A3 in July 2010, a rating that had been assigned by national rating agencies to the Town's debt since 1960. The recalibration was industry wide and does not reflect an improvement in the Town's bond rating. The State limits the amount of general obligation debt that cities can issue based on formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$219 million state-imposed limit.

Other long-term obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

### Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the Fiscal Year 2013 budget tax rates. One of those factors is the economy. The Town's employment base had remained stable for many years. The unemployment rate in the Town increased slightly. It now stands at 9.5% as compared to 9.0% a year ago. This compares with the State's unemployment rate of 9.3% and the national rate of 8.1%.

Inflation in Connecticut increased over the National Consumer Price Index. Connecticut's CPI for June 2012 was 5.4% compared with the U.S. Town average of 4.9% and a national average of 4.8% in 2012.

These indicators were taken into account when adopting the General Fund budget for 2012-13. The 2012-13 expenditure budget was approved by the Wolcott Town Council in the amount of \$49,088,874, a \$790,305 increase from the 2011-12 budget. The General Government expenditure budget remained level at \$16,827,593.

Major changes included a decrease in fringe benefits of \$159,620 and decreases in miscellaneous operating expenses of \$238,872. These decreases were accomplished by reductions in departmental expenses not governed by contracts and mandated costs. The Board of Education expenditure budget was approved for \$32,261,281 representing an increase of \$790,305.

Estimated revenues for 2012-13, excluding property taxes, totaled \$17,297,136. The amount to be raised by current property taxes is \$31,239,738, with back tax collections estimated at \$552,000. The General Fund's unassigned fund balance as of June 30, 2012 is \$2,542,999, an increase of \$207,617.

The 2012-13 mill rate was set at 25.27 mills on a net grand list of \$1,254,860,310 reduced to a 98.5% grand list collection rate of \$1,236,037,405. This compares to a 98.5% grand list collection rate for 2011-12 of \$1,342,184,031. The reduction in the grand list value is the result of a State mandated property revaluation.

### **Contacting the Town's Financial Management**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of Wolcott, 10 Kenea Avenue, Wolcott, Connecticut 06716.

## TOWN OF WOLCOTT, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2012

	General	Capital Improvement Fund	Water Assessments Fund	Small Cities Grant Programs	Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,732,547	\$ 6,854,946	\$ 1,690,859	\$ 74,851	\$ 2,536,760	\$ 13,889,963
Accounts receivable, net	6,679,619	579,048	2,206,474	1,862,452	1,232,689	12,560,282
Due from other funds	623,696	8,390	42			632,128
Inventories					26,448	26,448
<b>Total Assets</b>	<b>\$ 10,035,862</b>	<b>\$ 7,442,384</b>	<b>\$ 3,897,375</b>	<b>\$ 1,937,303</b>	<b>\$ 3,795,897</b>	<b>\$ 27,108,821</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts and other payables	\$ 1,240,210	\$ 939,882	\$	\$ 7,354	\$ 418,877	\$ 2,606,323
Notes payable		7,280,000				7,280,000
Due to other funds	22,390	406,602			217,136	646,128
Deferred revenue	6,051,699	15	2,206,474	1,861,852	347,740	10,467,780
<b>Total liabilities</b>	<b>7,314,299</b>	<b>8,626,499</b>	<b>2,206,474</b>	<b>1,869,206</b>	<b>983,753</b>	<b>21,000,231</b>
<b>Fund balances:</b>						
Nonspendable					26,448	26,448
Restricted				68,097	161,896	229,993
Committed			1,690,901		2,656,738	4,347,639
Assigned	178,564					178,564
Unassigned	2,542,999	(1,184,115)			(32,938)	1,325,946
<b>Total fund balances</b>	<b>2,721,563</b>	<b>(1,184,115)</b>	<b>1,690,901</b>	<b>68,097</b>	<b>2,812,144</b>	<b>6,108,590</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 10,035,862</b>	<b>\$ 7,442,384</b>	<b>\$ 3,897,375</b>	<b>\$ 1,937,303</b>	<b>\$ 3,795,897</b>	<b>\$ 27,108,821</b>

(Continued on next page)

## TOWN OF WOLCOTT, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2012

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets:

Amounts reported for governmental activities in the statement of net assets (Exhibit I) are different because of the following:

Fund balances - total governmental funds	\$ 6,108,590
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 133,198,357	
Less accumulated depreciation	(59,134,138)	
Net capital assets		74,064,219

Other long-term assets are not available to pay for current-period expenditures and, therefore, are not recorded in the funds:

Bond issuance costs	43,812
Deferred charges - sewer treatment plant	1,327,255
Property tax receivables greater than 60 days	673,157
Interest receivable on property taxes	169,352
Assessments receivable	2,206,474
Loans receivable	1,861,852
Receivable from the State for school construction projects	5,185,994
Other receivables	305,122

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets.

1,506,658

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds payable	(26,535,000)
Premium on bonds payable	(1,134,604)
Deferred charges on refunding	909,623
State of Connecticut - serial notes payable	(1,327,255)
Interest payable on bonds and notes	(665,481)
Heart and hypertension obligations	(1,704,682)
Compensated absences	(2,941,067)
Retirement obligations	(11,400)
Capital leases	(972,922)
Net pension obligation	(252,251)
Net OPEB obligation	(4,061,711)

Net Assets of Governmental Activities (Exhibit I)

\$ 54,755,735

The accompanying notes are an integral part of the financial statements

TOWN OF WOLCOTT, CONNECTICUT  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
 FOR THE YEAR ENDED JUNE 30, 2012

	General	Capital Improvement Fund	Water Assessments Fund	Small Cities Grant Programs	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
General property taxes	\$ 31,276,936	\$	\$	\$	\$	\$ 31,276,936
Licenses, permits and other charges	311,674				26,547	338,221
Intergovernmental revenues	19,263,593	950,097		43,500	2,513,147	22,770,337
Charges for services	359,401		422,076		3,170,281	3,951,758
Investment income	3,922	425	321	45	1,460	6,173
Other	212,887	80,158		35,575	65,910	394,530
Total revenues	<u>51,428,413</u>	<u>1,030,680</u>	<u>422,397</u>	<u>79,120</u>	<u>5,777,345</u>	<u>58,737,955</u>
Expenditures:						
Current:						
General government	5,698,775				27,266	5,726,041
Public safety	4,824,888				493,551	5,318,439
Public works	1,983,200				1,043,960	3,027,160
Health and welfare	160,520			85,147	26	245,693
Culture and recreation	689,689				557,702	1,247,391
Education	35,565,637	2,483,302			3,169,364	38,735,001
Capital outlay	674,464				7,628	3,165,394
Debt service	3,136,623				199,804	3,336,427
Total expenditures	<u>52,733,796</u>	<u>2,483,302</u>	<u>-</u>	<u>85,147</u>	<u>5,499,301</u>	<u>60,801,546</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,305,383)</u>	<u>(1,452,622)</u>	<u>422,397</u>	<u>(6,027)</u>	<u>278,044</u>	<u>(2,063,591)</u>
Other Financing Sources (Uses):						
Transfers in	991,110	30,728			136,000	1,157,838
Transfers out	(136,000)	(407,796)	(500,938)		(113,104)	(1,157,838)
Proceeds from capital lease issuance	674,464					674,464
Total other financing sources (uses)	<u>1,529,574</u>	<u>(377,068)</u>	<u>(500,938)</u>	<u>-</u>	<u>22,896</u>	<u>674,464</u>
Net Change in Fund Balances	224,191	(1,829,690)	(78,541)	(6,027)	300,940	(1,389,127)
Fund Balances at Beginning of Year	2,497,372	645,575	1,769,442	74,124	2,511,204	7,497,717
Fund Balances at End of Year	<u>\$ 2,721,563</u>	<u>\$ (1,184,115)</u>	<u>\$ 1,690,901</u>	<u>\$ 68,097</u>	<u>\$ 2,812,144</u>	<u>\$ 6,108,590</u>

(Continued on next page)

## TOWN OF WOLCOTT, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund  
Balances - Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

Net change in fund balances - total governmental funds (Exhibit IV)	\$	(1,389,127)
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	2,327,707
Depreciation expense	(2,239,205)

In the statement of activities, the loss on the sale or disposal of capital assets is reported. However, in the governmental funds, the transaction is not reported. Thus the change in net assets differs from the change in fund balance by the loss on assets disposed.

(29,034)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

School building grant receipts and adjustments	(562,796)
Property tax receivable - accrual basis change	(113,659)
Property tax interest and lien revenue - accrual basis change	(76,388)
Loans receivable - accrual basis change	15,183
Assessments receivable - accrual basis change	(306,805)
Other receivables - accrual basis change	(56,246)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond principal payments	2,010,000
Amortization of deferred amount on refunding	(74,848)
Amortization of premium	66,093
Deferred bond issuance costs	(6,258)
State of Connecticut - serial note payments	161,723
Accrued interest on bonds and serial notes	40,291
Capital lease payments	449,752
Capital lease financing	(674,464)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds:

Change in long-term heart and hypertension obligations	(105,730)
Change in long-term compensated absences	(353,125)
Change in long-term retirement obligations	1,425
Deferred charge amortization	(161,723)
Net OPEB expense	(1,043,977)
Net pension expense	122,999

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

288,554

Change in Net Assets of Governmental Activities (Exhibit II)	\$	<u>(1,709,658)</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF WOLCOTT, CONNECTICUT  
STATEMENT OF NET ASSETS - PROPRIETARY FUNDS  
JUNE 30, 2012

	<u>Governmental Activities Internal Service Fund</u>
Assets:	
Cash and cash equivalents	\$ 1,915,402
Accounts receivable, net	11,726
Total assets	<u>1,927,128</u>
Liabilities:	
Current:	
Risk management claims	<u>420,470</u>
Net Assets:	
Unrestricted	<u>\$ 1,506,658</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF WOLCOTT, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -  
PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2012

	<u>Governmental Activities Internal Service Fund</u>
Operating Revenues:	
Fund premiums	\$ 5,382,833
Employee contributions	1,677,634
Total operating revenues	<u>7,060,467</u>
Operating Expenses:	
Employee claims	6,160,539
Premiums	221,237
Administrative expense	392,050
Total operating expenses	<u>6,773,826</u>
Operating Income	286,641
Nonoperating Income:	
Income on investments	<u>1,913</u>
Change in Net Assets	288,554
Net Assets at Beginning of Year	<u>1,218,104</u>
Net Assets at End of Year	<u>\$ 1,506,658</u>

The accompanying notes are an integral part of the financial statements

## TOWN OF WOLCOTT, CONNECTICUT

## STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

JUNE 30, 2012

	Private Purpose Trust Fund		
	Pension Trust Funds	Scholarship Fund	Agency Funds
Assets:			
Cash and cash equivalents	\$ 1,393,770	\$ 11,792	\$ 406,079
Investments:			
Certificate of deposits	200,208	233,091	
Corporate bonds	876,882		
Guaranteed annuity contracts	4,738,939		
Mutual funds	14,044,579		
Due from other funds			14,000
Total assets	21,254,378	244,883	\$ <u>420,079</u>
Liabilities:			
Deposits held for others			\$ <u>420,079</u>
Net Assets:			
Held in Trust for Pension Benefits and Other Purposes	\$ <u>21,254,378</u>	\$ <u>244,883</u>	

The accompanying notes are an integral part of the financial statements

**TOWN OF WOLCOTT, CONNECTICUT**  
**STATEMENT OF CHANGES IN NET ASSETS - FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	<u>Pension Trust Funds</u>	<u>Private Purpose Trust Fund</u>  <u>Scholarship Fund</u>
Additions:		
Contributions:		
Employer	\$ 1,502,026	\$
Plan members	76,898	
Total contributions	<u>1,578,924</u>	<u>-</u>
Investment income:		
Net decrease in fair value of investments	(353,109)	
Interest and dividends	407,782	18,214
Net investment earnings	54,673	18,214
Less investment fee expense	90,445	
Net increase (decrease) in investments	<u>(35,772)</u>	<u>18,214</u>
Total additions	<u>1,543,152</u>	<u>18,214</u>
Deductions:		
Benefits	1,483,528	
Administration	81,189	
Scholarship awards		21,003
Total deductions	<u>1,564,717</u>	<u>21,003</u>
Net Decrease in Net Assets	(21,565)	(2,789)
Net Assets Held in Trust for Pension Benefits/Trust Purposes at Beginning of Year	<u>21,275,943</u>	<u>247,672</u>
Net Assets Held in Trust for Pension Benefits/Trust Purposes at End of Year	<u>\$ 21,254,378</u>	<u>\$ 244,883</u>

The accompanying notes are an integral part of the financial statements

**TOWN OF WOLCOTT, CONNECTICUT**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance
	Original	Final		Favorable (Unfavorable)
<b>Property taxes:</b>				
Current levy	\$ 30,442,973	\$ 30,442,973	\$ 30,355,940	\$ (87,033)
Prior year levies	625,000	625,000	623,376	(1,624)
Interest, liens and miscellaneous	301,000	301,000	297,620	(3,380)
Total property taxes	<u>31,368,973</u>	<u>31,368,973</u>	<u>31,276,936</u>	<u>(92,037)</u>
<b>Licenses and permits:</b>				
Town Clerk	262,500	262,500	188,326	(74,174)
Planning and Zoning	20,000	20,000	15,875	(4,125)
Building permits	85,000	85,000	82,479	(2,521)
Recycling permits	17,000	17,000	14,309	(2,691)
Police Department permits	3,650	3,650	10,685	7,035
Total licenses and permits	<u>388,150</u>	<u>388,150</u>	<u>311,674</u>	<u>(76,476)</u>
<b>Federal, state and local grants:</b>				
Education equalization grant	13,539,371	13,539,371	13,561,773	22,402
Transportation	146,758	146,758	149,041	2,283
School bond and interest subsidies	526,000	526,000	658,760	132,760
Revenue sharing			186,430	186,430
Local capital improvement	118,789	118,789	115,597	(3,192)
Elderly tax relief - circuit breaker	163,171	163,171	148,625	(14,546)
Veterans exemption tax relief	26,260	26,260	25,507	(753)
Manufacturing exemption tax relief	165,998	165,998		(165,998)
Elderly tax relief - freeze	1,999	1,999	4,000	2,001
Totally disabled tax relief	3,144	3,144	3,099	(45)
State-owned property	2,095	2,095	2,095	-
Regional Water Authority - PILOT program	7,525	7,525	7,525	-
Town aid road	151,459	151,459	151,441	(18)
Library grant	2,000	2,000	1,241	(759)
Boating safety	4,800	4,800		(4,800)
Pequot grant	70,880	70,880	67,048	(3,832)
Adult education	4,603	4,603	4,552	(51)
Medicare reimbursement	20,000	20,000	11,958	(8,042)
Civil preparedness	2,400	2,400		(2,400)
Commercial new truck exemption	23,487	23,487		(23,487)
Total federal, state and local grants	<u>14,980,739</u>	<u>14,980,739</u>	<u>15,098,692</u>	<u>117,953</u>
<b>Charges for services:</b>				
Special education - tuition	60,000	60,000	74,543	14,543
Tuition - other towns	29,000	29,000	41,304	12,304
Inland Wetlands	2,500	2,500	689	(1,811)
Outside activities	8,250	8,250	8,650	400
Ambulance service fees	135,000	135,000	105,000	(30,000)
Parks and recreation	17,000	17,000	16,540	(460)
Commercial refuse hauler	78,001	78,001	99,450	21,449
Zoning Board of Appeals	1,000	1,000	500	(500)
Records money	2,700	2,700	725	(1,975)
In-kind services	12,000	12,000	12,000	-
Total charges for services	<u>345,451</u>	<u>345,451</u>	<u>359,401</u>	<u>13,950</u>

(Continued on next page)

**TOWN OF WOLCOTT, CONNECTICUT  
GENERAL FUND  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2012**

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Investment income:				
Interest on investments	\$ 20,000	\$ 20,000	\$ 3,922	\$ (16,078)
Other revenues:				
Library fines	11,000	11,000	12,326	1,326
False alarm fines	3,500	3,500	25	(3,475)
Vital statistics	140	140	106	(34)
Telephone access grant	44,000	44,000	48,288	4,288
Pavilion	1,000	1,000	2,725	1,725
Unanticipated revenues	61,973	61,973	149,417	87,444
Total other revenues	<u>121,613</u>	<u>121,613</u>	<u>212,887</u>	<u>91,274</u>
Other financing sources:				
Transfers in:				
Farmingbury Golf Course	82,376	82,376	82,376	-
Assessment collections and residual bonds funds	991,267	991,267	908,734	(82,533)
Total other financing sources	<u>1,073,643</u>	<u>1,073,643</u>	<u>991,110</u>	<u>(82,533)</u>
Total	\$ <u>48,298,569</u>	\$ <u>48,298,569</u>	48,254,622	\$ <u>(43,947)</u>

Budgetary revenues are different than GAAP revenues because:

State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted. 3,258,566

The Town does not budget for capital lease issuances in the general fund. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes. 674,464

The Board of Education does not budget for intergovernmental grants, which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial reporting purposes. 906,335

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditure and Changes in Fund Balances - Governmental Funds - Exhibit IV \$ 53,093,987

## GENERAL FUND

STATEMENT OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
General government:				
Mayor's Office	\$ 200,976	\$ 201,205	\$ 201,154	\$ 51
Treasurer's Office	114,169	112,621	112,373	248
Finance Office	253,085	254,633	254,633	-
Town Council	72,785	72,785	72,032	753
Town Clerk	171,376	171,376	169,431	1,945
Tax Collector	177,289	177,289	171,890	5,399
Assessor	266,288	266,872	257,708	9,164
Board of Tax Review	4,725	4,725	1,632	3,093
Building Inspector	63,921	63,921	63,439	482
Planning and Zoning	82,780	82,196	80,722	1,474
Inland/Wetlands Conservation	9,961	9,961	6,059	3,902
Industrial Development	2,800	2,800	497	2,303
Zoning Board of Appeals	3,550	3,550	1,994	1,556
Registrar of Voters	78,687	78,687	75,293	3,394
Other general government:				
Wages	242,740	253,003	253,003	-
Benefits and insurance	1,854,726	1,840,881	1,840,881	-
Legal and consulting	75,000	83,917	83,917	-
Tri-town health district	109,725	125,934	125,934	-
Refuse and recycling	1,490,000	1,521,659	1,519,661	1,998
Liability insurance	55,000	53,784	53,775	9
Street lighting	103,000	97,780	97,780	-
Other	263,682	256,061	254,967	1,094
Total general government	<u>5,696,265</u>	<u>5,735,640</u>	<u>5,698,775</u>	<u>36,865</u>
Public safety:				
Police Department	3,142,643	3,177,445	3,167,124	10,321
Public Safety Communications	373,290	369,301	369,242	59
Animal Control Officer	49,985	59,326	59,326	-
Public Safety Buildings	104,763	87,525	84,195	3,330
Fire Department	669,332	669,332	656,013	13,319
Fire Marshal	47,025	47,025	44,955	2,070
Civil preparedness	24,366	24,366	17,039	7,327
Emergency Planning Commission	29,227	29,227	27,331	1,896
Volunteer Ambulance	403,360	403,360	399,663	3,697
Total public safety	<u>4,843,991</u>	<u>4,866,907</u>	<u>4,824,888</u>	<u>42,019</u>
Public works:				
Highways and streets	<u>2,089,109</u>	<u>2,065,268</u>	<u>1,983,200</u>	<u>82,068</u>
Health and welfare:				
Commission on Aging	131,659	131,659	126,830	4,829
Commission for Handicapped	37,348	37,348	33,690	3,658
Total health and welfare	<u>169,007</u>	<u>169,007</u>	<u>160,520</u>	<u>8,487</u>

(Continued on next page)

TOWN OF WOLCOTT, CONNECTICUT

GENERAL FUND

STATEMENT OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2012

	Budgeted Amounts		Actual	Variance Favorable (Unfavorable)
	Original	Final		
Culture and recreation:				
Parks and recreation	\$ 191,932	\$ 191,932	\$ 180,394	\$ 11,538
Library	526,107	526,107	502,377	23,730
Total culture and recreation	718,039	718,039	682,771	35,268
Board of Education	31,470,976	31,470,976	31,424,228	46,748
Debt service:				
Principal and interest:				
School bonds	1,730,273	1,730,273	1,730,273	-
General improvement bonds	886,550	886,550	886,550	-
Sewer bonds	122,475	122,475	122,475	-
Water bonds	378,464	378,464	378,464	-
Capital leases	18,970	18,970	18,861	109
Total debt service	3,136,732	3,136,732	3,136,623	109
Other financing uses:				
Transfers out:				
Capital and Nonrecurring Fund	148,450	110,000	110,000	-
Farmingbury Hills Country Club	26,000	26,000	26,000	-
Total other financing uses	174,450	136,000	136,000	-
Total	\$ 48,298,569	\$ 48,298,569	48,047,005	\$ 251,564

Budgetary expenditures are different than GAAP expenditures because

- State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted. 3,258,566
- Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes. (178,564)
- Encumbrances for purchases and commitments ordered in the previous year that were received and liquidated in the current year are reported for financial statement reporting purposes. 161,990
- The Town does not budget for capital lease issuances in the general fund. These amounts are recorded as revenues and expenditures for GAAP financial reporting purposes. 674,464
- The Board of Education does not budget for intergovernmental grants, which are credited against education expenditures for budgetary reporting. These amounts are recorded as revenues and expenditures for financial statement reporting purposes. 906,335

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Exhibit IV \$ 52,869,796

**TOWN OF WOLCOTT, CONNECTICUT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ yes   X   no

**Federal Awards**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

\_\_\_\_\_ yes   X   no

Identification of major programs:

CFDA #	Name of Federal Program or Cluster
84.410	Education Jobs Fund
66.602	Congressionally Mandated Projects
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between type A and type B programs: \$300,000

Auditee qualified as low-risk auditee?   X   yes \_\_\_\_\_ no

**II. FINANCIAL STATEMENT FINDINGS**

No matters were reported.

**III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No matters were reported.

**TOWN OF WOLCOTT, CONNECTICUT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2012**

**I. SUMMARY OF AUDITORS' RESULTS**

**Financial Statements**

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

Noncompliance material to financial statements noted?

\_\_\_\_\_ yes   X   no

**State Financial Assistance**

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ yes   X   no
- Significant deficiency(ies) identified? \_\_\_\_\_ yes   X   none reported

Type of auditors' report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

\_\_\_\_\_ yes   X   no

- The following schedule reflects the major programs included in the audit:

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Department of Economic and Community Development: Small Town Economic Assistance Program (STEAP)	12052-ECD46000-42411-149	\$ 395,127
Department of Education: Magnet Schools	11000-SDE64000-17057	253,500
Department of Energy and Environmental Protection: Small Town Economic Assistance Program (STEAP)	12052-DEP43720-40531	236,348

- Dollar threshold used to distinguish between type A and type B programs: \$200,000

**II. FINANCIAL STATEMENT FINDINGS**

No matters were reported.