MANAGEMENT COMMUNICATIONS

TOWN OF GRAND CHUTE, WISCONSIN

DECEMBER 31, 2014

TOWN OF GRAND CHUTE, WISCONSIN
December 31, 2014

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Schenck sc

CPAs AND SO MUCH MORE.

To the Town Board
Town of Grand Chute, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Grand Chute, Wisconsin (the "Town") for the year ended December 31, 2014. The Town's financial statements, including our report thereon dated June 8, 2015, are presented in a separate audit report document. Professional standards require that we provide you with the following information related to our audit.

Our Responsibilities Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements are fairly presented, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your responsibilities.

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide assurance on the internal control over financial reporting.

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants. While our audit provides a reasonable basis for our opinion, it does not provide a legal determination on the Town's compliance with those requirements.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our correspondence about planning matters.

Significant Audit Findings

Consideration of Internal Control

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing auditing 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control. Our report on internal control over financial reporting and on compliance and other matters is presented on pages 42-43 of the annual report.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified.

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 Town's financial statements will not be prevented, or detected and corrected, on a timely basis. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses.

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Town are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. To the best of our knowledge, 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. The most sensitive estimate included in the financial statements was:

> Management's estimate of the depreciable life of the capital assets is based upon analysis of the expected useful life of the capital assets. We evaluated the key factors and assumptions and the consistency in these factors and assumptions used to develop the depreciable life in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent and clear.

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 clearly trivial, and communicate them to the appropriate level of management. The financial statements reflect all accounting adjustments proposed during our audit. Copies of the audit adjustments are available from management.

Disagreements with Management

For purposes of this letter, a disagreement with management is 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. 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 June 8, 2015. The management representation letter follows this communication.

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 Town's financial statements or a determination of the type of auditors' 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 Town's auditors. However, these discussions occurred in the normal course of our professional relationship and, to the best of our knowledge, our responses were not a condition to our retention.

Other Matters

We were engaged to report on the nonmajor fund combining statements and detailed comparison of budget to actual general fund statements which accompany the financial statements but are not required supplementary information. With respect to this supplementary information, 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.

Restriction on Use

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

Sincerely,

Schenck SC

Certified Public Accountants
Green Bay, Wisconsin
June 8, 2015

SUMMARY FINANCIAL INFORMATION

1. Town Governmental Fund Balances

Presented below is a summary of the various Town governmental fund balances on December 31, 2014 including a comparison to the prior year. This information is provided for assisting management in assessing financial results of 2014 and for indicating financial resources available at the start of the 2015 budget year.

	12/31/14	12/31/13
Governmental Funds		
General Fund		
Nonspendable		
Prepaid items	$ 198,326	$ 206,113
Assigned		
Equipment replacement	21,749	27,800
Dental insurance	38,251	45,954
Tax incremental district	2,000,000	-
Unassigned	4,350,539	5,693,179
Total General Fund	6,608,865	5,973,046
Special Revenue Funds		
Restricted		
Fire impact fees	164,348	124,488
Assigned		
Room tax	75,490	75,490
Park development	193,780	163,723
Fire donations	3,477	2,529
K-9 Unit	7,179	4,804
Total Special Revenue Funds	444,274	371,034
Debt Service Fund		
Restricted for debt service		
Special assessment	4,356,879	3,880,773
Debt service	181,829	183,177
Total	4,538,708	4,063,950
Capital Project Funds		
Restricted for capital outlay	1,511,318	4,396,332
Tax Incremental District No. 1		
Unassigned	(27,461)	-
Total	1,483,857	4,396,332
Total Governmental Fund Balances	$ 13,075,704	$ 14,804,362

Additional observations and comments follow:

General Fund

The Town's general fund increased from $5,973,046 to $6,608,865 during 2014. The Town assigned $2,000,000 of its general fund balance for a transfer to its tax incremental district in 2015 for temporary financing of project costs. At December 31, 2014, the Town's unassigned general fund totaled $4,350,539, which represents approximately 33% of the total 2015 budgeted general fund expenditures. This indicates the general fund is in excellent financial position as it enters the 2015 fiscal year.

Special Assessment Special Revenue Fund

The Town's special assessment fund balance increased $476,106 during the current fiscal year. Expenditures of this fund consist of transfers to the Town's debt service fund to finance principal and interest maturities on the Town's outstanding general obligation debt. At December 31, 2014, the Town has available financial resources of $4,356,879.

Debt Service Fund

The Town's debt service balance totaled $181,829 at December 31, 2014.

2. Sanitary District No. 1 Enterprise Fund

Presented below are financial analyses to assist management in monitoring water utility operations.

Water Utility Income Account

Comparative income accounts for the years ended December 31, 2014 and 2013 follows:

	2014	2013
Operating Revenues		
General customers	$ 5,491,566	$ 4,928,152
Other	246,416	193,450
Total Operating Revenues	5,737,982	5,121,602
Operating Expenses		
Operation and maintenance	4,748,033	4,585,430
Depreciation	581,883	479,849
Taxes	22,836	26,378
Total Operating Expenses	5,352,752	5,091,657
Operating Income	385,230	29,945
Nonoperating Revenues (Expenses)		
Tax exempt computer aid	-	3,320
Gain on disposal of capital assets	-	722
Interest income	17,413	-
Interest charges	(86,002)	(96,829)
Amortization of debt premium (discount)	3,485	3,485
Total Nonoperating Revenues (Expenses)	(65,104)	(89,302)
Net Income (Loss)	$ 320,126	$ (59,357)

The water utility reported net operating income of $385,230 in 2014 compared to a net operating income of $29,945 for the prior year, as the increase in water rates was effective for all of 2014. The rate of return for the water utility for 2014 was 9.05%.

Cash advanced from the sewer utility fund to the water utility is $1,929,300 as of December 31, 2014, as operating surpluses in 2014 reduced the cash advance.

3. Sanitary District No. 2 Enterprise Fund

Presented below are financial analyses to assist management in monitoring sewer utility operations.

Sewer Utility Income Account

Comparative income accounts for the years ended December 31, 2014 and 2013 follows:

	2014	2013
Operating Revenues		
General customers	$ 2,734,768	$ 2,653,456
Other	140,202	281,384
Total Operating Revenues	2,874,970	2,934,840
Operating Expenses		
Operation and maintenance	2,181,635	2,146,500
Depreciation	525,517	506,798
Total Operating Expenses	2,707,152	2,653,298
Operating Income	167,818	281,542
Nonoperating Revenues (Expenses)		
Gain on sale of capital assets	35,036	-
Interest income	129,813	54,257
Interest charges	(16,762)	(26,249)
Amortization of debt premium	1,405	1,405
Write off special assessments	-	(158,667)
Total Nonoperating Revenues (Expenses)	149,492	(129,254)
Net Income	$ 317,310	$ 152,288

The Sanitary District reported net operating income of $167,818 for 2014 compared to operating income of $281,542 in 2013. The decrease in operating income was due primarily to lower operating revenues.

To evaluate the Sanitary District's operations, it is important to review their available cash and investments in relation to future debt maturities and anticipated plant improvements. At December 31, 2014, total cash and investments of Sanitary District No. 2 totaled $8,685,069 with unrestricted cash and investments totaling $6,697,749. The Sanitary District's cash and investments decreased in 2014 as the Town elected to cover the cash deficit of Sanitary District No. 1 with available cash in Sanitary District No. 2. Outstanding general obligation debt of Sanitary District No. 2 currently totals $275,000. Because the Town is a member of the Grand Chute-Menasha West Sewerage Commission, the Town is generally only responsible for a portion of any plant upgrade costs incurred by the Commission. These costs are currently included in the monthly contracted treatment charges and collected from customers as part of the sewer rates. In addition, sewer mains and services connected to the system are generally financed by developer or customer contributions.

4. Sanitary District No. 3 Enterprise Fund

Presented below are financial analyses to assist management in monitoring storm water utility operations.

Storm Water Utility Income Account

Income accounts for the years ended December 31, 2014 and 2013 follows:

	2014	2013
Operating Revenues		
General customers	$ 2,875,567	$ 2,858,933
Other	23,782	13,990
Total Operating Revenues	2,899,349	2,872,923
Operating Expenses		
Operation and maintenance	378,144	371,370
Depreciation	428,623	408,846
Total Operating Expenses	806,767	780,216
Operating Income	2,092,582	2,092,707
Nonoperating Revenues (Expenses)		
Interest income	132,243	83,482
Interest charges	(124,323)	(159,196)
Amortization of debt premium (discount)	7,833	7,833
Total Nonoperating Revenues (Expenses)	15,753	(67,881)
Net Income	$ 2,108,335	$ 2,024,826

The fund transferred $5,144 to the general fund for administrative expenses.

Because the storm water utility has significant capital expenditures each year which are financed by debt or special assessments, the charges for services is designed to retire debt service obligations in addition to operating costs. In 2014, the fund made principal and interest payments of $1,339,293.

5. East Side Utility Enterprise Fund

Presented below are financial analyses to assist management in monitoring utility operations.

East Side Utility Income Account

Comparative income accounts for the years ended December 31, 2014 and 2013 follows:

	2014	2013
Operating Revenues		
General customers	$ 21,188	$ 21,082
Other	273	233
Total Operating Revenues	21,461	21,315
Operating Expenses		
Operation and maintenance	22,038	22,593
Depreciation	10,228	19,177
Total Operating Expenses	32,266	41,770
Operating Loss	(10,805)	(20,455)
Nonoperating Revenues		
General property taxes	19,696	19,550
Interest income	3,724	1,373
Total Nonoperating Revenues	23,420	20,923
Net Income	$ 12,615	$ 468

East Side Utility currently has unrestricted cash and investment balances of $323,099.

6. Restricted and Designated Cash and Investments

The Town reported restricted and other cash and investments totaling $2,244,345 at December 31, 2014 held for the following purposes:

Funds	Amount	Purpose
Sanitary District No. 1		
Restricted Assets		
Impact fees	$ 257,025	Impact fees collected for future purchases
Sanitary District No. 2		
Other Assets		
Depreciation fund	454,886	To be used for additions and betterments of the District's capital assets.
Service availability charges	1,206,670	To account for SAC fees collected to be used for future sewerage plant expansion.
	1,661,556	
Restricted Assets		
DNR replacement fund	325,764	To be used for the replacement of certain equipment of the District in accordance with the Wisconsin Department of Natural Resources requirements.
	325,764	
Total Sanitary District No. 2	1,987,320	
Total	$ 2,244,345	

NEW ACOUNTING STANDARD

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*

In June, 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions*, revising and establishing new financial reporting requirements for governments that provide their employees with pension benefits. The new standard recognizes pension costs as employment services are provided, rather than when the pensions are funded. This change in the pension liability calculation could have a material impact on net position for many governments.

Other significant changes from previous reporting requirements (GASB 27) include:

- Coordination of the actuarial valuation date and the measurement date;
- Stricter guidance on the selection and calculation of the discount rate;
- Required use of the entry age normal actuarial cost method;
- Some changes in pension liabilities will be reported as deferred outflows/inflows of resources;
- Required supplementary information, with ten years of trend information developed over time;
- Expanded note disclosures

These new standards are also applicable to the Wisconsin Retirement System ("WRS"). It is our understanding that the WRS is well aware of the impact of these new standards and is planning to provide participants with detailed supplementary information that will be needed to complete the footnote disclosures in the Town's audited financial statements. At this time, we are not aware of any action that is required by the Town.

This comment is for informational purposes.

APPENDIX

GRAND CHUTE
la grande chute

June 8, 2015

Schenck SC
2200 Riverside Drive
P.O. Box 23819
Green Bay, WI 54305-3819

This representation letter is provided in connection with your audit of the financial statements of the Town of Grand Chute, Wisconsin, (the "Town"), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of December 31, 2014, and the respective changes in the financial position and where applicable, cash flows for the year then ended, and the related notes to the financial statements for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of June 8, 2015, the following representations made to you during your audit.

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 8, 2015, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.

2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.

3. In regards to accounting estimates:

   - The measurement processes used by management in determining accounting estimates is appropriate and consistent.

   - The assumptions appropriately reflect management's intent and ability to carry out specific courses of action.

   - The disclosures related to accounting estimates are complete and appropriate.

- No subsequent event has occurred that would require adjustment to the accounting estimates or disclosures included in the financial statements.

4. We acknowledge our responsibility 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.

5. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

6. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

7. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.

8. Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements.

9. We are in agreement with the adjusting journal entries you have proposed, and they have been posted to the Town's accounts.

10. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.

11. Guarantees, whether written or oral, under which the Town is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

12. We have provided you with:

    a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters.

    b. Additional information that you have requested from us for the purpose of the audit.

    c. Unrestricted access to persons within the Town from whom you determined it necessary to obtain audit evidence.

    d. Minutes of the meetings of the Town Board or summaries of actions of recent meetings for which minutes have not yet been prepared.

13. All material transactions have been recorded in the accounting records and are reflected in the financial statements.

14. We made an assessment of the risk that the financial statements may be materially misstated as a result of fraud. We have disclosed the results of our assessment as follows:

    a. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:

        i. Management,

ii. Employees who have significant roles in internal control, or

iii. Others where the fraud could have a material effect on the financial statements.

b. We have no knowledge of any allegations of fraud or suspected fraud affecting the Town's financial statements communicated by employees, former employees, regulators, or others.

15. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

16. We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.

17. We have disclosed to you the identity of the Town's related parties and all the related party relationships and transactions of which we are aware.

Government - specific

18. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

19. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

20. The Town has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, deferred inflows/outflows of resources, or equity.

21. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.

22. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

23. We have identified and disclosed to you all instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.

24. We have identified and disclosed to you all instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.

25. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

26. As part of your audit, you assisted with preparation of the financial statements and related notes, state financial report, and the Public Service Commission annual report. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes, state financial report and the Public Service Commission annual report.

27. The Town has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

28. The Town has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

29. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.

30. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.

31. The financial statements properly classify all funds and activities, in accordance with GASB Statement No. 34.

32. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

33. Components of net position (net investment in capital assets, restricted, and unrestricted) and components of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.

34. Provisions for uncollectible receivables have been properly identified and recorded.

35. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.

36. Revenues are appropriately classified in the statement of activities within program revenues or general revenues.

37. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.

38. Deposits and investment securities and derivative transactions are properly classified as to risk and are properly disclosed.

39. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.

40. Joint ventures, jointly governed organizations, and other related organizations have been properly disclosed in the financial statements.

41. We have appropriately disclosed the Town's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and

unrestricted net position is available and have determined that net position is properly recognized under the policy.

42. We are following GASB Statement No. 54, paragraph 18, to determine the fund balance classifications for financial reporting purposes.

43. We acknowledge our responsibility for presenting the nonmajor fund combining statements, and detailed comparison of budget to actual general fund statements (the supplementary information) in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.

44. The fact that the amount of "uncollateralized" deposits or "uninsured, unregistered securities held by the counterparty, or by its trust department or agent but not in the Town's name" during the period significantly exceeded the amounts in those categories as of the balance sheet was properly disclosed in the financial statements.

45. Arrangements with financial institutions involving repurchase, reverse repurchase, or securities lending agreements, compensating balances, or other arrangements involving restrictions on cash balances and line-of-credit or similar arrangements, have been properly recorded or disclosed in the financial statements.

46. The methods and significant assumptions used to determine fair values of financial instruments are as follows: Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.

47. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the balance sheet date and have been reduced to their estimated net realizable value.

48. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility.

49. We have evaluated and classified any subsequent events as recognized or nonrecognized through the date of this letter. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.

Signed: _____
James March, Town Administrator

Signed: _____
Julie Wahlen,
Finance Director / Treasurer