

TOWN OF WHITINGHAM, VERMONT
AUDIT REPORT AND REPORTS ON
COMPLIANCE AND INTERNAL CONTROL

JUNE 30, 2024

TOWN OF WHITINGHAM, VERMONT
 AUDIT REPORT
 TABLE OF CONTENTS
 JUNE 30, 2024

		<u>Page #</u>
Independent Auditor's Report		1-5
Basic Financial Statements:		
Statement of Net Position - Modified Cash Basis	Exhibit A	6
Statement of Activities - Modified Cash Basis	Exhibit B	7
Governmental Funds:		
Statement of Modified Cash Basis Assets, Liabilities and Fund Balances	Exhibit C	8
Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances	Exhibit D	9
Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balance - Budget and Actual - General Fund	Exhibit E	10-16
Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balance - Budget and Actual - Highway Fund	Exhibit F	17
Proprietary Fund:		
Statement of Fund Net Position - Modified Cash Basis	Exhibit G	18
Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Net Position	Exhibit H	19
Fiduciary Fund:		
Statement of Fiduciary Modified Cash Basis Net Position	Exhibit I	20
Statement of Changes in Fiduciary Modified Cash Basis Net Position	Exhibit J	21
Notes to the Financial Statements		22-40

TOWN OF WHITINGHAM, VERMONT
 AUDIT REPORT
 TABLE OF CONTENTS
 JUNE 30, 2024

		<u>Page #</u>
Other Information:		
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Governmental Funds	Schedule 1	41
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Governmental Funds	Schedule 2	42
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Special Revenue Funds	Schedule 3	43
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Special Revenue Funds	Schedule 4	44
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Capital Projects Funds	Schedule 5	45
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Capital Projects Funds	Schedule 6	46
Combining Schedule of Modified Cash Basis Assets, Liabilities and Fund Balances - Non-Major Permanent Funds	Schedule 7	47
Combining Schedule of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances - Non-Major Permanent Funds	Schedule 8	48
Schedule of Expenditures of Federal Awards	Schedule 9	49
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards"		50-51

TOWN OF WHITINGHAM, VERMONT
AUDIT REPORT
TABLE OF CONTENTS
JUNE 30, 2024

	<u>Page #</u>
Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	52-54
Schedule of Prior Audit Findings and Questioned Costs	55
Schedule of Findings and Questioned Costs	56-57
Corrective Action Plan	

Sullivan, Powers & Co., P.C.

Certified Public Accountants

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
www.sullivanpowers.com

Richard J. Brigham, CPA
Chad A. Hewitt, CPA
Jordon M. Plummer, CPA
VT Lic. #92-000180

Independent Auditor's Report

Selectboard
Town of Whitingham, Vermont
2948 Vt Rte. 100
Jacksonville, Vermont 05342

Report on the Audit of the Financial Statements

Qualified and Unmodified Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Whitingham, Vermont, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Whitingham, Vermont's basic financial statements as listed in the Table of Contents.

Summary of Opinions

<u>Opinion Unit</u>	<u>Type of Opinion</u>
Governmental Activities	Qualified
Business-type Activities	Unmodified
General Fund	Qualified
Highway Fund	Unmodified
Highway Equipment Fund	Unmodified
Highway Garage Fund	Unmodified
Grant Match Fund	Unmodified
Sewer Fund	Unmodified
Aggregate Remaining Fund Information	Qualified

Qualified Opinions on Governmental Activities, General Fund and Aggregate Remaining Fund Information

In our opinion, except for the effects of the matters described in the Basis for Qualified and Unmodified Opinions section of our report, the financial statements referred to previously present fairly, in all material respects, the modified cash basis financial position of the governmental activities, the General Fund and the aggregate remaining fund information of the Town of Whitingham, Vermont, as of June 30, 2024, and the changes in modified cash basis financial position thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with the modified cash basis of accounting, as described in Note I.D.

Unmodified Opinions on Business-type Activities, Highway Fund, Highway Equipment Fund, Highway Garage Fund, Grant Match Fund and Sewer Fund

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective modified cash basis financial position of the business-type activities, the Highway Fund, the Highway Equipment Fund, the Highway Garage Fund, the Grant Match Fund and the Sewer Fund of the Town of Whitingham, Vermont, as of June 30, 2024, and the respective changes in modified cash basis financial position thereof and the respective budgetary comparison for the Highway Fund for the year then ended in accordance with the modified cash basis of accounting, as described in Note I.D.

Basis for Qualified and Unmodified Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in “Government Auditing Standards”, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Whitingham, Vermont and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified and unmodified audit opinions.

Matters Giving Rise to the Qualified Opinions on Governmental Activities, General Fund and Aggregate Remaining Fund Information

We did not audit the transfer station fees because of inadequacies in the Town’s controls over transfer station fees receipts during the year. We were unable to obtain sufficient appropriate audit evidence about the completeness of the transfer station fees in the accompanying Statement of Activities – Modified Cash Basis and Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balances – General Fund and Statement of Cash Receipts, Cash Disbursements and Changes in Modified Cash Basis Fund Balance – Budget and Actual – General Fund (stated at \$76,070) by other auditing procedures.

In addition, the modified cash basis of accounting requires the Town to record its investments at historical cost. Currently, investments in the governmental activities and the aggregate remaining fund information are recorded at current market value. The amount by which this departure would affect the assets, net position/fund balance, and cash receipts of the governmental activities and the aggregate remaining fund information has not been determined.

Change in Accounting Principle

As described in Note I.E. to the financial statements, in 2024, the Town adopted new accounting guidance, GASB Statement No. 100, “Accounting Changes and Error Corrections”, an amendment of GASB Statement No. 62. Our opinion is not modified with respect to this matter.

Emphasis of Matter – Basis of Accounting

We draw attention to Note I.D. of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting described in Note I.D., and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Whitingham, Vermont's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and "Government Auditing Standards", we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town of Whitingham, Vermont's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Whitingham, Vermont's ability to continue as a going concern for a reasonable period of time.

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

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Whitingham, Vermont's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. "Code of Federal Regulations" Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards", is presented for purposes of additional analysis and is not a required part of the basic 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 information has 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 Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Whitingham, Vermont's basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. These schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

Other Reporting Required by “Government Auditing Standards”

In accordance with “Government Auditing Standards”, we have also issued our report dated February 13, 2025, on our consideration of the Town of Whitingham, Vermont’s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Town of Whitingham, Vermont’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with “Government Auditing Standards” in considering the Town of Whitingham, Vermont’s internal control over financial reporting and compliance.

Sullivan, Powers & Co.

February 13, 2025
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF WHITINGHAM, VERMONT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2024

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash	\$ 1,952,458	\$ 125,168	\$ 2,077,626
Investments	421,161	13,493	434,654
Internal Balances	409,103	(409,103)	0
Due from Fiduciary Fund	1,498	0	1,498
Total Assets	2,784,220	(270,442)	2,513,778
<u>LIABILITIES</u>			
Due to State of Vermont	479	0	479
Due to Town Clerk	722	0	722
Prepaid Sewer Fees	0	315	315
Due to Others	0	213	213
Total Liabilities	1,201	528	1,729
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Prepaid Property Taxes	25,112	0	25,112
Total Deferred Inflows of Resources	25,112	0	25,112
<u>NET POSITION/(DEFICIT)</u>			
Restricted:			
Non-Expendable:			
Other	161,774	0	161,774
Expendable:			
Cemetery	247,292	0	247,292
Other	123,711	0	123,711
Unrestricted/(Deficit)	2,225,130	(270,970)	1,954,160
Total Net Position/(Deficit)	\$ 2,757,907	\$ (270,970)	\$ 2,486,937

The accompanying notes are an integral part of this financial statement.

TOWN OF WHITINGHAM, VERMONT
 STATEMENT OF ACTIVITIES - MODIFIED CASH BASIS
 FOR THE YEAR ENDED JUNE 30, 2024

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Position		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants/Loans and Contributions	Governmental Activities	Business-type Activities	Total
Functions/Programs:							
Primary Government:							
Governmental Activities:							
General Government	\$ 592,721	\$ 50,050	\$ 32,524	\$ 0	\$ (510,147)	\$ 0	\$ (510,147)
Public Safety	193,121	4,567	0	0	(188,554)	0	(188,554)
Highways and Streets	1,621,150	547	131,719	0	(1,488,884)	0	(1,488,884)
Culture and Recreation	164,557	0	46,979	0	(117,578)	0	(117,578)
Community Development	750	0	0	0	(750)	0	(750)
Cemetery	17,798	950	0	0	(16,848)	0	(16,848)
Solid Waste	123,900	76,319	3,000	0	(44,581)	0	(44,581)
Total Governmental Activities	<u>2,713,997</u>	<u>132,433</u>	<u>214,222</u>	<u>0</u>	<u>(2,367,342)</u>	<u>0</u>	<u>(2,367,342)</u>
Business-type Activities:							
Sewer	<u>3,391,384</u>	<u>324,364</u>	<u>0</u>	<u>2,310,576</u>	<u>0</u>	<u>(756,444)</u>	<u>(756,444)</u>
Total Business-type Activities	<u>3,391,384</u>	<u>324,364</u>	<u>0</u>	<u>2,310,576</u>	<u>0</u>	<u>(756,444)</u>	<u>(756,444)</u>
Total Primary Government	<u>\$ 6,105,381</u>	<u>\$ 456,797</u>	<u>\$ 214,222</u>	<u>\$ 2,310,576</u>	<u>(2,367,342)</u>	<u>(756,444)</u>	<u>(3,123,786)</u>
General Receipts:							
Property Taxes					2,060,832	0	2,060,832
Penalties and Interest on Delinquent Taxes					43,791	0	43,791
General State Grants					71,655	0	71,655
Unrestricted Investment Earnings					75,879	6,072	81,951
Insurance Proceeds					10,240	0	10,240
Proceeds from Sale of Equipment					36,320	0	36,320
Other Revenues					4,797	0	4,797
Total General Receipts					<u>2,303,514</u>	<u>6,072</u>	<u>2,309,586</u>
Change in Net Position					(63,828)	(750,372)	(814,200)
Net Position - July 1, 2023					<u>2,821,735</u>	<u>479,402</u>	<u>3,301,137</u>
Net Position/(Deficit) - June 30, 2024					<u>\$ 2,757,907</u>	<u>\$ (270,970)</u>	<u>\$ 2,486,937</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF WHITINGHAM, VERMONT
 STATEMENT OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
 GOVERNMENTAL FUNDS
 JUNE 30, 2024

	General Fund	Highway Fund	Highway Equipment Fund	Highway Garage Fund	Grant Match Fund	Non-Major Governmental Funds	Total
<u>ASSETS</u>							
Cash	\$ 464,518	\$ 0	\$ 291,373	\$ 395,077	\$ 26,739	\$ 774,751	\$ 1,952,458
Investments	0	0	31,410	42,590	2,883	344,278	421,161
Due from Other Funds	<u>3,321</u>	<u>88,490</u>	<u>0</u>	<u>0</u>	<u>300,000</u>	<u>26,736</u>	<u>418,547</u>
Total Assets	<u>\$ 467,839</u>	<u>\$ 88,490</u>	<u>\$ 322,783</u>	<u>\$ 437,667</u>	<u>\$ 329,622</u>	<u>\$ 1,145,765</u>	<u>\$ 2,792,166</u>
<u>LIABILITIES</u>							
Due to State of Vermont	\$ 479	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 479
Due to Town Clerk	722	0	0	0	0	0	722
Due to Other Funds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,946</u>	<u>7,946</u>
Total Liabilities	<u>1,201</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,946</u>	<u>9,147</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Prepaid Property Taxes	<u>25,112</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,112</u>
Total Deferred Inflows of Resources	<u>25,112</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>25,112</u>
<u>FUND BALANCES</u>							
Nonspendable	0	0	0	0	0	161,774	161,774
Restricted	0	0	0	0	0	371,003	371,003
Committed	0	88,490	322,783	437,667	329,622	503,406	1,681,968
Assigned	100,740	0	0	0	0	101,636	202,376
Unassigned	<u>340,786</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>340,786</u>
Total Fund Balances	<u>441,526</u>	<u>88,490</u>	<u>322,783</u>	<u>437,667</u>	<u>329,622</u>	<u>1,137,819</u>	<u>2,757,907</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 467,839</u>	<u>\$ 88,490</u>	<u>\$ 322,783</u>	<u>\$ 437,667</u>	<u>\$ 329,622</u>	<u>\$ 1,145,765</u>	<u>\$ 2,792,166</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF WHITINGHAM, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Highway Fund	Highway Equipment Fund	Highway Garage Fund	Grant Match Fund	Non-Major Governmental Funds	Total
Cash Receipts:							
Property Taxes	\$ 543,936	\$ 1,162,380	\$ 100,000	\$ 50,000	\$ 0	\$ 204,516	\$ 2,060,832
Penalties and Interest on Delinquent Taxes	43,791	0	0	0	0	0	43,791
Intergovernmental	96,216	131,719	0	0	0	36,431	264,366
Charges for Services	90,392	0	0	0	0	800	91,192
Permits, Licenses and Fees	26,543	0	0	0	0	9,461	36,004
Fines and Forfeits	4,972	0	0	0	0	0	4,972
Investment Income	19,554	0	7,230	8,302	6,939	33,854	75,879
Donations	0	0	0	0	0	21,511	21,511
Other	4,797	547	0	0	0	150	5,494
Total Cash Receipts	830,201	1,294,646	107,230	58,302	6,939	306,723	2,604,041
Cash Disbursements:							
General Government	525,313	0	0	0	0	67,840	593,153
Public Safety	138,199	0	0	0	0	0	138,199
Highways and Streets	0	1,098,826	0	0	0	0	1,098,826
Culture and Recreation	23,206	0	0	0	0	95,351	118,557
Community Development	0	0	0	0	0	750	750
Cemetery	0	0	0	0	0	17,798	17,798
Solid Waste	123,900	0	0	0	0	0	123,900
Capital Outlay:							
Public Safety	0	0	0	0	0	54,922	54,922
Highways and Streets	0	390,424	127,879	4,021	0	0	522,324
Culture and Recreation	46,000	0	0	0	0	0	46,000
Total Cash Disbursements	856,618	1,489,250	127,879	4,021	0	236,661	2,714,429
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(26,417)</u>	<u>(194,604)</u>	<u>(20,649)</u>	<u>54,281</u>	<u>6,939</u>	<u>70,062</u>	<u>(110,388)</u>
Other Financing Sources/(Uses):							
Insurance Proceeds	10,240	0	0	0	0	0	10,240
Proceeds from Sale of Equipment	0	0	0	0	0	36,320	36,320
Transfers In	0	0	0	0	0	6,348	6,348
Transfers Out	0	0	0	0	0	(6,348)	(6,348)
Total Other Financing Sources/(Uses)	10,240	0	0	0	0	36,320	46,560
Net Change in Fund Balances	<u>(16,177)</u>	<u>(194,604)</u>	<u>(20,649)</u>	<u>54,281</u>	<u>6,939</u>	<u>106,382</u>	<u>(63,828)</u>
Fund Balances - July 1, 2023, As Previously Presented	457,703	283,094	343,432	383,386	0	1,354,120	2,821,735
Change within Financial Reporting Entity (Non-Major to Major)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>322,683</u>	<u>(322,683)</u>	<u>0</u>
Fund Balances - July 1, 2023, As Adjusted	<u>457,703</u>	<u>283,094</u>	<u>343,432</u>	<u>383,386</u>	<u>322,683</u>	<u>1,031,437</u>	<u>2,821,735</u>
Fund Balances - June 30, 2024	<u>\$ 441,526</u>	<u>\$ 88,490</u>	<u>\$ 322,783</u>	<u>\$ 437,667</u>	<u>\$ 329,622</u>	<u>\$ 1,137,819</u>	<u>\$ 2,757,907</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF WHITINGHAM, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Property Taxes	\$ 556,523	\$ 543,936	\$ (12,587)
Interest on Delinquent Taxes	25,000	20,915	(4,085)
Penalties on Delinquent Taxes	25,000	22,876	(2,124)
Late Homestead Penalty	50	405	355
Current Use Tax VT Reimbursement	55,500	62,205	6,705
Education Tax Collection (.5%)	8,600	9,341	741
State Land Tax Stipend	9,450	9,450	0
Tax Sale Fees	0	1,959	1,959
Town Clerk Fees	17,000	17,680	680
Copier Fees	150	29	(121)
Liquor Licenses	400	305	(95)
Dog Licenses	2,000	2,015	15
Zoning Permits	4,500	4,555	55
Traffic Fines	1,400	4,567	3,167
Transfer Station Permits and Fees	98,000	76,070	(21,930)
Transfer Station Sale of Materials	450	0	(450)
E-Waste Revenue	600	249	(351)
Municipal Center Use	4,500	4,300	(200)
Investment Income	3,800	19,554	15,754
Sewer Bookkeeping Charge	432	432	0
SWIP Grant Income	3,000	3,000	0
Flood Resiliency Grant Income	0	21,561	21,561
Insurance Proceeds	0	10,240	10,240
Miscellaneous	500	4,797	4,297
Total Cash Receipts	816,855	840,441	23,586
Cash Disbursements:			
Miscellaneous Employee Wages:			
Selectboard	11,256	10,274	982
Emergency Management Director	534	1,047	(513)
Fire Warden	213	418	(205)
Moderator	125	125	0
Social Security	928	901	27
Retirement	49	99	(50)
Total Miscellaneous Employee Wages	13,105	12,864	241
General Insurance:			
Workmen's Compensation	25,000	26,694	(1,694)
General Liability	34,000	36,282	(2,282)
Total General Insurance	59,000	62,976	(3,976)

The accompanying notes are an integral part of this financial statement.

TOWN OF WHITINGHAM, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Taxes:			
County Tax	\$ 23,500	\$ 0	\$ 23,500
Unemployment-VT	1,000	653	347
Total Taxes	<u>24,500</u>	<u>653</u>	<u>23,847</u>
Selectboard Administrator:			
Selectboard Assistant Wages	61,715	61,715	0
Retirement	4,166	4,166	0
Social Security	4,721	4,513	208
Health Insurance	24,761	16,523	8,238
Life & Accident Insurance	129	103	26
Telephone	1,200	1,332	(132)
Training/Meetings/Seminars	1,000	174	826
Mileage	800	214	586
Office Supplies & Postage	1,800	1,004	796
Equipment	1,500	0	1,500
Total Selectboard Administrator	<u>101,792</u>	<u>89,744</u>	<u>12,048</u>
Town Report:	<u>400</u>	<u>274</u>	<u>126</u>
Board of Health:			
Health Officer Wages	895	895	0
Retirement	60	60	0
Social Security	68	65	3
Mileage	150	14	136
Office Supplies & Postage	100	15	85
Total Board of Health	<u>1,273</u>	<u>1,049</u>	<u>224</u>
Town Clerk:			
Town Clerk Wages	22,948	22,948	0
Assistant Town Clerk Wages	20,963	19,162	1,801
Ballot Clerk Wages	750	766	(16)
Retirement	2,697	2,729	(32)
Election & Programming	1,200	260	940
Social Security	4,660	4,370	290
Health Insurance	24,761	20,267	4,494
Life & Accident Insurance	129	103	26
Reimburse Fees	17,000	17,680	(680)
Office Supplies & Postage	5,000	4,201	799
Town Clerk Training	800	624	176
Telephone	1,600	1,938	(338)
Total Town Clerk	<u>102,508</u>	<u>95,048</u>	<u>7,460</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF WHITINGHAM, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Financial Operations:			
Bookkeeping Wages	\$ 14,756	\$ 12,933	\$ 1,823
Town Treasurer Wages	17,906	17,906	0
Retirement	1,209	1,209	0
Social Security	2,499	2,241	258
Office Supplies & Postage	3,000	2,291	709
Mileage	450	662	(212)
Telephone	500	634	(134)
Training/Seminars	500	415	85
Total Financial Operations	40,820	38,291	2,529
Listers:			
Listers' Wages	12,000	6,073	5,927
Social Security	918	697	221
Mileage	200	200	0
Office Supplies & Postage	700	732	(32)
Town Map Updates	4,500	4,710	(210)
Telephone	500	635	(135)
Computer	3,600	1,452	2,148
Internet	360	360	0
Outside Appraisal Service	15,000	3,782	11,218
Total Listers	37,778	18,641	19,137
Tax Collector:			
Retirement	1,688	1,512	176
Social Security	1,913	1,648	265
Supplies & Postage	700	400	300
Reimburse Tax Penalties	25,000	22,876	2,124
Tax Sale Expenses	0	217	(217)
Total Tax Collector	29,301	26,653	2,648
Animal Control Officer:			
Animal Control Officer Wages	1,400	1,345	55
Social Security	107	103	4
Mileage	800	643	157
Office Supplies	100	26	74
Training	120	0	120
Miscellaneous	800	470	330
Total Animal Control Officer	3,327	2,587	740

The accompanying notes are an integral part of this financial statement.

TOWN OF WHITINGHAM, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
General Expenses:			
Outside Audit	\$ 17,500	\$ 17,485	\$ 15
Generator Contract	1,450	3,012	(1,562)
Computer Expenses	11,000	7,354	3,646
Copier Costs	4,000	3,198	802
Dog Tags	200	123	77
Dues - VLCT	2,869	2,869	0
Emergency Management	275	0	275
State Fee - Dam	1,000	1,000	0
Memorial Day Flowers	1,500	1,313	187
Green Up Vermont	200	93	107
Internet	3,000	2,996	4
IT Service/Cyber Security	7,415	7,514	(99)
Legal Notices	1,000	370	630
Legal Services	10,000	11,440	(1,440)
Mileage - Selectboard	200	0	200
Use of Highway Employee	6,494	6,494	0
Town Newsletter	400	421	(21)
OSHA Training	225	0	225
Street Lights	3,500	3,012	488
Town Web Page	4,000	3,426	574
Repairs to Equipment	600	0	600
Flood Resiliency Grant Expenses	0	22,569	(22,569)
Downstream Grant Expenses	0	4,441	(4,441)
Miscellaneous	4,000	1,447	2,553
Total General Expenses	80,828	100,577	(19,749)
Municipal Center:			
Bottled Gas	6,000	396	5,604
Electricity	6,900	5,488	1,412
Equipment Replacement	3,800	7,832	(4,032)
Heating Oil	9,000	5,325	3,675
Cleaning - Town Offices	13,000	13,109	(109)
Repairs to Equipment	3,000	5,731	(2,731)
Repairs & Improvements	8,000	1,130	6,870
Bathroom Cleaning Supplies	1,000	743	257
Sewer Usage Fee	3,800	5,068	(1,268)
Telephone	500	635	(135)
Total Municipal Center	55,000	45,457	9,543
Historical Society:			
Electricity	250	484	(234)
Miscellaneous Expenses	500	402	98
Total Historical Society	750	886	(136)

The accompanying notes are an integral part of this financial statement.

TOWN OF WHITINGHAM, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Planning Commission:			
Planning Commission Clerk Wages	\$ 360	\$ 0	\$ 360
Zoning Administrator Wages	4,773	4,773	0
Retirement	322	322	0
Social Security	484	349	135
Duplicating	150	0	150
Legal Notices	200	0	200
Mileage	400	426	(26)
Postage	150	22	128
Seminar	500	70	430
Zoning Supplies	150	75	75
Windham Regional Meetings	3,200	3,433	(233)
Windham Regional Member	1,200	0	1,200
	<u>11,889</u>	<u>9,470</u>	<u>2,419</u>
Total Planning Commission			
Zoning Board:			
Zoning Board Clerk Wages	375	525	(150)
Social Security	27	38	(11)
Retirement	23	35	(12)
Legal Services	100	100	0
Legal Notices	200	476	(276)
Mileage	15	0	15
Postage and Supplies	80	43	37
	<u>820</u>	<u>1,217</u>	<u>(397)</u>
Total Zoning Board			
Contract Law Enforcement:			
Hearings	150	0	150
Patrol Coverage	14,000	8,065	5,935
	<u>14,150</u>	<u>8,065</u>	<u>6,085</u>
Total Contract Law Enforcement			
Transfer Station:			
Attendant Wages	22,360	16,393	5,967
Assistant Attendant Wages	5,200	1,831	3,369
Retirement	0	80	(80)
Freon Items	600	255	345
Equipment Purchase	1,000	0	1,000
Social Security	2,108	1,366	742
Waste Disposal	28,000	22,400	5,600
Mattresses	5,000	1,360	3,640
Metals Expenses	6,625	3,313	3,312
Hazardous Waste Collections	7,000	3,750	3,250
Paper Expenses	12,386	9,595	2,791
Organics	1,000	0	1,000

The accompanying notes are an integral part of this financial statement.

TOWN OF WHITINGHAM, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Transfer Station/(Cont'd):			
Electronics Recycling	\$ 325	\$ 0	\$ 325
Electricity	1,100	879	221
Repairs	2,500	1,328	1,172
Pest Control	1,300	1,165	135
Professional Services	1,000	0	1,000
Supplies	2,000	791	1,209
Telephone	500	635	(135)
Tire Removal	1,500	2,217	(717)
Portable Toilet Rental	1,320	1,360	(40)
Trash Removal	15,000	12,546	2,454
Trash Hauling	13,056	12,080	976
Uniforms	750	591	159
Mileage	100	215	(115)
Miscellaneous	300	919	(619)
Comingled Hauling	12,250	13,600	(1,350)
Comingled Recycling	7,000	7,291	(291)
Compactor Hauling	12,250	7,940	4,310
	<u>163,530</u>	<u>123,900</u>	<u>39,630</u>
Total Transfer Station			
Fire Department:			
Captain Wages	2,051	2,051	0
Fire Chief Wages	2,326	2,326	0
Assistant Chief Wages	1,453	1,453	0
Lieutenant Wages	1,694	2,118	(424)
Firefighter Nominal Fee	30,000	30,000	0
Social Security	3,062	3,200	(138)
Operating Supplies	1,200	1,713	(513)
Dispatch Services	27,000	26,211	789
Gas, Oil and Propane	7,700	6,925	775
Retirement	740	826	(86)
Electricity	2,500	1,982	518
Sewer Usage Fee	2,000	2,703	(703)
Telephone	900	911	(11)
Association Services	2,000	0	2,000
On-Site Mechanic	2,500	2,000	500
Buildings and Fixtures	5,000	938	4,062
Machinery and Equipment	5,000	2,541	2,459
Vehicles	14,000	13,131	869
Equipment Purchase	9,000	3,815	5,185
General Insurance	2,700	3,802	(1,102)
Dues & Course Fees	4,000	6,488	(2,488)
	<u>126,826</u>	<u>115,134</u>	<u>11,692</u>
Total Fire Department			

The accompanying notes are an integral part of this financial statement.

TOWN OF WHITINGHAM, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Town Hill Playground:			
Improvements	\$ 7,050	\$ 4,311	\$ 2,739
Mowing	6,750	5,300	1,450
Toilet Rental	1,200	1,800	(600)
Total Town Hill Playground	15,000	11,411	3,589
Appropriations:			
Ambulance Operations	15,000	15,000	0
Senior Solutions	750	750	0
Deerfield Valley Community Cares	1,000	1,000	0
Domestic Violence Community Partnership	2,500	2,500	0
Deerfield Valley Food Pantry	500	500	0
Parks Committee - Pavillion Expansion	45,500	46,000	(500)
RSVP	305	305	0
SeVEDS	4,071	4,071	0
Valley Youth Sports	6,000	6,000	0
Southeastern Vermont Community Action, Inc.	1,200	1,200	0
WINGS - Summer	1,795	1,795	0
WINGS - After School Program	10,000	10,000	0
Senior Meals	1,500	1,500	0
Disaster Animal Recovery	250	250	0
Women's Freedom Center	850	850	0
Total Appropriations	91,221	91,721	(500)
Total Cash Disbursements	973,818	856,618	117,200
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	\$ (156,963)	(16,177)	\$ 140,786
Fund Balance - July 1, 2023		457,703	
Fund Balance - June 30, 2024		\$ 441,526	

The accompanying notes are an integral part of this financial statement.

TOWN OF WHITINGHAM, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND BALANCE
BUDGET AND ACTUAL
HIGHWAY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Original and Final Budget	Actual	Variance Favorable/ (Unfavorable)
Cash Receipts:			
Property Taxes	\$ 1,162,380	\$ 1,162,380	\$ 0
State Highway Aid	127,917	131,719	3,802
Charge for Use of Highway Employee	6,494	6,494	0
Other	<u>0</u>	<u>547</u>	<u>547</u>
Total Cash Receipts	<u>1,296,791</u>	<u>1,301,140</u>	<u>4,349</u>
Cash Disbursements:			
Wages	413,471	403,003	10,468
Overtime	74,412	71,864	2,548
Retirement	31,712	32,054	(342)
Social Security	37,323	35,239	2,084
Insurance	123,471	103,648	19,823
Chains	7,000	6,759	241
Chloride	8,000	0	8,000
Cold Patch	1,500	0	1,500
Crack Repairs	10,000	12,337	(2,337)
Culverts	10,000	15,842	(5,842)
Cutting Edges	16,000	12,499	3,501
Diesel Fuel	60,000	52,087	7,913
Electricity	3,000	2,096	904
Equipment Hired	15,000	8,619	6,381
Equipment Purchased	1,500	2,391	(891)
Gasoline	7,000	6,664	336
Gravel	60,000	90,040	(30,040)
Guardrails	5,000	0	5,000
Heating Oil	12,000	5,572	6,428
Mileage	500	0	500
CDL, Drug Test, Postage, Miscellaneous	4,000	2,384	1,616
Paging Service	0	97	(97)
Paving	400,000	390,424	9,576
Postage	130	138	(8)
Facility Repairs	9,000	8,059	941
Vehicle Repairs & Maintenance	60,000	83,898	(23,898)
Salt	60,000	44,113	15,887
Winter Sand	90,000	56,229	33,771
Stone	13,000	19,550	(6,550)
Garage Equipment/Equipment Supplies	5,000	3,228	1,772
Street Sweeper Bristles	700	0	700
Sewer Usage Fee	910	1,351	(441)
Telephone	3,200	3,399	(199)
Tires	15,000	16,985	(1,985)
Uniforms	<u>6,000</u>	<u>5,175</u>	<u>825</u>
Total Cash Disbursements	<u>1,563,829</u>	<u>1,495,744</u>	<u>68,085</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	\$ <u>(267,038)</u>	(194,604)	\$ <u>72,434</u>
Fund Balance - July 1, 2023		<u>283,094</u>	
Fund Balance - June 30, 2024		\$ <u>88,490</u>	

The accompanying notes are an integral part of this financial statement.

TOWN OF WHITINGHAM, VERMONT
 STATEMENT OF FUND NET POSITION - MODIFIED CASH BASIS
 PROPRIETARY FUND
 JUNE 30, 2024

	Sewer Fund
<u>ASSETS</u>	
Cash	\$ 125,168
Investments	13,493
Total Assets	\$ 138,661
<u>LIABILITIES</u>	
Due to Other Funds	\$ 409,103
Prepaid Sewer Fees	315
Due to Others	213
Total Liabilities	409,631
<u>NET POSITION/(DEFICIT)</u>	
Unrestricted/(Deficit)	(270,970)
Total Net Position/(Deficit)	(270,970)
Total Liabilities and Net Position	\$ 138,661

The accompanying notes are an integral part of this financial statement.

TOWN OF WHITINGHAM, VERMONT
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN MODIFIED CASH BASIS FUND NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	<u>Sewer Fund</u>
Operating Receipts:	
Charges for Services	\$ 315,907
Interest and Penalties	8,324
Other	<u>133</u>
Total Operating Receipts	<u>324,364</u>
Operating Disbursements:	
Salaries and Benefits	32,406
Administrative Fees	432
Professional Services	93,053
Utilities	23,833
Repairs and Maintenance	1,760
Machinery and Equipment	2,049
Chemicals	631
Dues and Fees	640
Testing	13,730
Insurances	1,713
Materials and Supplies	8,392
Sludge Disposal	13,100
Other	<u>1,936</u>
Total Operating Disbursements	<u>193,675</u>
Operating Income	<u>130,689</u>
Non-Operating Receipts/(Disbursements):	
Investment Income	6,072
Grant Income	1,723,738
Proceeds from Long-term Debt	586,838
Capital Outlay - Plant Improvements	<u>(3,197,709)</u>
Total Non-Operating Receipts/(Disbursements)	<u>(881,061)</u>
Change in Net Position	(750,372)
Net Position - July 1, 2023	<u>479,402</u>
Net Position/(Deficit) - June 30, 2024	<u>\$ (270,970)</u>

The accompanying notes are an integral part of this financial statement.

TOWN OF WHITINGHAM, VERMONT
 STATEMENT OF FIDUCIARY MODIFIED CASH BASIS NET POSITION
 FIDUCIARY FUND
 JUNE 30, 2024

	Custodial Fund Education Tax Fund
<u>ASSETS</u>	
Due from State of Vermont	\$ <u>1,498</u>
Total Assets	<u>1,498</u>
<u>LIABILITIES</u>	
Due to Other Funds	<u>1,498</u>
Total Liabilities	<u>1,498</u>
<u>NET POSITION</u>	
Net Position:	\$ <u><u>0</u></u>

The accompanying notes are an integral part of this financial statement.

TOWN OF WHITINGHAM, VERMONT
STATEMENT OF CHANGES IN FIDUCIARY MODIFIED CASH BASIS NET POSITION
FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Custodial Fund Education Tax Fund
<u>ADDITIONS</u>	
Education Taxes Collected for Other Governments	\$ <u>4,141,710</u>
Total Additions	<u>4,141,710</u>
<u>DEDUCTIONS</u>	
Education Taxes Distributed to Other Governments	<u>4,141,710</u>
Total Deductions	<u>4,141,710</u>
Change in Net Position	0
Net Position - July 1, 2023	<u>0</u>
Net Position - June 30, 2024	\$ <u><u>0</u></u>

The accompanying notes are an integral part of this financial statement.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

The Town of Whitingham, Vermont (herein the "Town") operates under a Selectboard form of government and provides the following services: highways and streets, solid waste, health and social services, culture and recreation, community/economic development, public improvements, planning and zoning, sewer and general administrative services.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As discussed further in Note I.D., these financial statements are presented on the modified cash basis of accounting. This basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing accounting and financial reporting principles. The following is a summary of the more significant accounting policies employed in the preparation of these financial statements.

A. The Financial Reporting Entity

This report includes all of the activity of the Town of Whitingham, Vermont. The financial reporting entity consists of the primary government; organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government. The primary government is financially accountable if an organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has a separately elected governing board; a governing board appointed by a higher level of government; or a jointly appointed board. Based on these criteria, there are no other entities that should be combined with the financial statements of the Town.

B. Basis of Presentation

The accounts of the Town are organized and operated on the basis of fund accounting. A fund is an independent fiscal and accounting entity with a separate set of self-balancing accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, receipts, and disbursements. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are spent and the means by which spending activities are controlled.

The basic financial statements of the Town include both government-wide statements and fund financial statements. The focus of the government-wide statements is on reporting the operating results and financial position of the Town as a whole. The focus of the fund financial statements is on reporting on the operating results and financial position of the most significant funds of the Town.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government, the Town. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of activities between funds. Governmental activities generally are financed through property taxes, intergovernmental receipts, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct disbursements and program receipts for each function of the Town's governmental activities and for each segment of the Town's business-type activities. Direct disbursements are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular program or function. Program receipts include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Receipts that are not classified as program receipts, including all property taxes, are presented as general receipts.

Under the terms of grant agreements, the Town funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net position available to finance the program. It is the Town's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

Fund Financial Statements: The fund financial statements provide information about the Town's funds, including fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining funds are aggregated and reported as nonmajor funds.

The Town reports on the following major governmental funds:

General Fund – This is the Town's main operating fund. It accounts for all financial resources of the Town except those accounted for in another fund.

Highway Fund – This fund accounts for the receipts, disbursements and available resources of the Highway Department.

Highway Equipment Fund – This fund accounts for equipment expenditures of the Highway Department.

Highway Garage Fund – This fund accounts for capital expenditures related to the renovation and/or replacement of the highway garage.

Grant Match Fund – This fund accounts for the resources to be used to pay the required local match of grant projects.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

The Town reports on the following major enterprise fund:

Sewer Fund – This fund accounts for the maintenance and operations of the Town sewer system.

Proprietary fund operating receipts, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating receipts, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

Additionally, the Town reports the following fund type:

Custodial Fund – This fund is used to report resources held by the Town in a purely custodial capacity for other governments, private organizations or individuals.

C. Measurement Focus

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus within the limitations of the modified cash basis of accounting. Equity (i.e., modified cash basis net position) is segregated into restricted and unrestricted net position. Operating statements present increases (i.e., receipts) and decreases (i.e., disbursements) in modified cash basis net position.

Governmental fund financial statements are reported using the current financial resources measurement focus within the limitations of the modified cash basis of accounting. Their reported fund balances (modified cash basis fund balances) are considered a measure of available spendable resources and are segregated into nonspendable; restricted; committed; assigned and unassigned amounts. Operating statements of these funds present increases (i.e., receipts and other financing sources) and decreases (i.e., disbursements and other financing uses) in modified cash basis fund balances.

D. Basis of Accounting

Basis of accounting refers to when revenue and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

The Town's policy is to prepare its financial statements generally on the basis of cash receipts and disbursements; consequently, certain revenue and related assets are recognized when received rather than when earned and certain expenditures and related liabilities are recognized when paid rather than when the obligation is incurred. The exceptions to this are that the Town records certificates of deposits at cost and other investments at market value and amounts due from the State of Vermont for the overpayment of education taxes as assets and amounts due to the State of Vermont for dog and marriage licenses, amounts due to the Town Clerk for clerk fees and delinquent property tax penalties collected but not remitted, prepaid sewer fees and amounts due to others for penalties on delinquent sewer charges collected but not remitted as liabilities and prepaid property taxes as deferred inflows of resources. The recording of investments at market value is not in accordance with the modified cash basis of accounting which requires investments to be carried at cost.

General capital asset acquisitions are reported as expenditures. Proceeds of general long-term debt are reported as other financing sources.

E. New Pronouncement – Accounting Changes and Error Corrections

Effective June 30, 2024, the Town implemented GASB Statement No. 100, “Accounting Changes and Error Corrections”, an amendment of GASB Statement No. 62. GASB Statement No. 100 identifies accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes various transactions or events included in these changes. This Statement established accounting and financial reporting requirements for each type of accounting change and correction of an error in previously issued financial statements. The financial reporting requirements related to changes within the financial reporting entity as a result of a change in a fund’s presentation from non-major to major fund were applicable to this Statement.

F. Assets, Liabilities, Deferred Inflows of Resources and Equity

1. Cash

Cash balances of most Town funds are deposited with and invested by the Town Treasurer. The Town considers all short-term investments of ninety (90) days or less to be cash equivalents.

2. Investments

The Town invests in investments as allowed by State Statute. The Town’s investments in certificates of deposit are reported at cost and other investments are reported at current market value.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

3. Fund Equity

Fund equity is classified based upon any restrictions that have been placed on those balances or any tentative plans management may have made for those balances. Restrictions of net position in government-wide and proprietary fund financial statements represent amounts that cannot be appropriated or are legally restricted for a specific purpose by a grant, contract, or other binding agreement. Fund balances in governmental fund financial statements are classified as nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors, or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard's intended use of the resources); and unassigned.

4. Interfund Receivables/Payables

Activity between funds that are representative of lending/borrowing arrangements that are outstanding at the end of the fiscal year are referred to as "advances to/from other funds". All other outstanding balances between funds are reported as "due from/to other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

5. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, "deferred inflows of resources" represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. These amounts are deferred and recognized as an inflow of resources in the future periods to which the inflows are related.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

Budgets are approved at the annual Town Meeting in March. Any budget changes require voter approval. There were no budget changes during the year.

B. Budgeted Deficits

The Town elected to budget cash disbursements in excess of cash receipts by \$156,963 in the General Fund in order to utilize a portion of the prior year's surplus. This is reflected as a current year's budgeted deficiency of cash receipts over cash disbursements in Exhibit E.

The Town elected to budget cash disbursements in excess of cash receipts by \$267,038 in the Highway Fund in order to utilize a portion of the prior year's surplus. This is reflected as a current year's budgeted deficiency of cash receipts over cash disbursements in Exhibit F.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

C. Adjustments to Beginning Balances

During fiscal year 2024, changes within the financial reporting entity resulted in adjustments to beginning fund balances as follows:

	Reporting Units Affected by Adjustments to Beginning Balances	
	Grant Match Fund	Non-Major Governmental Funds
	Fund Balances - July 1, 2023, As Previously Presented	\$ 0
Change within Financial Reporting Entity (Non-Major to Major Fund)	322,683	(322,683)
Fund Balances - July 1, 2023, As Adjusted	\$ 322,683	\$ 1,031,437

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of June 30, 2024 consist of the following:

Cash:	
Deposits with Financial Institutions	<u>\$2,077,626</u>
Investments:	
Certificates of Deposit	173,412
Mutual Funds – Equities	<u>261,242</u>
Total Investments	<u>434,654</u>
Total Cash and Investments	<u>\$2,512,280</u>

The Town has two (2) certificates of deposit at Community Bank, N.A. in the amounts of \$86,541 and \$86,871 with interest rates of 0.15% and 3.00%, respectively. Both certificates of deposit mature during fiscal year 2025.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of failure of the counter-party (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in possession of another party. The Town does not have any policy to limit the exposure to custodial credit risk. The mutual funds are in the name of the Town and are not exposed to custodial credit risk. The following table shows the custodial credit risk of the Town’s cash and certificates of deposit.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

	<u>Book Balance</u>	<u>Bank Balance</u>
FDIC Insured	\$ 423,412	\$ 423,412
Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution’s Agent	<u>1,827,626</u>	<u>1,934,937</u>
Total	<u>\$2,251,038</u>	<u>\$2,358,349</u>

The difference between the book and the bank balance is due to reconciling items such as deposits in transit and outstanding checks.

The book balance is comprised of the following:

Cash – Deposits with Financial Institutions	\$2,077,626
Investments – Certificates of Deposit	<u>173,412</u>
Total	<u>\$2,251,038</u>

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The Town does not have any policy to limit the exposure to interest rate risk. The Town’s certificates of deposit are not subject to interest rate risk disclosure. The mutual funds are open-ended and, therefore, are also excluded from interest rate risk disclosure.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Town does not have any policy to limit the exposure to credit risk. The Town’s certificates of deposit are not subject to credit risk disclosure. The mutual funds are open-ended and, therefore, are also excluded from credit risk disclosure.

Concentration of Credit Risk

Concentration of credit risk is the risk that a large percentage of the Town’s investments are held within one security. The Town does not have any limitations on the amount that can be invested in any one issuer. The Town has no investments subject to concentration of credit risk disclosure.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by Governmental Accounting Standards Board (GASB) Statement No. 72, “Fair Value Measurement and Application.” The hierarchy is based on the valuation inputs used to measure fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The Town’s certificates of deposit are not subject to fair value disclosures.

Level 1 – Unadjusted quoted prices for identical instruments in active markets

Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

The Town has the following fair value measurements as of June 30, 2024:

<u>Description</u>	<u>Total</u>	<u>Fair Value Measurements Using:</u>		
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Mutual Funds - Equities	\$ 261,242	\$ 261,242	\$ 0	\$ 0
Total	\$ 261,242	\$ 261,242	\$ 0	\$ 0

B. Interfund Balances and Activity

Interfund balances as of June 30, 2024 are as follows:

<u>Fund</u>	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 3,321	\$ 0
Highway Fund	88,490	0
Grant Match Fund	300,000	0
Non-Major Governmental Funds	26,736	7,946
Sewer Fund	0	409,103
Custodial Fund – Education Tax Fund	<u>0</u>	<u>1,498</u>
Totals	<u>\$418,547</u>	<u>\$418,547</u>

TOWN OF WHITINGHAM, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2024

Interfund transfers during the year ended June 30, 2024 were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Whitingham Free Public Library Fund	Library Operations Fund	\$ <u>6,348</u>	Fund Operating Expenses
Total		\$ <u><u>6,348</u></u>	

C. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities and General Fund consist of \$25,112 of property taxes paid in advance.

D. Fund Balances

GASB Statement No. 34, as amended by GASB Statement No. 54, requires fund balances reported on the governmental fund balance sheet to be classified using a hierarchy based primarily on the extent to which a government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Governmental fund balances are to be classified as: nonspendable (not in spendable form or legally required to remain intact); restricted (constraints on the use of resources are either externally imposed by creditors, grantors or donors, or imposed by law through enabling legislation); committed (constraints on the use of resources are imposed by formal action of the voters); assigned (reflecting the Selectboard’s intended use of the resources); and unassigned.

Special revenue funds are created only to report a revenue source (or sources) that is restricted or committed to a specified purpose, and that the revenue source should constitute a substantial portion of the resources reported in that fund. Special revenue funds cannot be used to accumulate funds that are not restricted or committed. These amounts will have to be reflected in the General Fund.

Amounts constrained to stabilization (rainy-day funds) will be reported as restricted or committed fund balance in the General Fund if they meet the other criteria for those classifications. However, stabilization is regarded as a specified purpose only if the circumstances or conditions that signal the need for stabilization (a) are identified in sufficient detail and (b) are not expected to occur routinely. The Town does not have any stabilization arrangements.

Some governments create stabilization-like arrangements by establishing formal minimum fund balance policies. The Town does not have any minimum fund balance policies.

When expenditures are incurred for purposes for which both restricted and unrestricted amounts are available, it is the Town’s policy to first consider restricted amounts to have been spent, followed by committed, assigned, and finally unassigned amounts.

The purpose for each major special revenue fund, including which specific revenues and other resources are authorized to be reported in each, are described in the following section.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

The fund balances in the following funds are nonspendable as follows:

Non-Major Funds

Permanent Funds:

Nonspendable Davenport Fund Principal	\$ 1,880
Nonspendable M & W Allen Fund Principal	1,000
Nonspendable Wheeler Cemetery Trust Fund	330
Nonspendable Eames Fund Principal	147,831
Nonspendable Cemetery Trust Fund Principal	<u>10,733</u>
Total Nonspendable Fund Balances	<u>\$161,774</u>

The fund balances in the following funds are restricted as follows:

Non-Major Funds

Special Revenue Funds:

Restricted for Restoration Expenses by Statute (Source of Revenue is Restoration Fees)	\$ 42,718
Restricted for Library Expenses by Donations and Grant Agreements (Source of Revenue is Donations and Grant Revenue)	75,134
Restricted for Humane Society Expenses by Donations (Source of Revenue is Donations)	<u>2,319</u>
Total Special Revenue Funds	<u>120,171</u>

Permanent Funds:

Restricted for Davenport Legacy Expenses by Donations	2,495
Restricted for M & W Allen Expenses by Donations	1,045
Restricted for Wheeler Cemetery Expenses by Donations	1,048
Restricted for Cemetery Expenses by Trust Agreements	<u>246,244</u>
Total Permanent Funds	<u>250,832</u>
Total Restricted Fund Balances	<u>\$371,003</u>

The fund balances in the following funds are committed as follows:

Major Funds

Highway Fund:

Committed for Highway Expenditures by the Voters	\$ <u>88,490</u>
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Highway Equipment Fund:

Committed for Highway Equipment Expenditures by the Voters	<u>322,783</u>
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TOWN OF WHITINGHAM, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2024

Highway Garage Fund:		
Committed for Highway Garage Expenditures by the Voters		\$ <u>437,667</u>
Grant Match Fund:		
Committed for Grant Match Expenditures by the Voters		<u>329,622</u>
 <u>Non-Major Funds</u>		
Special Revenue Funds:		
Committed for Litigation Expenses by the Voters		115,691
Committed for Cemetery Expenses by the Voters		7,236
Committed for Old Home Week Celebration by the Voters		31,915
Committed for Economic Development by the Voters		<u>34,103</u>
Total Special Revenue Funds		<u>188,945</u>
Capital Projects Funds:		
Committed for Fire Equipment Expenditures by the Voters		145,695
Committed for Municipal Facilities Expenditures by the Voters		58,136
Committed for Hazard Mitigation Expenditures by the Voters		<u>110,630</u>
Total Capital Projects Funds		<u>314,461</u>
Total Non-Major Funds		<u>503,406</u>
Total Committed Fund Balances		<u>\$1,681,968</u>

The fund balances in the following funds are assigned as follows:

Major Funds

General Fund:		
Assigned to Reduce Property Taxes in Fiscal Year 2025		\$ <u>100,740</u>

Non-Major Funds

Special Revenue Funds:		
Assigned for Reappraisal Expenses		<u>67,545</u>
Permanent Funds:		
Assigned for Eames Fund Expenses at the Discretion of the Selectboard		<u>34,091</u>
Total Non-Major Funds		<u>101,636</u>
Total Assigned Fund Balances		<u>\$202,376</u>

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

E. Net Position

The restricted net position in the governmental activities consists of the nonspendable fund balances of \$161,774 and the restricted fund balances of \$371,003 for a total of \$532,777.

The unrestricted deficit of \$270,970 in the Sewer Fund will be funded with the collection of grant revenue and proceeds from long-term debt.

IV. OTHER INFORMATION

A. Pension Plan

Defined Benefit Plan

The Vermont Municipal Employees' Retirement System (VMERS)

Plan Description

The Vermont Municipal Employees' Retirement System (VMERS) is a cost-sharing, multiple-employer defined benefit pension plan that is administered by the State Treasurer and its Board of Trustees. It is designed for municipal and school district employees that work on a regular basis and also includes employees of museums and libraries if at least half of that institution's operating expenses are met by municipal funds. An employee of any employer that becomes affiliated with the system may join at that time or at any time thereafter. Any employee hired subsequent to the effective participation date of their employer who meets the minimum hourly requirements is required to join the system. As of June 30, 2023, the measurement date selected by the State of Vermont, the retirement system consisted of 357 participating employers.

The plan was established effective July 1, 1975, and is governed by Title 24, V.S.A. Chapter 125.

The general administration and responsibility for formulating administrative policy and procedures of the retirement system for its members and their beneficiaries is vested in the Board of Trustees consisting of five members. They are the State Treasurer, two employee representatives elected by the membership of the system, and two employer representatives-one elected by the governing bodies of participating employers of the system, and one selected by the Governor from a list of four nominees. The list of four nominees is jointly submitted by the Vermont League of Cities and Towns and the Vermont School Boards Association.

All assets are held in a single trust and are available to pay retirement benefits to all members. Benefits available to each group are based on average final compensation (AFC) and years of creditable service.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2023, the measurement date selected by the State of Vermont, VMERS was funded at 74.01% and had a plan fiduciary net position of \$912,113,032 and a total pension liability of \$1,232,406,785 resulting in a net position liability of \$320,293,753. The Town's proportionate share of this was 0.1556% resulting in a net pension liability of \$498,444. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The Town's proportion of the net pension liability was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating municipalities, actuarially determined. The Town's proportion of 0.1556% was a decrease of 0.0065 from its proportion measured as of the prior year.

Summary of Plan Provisions

Membership – Full time employees of participating municipalities. Municipalities can elect coverage under Groups A, B, C or D provisions. The Town elected coverage under Group B.

Creditable Service – Service as a member plus purchased service.

Average Final Compensation (AFC) – Group A – Average annual compensation during highest five (5) consecutive years. Groups B and C – Average annual compensation during highest three (3) consecutive years. Group D – Average annual compensation during highest two (2) consecutive years.

Normal Retirement Eligibility – Group A – Earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service. Group B – Earlier of age 62 with five (5) years of service or age 55 with thirty (30) years of service. Groups C and D – Age 55 with five (5) years of service.

Normal Retirement Amount – Group A – 1.4% of AFC times service. Group B – 1.7% of AFC times service as a Group B member plus percentage earned as a Group A member times AFC. Group C – 2.5% of AFC times service as a Group C member plus percentage earned as a Group A or B member times AFC. Group D – 2.5% of AFC times service as a Group D member plus percentage earned as a Group A, B or C member times AFC. Maximum benefit is 60% of AFC for Groups A and B and 50% of AFC for Groups C and D. The previous amounts include the portion of the allowance provided by member contributions.

Early Retirement Eligibility – Groups A and B – Age 55 with five (5) years of service. Group D – Age 50 with twenty (20) years of service.

Early Retirement Amount – Normal retirement allowance based on service and AFC at early retirement, reduced by 6% for each year commencement precedes Normal Retirement Age for Groups A and B members; payable without reduction to Group D members.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Vesting – All Groups – Five (5) years of service. Allowance beginning at Normal Retirement Age based on AFC and service at termination. The AFC is to be adjusted annually by one-half of the percentage change in the Consumer Price Index, subject to the limits on “Post-Retirement Adjustments”.

Disability Retirement Eligibility – All Groups – Five (5) years of service and disability as determined by Retirement Board.

Disability Retirement Amount – All Groups – Immediate allowance based on AFC and service to date of disability. Children’s benefit of 10% of AFC payable to up to three minor children (or children up to age 23 if enrolled in full-time studies) of a disabled Group D member.

Death Benefit Eligibility – All Groups – Death after five (5) years of service.

Death Benefit Amount – Groups A, B and C – Reduced early retirement allowance under 100% survivor option commencing immediately or, if greater, survivor’s benefit under disability allowance computed as of date of death. Group D – 70% of the unreduced accrued benefit, plus children’s benefit.

Post-Retirement Adjustments – Group A – Allowances in pay status for at least one (1) year increased on each January 1 by one-half of the percentage increase in Consumer Price Index, but not more than 2%. If receiving an Early Retirement benefit, no increases until after attaining Normal Retirement eligibility. If receiving a Disability Retirement benefit, no increases until after attaining age 62. Groups B, C and D – Allowances in payment for at least one (1) year increased on each January 1 by one-half of the percentage increase in Consumer Price Index, but not more than 3%. If receiving an Early Retirement benefit, no increases until after attaining Normal Retirement eligibility. If receiving a Disability Retirement benefit, no increases until after attaining age 62 (age 55 for Group C).

Retirement Stipend – \$25 per month payable at the option of the Retirement Board.

Optional Benefit and Death after Retirement – Groups A, B and C – A lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. Group D – A lifetime allowance or 70% contingent annuitant option with no reduction.

Refund of Contributions – Upon termination, if the member so elects, or if no other benefit is payable, the member’s accumulated contributions with interest are refunded.

Member Contribution Rates:

- Group A – 3.75% effective July 1, 2023; 4.00% effective July 1, 2024; 4.25% effective July 1, 2025, and thereafter.
- Group B – 6.125% effective July 1, 2023; 6.375% effective July 1, 2024; 6.625% effective July 1, 2025, and thereafter.
- Group C – 11.25% effective July 1, 2023; 11.50% effective July 1, 2024; 11.75% effective July 1, 2025, and thereafter.
- Group D – 12.60% effective July 1, 2023; 12.85% effective July 1, 2024; 13.10% effective July 1, 2025, and thereafter.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Employer Contribution Rates:

- Group A – 5.25% effective July 1, 2023; 5.50% effective July 1, 2024; 5.75% effective July 1, 2025, and thereafter.
- Group B – 6.75% effective July 1, 2023; 7.00% effective July 1, 2024; 7.25% effective July 1, 2025, and thereafter.
- Group C – 8.50% effective July 1, 2023; 8.75% effective July 1, 2024; 9.00% effective July 1, 2025, and thereafter.
- Group D – 11.10% effective July 1, 2023; 11.35% effective July 1, 2024; 11.60% effective July 1, 2025, and thereafter.

Significant Actuarial Assumptions and Methods

Inflation Rate – 2.30% per year.

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

Salary Increases – Ranging from 4.07% to 6.21% based on service.

Cost-of-Living Adjustments (COLA) – Assumed to occur on January 1 following one (1) year of retirement at the rate of 1.10% per annum for Group A members and 1.20% per annum for Groups B, C and D members (beginning at Normal Retirement eligibility age for members who elect reduced early retirement, at age 62 for members of Groups A, B and D who receive a disability retirement benefit, and at age 55 for members of Group C who receive a disability retirement benefit). The January 1, 2024 COLA is expected to be 1.10% for Group A and 1.10% for Groups B, C and D. The January 1, 2023 COLAs were 2.00% for Group A and 3.00% for Groups B, C and D.

Mortality:

Pre-Retirement Participants – Groups A and B – 60% PubG-2010 General Employee Amount-Weighted Below Median and 40% of PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021. Group C – PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2021. Group D – PubS-2010 Public Safety Employee Amount-Weighted Below Median, with generational projection using scale MP-2021.

Healthy Post-Retirement – Retirees – Groups A and B – PubG-2010 General Healthy Retiree Amount-Weighted Below Median Table with credibility adjustments of 90% and 87% for the Male and Female tables, respectively, with generational projection using scale MP-2021. Group C – PubG-2010 General Healthy Retiree Amount-Weighted Table, with generational projection using scale MP-2021. Group D – PubS-2010 Public Safety Retiree Amount-Weighted Below Median Table, with generational projection using scale MP-2021.

Healthy Post-Retirement – Beneficiaries – All Groups – Pub-2010 Contingent Survivor Amount-Weighted Below Median Table, with generational projection using scale MP-2021.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Disabled Post-Retirement – Groups A, B and C – PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Table, with generational projection using scale MP-2021.
Group D – PubS-2010 Safety Disabled Retiree Amount-Weighted Table, with generational projection using scale MP-2021.

Age of Spouse – Females three (3) years younger than males.

Actuarial Cost Method – Entry Age Actuarial Cost Method. Entry Age is the age at date of employment or, if date is unknown, current age minus years of service. Normal Cost and Actuarial Accrued Liability are calculated on an individual basis and are allocated by salary, with Normal Cost determined using the plan of benefits applicable to each participant.

Determination of Discount Rate and Investment Rates of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and adding expected inflation. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Global Equities	44%	5.35%
Private Equity	10%	7.50%
Emerging Market Debt	2%	5.00%
Private and Alternative Credit	10%	5.50%
Non-Core Real Estate	4%	5.50%
Core Fixed Income	19%	1.50%
Core Real Estate	4%	3.25%
US TIPS	2%	1.50%
Infrastructure/Farmland	5%	4.25%

Discount Rate – The long-term expected rate of return on pension plan investments is 7.00%. The high quality tax-exempt general obligation municipal bond rate (20-Bond GO Index) as of the closest date prior to the valuation date of June 30, 2023, is 3.65%, as published by The Bond Buyer.

TOWN OF WHITINGHAM, VERMONT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2024

The discount rate used to measure the Total Pension Liability was 7.00% as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed plan member and employer contributions will be made at rates set by the Board (employers) and statute (members). For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plans' Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Discount Rate Sensitivity

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the Town's proportionate share of the net pension liability as of June 30, 2023, calculated using the discount rate of 7.00%, as well as what the proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current rate:

<u>1% Decrease (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase (8.00%)</u>
\$750,236	\$498,444	\$291,482

Additional Information

Additional information regarding the State of Vermont Municipal Employees' Retirement System, including the details of the Fiduciary Net Position, is available upon request from the State of Vermont.

B. Property Taxes

The Town is responsible for assessing and collecting its own property taxes as well as education taxes for the State of Vermont. The tax rate is set by the Selectboard based on the voter approved budget, the estimated grand list and the State education property tax liability. Property taxes are due in one installment on November 1. The penalty rate is eight percent (8%) after the November 1 payment. Interest is charged at one percent (1%) per month for the first three months and one and a half percent (1-1/2%) per month for each month thereafter. The tax rates for 2024 were as follows:

	<u>Homestead</u>	<u>Non-Homestead</u>
Town	.7560	.7560
Local Agreement	.0036	.0036
Education	<u>1.7927</u>	<u>1.6188</u>
Total	<u>2.5523</u>	<u>2.3784</u>

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

C. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains insurance coverage through the Vermont League of Cities and Towns Property and Casualty Intermunicipal Fund, Inc. covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this coverage in any of the past three fiscal years. The Town must remain a member for a minimum of one year and may withdraw from the Fund after that time by giving sixty days notice. Fund underwriting and ratesetting policies have been established after consultation with actuaries. Fund members are subject to a supplemental assessment in the event of deficiencies. If the assets of the Fund were to be exhausted, members would be responsible for the Fund's liabilities.

The Town is also a member of the Vermont League of Cities and Towns Employment Resource and Benefits Trust. The Trust is a nonprofit corporation formed to provide unemployment coverage and other employment benefits for Vermont municipalities and is owned by the participating members. The agreement does not permit the Trust to make additional assessments to its members. The Town has only elected unemployment coverage with the Trust.

D. Contingent Liabilities

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

E. Long-term Debt

The Town issues general obligation bonds to provide resources for the acquisition and construction of major capital facilities and to refund prior issues. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. New bonds generally are issued as 10 to 20 year bonds.

The State of Vermont offers a number of no-interest revolving loan programs to utilize for predetermined purposes. The Town has borrowed money from the Vermont Special Environmental Revolving Fund for sewer projects.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2024

Long-term debt outstanding as of June 30, 2024 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Bond Payable, State of Vermont Special Environmental Revolving Fund, Sewer System Improvements, Authorized to \$3,915,000, but Eligible for \$1,587,263 Subsidy, Principal and Administration Fee Payments of \$142,357 Payable on April 1 Annually Beginning April 1, 2025, 0% Interest, 2% Administration Fee, Due April, 2044. The Town Recognized \$237,904 of the Subsidy During the Year.	\$ <u>577,085</u>	\$ <u>586,838</u>	\$ <u>237,904</u>	\$ <u>926,019</u>
Total	\$ <u>577,085</u>	\$ <u>586,838</u>	\$ <u>237,904</u>	\$ <u>926,019</u>

Maturities are as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 95,802	\$ 46,555	\$ 142,357
2026	97,718	44,639	142,357
2027	99,672	42,685	142,357
2028	101,666	40,691	142,357
2029	103,699	38,658	142,357
2030-2033	<u>427,462</u>	<u>131,194</u>	<u>558,656</u>
Total	\$ <u>926,019</u>	\$ <u>344,422</u>	\$ <u>1,270,441</u>

TOWN OF WHITINGHAM, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2024

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
<u>ASSETS</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Cash	\$ 323,581	\$ 283,861	\$ 167,309	\$ 774,751
Investments	34,400	30,600	279,278	344,278
Due from Other Funds	<u>26,626</u>	<u>0</u>	<u>110</u>	<u>26,736</u>
Total Assets	<u>\$ 384,607</u>	<u>\$ 314,461</u>	<u>\$ 446,697</u>	<u>\$ 1,145,765</u>
 <u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Due to Other Funds	<u>\$ 7,946</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 7,946</u>
Total Liabilities	<u>7,946</u>	<u>0</u>	<u>0</u>	<u>7,946</u>
Fund Balances:				
Nonspendable	0	0	161,774	161,774
Restricted	120,171	0	250,832	371,003
Committed	188,945	314,461	0	503,406
Assigned	<u>67,545</u>	<u>0</u>	<u>34,091</u>	<u>101,636</u>
Total Fund Balances	<u>376,661</u>	<u>314,461</u>	<u>446,697</u>	<u>1,137,819</u>
Total Liabilities and Fund Balances	<u>\$ 384,607</u>	<u>\$ 314,461</u>	<u>\$ 446,697</u>	<u>\$ 1,145,765</u>

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TOWN OF WHITINGHAM, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
 AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Special Revenue Funds	Capital Projects Funds	Permanent Funds	Total
Cash Receipts:				
Property Taxes	\$ 129,516	\$ 75,000	\$ 0	\$ 204,516
Intergovernmental	36,431	0	0	36,431
Charges for Services	800	0	0	800
Permits, Licenses and Fees	9,461	0	0	9,461
Investment Income	7,961	7,134	18,759	33,854
Donations	21,511	0	0	21,511
Other	150	0	0	150
	<u>205,830</u>	<u>82,134</u>	<u>18,759</u>	<u>306,723</u>
Total Cash Receipts				
Cash Disbursements:				
General Government	67,472	368	0	67,840
Culture and Recreation	95,351	0	0	95,351
Community Development	750	0	0	750
Cemetery	17,798	0	0	17,798
Capital Outlay:				
Public Safety	0	54,922	0	54,922
	<u>181,371</u>	<u>55,290</u>	<u>0</u>	<u>236,661</u>
Total Cash Disbursements				
Excess of Cash Receipts Over Cash Disbursements	<u>24,459</u>	<u>26,844</u>	<u>18,759</u>	<u>70,062</u>
Other Financing Sources/(Uses):				
Proceeds from Sale of Equipment	0	36,320	0	36,320
Transfers In	6,348	0	0	6,348
Transfers Out	(6,348)	0	0	(6,348)
	<u>0</u>	<u>36,320</u>	<u>0</u>	<u>36,320</u>
Total Other Financing Sources				
Net Change in Fund Balances	<u>24,459</u>	<u>63,164</u>	<u>18,759</u>	<u>106,382</u>
Fund Balances - July 1, 2023, As Previously Presented	352,202	573,980	427,938	1,354,120
Change within Financial Reporting Entity (Non-Major to Major)	<u>0</u>	<u>(322,683)</u>	<u>0</u>	<u>(322,683)</u>
Fund Balances - July 1, 2023, As Adjusted	<u>352,202</u>	<u>251,297</u>	<u>427,938</u>	<u>1,031,437</u>
Fund Balances - June 30, 2024	<u>\$ 376,661</u>	<u>\$ 314,461</u>	<u>\$ 446,697</u>	<u>\$ 1,137,819</u>

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TOWN OF WHITINGHAM, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 JUNE 30, 2024

	Reappraisal Fund	Litigation Fund	Records Restoration Fund	Library Operations Fund	Whitingham Free Public Library Fund	Cemetery Fund	Humane Society Fund	Old Home Week Fund	Economic Development Fund	Total
<u>ASSETS</u>										
Cash	\$ 68,145	\$ 104,433	\$ 38,497	\$ 0	\$ 52,912	\$ 0	\$ 0	\$ 28,809	\$ 30,785	\$ 323,581
Investments	7,346	11,258	4,150	0	5,222	0	0	3,106	3,318	34,400
Due from Other Funds	0	0	71	0	17,000	7,236	2,319	0	0	26,626
Total Assets	<u>\$ 75,491</u>	<u>\$ 115,691</u>	<u>\$ 42,718</u>	<u>\$ 0</u>	<u>\$ 75,134</u>	<u>\$ 7,236</u>	<u>\$ 2,319</u>	<u>\$ 31,915</u>	<u>\$ 34,103</u>	<u>\$ 384,607</u>
<u>LIABILITIES AND FUND BALANCES</u>										
Liabilities:										
Due to Other Funds	\$ 7,946	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,946
Total Liabilities	<u>7,946</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>7,946</u>
Fund Balances:										
Restricted	0	0	42,718	0	75,134	0	2,319	0	0	120,171
Committed	0	115,691	0	0	0	7,236	0	31,915	34,103	188,945
Assigned	<u>67,545</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>67,545</u>
Total Fund Balances	<u>67,545</u>	<u>115,691</u>	<u>42,718</u>	<u>0</u>	<u>75,134</u>	<u>7,236</u>	<u>2,319</u>	<u>31,915</u>	<u>34,103</u>	<u>376,661</u>
Total Liabilities and Fund Balances	<u>\$ 75,491</u>	<u>\$ 115,691</u>	<u>\$ 42,718</u>	<u>\$ 0</u>	<u>\$ 75,134</u>	<u>\$ 7,236</u>	<u>\$ 2,319</u>	<u>\$ 31,915</u>	<u>\$ 34,103</u>	<u>\$ 384,607</u>

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TOWN OF WHITINGHAM, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Reappraisal Fund	Litigation Fund	Records Restoration Fund	Library Operations Fund	Whitingham Free Public Library Fund	Cemetery Fund	Humane Society Fund	Old Home Week Fund	Economic Development Fund	Total
Cash Receipts:										
Property Taxes	\$ 20,000	\$ 0	\$ 0	\$ 76,266	\$ 0	\$ 22,250	\$ 0	\$ 5,000	\$ 6,000	\$ 129,516
Intergovernmental	10,963	0	0	8,468	17,000	0	0	0	0	36,431
Charges for Services	0	0	0	0	0	800	0	0	0	800
Permits, Licenses and Fees	0	0	9,461	0	0	0	0	0	0	9,461
Investment Income	2,000	2,489	845	0	1,320	0	0	688	619	7,961
Donations	0	0	0	0	21,511	0	0	0	0	21,511
Other	0	0	0	0	0	150	0	0	0	150
Total Cash Receipts	32,963	2,489	10,306	84,734	39,831	23,200	0	5,688	6,619	205,830
Cash Disbursements:										
General Government	64,227	0	3,245	0	0	0	0	0	0	67,472
Culture and Recreation	0	0	0	93,185	2,166	0	0	0	0	95,351
Community Development	0	0	0	0	0	0	0	0	750	750
Cemetery	0	0	0	0	0	17,798	0	0	0	17,798
Total Cash Disbursements	64,227	0	3,245	93,185	2,166	17,798	0	0	750	181,371
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	(31,264)	2,489	7,061	(8,451)	37,665	5,402	0	5,688	5,869	24,459
Other Financing Sources/(Uses):										
Transfers In	0	0	0	6,348	0	0	0	0	0	6,348
Transfers Out	0	0	0	0	(6,348)	0	0	0	0	(6,348)
Total Other Financing Sources/(Uses)	0	0	0	6,348	(6,348)	0	0	0	0	0
Net Change in Fund Balances	(31,264)	2,489	7,061	(2,103)	31,317	5,402	0	5,688	5,869	24,459
Fund Balances - July 1, 2023	98,809	113,202	35,657	2,103	43,817	1,834	2,319	26,227	28,234	352,202
Fund Balances - June 30, 2024	\$ 67,545	\$ 115,691	\$ 42,718	\$ 0	\$ 75,134	\$ 7,236	\$ 2,319	\$ 31,915	\$ 34,103	\$ 376,661

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TOWN OF WHITINGHAM, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS,
 LIABILITIES AND FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 JUNE 30, 2024

	Fire Equipment Fund	Municipal Facilities Fund	Hazard Mitigation Fund	Total
<u>ASSETS</u>				
Cash	\$ 131,517	\$ 52,479	\$ 99,865	\$ 283,861
Investments	<u>14,178</u>	<u>5,657</u>	<u>10,765</u>	<u>30,600</u>
Total Assets	<u>\$ 145,695</u>	<u>\$ 58,136</u>	<u>\$ 110,630</u>	<u>\$ 314,461</u>
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>	\$ <u>0</u>
Fund Balances:				
Committed	<u>145,695</u>	<u>58,136</u>	<u>110,630</u>	<u>314,461</u>
Total Fund Balances	<u>145,695</u>	<u>58,136</u>	<u>110,630</u>	<u>314,461</u>
Total Liabilities and Fund Balances	<u>\$ 145,695</u>	<u>\$ 58,136</u>	<u>\$ 110,630</u>	<u>\$ 314,461</u>

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TOWN OF WHITINGHAM, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
 AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Fire Equipment Fund	Municipal Facilities Fund	Hazard Mitigation Fund	<i>Formerly Non-Major Fund</i> Grant Match Fund	Total
Cash Receipts:					
Property Taxes	\$ 40,000	\$ 10,000	\$ 25,000	\$ 0	\$ 75,000
Investment Income	<u>3,706</u>	<u>1,162</u>	<u>2,266</u>	<u>0</u>	<u>7,134</u>
Total Cash Receipts	<u>43,706</u>	<u>11,162</u>	<u>27,266</u>	<u>0</u>	<u>82,134</u>
Cash Disbursements:					
General Government	0	368	0	0	368
Capital Outlay:					
Public Safety	<u>54,922</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>54,922</u>
Total Cash Disbursements	<u>54,922</u>	<u>368</u>	<u>0</u>	<u>0</u>	<u>55,290</u>
Excess/(Deficiency) of Cash Receipts Over Cash Disbursements	<u>(11,216)</u>	<u>10,794</u>	<u>27,266</u>	<u>0</u>	<u>26,844</u>
Other Financing Sources:					
Proceeds from Sale of Equipment	<u>36,320</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,320</u>
Total Other Financing Sources	<u>36,320</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>36,320</u>
Net Change in Fund Balances	<u>25,104</u>	<u>10,794</u>	<u>27,266</u>	<u>0</u>	<u>63,164</u>
Fund Balances - July 1, 2023, As Previously Presented	120,591	47,342	83,364	322,683	573,980
Change within Financial Reporting Entity (Non-Major to Major)	<u>0</u>	<u>0</u>	<u>0</u>	<u>(322,683)</u>	<u>(322,683)</u>
Fund Balances - July 1, 2023, As Adjusted	<u>120,591</u>	<u>47,342</u>	<u>83,364</u>	<u>0</u>	<u>251,297</u>
Fund Balances - June 30, 2024	<u>\$ 145,695</u>	<u>\$ 58,136</u>	<u>\$ 110,630</u>	<u>\$ 0</u>	<u>\$ 314,461</u>

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TOWN OF WHITINGHAM, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS,
 LIABILITIES AND FUND BALANCES
 NON-MAJOR PERMANENT FUNDS
 JUNE 30, 2024

	<u>Davenport Fund</u>	<u>M & W Allen Fund</u>	<u>Wheeler Cemetery Trust Fund</u>	<u>Eames Fund</u>	<u>Cemetery Trust Fund</u>	<u>Total</u>
<u>ASSETS</u>						
Cash	\$ 0	\$ 1,846	\$ 1,244	\$ 164,219	\$ 0	\$ 167,309
Investments	4,265	199	134	17,703	256,977	279,278
Due from Other Funds	<u>110</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>110</u>
Total Assets	<u>\$ 4,375</u>	<u>\$ 2,045</u>	<u>\$ 1,378</u>	<u>\$ 181,922</u>	<u>\$ 256,977</u>	<u>\$ 446,697</u>
<u>LIABILITIES AND FUND BALANCES</u>						
Liabilities:	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>
Fund Balances:						
Nonspendable	1,880	1,000	330	147,831	10,733	161,774
Restricted	2,495	1,045	1,048	0	246,244	250,832
Assigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,091</u>	<u>0</u>	<u>34,091</u>
Total Fund Balances	<u>4,375</u>	<u>2,045</u>	<u>1,378</u>	<u>181,922</u>	<u>256,977</u>	<u>446,697</u>
Total Liabilities and Fund Balances	<u>\$ 4,375</u>	<u>\$ 2,045</u>	<u>\$ 1,378</u>	<u>\$ 181,922</u>	<u>\$ 256,977</u>	<u>\$ 446,697</u>

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TOWN OF WHITINGHAM, VERMONT
 COMBINING SCHEDULE OF CASH RECEIPTS, CASH DISBURSEMENTS
 AND CHANGES IN MODIFIED CASH BASIS FUND BALANCES
 NON-MAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2024

	Davenport Fund	M & W Allen Fund	Wheeler Cemetery Trust Fund	Eames Fund	Cemetery Trust Fund	Total
Cash Receipts:						
Investment Income	\$ <u>677</u>	\$ <u>45</u>	\$ <u>33</u>	\$ <u>3,733</u>	\$ <u>14,271</u>	\$ <u>18,759</u>
Total Cash Receipts	<u>677</u>	<u>45</u>	<u>33</u>	<u>3,733</u>	<u>14,271</u>	<u>18,759</u>
Cash Disbursements:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Change in Fund Balances	677	45	33	3,733	14,271	18,759
Fund Balances - July 1, 2023	<u>3,698</u>	<u>2,000</u>	<u>1,345</u>	<u>178,189</u>	<u>242,706</u>	<u>427,938</u>
Fund Balances - June 30, 2024	<u>\$ <u>4,375</u></u>	<u>\$ <u>2,045</u></u>	<u>\$ <u>1,378</u></u>	<u>\$ <u>181,922</u></u>	<u>\$ <u>256,977</u></u>	<u>\$ <u>446,697</u></u>

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TOWN OF WHITINGHAM, VERMONT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

Federal Grantor/ Pass-Through Grantor Program or Cluster Title	Assistance Listing Number	Pass-through Entity Identifying Number	Passed Through to Subrecipients	Total Federal Expenditures
<u>U.S. Department of the Treasury</u>				
Passed through State of Vermont Department of Public Safety:				
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	02140-33500-035	\$ <u>0</u>	\$ <u>22,569</u>
Passed through State of Vermont Department of Environmental Conservation:				
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	06140-ARPA-RI-2306-001	0	1,000,000
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	06140-2022-ARPA-VT-364	<u>0</u>	<u>968,425</u>
Total - COVID-19 Coronavirus State and Local Fiscal Recovery Fund Passed through State of Vermont Dept. of Env. Cons.			<u>0</u>	<u>1,968,425</u>
Total U.S. Department of the Treasury			<u>0</u>	<u>1,990,994</u>
<u>U.S. Department of Homeland Security</u>				
Passed through State of Vermont Department of Public Safety:				
Building Resilient Infrastructure and Communities	97.047	02140-31237-004AI	<u>0</u>	<u>659</u>
Total U.S. Department of Homeland Security			<u>0</u>	<u>659</u>
<u>U.S. Environmental Protection Agency</u>				
Direct Program:				
Congressionally Mandated Projects	66.202	N/A	0	47,472
Passed through State of Vermont Department of Environmental Conservation:				
Clean Water State Revolving Fund	66.458	06140-RF1-231	<u>0</u>	<u>991,952</u>
Total U.S. Environmental Protection Agency			<u>0</u>	<u>1,039,424</u>
Total Federal Awards			<u>\$ 0</u>	<u>\$ 3,031,077</u>

Note A - Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Town of Whitingham, Vermont under programs of the federal government for the year ended June 30, 2024. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town of Whitingham, Vermont, it is not intended to and does not present the financial position, changes in net position or cash flows.

Note B - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The Town of Whitingham, Vermont has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Sullivan, Powers & Co., P.C.

Certified Public Accountants

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
www.sullivanpowers.com

Richard J. Brigham, CPA
Chad A. Hewitt, CPA
Jordon M. Plummer, CPA
VT Lic. #92-000180

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards"

Selectboard
Town of Whitingham, Vermont
2948 Vt Rte. 100
Jacksonville, Vermont 05342

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards" issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Whitingham, Vermont, as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the Town of Whitingham, Vermont's basic financial statements and have issued our report thereon dated February 13, 2025. Our opinion on the governmental activities, the General Fund and the aggregate remaining fund information was qualified because of the inadequacies in the Town's controls over transfer station fees receipts and the recording of investments at market value rather than cost.

Report on Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as Item 2024-001, that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Whitingham, Vermont's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards".

Town of Whitingham, Vermont's Response to Finding

"Government Auditing Standards" requires the auditor to perform limited procedures on the Town of Whitingham, Vermont's response to the finding identified in our audit and included with the accompanying Schedule of Findings and Questioned Costs. The Town of Whitingham, Vermont's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town of Whitingham, Vermont's internal control or on compliance. This report is an integral part of an audit performed in accordance with "Government Auditing Standards" in considering the Town of Whitingham, Vermont's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Sullivan, Powers & Co.

February 13, 2025
Montpelier, Vermont
VT Lic. #92-000180

Sullivan, Powers & Co., P.C.

Certified Public Accountants

77 Barre Street
P.O. Box 947
Montpelier, VT 05601
802/223-2352
www.sullivanpowers.com

Richard J. Brigham, CPA
Chad A. Hewitt, CPA
Jordon M. Plummer, CPA
VT Lic. #92-000180

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Selectboard
Town of Whitingham, Vermont
2948 Vt Rte. 100
Jacksonville, Vermont 05342

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Town of Whitingham, Vermont's compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) "Compliance Supplement" that could have a direct and material effect on each of the Town of Whitingham, Vermont's major federal programs for the year ended June 30, 2024. The Town of Whitingham, Vermont's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Town of Whitingham, Vermont complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. "Code of Federal Regulations" Part 200, "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Town of Whitingham, Vermont and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town of Whitingham, Vermont's compliance with the compliance requirements referred to previously.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to previously and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town of Whitingham, Vermont's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to previously occurred, whether due to fraud or error, and express an opinion on the Town of Whitingham, Vermont's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, "Government Auditing Standards", and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to previously is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about the Town of Whitingham, Vermont's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, "Government Auditing Standards", and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town of Whitingham, Vermont's compliance with the compliance requirements referred to previously and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town of Whitingham, Vermont's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Town of Whitingham, Vermont's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined previously. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Sullivan, Powers & Co.

February 13, 2025
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF WHITINGHAM, VERMONT
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

There was no single audit required in the prior year.

TOWN OF WHITINGHAM, VERMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

Summary of Auditor's Results

Financial Statements

Type of Auditor's Report Issued:

Unmodified:

- Business-type Activities
- Highway Fund
- Highway Equipment Fund
- Highway Garage Fund
- Grant Match Fund
- Sewer Fund

Qualified:

- Governmental Activities
- General Fund
- Aggregate Remaining Fund Information

Internal Control over Financial Reporting:

Material Weaknesses identified:

Yes.

Significant Deficiencies identified not considered to be material weaknesses:

None noted.

Noncompliance Material to Financial Statements:

None noted.

Federal Awards

Internal Control over Major Programs:

Material Weaknesses identified:

None noted.

Significant Deficiencies identified not considered to be material weaknesses:

None noted.

Type of auditor's report issued on compliance for major programs:

Unmodified.

There are no audit findings that are required to be reported in accordance with 2 CFR 200.516(a).

Major Programs:

<u>CFDA #</u>	<u>Program</u>	<u>Federal Agency</u>
21.027	Coronavirus State and Local Fiscal Recovery Funds	U.S. Department of Treasury
66.458	Clean Water State Revolving Fund	U.S. Environmental Protection Agency

TOWN OF WHITINGHAM, VERMONT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
JUNE 30, 2024

The dollar threshold used to distinguish between Type A and Type B programs was \$750,000.

The auditee did not qualify as a low risk auditee.

Financial Statement Findings:

Deficiencies in Internal Control:

Material Weaknesses:

2024-001 Transfer Station Revenues

Criteria:

Internal controls over transfer station revenues should be in place so that no individual can both perpetrate and conceal errors or irregularities.

Condition:

The Town does not have adequate internal controls in place over transfer station revenues. Therefore, the Town cannot be sure that all of the cash collected is being handed over to them by the transfer station employees.

Cause:

Unknown.

Effect:

The collections at the transfer station are subject to misappropriation.

Recommendation:

Our primary recommendation is that the Town consider selling transfer station coupons off-site at the Town Treasurer's office and/or at local businesses. If sales take place at the transfer station, we recommend that the Town implement controls to ensure that all of the cash collected is being handed over to them by the transfer station employees.



Town of Whitingham
PO Box 529
Jacksonville, Vermont 05342
Tel: 802-368-7887

February 13, 2025

Sullivan, Powers & Company
77 Barre Street
Montpelier, Vermont 05601

Re: Deficiencies in Internal Control

Dear Mr. Plummer,

We do acknowledge that there is a material weakness at the transfer station, although we do feel like we have addressed the situation as best as we can. Since September 1, 2022, the selectboard started requiring that the transfer station stickers be sold at the town clerk's office only. A log of the numbered stickers is maintained in the town clerk's office. Users of the transfer station can still purchase tokens and pay for their trash disposal at the transfer station. The attendant issues users a cash receipt from the cash register. The attendant brings the register to the treasurer weekly for the treasurer to run a cash receipt report in the supervisor mode (not available for use of the attendant) and reconciles that amount with the amount in the register. The current attendant is very conscientious of giving receipts to patrons. The cash drawer consistently matches the register tape and if it is off, it is only off by a couple of dollars over or under.

Best,

Almira Aekus
Town Treasurer