

TOWN OF WHITINGHAM, VERMONT

AUDIT REPORT

JUNE 30, 2023

TOWN OF WHITINGHAM, VERMONT
AUDIT REPORT
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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 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, 2023, 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 |
| Sewer Fund | Unmodified |
| Aggregate Remaining Fund Information | Qualified |

Qualified Opinions on the Governmental Activities, the 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 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, 2023, and the changes in 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 the Highway Fund, the Highway Equipment Fund, the Highway Garage Fund and the Sewer Fund

In our opinion, the financial statements referred to previously present fairly, in all material respects, the respective financial position of the Business-Type Activities, the Highway Fund, the Highway Equipment Fund, the Highway Garage Fund and the Sewer Fund of the Town of Whitingham, Vermont, as of June 30, 2023, and the respective changes in 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 the Governmental Activities, the General Fund and the 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 \$79,352) by other auditing procedures.

In addition, the modified cash basis of accounting requires the Town to record its investments at historical cost. Currently, the Town’s investments in the governmental activities and the aggregate remaining fund information are recorded at current market value. The difference between the historical cost and current value is not reasonably determinable.

Basis of Accounting

We draw attention to Note I.D. to 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 opinion is not modified with respect to that 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 as described in Note I; this includes 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 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.

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 December 7, 2023 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, 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.

December 7, 2023
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF WHITINGHAM, VERMONT
STATEMENT OF NET POSITION - MODIFIED CASH BASIS
JUNE 30, 2023

| | <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|--------------------------------------|------------------------------------|-------------------------------------|---------------------|
| <u>ASSETS</u> | | | |
| Cash | \$ 2,502,602 | \$ 332,590 | \$ 2,835,192 |
| Investments | 498,812 | 0 | 498,812 |
| Internal Balances | <u>(148,262)</u> | <u>148,262</u> | <u>0</u> |
| Total Assets | <u>2,853,152</u> | <u>480,852</u> | <u>3,334,004</u> |
| <u>LIABILITIES</u> | | | |
| Due to State of Vermont | 270 | 0 | 270 |
| Due to Town Clerk | 44 | 0 | 44 |
| Tax Sale Overpayments | 1,103 | 0 | 1,103 |
| Prepaid Sewer Fees | <u>0</u> | <u>1,450</u> | <u>1,450</u> |
| Total Liabilities | <u>1,417</u> | <u>1,450</u> | <u>2,867</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Prepaid Property Taxes | <u>30,000</u> | <u>0</u> | <u>30,000</u> |
| Total Deferred Inflows of Resources | <u>30,000</u> | <u>0</u> | <u>30,000</u> |
| <u>NET POSITION</u> | | | |
| Restricted: | | | |
| Non-Expendable: | | | |
| Other | 161,774 | 0 | 161,774 |
| Expendable: | | | |
| Cemetery | 231,973 | 0 | 231,973 |
| Other | 85,626 | 0 | 85,626 |
| Unrestricted | <u>2,342,362</u> | <u>479,402</u> | <u>2,821,764</u> |
| Total Net Position | <u>\$ 2,821,735</u> | <u>\$ 479,402</u> | <u>\$ 3,301,137</u> |

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, 2023

| | 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 | \$ 536,706 | \$ 46,040 | \$ 23,321 | \$ 15,269 | \$ (452,076) | \$ 0 | \$ (452,076) |
| Public Safety | 130,846 | 1,324 | 0 | 0 | (129,522) | 0 | (129,522) |
| Highways and Streets | 1,418,511 | 5,151 | 127,917 | 0 | (1,285,443) | 0 | (1,285,443) |
| Culture and Recreation | 125,555 | 0 | 22,102 | 0 | (103,453) | 0 | (103,453) |
| Community Development | 600 | 0 | 0 | 0 | (600) | 0 | (600) |
| Cemetery | 16,038 | 3,215 | 0 | 0 | (12,823) | 0 | (12,823) |
| Solid Waste | 124,949 | 79,807 | 6,000 | 0 | (39,142) | 0 | (39,142) |
| Total Governmental Activities | <u>2,353,205</u> | <u>135,537</u> | <u>179,340</u> | <u>15,269</u> | <u>(2,023,059)</u> | <u>0</u> | <u>(2,023,059)</u> |
| Business-type Activities: | | | | | | | |
| Sewer | 905,492 | 304,363 | 0 | 701,175 | 0 | 100,046 | 100,046 |
| Total Business-type Activities | <u>905,492</u> | <u>304,363</u> | <u>0</u> | <u>701,175</u> | <u>0</u> | <u>100,046</u> | <u>100,046</u> |
| Total Primary Government | <u>\$ 3,258,697</u> | <u>\$ 439,900</u> | <u>\$ 179,340</u> | <u>\$ 716,444</u> | <u>(2,023,059)</u> | <u>100,046</u> | <u>(1,923,013)</u> |
| General Receipts: | | | | | | | |
| Property Taxes | | | | | 2,130,225 | 0 | 2,130,225 |
| Penalties and Interest on Delinquent Taxes | | | | | 49,234 | 0 | 49,234 |
| General State Grants | | | | | 66,010 | 0 | 66,010 |
| ARPA Funds | | | | | 161,492 | 0 | 161,492 |
| Unrestricted Investment Earnings | | | | | 20,695 | 1,774 | 22,469 |
| Other Revenues | | | | | 1,590 | 0 | 1,590 |
| Total General Receipts | | | | | <u>2,429,246</u> | <u>1,774</u> | <u>2,431,020</u> |
| Change in Net Position | | | | | 406,187 | 101,820 | 508,007 |
| Net Position - July 1, 2022 | | | | | <u>2,415,548</u> | <u>377,582</u> | <u>2,793,130</u> |
| Net Position - June 30, 2023 | | | | | <u>\$ 2,821,735</u> | <u>\$ 479,402</u> | <u>\$ 3,301,137</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, 2023

| | General Fund | Highway Fund | Highway Equipment Fund | Highway Garage Fund | Non-Major Governmental Funds | Total |
|---|-----------------|-----------------|------------------------------|---------------------------|------------------------------------|--------------|
| <u>ASSETS</u> | | | | | | |
| Cash | \$ 921,739 | \$ 0 | \$ 90,965 | \$ 383,405 | \$ 1,106,493 | \$ 2,502,602 |
| Investments | 0 | 0 | 252,467 | 0 | 246,345 | 498,812 |
| Due from Other Funds | 0 | 283,094 | 0 | 0 | 6,381 | 289,475 |
| Total Assets | \$ 921,739 | \$ 283,094 | \$ 343,432 | \$ 383,405 | \$ 1,359,219 | \$ 3,290,889 |
| <u>LIABILITIES</u> | | | | | | |
| Due to State of Vermont | \$ 270 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 270 |
| Due to Town Clerk | 44 | 0 | 0 | 0 | 0 | 44 |
| Due to Other Funds | 432,619 | 0 | 0 | 19 | 5,099 | 437,737 |
| Tax Sale Overpayments | 1,103 | 0 | 0 | 0 | 0 | 1,103 |
| Total Liabilities | 434,036 | 0 | 0 | 19 | 5,099 | 439,154 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | | |
| Prepaid Property Taxes | 30,000 | 0 | 0 | 0 | 0 | 30,000 |
| Total Deferred Inflows of Resources | 30,000 | 0 | 0 | 0 | 0 | 30,000 |
| <u>FUND BALANCES</u> | | | | | | |
| Nonspendable | 0 | 0 | 0 | 0 | 161,774 | 161,774 |
| Restricted | 0 | 0 | 0 | 0 | 317,599 | 317,599 |
| Committed | 0 | 283,094 | 343,432 | 383,386 | 745,580 | 1,755,492 |
| Assigned | 156,963 | 0 | 0 | 0 | 129,167 | 286,130 |
| Unassigned | 300,740 | 0 | 0 | 0 | 0 | 300,740 |
| Total Fund Balances | 457,703 | 283,094 | 343,432 | 383,386 | 1,354,120 | 2,821,735 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 921,739 | \$ 283,094 | \$ 343,432 | \$ 383,405 | \$ 1,359,219 | \$ 3,290,889 |

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, 2023

| | General Fund | Highway Fund | Highway Equipment Fund | Highway Garage Fund | Non-Major Governmental Funds | Total |
|---|-------------------|-------------------|------------------------------|---------------------------|------------------------------------|---------------------|
| Cash Receipts: | | | | | | |
| Property Taxes | \$ 594,910 | \$ 1,195,474 | \$ 100,000 | \$ 50,000 | \$ 189,841 | \$ 2,130,225 |
| Penalties and Interest on Delinquent Taxes | 49,234 | 0 | 0 | 0 | 0 | 49,234 |
| Intergovernmental | 72,010 | 127,917 | 0 | 0 | 204,882 | 404,809 |
| Charges for Services | 93,025 | 5,151 | 0 | 0 | 3,215 | 101,391 |
| Permits, Licenses and Fees | 25,506 | 0 | 0 | 0 | 8,640 | 34,146 |
| Investment Income | 4,880 | 0 | 1,261 | 991 | 13,563 | 20,695 |
| Donations | 0 | 0 | 0 | 0 | 17,302 | 17,302 |
| Other | 1,566 | 24 | 0 | 0 | 0 | 1,590 |
| Total Cash Receipts | 841,131 | 1,328,566 | 101,261 | 50,991 | 437,443 | 2,759,392 |
| Cash Disbursements: | | | | | | |
| General Government | 521,229 | 0 | 0 | 0 | 4,841 | 526,070 |
| Public Safety | 125,264 | 0 | 0 | 0 | 0 | 125,264 |
| Highways and Streets | 0 | 1,059,226 | 0 | 0 | 0 | 1,059,226 |
| Culture and Recreation | 18,895 | 0 | 0 | 0 | 87,333 | 106,228 |
| Community Development | 0 | 0 | 0 | 0 | 600 | 600 |
| Cemetery | 0 | 0 | 0 | 0 | 16,038 | 16,038 |
| Solid Waste | 124,949 | 0 | 0 | 0 | 0 | 124,949 |
| Capital Outlay: | | | | | | |
| General Government | 0 | 0 | 0 | 0 | 10,636 | 10,636 |
| Public Safety | 5,582 | 0 | 0 | 0 | 0 | 5,582 |
| Highways and Streets | 0 | 345,484 | 0 | 13,801 | 0 | 359,285 |
| Culture and Recreation | 19,327 | 0 | 0 | 0 | 0 | 19,327 |
| Total Cash Disbursements | 815,246 | 1,404,710 | 0 | 13,801 | 119,448 | 2,353,205 |
| Excess/(Deficiency) of Cash Receipts Over Cash Disbursements | 25,885 | (76,144) | 101,261 | 37,190 | 317,995 | 406,187 |
| Other Financing Sources/(Uses): | | | | | | |
| Transfers In | 0 | 0 | 0 | 252,000 | 332,874 | 584,874 |
| Transfers Out | (252,000) | 0 | 0 | 0 | (332,874) | (584,874) |
| Total Other Financing Sources/(Uses) | (252,000) | 0 | 0 | 252,000 | 0 | 0 |
| Net Change in Fund Balances | (226,115) | (76,144) | 101,261 | 289,190 | 317,995 | 406,187 |
| Fund Balances - July 1, 2022 | 683,818 | 359,238 | 242,171 | 94,196 | 1,036,125 | 2,415,548 |
| Fund Balances - June 30, 2023 | \$ 457,703 | \$ 283,094 | \$ 343,432 | \$ 383,386 | \$ 1,354,120 | \$ 2,821,735 |

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, 2023

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|---|----------------|----------------|---|
| Cash Receipts: | | | |
| Property Taxes | \$ 576,772 | \$ 594,910 | \$ 18,138 |
| Interest on Delinquent Taxes | 22,000 | 22,331 | 331 |
| Penalties on Delinquent Taxes | 24,000 | 26,903 | 2,903 |
| Late Homestead Penalty | 50 | 0 | (50) |
| Current Use Tax VT Reimbursement | 55,000 | 56,560 | 1,560 |
| Education Tax Collection (.5%) | 9,000 | 8,586 | (414) |
| State Land Tax Stipend | 9,330 | 9,450 | 120 |
| Equalization Grant Income | 1,200 | 0 | (1,200) |
| Town Clerk Fees | 16,000 | 16,437 | 437 |
| Copier Fees | 325 | 54 | (271) |
| Liquor Licenses | 200 | 545 | 345 |
| Dog Licenses | 2,300 | 1,938 | (362) |
| Zoning Permits | 3,400 | 5,208 | 1,808 |
| Traffic Fines | 500 | 1,324 | 824 |
| Transfer Station Permits and Fees | 37,000 | 79,352 | 42,352 |
| Transfer Station Sale of Materials | 35 | 0 | (35) |
| E-Waste Revenue | 600 | 455 | (145) |
| Municipal Center Use | 4,500 | 4,200 | (300) |
| Cell Tower Rental | 17,929 | 0 | (17,929) |
| Investment Income | 3,200 | 4,880 | 1,680 |
| Sewer Bookkeeping Charge | 432 | 432 | 0 |
| SWIP Grant Income | 0 | 6,000 | 6,000 |
| Miscellaneous | 500 | 1,566 | 1,066 |
| Total Cash Receipts | 784,273 | 841,131 | 56,858 |
| Cash Disbursements: | | | |
| Miscellaneous Employee Wages: | | | |
| Selectboard | 10,823 | 10,566 | 257 |
| Civil Defense Director | 513 | 0 | 513 |
| Fire Warden | 205 | 0 | 205 |
| Moderator | 125 | 0 | 125 |
| Social Security | 883 | 870 | 13 |
| Retirement | 48 | 0 | 48 |
| Total Miscellaneous Employee Wages | 12,597 | 11,436 | 1,161 |
| General Insurance: | | | |
| Workmen's Compensation | 22,000 | 25,111 | (3,111) |
| General Liability | 33,000 | 34,142 | (1,142) |
| Total General Insurance | 55,000 | 59,253 | (4,253) |

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, 2023

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|--|---------------|---------------|---|
| Taxes: | | | |
| County Tax | \$ 23,500 | \$ 31,943 | \$ (8,443) |
| Unemployment-VT | 1,000 | 561 | 439 |
| Total Taxes | 24,500 | 32,504 | (8,004) |
| Selectboard Administrator: | | | |
| Selectboard Assistant Wages | 59,341 | 59,341 | 0 |
| Retirement | 4,006 | 3,857 | 149 |
| Social Security | 4,540 | 4,347 | 193 |
| Health Insurance | 22,538 | 28,536 | (5,998) |
| Life & Accident Insurance | 103 | 103 | 0 |
| Telephone | 1,500 | 1,109 | 391 |
| Training/Meetings/Seminars | 1,000 | 50 | 950 |
| Mileage | 800 | 203 | 597 |
| Office Supplies & Postage | 1,800 | 1,367 | 433 |
| Equipment | 2,100 | 0 | 2,100 |
| Total Selectboard Administrator | 97,728 | 98,913 | (1,185) |
| Town Report: | 400 | 233 | 167 |
| Board of Health: | | | |
| Health Officer Wages | 861 | 861 | 0 |
| Deputy Health Officer Wages | 300 | 0 | 300 |
| Retirement | 58 | 56 | 2 |
| Social Security | 89 | 63 | 26 |
| Mileage | 250 | 9 | 241 |
| Office Supplies & Postage | 200 | 9 | 191 |
| Total Board of Health | 1,758 | 998 | 760 |
| Town Clerk: | | | |
| Town Clerk Wages | 22,065 | 22,065 | 0 |
| Assistant Town Clerk Wages | 13,077 | 13,573 | (496) |
| Ballot Clerk Wages | 1,800 | 1,505 | 295 |
| Retirement | 2,569 | 2,507 | 62 |
| Election & Programming | 1,200 | 50 | 1,150 |
| Social Security | 3,912 | 3,841 | 71 |
| Health Insurance | 22,898 | 19,909 | 2,989 |
| Life & Accident Insurance | 103 | 103 | 0 |
| Reimburse Fees | 16,000 | 16,437 | (437) |
| Office Supplies & Postage | 4,600 | 3,264 | 1,336 |
| Town Clerk Training | 800 | 1,094 | (294) |
| Telephone | 2,000 | 1,692 | 308 |
| Total Town Clerk | 91,024 | 86,040 | 4,984 |

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, 2023

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|-------------------------------------|---------------|---------------|---|
| Financial Operations: | | | |
| Bookkeeping Wages | \$ 13,077 | \$ 11,294 | \$ 1,783 |
| Town Treasurer Wages | 17,217 | 17,217 | 0 |
| Retirement | 1,162 | 1,119 | 43 |
| Social Security | 2,317 | 2,090 | 227 |
| Office Supplies & Postage | 3,000 | 2,612 | 388 |
| Mileage | 400 | 519 | (119) |
| Telephone | 1,000 | 554 | 446 |
| Training/Seminars | 500 | 250 | 250 |
| Total Financial Operations | 38,673 | 35,655 | 3,018 |
| Listers: | | | |
| Listers' Wages | 12,000 | 4,473 | 7,527 |
| Social Security | 918 | 342 | 576 |
| Mileage | 200 | 12 | 188 |
| Office Supplies & Postage | 700 | 29 | 671 |
| Town Map Updates | 4,500 | 0 | 4,500 |
| Telephone | 1,000 | 554 | 446 |
| Computer | 3,600 | 735 | 2,865 |
| Internet | 360 | 0 | 360 |
| Outside Appraisal Service | 15,000 | 8,823 | 6,177 |
| Total Listers | 38,278 | 14,968 | 23,310 |
| Tax Collector: | | | |
| Retirement | 1,620 | 1,753 | (133) |
| Social Security | 1,836 | 1,990 | (154) |
| Supplies & Postage | 700 | 0 | 700 |
| Reimburse Tax Penalties | 24,000 | 26,906 | (2,906) |
| Total Tax Collector | 28,156 | 30,649 | (2,493) |
| Animal Control Officer: | | | |
| Animal Control Officer Wages | 1,200 | 1,475 | (275) |
| Social Security | 92 | 113 | (21) |
| Mileage | 800 | 709 | 91 |
| Office Supplies | 100 | 0 | 100 |
| Training | 120 | 0 | 120 |
| Miscellaneous | 600 | 385 | 215 |
| Total Animal Control Officer | 2,912 | 2,682 | 230 |

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, 2023

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|---------------------------------|---------------|----------------|---|
| General Expenses: | | | |
| Outside Audit | \$ 17,500 | \$ 16,800 | \$ 700 |
| Generator Contract | 1,050 | 873 | 177 |
| Computer Expenses | 10,000 | 9,512 | 488 |
| Copier Costs | 4,300 | 3,737 | 563 |
| Dog Tags | 200 | 169 | 31 |
| Dues - VLCT | 2,800 | 2,777 | 23 |
| Emergency Management | 275 | 0 | 275 |
| State Fee - Dam | 1,000 | 2,000 | (1,000) |
| Memorial Day Flowers | 1,500 | 813 | 687 |
| Green Up Vermont | 200 | 33 | 167 |
| Internet | 3,000 | 2,996 | 4 |
| IT Service/Cyber Security | 7,350 | 6,837 | 513 |
| Legal Notices | 1,000 | 788 | 212 |
| Legal Services | 10,000 | 8,592 | 1,408 |
| Mileage - Selectboard | 200 | 111 | 89 |
| Use of Highway Employee | 5,151 | 5,151 | 0 |
| Town Newsletter | 450 | 382 | 68 |
| OSHA Training | 0 | 86 | (86) |
| Street Lights | 3,500 | 2,764 | 736 |
| Town Web Page | 4,000 | 3,289 | 711 |
| Bank Service Charge | 100 | 0 | 100 |
| Repairs to Equipment | 600 | 0 | 600 |
| Miscellaneous | 4,000 | 1,500 | 2,500 |
| Transfer to Highway Garage Fund | 0 | 252,000 | (252,000) |
| Total General Expenses | 78,176 | 321,210 | (243,034) |
| Municipal Center: | | | |
| Bottled Gas | 1,200 | 4,714 | (3,514) |
| Electricity | 6,400 | 5,152 | 1,248 |
| Equipment Replacement | 3,800 | 2,943 | 857 |
| Heating Oil | 6,000 | 8,824 | (2,824) |
| Cleaning - Town Offices | 13,000 | 13,000 | 0 |
| Repairs to Equipment | 3,000 | 8,560 | (5,560) |
| Repairs & Improvements | 8,000 | 1,445 | 6,555 |
| Bathroom Cleaning Supplies | 1,200 | 1,403 | (203) |
| Sewer Usage Fee | 3,800 | 3,473 | 327 |
| Telephone | 475 | 554 | (79) |
| Total Municipal Center | 46,875 | 50,068 | (3,193) |
| Historical Society: | | | |
| Electricity | 200 | 184 | 16 |
| Miscellaneous Expenses | 500 | 162 | 338 |
| Total Historical Society | 700 | 346 | 354 |

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, 2023

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|---------------------------------------|---------------|--------------|---|
| Planning Commission: | | | |
| Planning Commission Clerk Wages | \$ 750 | \$ 90 | \$ 660 |
| Zoning Administrator Wages | 4,589 | 4,589 | 0 |
| Retirement | 310 | 298 | 12 |
| Social Security | 500 | 343 | 157 |
| Duplicating | 150 | 0 | 150 |
| Legal Notices | 200 | 0 | 200 |
| Mileage | 1,300 | 27 | 1,273 |
| Postage | 250 | 76 | 174 |
| Seminar | 500 | 28 | 472 |
| Zoning Supplies | 150 | 25 | 125 |
| Windham Regional Meetings | 1,200 | 0 | 1,200 |
| Windham Regional Member | 3,200 | 3,196 | 4 |
| Total Planning Commission | 13,099 | 8,672 | 4,427 |
| Zoning Board: | | | |
| Zoning Board Clerk Wages | 270 | 225 | 45 |
| Social Security | 21 | 17 | 4 |
| Retirement | 18 | 15 | 3 |
| Legal Services | 100 | 0 | 100 |
| Legal Notices | 200 | 55 | 145 |
| Mileage | 15 | 0 | 15 |
| Postage and Supplies | 80 | 11 | 69 |
| Total Zoning Board | 704 | 323 | 381 |
| Contract Law Enforcement: | | | |
| Hearings | 150 | 0 | 150 |
| Patrol Coverage | 14,000 | 7,613 | 6,387 |
| Total Contract Law Enforcement | 14,150 | 7,613 | 6,537 |
| Transfer Station: | | | |
| Attendant Wages | 20,811 | 8,154 | 12,657 |
| Assistant Attendant Wages | 4,613 | 10,786 | (6,173) |
| Retirement | 1,405 | 13 | 1,392 |
| Freon Items | 600 | 570 | 30 |
| Equipment Purchase | 1,000 | 0 | 1,000 |
| Social Security | 1,945 | 1,886 | 59 |
| Life & Accident Insurance | 50 | 25 | 25 |
| Waste Disposal | 27,000 | 24,252 | 2,748 |
| Metals Expenses | 2,800 | 3,593 | (793) |
| Hazardous Waste Collections | 8,000 | 3,574 | 4,426 |
| Paper Expenses | 6,150 | 10,858 | (4,708) |
| 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, 2023

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|----------------------------|----------------|----------------|---|
| Transfer Station/(Cont'd): | | | |
| Electronics Recycling | \$ 325 | \$ 71 | \$ 254 |
| Electricity | 1,000 | 887 | 113 |
| Repairs | 2,500 | 136 | 2,364 |
| Pest Control | 1,200 | 1,244 | (44) |
| Professional Services | 1,000 | 0 | 1,000 |
| Supplies | 2,000 | 1,068 | 932 |
| Telephone | 500 | 554 | (54) |
| Tire Removal | 1,500 | 2,330 | (830) |
| Portable Toilet Rental | 1,320 | 1,320 | 0 |
| Trash Removal | 17,000 | 11,596 | 5,404 |
| Trash Hauling | 7,500 | 10,980 | (3,480) |
| Uniforms | 750 | 0 | 750 |
| Wifi Hotspot | 140 | 0 | 140 |
| Mileage | 100 | 108 | (8) |
| Miscellaneous | 100 | 3,098 | (2,998) |
| Comingled Hauling | 6,400 | 11,220 | (4,820) |
| Comingled Recycling | 7,000 | 6,426 | 574 |
| Compactor Hauling | 4,500 | 10,200 | (5,700) |
| Total Transfer Station | <u>130,209</u> | <u>124,949</u> | <u>5,260</u> |
| Fire Department: | | | |
| Captain Wages | 1,972 | 1,972 | 0 |
| Fire Chief Wages | 2,237 | 2,237 | 0 |
| Assistant Chief Wages | 1,397 | 1,397 | 0 |
| Lieutenant Wages | 1,628 | 1,628 | 0 |
| Firefighter Nominal Fee | 30,000 | 30,000 | 0 |
| Social Security | 3,017 | 3,088 | (71) |
| Operating Supplies | 1,200 | 1,380 | (180) |
| Dispatch Services | 26,000 | 25,697 | 303 |
| Gas, Oil and Propane | 7,700 | 9,822 | (2,122) |
| Retirement | 220 | 686 | (466) |
| Electricity | 2,200 | 1,826 | 374 |
| Sewer Usage Fee | 1,994 | 1,895 | 99 |
| Telephone | 900 | 554 | 346 |
| Association Services | 2,000 | 2,000 | 0 |
| On-Site Mechanic | 2,200 | 3,268 | (1,068) |
| Buildings and Fixtures | 2,000 | 2,055 | (55) |
| Machinery and Equipment | 5,000 | 2,346 | 2,654 |
| Vehicles | 14,000 | 4,132 | 9,868 |
| Equipment Purchase | 5,000 | 5,582 | (582) |
| General Insurance | 2,700 | 1,476 | 1,224 |
| Dues & Course Fees | 1,800 | 5,192 | (3,392) |
| Total Fire Department | <u>115,165</u> | <u>108,233</u> | <u>6,932</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, 2023

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|---|-------------|------------|---|
| Town Hill Playground: | | | |
| Improvements | \$ 15,000 | \$ 19,327 | \$ (4,327) |
| Mowing | 6,750 | 5,300 | 1,450 |
| Toilet Rental | 1,200 | 1,800 | (600) |
| Total Town Hill Playground | 22,950 | 26,427 | (3,477) |
| 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 |
| Health Care & Rehab Services | 1,203 | 1,203 | 0 |
| 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 |
| Total Appropriations | 46,074 | 46,074 | 0 |
| Total Cash Disbursements | 859,128 | 1,067,246 | (208,118) |
| Excess/(Deficiency) of Cash Receipts Over Cash Disbursements | \$ (74,855) | (226,115) | \$ (151,260) |
| Fund Balance - July 1, 2022 | | 683,818 | |
| Fund Balance - June 30, 2023 | | \$ 457,703 | |

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, 2023

| | Budget | Actual | Variance Favorable/ (Unfavorable) |
|---|--------------------|-------------------|---|
| Cash Receipts: | | | |
| Property Taxes | \$ 1,195,474 | \$ 1,195,474 | \$ 0 |
| State Highway Aid | 124,136 | 127,917 | 3,781 |
| Charge for Use of Highway Employee | 5,151 | 5,151 | 0 |
| Other | <u>0</u> | <u>24</u> | <u>24</u> |
| Total Cash Receipts | <u>1,324,761</u> | <u>1,328,566</u> | <u>3,805</u> |
| Cash Disbursements: | | | |
| Wages | 335,554 | 366,894 | (31,340) |
| Overtime | 60,869 | 67,714 | (6,845) |
| Retirement | 26,759 | 28,201 | (1,442) |
| Social Security | 30,326 | 32,217 | (1,891) |
| Insurance | 117,033 | 98,322 | 18,711 |
| Chains | 5,000 | 5,588 | (588) |
| Chloride | 8,000 | 5,312 | 2,688 |
| Cold Patch | 1,500 | 0 | 1,500 |
| Crack Repairs | 10,000 | 0 | 10,000 |
| Culverts | 10,000 | 0 | 10,000 |
| Cutting Edges | 18,000 | 6,247 | 11,753 |
| Diesel Fuel | 55,000 | 66,914 | (11,914) |
| Electricity | 3,000 | 1,699 | 1,301 |
| Equipment Hired | 10,000 | 15,864 | (5,864) |
| Equipment Purchased | 1,500 | 255 | 1,245 |
| Gasoline | 5,500 | 7,387 | (1,887) |
| Gravel | 60,000 | 40,308 | 19,692 |
| Guardrails | 5,000 | 0 | 5,000 |
| Heating Oil | 8,000 | 10,700 | (2,700) |
| Legal Notices | 0 | 102 | (102) |
| Mileage | 500 | 0 | 500 |
| CDL, Drug Test, Postage, Miscellaneous | 2,000 | 3,216 | (1,216) |
| Paving | 400,000 | 345,484 | 54,516 |
| Postage | 120 | 114 | 6 |
| Facility Repairs | 6,500 | 16,742 | (10,242) |
| Vehicle Repairs & Maintenance | 50,000 | 103,027 | (53,027) |
| Salt | 56,000 | 50,983 | 5,017 |
| Winter Sand | 90,000 | 83,167 | 6,833 |
| Stone | 10,000 | 25,830 | (15,830) |
| Garage Equipment/Equipment Supplies | 5,000 | 1,840 | 3,160 |
| Street Sweeper Bristles | 700 | 0 | 700 |
| Sewer Usage Fee | 900 | 947 | (47) |
| Telephone | 3,200 | 3,293 | (93) |
| Tires | 15,000 | 10,721 | 4,279 |
| Uniforms | <u>6,000</u> | <u>5,622</u> | <u>378</u> |
| Total Cash Disbursements | <u>1,416,961</u> | <u>1,404,710</u> | <u>12,251</u> |
| Excess/(Deficiency) of Cash Receipts Over Cash Disbursements | \$ <u>(92,200)</u> | (76,144) | \$ <u>16,056</u> |
| Fund Balance - July 1, 2022 | | <u>359,238</u> | |
| Fund Balance - June 30, 2023 | | \$ <u>283,094</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, 2023

| | <u>Sewer Fund</u> |
|---------------------------------------|-----------------------|
| <u>ASSETS</u> | |
| Cash | \$ 332,590 |
| Due from Other Funds | <u>148,262</u> |
| Total Assets | <u>\$ 480,852</u> |
| <u>LIABILITIES</u> | |
| Prepaid Sewer Fees | \$ <u>1,450</u> |
| Total Liabilities | <u>1,450</u> |
| <u>NET POSITION</u> | |
| Unrestricted | <u>479,402</u> |
| Total Net Position | <u>479,402</u> |
| Total Liabilities and Net Position | <u>\$ 480,852</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 NET POSITION
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 2023

| | Sewer Fund |
|--|---------------|
| Operating Receipts: | |
| Charges for Services | \$ 297,518 |
| Interest and Penalties | 6,845 |
| Total Operating Receipts | 304,363 |
| Operating Disbursements: | |
| Salaries and Benefits | 86,433 |
| Administrative Fees | 432 |
| Contracted Services | 4,717 |
| Utilities | 14,065 |
| Repairs and Maintenance | 9,681 |
| Dues and Fees | 400 |
| Testing | 6,210 |
| Insurances | 1,711 |
| Materials and Supplies | 6,682 |
| Sludge Disposal | 17,575 |
| Other | 1,055 |
| Total Operating Disbursements | 148,961 |
| Operating Income | 155,402 |
| Non-Operating Receipts/(Disbursements): | |
| Investment Income | 1,774 |
| Proceeds from Long-term Debt | 701,175 |
| Capital Outlay - Plant Improvements | (756,531) |
| Total Non-Operating Receipts/(Disbursements) | (53,582) |
| Change in Net Position | 101,820 |
| Net Position - July 1, 2022 | 377,582 |
| Net Position - June 30, 2023 | \$ 479,402 |

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, 2023

| | Custodial Fund |
|-------------------------|--------------------|
| | Education Tax |
| | Fund |
| <u>ASSETS</u> | |
| Assets: | \$ <u>0</u> |
| <u>LIABILITIES</u> | |
| Liabilities: | <u>0</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, 2023

| | Custodial Fund Education Tax Fund |
|--|---|
| <u>ADDITIONS</u> | |
| Education Taxes Collected for Other Governments | \$ <u>3,770,771</u> |
| Total Additions | <u>3,770,771</u> |
| <u>DEDUCTIONS</u> | |
| Education Taxes Distributed to Other Governments | <u>3,770,771</u> |
| Total Deductions | <u>3,770,771</u> |
| Change in Net Position | 0 |
| Net Position - July 1, 2022 | <u>0</u> |
| Net Position - June 30, 2023 | \$ <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, 2023

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, 2023

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.

The Town reports on the following major enterprise fund:

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

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

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.

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 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, tax sale overpayments and prepaid sewer fees 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.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

E. 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.

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.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

B. Budgeted Deficits

The Town elected to budget cash disbursements in excess of cash receipts by \$74,855 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 \$92,200 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.

C. Excess of Expenditures Over Appropriations

For the year ended June 30, 2023, expenditures in the General Fund exceeded appropriations by \$208,118. These over-expenditures were funded by excess revenues and available fund balance.

III. DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

Cash and investments as of June 30, 2023 consist of the following:

| | | |
|--------------------------------------|--|--------------------|
| Cash: | | |
| Deposits with Financial Institutions | | <u>\$2,835,192</u> |
| Investments: | | |
| Certificates of Deposit | | 252,467 |
| Mutual Funds – Equities | | <u>246,345</u> |
| Total Investments | | <u>498,812</u> |
| Total Cash and Investments | | <u>\$3,334,004</u> |

The Town has three (3) certificates of deposit at Community Bank ranging from \$84,050 to \$84,261 with interest rates ranging from 2.5% to 3.0%. All certificates of deposit mature by 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
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| | <u>Book Balance</u> | <u>Bank Balance</u> |
|---|-------------------------|-------------------------|
| FDIC Insured | \$ 500,000 | \$ 500,000 |
| Uninsured, Collateralized by U.S. Government Agencies Securities Held by the Pledging Financial Institution's Agent | 2,585,192 | 2,834,650 |
| Uninsured, Uncollateralized | <u>2,467</u> | <u>2,467</u> |
| Total | <u>\$3,087,659</u> | <u>\$3,337,117</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 | \$2,835,192 |
| Investments – Certificates of Deposit | <u>252,467</u> |
| Total | <u>\$3,087,659</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. The mutual funds are open-ended and, therefore, are also excluded from the credit risk analysis.

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.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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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, 2023:

| Description | Total | Fair Value Measurements Using: | | |
|-------------------------|-------------------|--|--|--|
| | | Quoted prices in active markets for identical assets (Level 1) | Significant observable inputs (Level 2) | Significant unobservable inputs (Level 3) |
| Mutual Funds - Equities | \$ 246,345 | \$ 246,345 | \$ 0 | \$ 0 |
| Total | <u>\$ 246,345</u> | <u>\$ 246,345</u> | <u>\$ 0</u> | <u>\$ 0</u> |

B. Interfund Balances and Activity

Interfund balances as of June 30, 2023 are as follows:

| <u>Fund</u> | <u>Due from Other Funds</u> | <u>Due to Other Funds</u> |
|------------------------------|---------------------------------|-------------------------------|
| General Fund | \$ 0 | \$432,619 |
| Highway Fund | 283,094 | 0 |
| Highway Garage Fund | 0 | 19 |
| Non-Major Governmental Funds | 6,381 | 5,099 |
| Sewer Fund | <u>148,262</u> | <u>0</u> |
| Totals | <u>\$437,737</u> | <u>\$437,737</u> |

TOWN OF WHITINGHAM, VERMONT
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Interfund transfers during the year ended June 30, 2023 were as follows:

| <u>Transfer From</u> | <u>Transfer To</u> | <u>Amount</u> | <u>Purpose</u> |
|-------------------------------------|-------------------------|-------------------|---|
| General Fund | Highway Garage Fund | \$ 252,000 | Fund Renovation and/or Replacement of Highway Garage |
| Whitingham Free Public Library Fund | Library Operations Fund | 10,191 | Fund Operating Expenses |
| ARPA Fund | Grant Match Fund | <u>322,683</u> | Establish Fund to be Used to Pay the Required Local Matches on Grant Awards |
| Total | | <u>\$ 584,874</u> | |

C. Deferred Inflows of Resources

Deferred inflows of resources in the governmental activities and General Fund consist of \$30,000 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.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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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.

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) | \$ 35,657 |
| Restricted for Library Expenses by Donations (Source of Revenue is Donations) | 43,817 |
| Restricted for Humane Society Expenses by Donations (Source of Revenue is Donations) | <u>2,319</u> |
| Total Special Revenue Funds | <u>81,793</u> |

Permanent Funds:

| | |
|---|----------------|
| Restricted for Davenport Legacy Expenses by Donations | 1,818 |
| Restricted for M & W Allen Expenses by Donations | 1,000 |
| Restricted for Wheeler Cemetery Expenses by Donations | 1,015 |
| Restricted for Cemetery Expenses by Trust Agreements | <u>231,973</u> |
| Total Permanent Funds | <u>235,806</u> |

Total Restricted Fund Balances \$317,599

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

Major Funds

Highway Fund:

| | |
|--|-------------------|
| Committed for Highway Expenditures by the Voters | <u>\$ 283,094</u> |
|--|-------------------|

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

| | | |
|---|--|--------------------|
| Highway Equipment Fund: | | |
| Committed for Highway Equipment Expenditures by the Voters | | \$ <u>343,432</u> |
| Highway Garage Fund: | | |
| Committed for Highway Garage Expenditures by the Voters | | <u>383,386</u> |
| <u>Non-Major Funds</u> | | |
| Special Revenue Funds: | | |
| Committed for Litigation Expenses by the Voters | | 113,202 |
| Committed for Library Operations Expenses by the Voters | | 2,103 |
| Committed for Cemetery Expenses by the Voters | | 1,834 |
| Committed for Old Home Week Celebration by the Voters | | 26,227 |
| Committed for Economic Development by the Voters | | <u>28,234</u> |
| Total Special Revenue Funds | | <u>171,600</u> |
| Capital Projects Funds: | | |
| Committed for Fire Equipment Expenditures by the Voters | | 120,591 |
| Committed for Municipal Facilities Expenditures by the Voters | | 47,342 |
| Committed for Hazard Mitigation Expenditures by the Voters | | 83,364 |
| Committed for Grant Match Expenditures by the Voters | | <u>322,683</u> |
| Total Capital Projects Funds | | <u>573,980</u> |
| Total Non-Major Funds | | <u>745,580</u> |
| Total Committed Fund Balances | | <u>\$1,755,492</u> |

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

Major Funds

| | | |
|---|--|-------------------|
| General Fund: | | |
| Assigned to Reduce Property Taxes in Fiscal Year 2024 | | \$ <u>156,963</u> |

Non-Major Funds

| | | |
|-----------------------------------|--|---------------|
| Special Revenue Funds: | | |
| Assigned for Reappraisal Expenses | | <u>98,809</u> |

Permanent Funds:

| | |
|---|---------------|
| Assigned for Eames Fund Expenses at the Discretion of the Selectboard | <u>30,358</u> |
|---|---------------|

| | |
|-----------------------|----------------|
| Total Non-Major Funds | <u>129,167</u> |
|-----------------------|----------------|

| | |
|------------------------------|------------------|
| Total Assigned Fund Balances | <u>\$286,130</u> |
|------------------------------|------------------|

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

E. Restricted 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 \$317,599 for a total of \$479,373.

IV. OTHER INFORMATION

A. Pension Plan

Defined Benefit Plan

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, 2022, the measurement date selected by the State of Vermont, the retirement system consisted of 359 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
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Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources

As of June 30, 2022, the measurement date selected by the State of Vermont, VMERS was funded at 73.60% and had a plan fiduciary net position of \$845,979,471 and a total pension liability of \$1,149,351,427 resulting in a net position liability of \$303,371,956. As of June 30, 2023, the Town's proportionate share of this was 0.1621% resulting in a net pension liability of \$491,760. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. 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 0.1621% was an increase of 0.0028 from its proportion measured as of the prior year.

Summary of System 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.

Service Retirement Allowance:

Eligibility – Group A – The earlier of age 65 with five (5) years of service or age 55 with thirty-five (35) years of service. Group B – The 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.

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 Allowance:

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

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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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, and payable without reduction to Group D members.

Vested Retirement Allowance:

Eligibility – Five (5) years of service.

Amount – 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 Allowance:

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

Amount – 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 – Death after five (5) years of service.

Amount – For 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. For Group D, 70% of the unreduced accrued benefit plus children’s benefit.

Post-Retirement Adjustments – Allowance in payment for at least one year increased on each January 1 by one-half of the percentage increase in Consumer Price Index but not more than 2% for Group A and 3% for Groups B, C and D.

Optional Benefit and Death after Retirement – For Groups A, B and C, lifetime allowance or actuarially equivalent 50% or 100% joint and survivor allowance with refund of contribution guarantee. For Group D, 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 – 3.25%. Group B – 5.625%. Group C – 10.75%. Group D – 12.10%.

Employer Contribution Rates – Group A – 4.75%. Group B – 6.25%. Group C – 8.00%. Group D – 10.60%.

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

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2023

Significant Actuarial Assumptions and Methods

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

Inflation: 2.30% per year.

Salary increases: Varying service-based rates from 0-10 years of service, then a single rate of 4.50% (includes assumed inflation rate of 2.30%) for all subsequent years.

Cost-of-Living Adjustments: 1.10% for Group A members and 1.20% for Groups B, C and D members. The January 1, 2022 COLA was 2.00% for Group A members and 2.30% for Groups B, C and D members. The January 1, 2023 COLA was 2.00% for Group A members and 3.00% for Groups B, C and D members.

Mortality:

Pre-Retirement: Groups A, B and C – 40% PubG-2010 General Employee Amount-Weighted below-median and 60% of PubG-2010 General Employee Amount-Weighted, with generational projection using scale MP-2019. Group D – PubG-2010 General Employee Amount-Weighted above-median, with generational projection using scale MP-2019.

Healthy Post-Retirement – Retirees: Groups A, B and C – 104% of 40% PubG-2010 General Healthy Retiree Amount-Weighted below-median and 60% of PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019. Group D – PubG-2010 General Healthy Retiree Amount-Weighted, with generational projection using scale MP-2019.

Healthy Post-Retirement – Beneficiaries: Groups A, B and C – 70% Pub-2010 Contingent Survivor Amount-Weighted below-median and 30% of Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2019. Group D – Pub-2010 Contingent Survivor Amount-Weighted, with generational projection using scale MP-2019.

Disabled Post-Retirement: All Groups – PubNS-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table with generational projection using scale MP-2019.

Spouse's Age: Females three 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.

Assets: The valuation is based on the market value of assets as of the valuation date, as provided by the System. The System uses an “actuarial value of assets” that differs from market value to gradually reflect year-to-year changes in the market value of assets in determine the contribution requirements.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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Long-term Expected Rate of Return:

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2022 are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-term Expected Real Rate of Return</u> |
|----------------------------------|--------------------------|---|
| Passive Global Equities | 24% | 4.30% |
| Active Global Equities | 5% | 4.30% |
| Large Cap US Equities | 4% | 3.25% |
| Small/Mid Cap US Equities | 3% | 3.75% |
| Non-US Developed Market Equities | 7% | 5.00% |
| Private Equity | 10% | 6.50% |
| Emerging Market Debt | 4% | 3.50% |
| Private & Alternate Credit | 10% | 4.75% |
| Non-Core Real Estate | 4% | 6.00% |
| Core Fixed Income | 19% | 0.00% |
| Core Real Estate | 3% | 3.50% |
| US TIPS | 3% | (0.50)% |
| Infrastructure/Farmland | 4% | 4.25% |

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. 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). The Board voted to authorize employer contribution rate increases of 0.50% each year for a period of four years beginning July 1, 2022. In 2022, the Legislature passed H.740, which effectively split the Board-authorized increases evenly between members and employers by including an increase in the employee rate of 0.25% for each group for four years, beginning July 1, 2022. 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, 2022. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the proportionate share would be if it were calculated using a discount rate that is one percent lower (6.00%) or one percent higher (8.00%):

TOWN OF WHITINGHAM, VERMONT
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| | | |
|----------------------------|------------------------------|----------------------------|
| <u>1% Decrease (6.00%)</u> | <u>Discount Rate (7.00%)</u> | <u>1% Increase (8.00%)</u> |
| \$736,881 | \$491,760 | \$290,138 |

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 2023 were as follows:

| | <u>Homestead</u> | <u>Non-Homestead</u> |
|-----------------|------------------|----------------------|
| Town | .7740 | .7740 |
| Local Agreement | .0030 | .0030 |
| Education | <u>1.5729</u> | <u>1.5365</u> |
| Total | <u>2.3499</u> | <u>2.3135</u> |

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.

TOWN OF WHITINGHAM, VERMONT
NOTES TO THE FINANCIAL STATEMENTS
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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.

Long-term debt outstanding as of June 30, 2023 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 January 1 Annually Beginning January 1, 2024, 0% Interest, 2% Administration Fee, Due January, 2043. The Town Recognized \$274,143 of the Subsidy During the Year. | <u>\$150,053</u> | <u>\$701,175</u> | <u>\$274,143</u> | <u>\$577,085</u> |
| Total | <u>\$150,053</u> | <u>\$701,175</u> | <u>\$274,143</u> | <u>\$577,085</u> |

Maturities are as follows:

| Year Ending <u>June 30</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-------------------------------|------------------|------------------|------------------|
| 2024 | \$ 95,802 | \$ 46,555 | \$142,357 |
| 2025 | 97,718 | 44,639 | 142,357 |
| 2026 | 99,672 | 42,685 | 142,357 |
| 2027 | 101,666 | 40,691 | 142,357 |
| 2028 | 103,699 | 38,658 | 142,357 |
| 2029 | <u>78,528</u> | <u>27,161</u> | <u>105,689</u> |
| Total | <u>\$577,085</u> | <u>\$240,389</u> | <u>\$817,474</u> |

TOWN OF WHITINGHAM, VERMONT
 COMBINING SCHEDULE OF MODIFIED CASH BASIS ASSETS, LIABILITIES AND FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2023

| | Special Revenue Funds | Capital Projects Funds | Permanent Funds | Total |
|--|-----------------------------|------------------------------|-----------------------------|-----------------------------|
| <u>ASSETS</u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Cash | \$ 345,899 | \$ 579,060 | \$ 181,534 | \$ 1,106,493 |
| Investments | 0 | 0 | 246,345 | 246,345 |
| Due from Other Funds | <u>6,303</u> | <u>19</u> | <u>59</u> | <u>6,381</u> |
| Total Assets | <u>\$ 352,202</u> | <u>\$ 579,079</u> | <u>\$ 427,938</u> | <u>\$ 1,359,219</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | |
| Liabilities: | | | | |
| Due to Other Funds | <u>\$ 0</u> | <u>\$ 5,099</u> | <u>\$ 0</u> | <u>\$ 5,099</u> |
| Total Liabilities | <u>0</u> | <u>5,099</u> | <u>0</u> | <u>5,099</u> |
| Fund Balances: | | | | |
| Nonspendable | 0 | 0 | 161,774 | 161,774 |
| Restricted | 81,793 | 0 | 235,806 | 317,599 |
| Committed | 171,600 | 573,980 | 0 | 745,580 |
| Assigned | <u>98,809</u> | <u>0</u> | <u>30,358</u> | <u>129,167</u> |
| Total Fund Balances | <u>352,202</u> | <u>573,980</u> | <u>427,938</u> | <u>1,354,120</u> |
| Total Liabilities and Fund Balances | <u>\$ 352,202</u> | <u>\$ 579,079</u> | <u>\$ 427,938</u> | <u>\$ 1,359,219</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, 2023

| | Special Revenue Funds | Capital Projects Funds | Permanent Funds | Total |
|--|-----------------------------|------------------------------|--------------------|---------------------|
| Cash Receipts: | | | | |
| Property Taxes | \$ 114,841 | \$ 75,000 | \$ 0 | \$ 189,841 |
| Intergovernmental | 189,613 | 15,269 | 0 | 204,882 |
| Charges for Services | 3,215 | 0 | 0 | 3,215 |
| Permits, Licenses and Fees | 8,640 | 0 | 0 | 8,640 |
| Investment Income | 3,351 | 1,708 | 8,504 | 13,563 |
| Donations | <u>17,302</u> | <u>0</u> | <u>0</u> | <u>17,302</u> |
| Total Cash Receipts | <u>336,962</u> | <u>91,977</u> | <u>8,504</u> | <u>437,443</u> |
| Cash Disbursements: | | | | |
| General Government | 4,841 | 0 | 0 | 4,841 |
| Culture and Recreation | 87,333 | 0 | 0 | 87,333 |
| Community Development | 600 | 0 | 0 | 600 |
| Cemetery | 16,038 | 0 | 0 | 16,038 |
| Capital Outlay: | | | | |
| General Government | <u>0</u> | <u>10,636</u> | <u>0</u> | <u>10,636</u> |
| Total Cash Disbursements | <u>108,812</u> | <u>10,636</u> | <u>0</u> | <u>119,448</u> |
| Excess of Cash Receipts Over Cash Disbursements | <u>228,150</u> | <u>81,341</u> | <u>8,504</u> | <u>317,995</u> |
| Other Financing Sources/(Uses): | | | | |
| Transfers In | 10,191 | 322,683 | 0 | 332,874 |
| Transfers Out | <u>(332,874)</u> | <u>0</u> | <u>0</u> | <u>(332,874)</u> |
| Total Other Financing Sources | <u>(322,683)</u> | <u>322,683</u> | <u>0</u> | <u>0</u> |
| Net Change in Fund Balances | (94,533) | 404,024 | 8,504 | 317,995 |
| Fund Balances - July 1, 2022 | <u>446,735</u> | <u>169,956</u> | <u>419,434</u> | <u>1,036,125</u> |
| Fund Balances - June 30, 2023 | <u>\$ 352,202</u> | <u>\$ 573,980</u> | <u>\$ 427,938</u> | <u>\$ 1,354,120</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, 2023

| | 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 | ARPA Fund | Total |
|--------------------------------------|---------------------|--------------------|--------------------------------|-------------------------------|--|------------------|---------------------------|--------------------------|---------------------------------|--------------|-------------------|
| ASSETS | | | | | | | | | | | |
| Cash | \$ 98,809 | \$ 113,202 | \$ 35,610 | \$ 0 | \$ 43,817 | \$ 0 | \$ 0 | \$ 26,227 | \$ 28,234 | \$ 0 | \$ 345,899 |
| Due from Other Funds | <u>0</u> | <u>0</u> | <u>47</u> | <u>2,103</u> | <u>0</u> | <u>1,834</u> | <u>2,319</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>6,303</u> |
| Total Assets | <u>\$ 98,809</u> | <u>\$ 113,202</u> | <u>\$ 35,657</u> | <u>\$ 2,103</u> | <u>\$ 43,817</u> | <u>\$ 1,834</u> | <u>\$ 2,319</u> | <u>\$ 26,227</u> | <u>\$ 28,234</u> | <u>\$ 0</u> | <u>\$ 352,202</u> |
| LIABILITIES AND FUND BALANCES | | | | | | | | | | | |
| Liabilities: | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Fund Balances: | | | | | | | | | | | |
| Restricted | 0 | 0 | 35,657 | 0 | 43,817 | 0 | 2,319 | 0 | 0 | 0 | 81,793 |
| Committed | 0 | 113,202 | 0 | 2,103 | 0 | 1,834 | 0 | 26,227 | 28,234 | 0 | 171,600 |
| Assigned | <u>98,809</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>0</u> | <u>98,809</u> |
| Total Fund Balances | <u>98,809</u> | <u>113,202</u> | <u>35,657</u> | <u>2,103</u> | <u>43,817</u> | <u>1,834</u> | <u>2,319</u> | <u>26,227</u> | <u>28,234</u> | <u>0</u> | <u>352,202</u> |
| Total Liabilities and Fund Balances | <u>\$ 98,809</u> | <u>\$ 113,202</u> | <u>\$ 35,657</u> | <u>\$ 2,103</u> | <u>\$ 43,817</u> | <u>\$ 1,834</u> | <u>\$ 2,319</u> | <u>\$ 26,227</u> | <u>\$ 28,234</u> | <u>\$ 0</u> | <u>\$ 352,202</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, 2023

| | 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 | ARPA Fund | Total |
|---|---------------------|--------------------|--------------------------------|-------------------------------|--|------------------|---------------------------|--------------------------|---------------------------------|------------------|-------------------|
| Cash Receipts: | | | | | | | | | | | |
| Property Taxes | \$ 0 | \$ 31,500 | \$ 0 | \$ 69,271 | \$ 0 | \$ 6,070 | \$ 0 | \$ 2,000 | \$ 6,000 | \$ 0 | \$ 114,841 |
| Intergovernmental | 10,925 | 12,396 | 0 | 4,800 | 0 | 0 | 0 | 0 | 0 | 161,492 | 189,613 |
| Charges for Services | 0 | 0 | 0 | 0 | 0 | 3,215 | 0 | 0 | 0 | 0 | 3,215 |
| Permits, Licenses and Fees | 0 | 0 | 8,640 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,640 |
| Investment Income | 694 | 718 | 251 | 0 | 344 | 0 | 0 | 235 | 0 | 1,109 | 3,351 |
| Donations | 0 | 0 | 0 | 0 | 17,302 | 0 | 0 | 0 | 0 | 0 | 17,302 |
| Total Cash Receipts | 11,619 | 44,614 | 8,891 | 74,071 | 17,646 | 9,285 | 0 | 2,235 | 6,000 | 162,601 | 336,962 |
| Cash Disbursements: | | | | | | | | | | | |
| General Government | 0 | 0 | 4,841 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 4,841 |
| Culture and Recreation | 0 | 0 | 0 | 86,800 | 533 | 0 | 0 | 0 | 0 | 0 | 87,333 |
| Community Development | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 600 | 0 | 600 |
| Cemetery | 0 | 0 | 0 | 0 | 0 | 16,038 | 0 | 0 | 0 | 0 | 16,038 |
| Total Cash Disbursements | 0 | 0 | 4,841 | 86,800 | 533 | 16,038 | 0 | 0 | 600 | 0 | 108,812 |
| Excess/(Deficiency) of Cash Receipts Over Cash Disbursements | 11,619 | 44,614 | 4,050 | (12,729) | 17,113 | (6,753) | 0 | 2,235 | 5,400 | 162,601 | 228,150 |
| Other Financing Sources/(Uses): | | | | | | | | | | | |
| Transfers In | 0 | 0 | 0 | 10,191 | 0 | 0 | 0 | 0 | 0 | 0 | 10,191 |
| Transfers Out | 0 | 0 | 0 | 0 | (10,191) | 0 | 0 | 0 | 0 | (322,683) | (332,874) |
| Total Other Financing Sources/(Uses) | 0 | 0 | 0 | 10,191 | (10,191) | 0 | 0 | 0 | 0 | (322,683) | (322,683) |
| Net Change in Fund Balances | 11,619 | 44,614 | 4,050 | (2,538) | 6,922 | (6,753) | 0 | 2,235 | 5,400 | (160,082) | (94,533) |
| Fund Balances - July 1, 2022 | 87,190 | 68,588 | 31,607 | 4,641 | 36,895 | 8,587 | 2,319 | 23,992 | 22,834 | 160,082 | 446,735 |
| Fund Balances - June 30, 2023 | \$ 98,809 | \$ 113,202 | \$ 35,657 | \$ 2,103 | \$ 43,817 | \$ 1,834 | \$ 2,319 | \$ 26,227 | \$ 28,234 | \$ 0 | \$ 352,202 |

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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, 2023

| | <u>Fire Equipment Fund</u> | <u>Municipal Facilities Fund</u> | <u>Civil Defense Fund</u> | <u>Hazard Mitigation Fund</u> | <u>Grant Match Fund</u> | <u>Total</u> |
|--|------------------------------------|--|-----------------------------------|---------------------------------------|---------------------------------|-------------------|
| <u>ASSETS</u> | | | | | | |
| Cash | \$ 120,591 | \$ 47,323 | \$ 5,099 | \$ 83,364 | \$ 322,683 | \$ 579,060 |
| Due from Other Funds | <u>0</u> | <u>19</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>19</u> |
| Total Assets | <u>\$ 120,591</u> | <u>\$ 47,342</u> | <u>\$ 5,099</u> | <u>\$ 83,364</u> | <u>\$ 322,683</u> | <u>\$ 579,079</u> |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | | |
| Liabilities: | | | | | | |
| Due to Other Funds | \$ <u>0</u> | \$ <u>0</u> | \$ <u>5,099</u> | \$ <u>0</u> | \$ <u>0</u> | \$ <u>5,099</u> |
| Total Liabilities | <u>0</u> | <u>0</u> | <u>5,099</u> | <u>0</u> | <u>0</u> | <u>5,099</u> |
| Fund Balances: | | | | | | |
| Committed | <u>120,591</u> | <u>47,342</u> | <u>0</u> | <u>83,364</u> | <u>322,683</u> | <u>573,980</u> |
| Total Fund Balances | <u>120,591</u> | <u>47,342</u> | <u>0</u> | <u>83,364</u> | <u>322,683</u> | <u>573,980</u> |
| Total Liabilities and Fund Balances | <u>\$ 120,591</u> | <u>\$ 47,342</u> | <u>\$ 5,099</u> | <u>\$ 83,364</u> | <u>\$ 322,683</u> | <u>\$ 579,079</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, 2023

| | Fire Equipment Fund | Municipal Facilities Fund | Civil Defense Fund | Hazard Mitigation Fund | Grant Match Fund | Total |
|---|---------------------------|---------------------------------|--------------------------|------------------------------|------------------------|-------------------|
| Cash Receipts: | | | | | | |
| Property Taxes | \$ 40,000 | \$ 10,000 | \$ 0 | \$ 25,000 | \$ 0 | \$ 75,000 |
| Intergovernmental | 0 | 0 | 0 | 15,269 | 0 | 15,269 |
| Investment Income | <u>740</u> | <u>280</u> | <u>53</u> | <u>635</u> | <u>0</u> | <u>1,708</u> |
| Total Cash Receipts | <u>40,740</u> | <u>10,280</u> | <u>53</u> | <u>40,904</u> | <u>0</u> | <u>91,977</u> |
| Cash Disbursements: | | | | | | |
| Capital Outlay: | | | | | | |
| General Government | <u>0</u> | <u>0</u> | <u>5,099</u> | <u>5,537</u> | <u>0</u> | <u>10,636</u> |
| Total Cash Disbursements | <u>0</u> | <u>0</u> | <u>5,099</u> | <u>5,537</u> | <u>0</u> | <u>10,636</u> |
| Excess/(Deficiency) of Cash Receipts Over Cash Disbursements | <u>40,740</u> | <u>10,280</u> | <u>(5,046)</u> | <u>35,367</u> | <u>0</u> | <u>81,341</u> |
| Other Financing Sources: | | | | | | |
| Transfers In | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>322,683</u> | <u>322,683</u> |
| Total Other Financing Sources | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>322,683</u> | <u>322,683</u> |
| Net Change in Fund Balances | 40,740 | 10,280 | (5,046) | 35,367 | 322,683 | 404,024 |
| Fund Balances - July 1, 2022 | <u>79,851</u> | <u>37,062</u> | <u>5,046</u> | <u>47,997</u> | <u>0</u> | <u>169,956</u> |
| Fund Balances - June 30, 2023 | <u>\$ 120,591</u> | <u>\$ 47,342</u> | <u>\$ 0</u> | <u>\$ 83,364</u> | <u>\$ 322,683</u> | <u>\$ 573,980</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, 2023

| | Davenport Fund | M & W Allen Fund | Wheeler Cemetery Trust Fund | Eames Fund | Cemetery Trust Fund | Total |
|--|-------------------|------------------------|--------------------------------------|---------------|------------------------|------------|
| <u>ASSETS</u> | | | | | | |
| Cash | \$ 0 | \$ 2,000 | \$ 1,345 | \$ 178,189 | \$ 0 | \$ 181,534 |
| Investments | 3,639 | 0 | 0 | 0 | 242,706 | 246,345 |
| Due from Other Funds | 59 | 0 | 0 | 0 | 0 | 59 |
| Total Assets | \$ 3,698 | \$ 2,000 | \$ 1,345 | \$ 178,189 | \$ 242,706 | \$ 427,938 |
| <u>LIABILITIES AND FUND BALANCES</u> | | | | | | |
| Liabilities: | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Fund Balances: | | | | | | |
| Nonspendable | 1,880 | 1,000 | 330 | 147,831 | 10,733 | 161,774 |
| Restricted | 1,818 | 1,000 | 1,015 | 0 | 231,973 | 235,806 |
| Assigned | 0 | 0 | 0 | 30,358 | 0 | 30,358 |
| Total Fund Balances | 3,698 | 2,000 | 1,345 | 178,189 | 242,706 | 427,938 |
| Total Liabilities and Fund Balances | \$ 3,698 | \$ 2,000 | \$ 1,345 | \$ 178,189 | \$ 242,706 | \$ 427,938 |

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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, 2023

| | Davenport Fund | M & W Allen Fund | Wheeler Cemetery Trust Fund | Eames Fund | Cemetery Trust Fund | Total |
|-------------------------------|------------------------|------------------------|--------------------------------------|--------------------------|--------------------------|--------------------------|
| Cash Receipts: | | | | | | |
| Investment Income | \$ <u>412</u> | \$ <u>15</u> | \$ <u>13</u> | \$ <u>915</u> | \$ <u>7,149</u> | \$ <u>8,504</u> |
| Total Cash Receipts | <u>412</u> | <u>15</u> | <u>13</u> | <u>915</u> | <u>7,149</u> | <u>8,504</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 | 412 | 15 | 13 | 915 | 7,149 | 8,504 |
| Fund Balances - July 1, 2022 | <u>3,286</u> | <u>1,985</u> | <u>1,332</u> | <u>177,274</u> | <u>235,557</u> | <u>419,434</u> |
| Fund Balances - June 30, 2023 | <u>\$ <u>3,698</u></u> | <u>\$ <u>2,000</u></u> | <u>\$ <u>1,345</u></u> | <u>\$ <u>178,189</u></u> | <u>\$ <u>242,706</u></u> | <u>\$ <u>427,938</u></u> |

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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, 2023 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 December 7, 2023. Our opinion on the governmental activities, the General Fund and the aggregate remaining fund information was qualified because of 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 the audit, 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 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 Town of Whitingham, Vermont'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, as described in the accompanying Schedule of Findings and Deficiencies in Internal Control as Item 2023-01, 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 of 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 described in the accompanying Schedule of Findings and Deficiencies in Internal Control. 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 performing 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.

December 7, 2023
Montpelier, Vermont
VT Lic. #92-000180

TOWN OF WHITINGHAM, VERMONT
SCHEDULE OF FINDINGS AND DEFICIENCIES IN INTERNAL CONTROL
JUNE 30, 2023

Deficiencies in Internal Control:

Material Weaknesses:

2023-01 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

December 7, 2023

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.

The board does review the medical insurance budget annually and acknowledge that there may be excess funds, but consistently chooses to budget for the worst-case scenario.

The board has been informed that the holiday bonuses should go through payroll, however, chose to continue with the cash bonuses.

Best,

Almira Aekus
Town Treasurer