TOWN OF
WASHINGTON GROVE, MARYLAND
FINANCIAL STATEMENTS
JUNE 30, 2024

TOWN OF WASHINGTON GROVE

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Independent Auditor's Report

Honorable Mayor and Members of the Town Council
Town of Washington Grove, Maryland

Opinion

We have audited the accompanying financial statements of the governmental activities and the major fund of the Town of Washington Grove (the "Town") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Town, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Town as of June 30, 2024, and the respective changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Washington Grove and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 Washington Grove's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 opinion. 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment 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 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Washington Grove'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 Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparison information on pages 4 through 10 and 30 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Washington Grove, Maryland's financial statements as a whole. The schedule of revenues – budget and actual and the schedule of expenditures – budget and actual on pages 31 through 35 are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of revenues – budget and actual and the schedule of expenditures – budget and actual are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Lindsey & Associates, LLC

October 25, 2024

Our discussion and analysis of the financial performance of the Town of Washington Grove provides an overview of the Town's financial activities for the year ended June 30, 2024. Please read it in conjunction with the transmittal letter and the Town's financial statements.

Financial Highlights

The effects of the Coronavirus Pandemic, which began in the winter of 2020, all but disappeared throughout fiscal year 2024 and the Town was able to hold a days-long celebration of the 150th anniversary of the first Camp Meeting. The Town continued to hold business meetings virtually for convenience. The Town renewed the contract with the independent landscaping service provider and continues to monitor if this arrangement yields satisfactory results.

- The Town continued to use the American Rescue Plan funds to identify stormwater runoff and drainage improvements in the Town and the West Woods. The Town continued working with a consultant to survey the most pressing needs to address stormwater runoff issues ($14,321). The Town intends to fully obligate the American Rescue Plan funds and contract work for identified projects by the end of calendar year 2024.

- 150th Town celebration: The Town held several virtual discussions regarding the Town's history and held a days-long celebration of the first Camp Meeting comprised of many family-centered activities and educational tours of the Town's origins and current community activities. The capstone event was attended by many key county dignitaries ($7,167).

- McCathran Hall Repairs and Maintenance: As Hall rentals increased, reliable internet access was identified as a critical need. A new internet service provider was engaged, and new equipment to facilitate presentation needs was obtained ($1,536). An aging sprinkler system in the Hall required repairs ($3,577).

- Road Resurfacing: Certain portions of the Town's roads were resurfaced by M. T. Laney C., Inc. ($49,398).

- Town Signage: Improvements to Town signage continued to better identify the Town borders and create a more welcoming presentation ($1,191).

- Streetlights: The Town continued its discussions with PEPCO to purchase the streetlights in Town.

- Tree Removal: As in the previous year, the age and condition of the Town's oldest trees and accumulated storm damage to other trees continued to necessitate several removals this year ($33,475).

- Woods Management: The Woods Committee spent funds as follows: contracted invasive plant control ($10,000), tree removal ($3,260), signage and trail improvements ($1,190), and continued restoration of the Whetstone Spring ($7,107).

- Tree Planting: A total of 26 new trees were planted in the Parks and residential areas this year ($12,286).

As a result of the year's activities, the Town's net position increased by $281,331. The combined fund balances of the Town increased by $279,827.

Using This Annual Report

This annual report consists of a series of financial statements. The Statement of Net Position and the Statement of Activities are government-wide statements that provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements report the Town's operation in more detail than the government-wide statements by providing information about the Town's most significant funds and individual parts.

Reporting the Town as a Whole

The Statement of Net Position and the Statement of Activities

The Statement of Net Position and the Statement of Activities report information about the Town as a whole. These statements include all assets and deferred outflows and liabilities and deferred inflows using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report changes in the Town's net position. You can think of the Town's net position (the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources) as one way to measure the Town's financial health or position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. You will need to consider other non-financial factors, such as changes in the Town's property tax base and the condition of the Town's roads to assess the overall health of the Town.

- Governmental activities — All of the Town's basic services are reported here, including the general administration, public works, and parks. Taxes and state and federal grants finance most of these activities.

Reporting the Town's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds-not the Town as a whole.

- Governmental funds — Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation to the side of the fund financial statements.

The Town as a Whole

Governmental Activities

To aid in the understanding of the Statement of Activities some additional explanation is given. Of particular interest is the format that is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balance. You will notice that expenses are listed in the first column with revenues from that particular program reported to the right. The result is a Net (Expense)/Revenue. The reason for this kind of format is to highlight the relative financial burden of each of the functions on the Town's taxpayers. It also identifies how much each function draws from the general revenues or if it is self-financing through fees and grants. Some of the individual line item revenues reported for each function are:

General Government	Building Permit Fees, County Municipal Tax Duplication payment
Public Works	Highway User Revenues
Recreation & Culture	State Program Open Space

All other governmental revenues are reported as general. It is important to note that all taxes are classified as general revenue even if restricted to a specific purpose.

Governmental-Wide Financial Information

The following is selected information as of June 30, 2024, and June 30, 2023 for the years then ended.

	2024	2023
Current assets	$ 2,341,954	$ 2,032,096
Capital assets	1,254,775	1,251,199
Total assets	3,596,729	3,283,295
Deferred outflows	-	-
Total assets and deferred outflows	3,596,729	3,283,295
Current liabilities	513,527	482,713
Long-term liabilities	11,793	10,504
Total liabilities	525,320	493,217
Deferred inflows	-	-
Net position		
Net investment in capital assets	1,254,775	1,251,199
Restricted	423,571	437,892
Unrestricted	1,393,063	1,100,987
Total net position	3,071,409	2,790,078
Total liabilities, deferred inflows and net position	3,596,729	3,283,295
Program revenues		
Charges for services	15,697	13,105
Operating grants and contributions	142,876	127,747
General revenues		
Income taxes	160,692	163,959
Property taxes	320,341	309,627
Interest and investment earnings	101,672	38,176
Miscellaneous	28,145	24,749
Total general revenues	610,850	536,511
Total revenues and transfers	769,423	677,363
Expenses		
General government	192,902	173,598
Public works	101,884	105,569
Parks, lake & recreation	193,306	188,941
Total expenses and transfers	488,092	468,108
Change in net position	281,331	209,255
Net position, beginning of year	2,790,078	2,580,823
Net position, end of year	$ 3,071,409	$ 2,790,078

The Town's Funds

The following schedule presents a summary of general revenue and expenses for the fiscal year ended June 30, 2024, and percentage of increase or decrease in relation to the prior year.

General Fund Budgetary Highlights

No Budget Transfer Ordinance was required for this fiscal year.

	FY2024 Amount	Percent of Total	Increase (Decrease) From FY23
Revenues			
Taxes	$ 481,816	62%	$ 5,897
Intergovernmental	142,876	19%	15,129
Interest income	101,672	13%	63,496
Miscellaneous	43,842	6%	5,988
	$ 770,206	100%	$ 90,510
Expenditures			
General government	$ 171,447	35%	$ 23,984
Public works	59,523	12%	(4,878)
Parks, lake & recreation	171,939	35%	2,724
Capital outlays	87,470	18%	13,932
	$ 490,379	100%	$ 35,762

Capital Asset and Debt Administration

Capital Assets

Capital outlays totaling $87,470 were made during the year ended June 30, 2024. These included resurfacing roads at a total cost of $49,398, and new Town and wood trails signage at a combined cost of $2,381. Stormwater runoff issues continued to be addressed with a review by consultants to identify major projects to be addressed at a total cost of $14,321. Twenty-six new trees were planted in the Town's parks and residential areas at a cost of $12,286. Restoration of Whetstone Spring continued for a total cost of $7,107. A new bench was installed at the tennis courts for $441. Improved projector equipment in McCathran Hall was installed for $1,536.

Debt

The Town had no debt obligations in fiscal year 2024.

Economic Factors and Next Year's Budgets and Rates

For Fiscal Year 2025, the Town voted to decrease the property tax rate from $0.237/$100 to the constant yield tax rate of $0.2326/$100 and voted to decrease the dwelling tax to $173 per dwelling per year. The tax rate on public utility operating property and business personal property remained at $0.70/$100 assessed valuation. The Town's reserves at June 30, 2024 were in excess of $1,700,000. If all projects are completed as planned in Fiscal Year 2025, the Town's reserves would be reduced by about $71,000. Projects for Fiscal Year 2025 include street resurfacing, robust tree maintenance and planting efforts along with continuing invasive plant control measures, major storm drainage remediation, municipal building repairs, upgrades to the Town website, playground refurbishments, a program to incentivize residents to convert away from oil and gas, and continued border identity improvements.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Treasurer at P.O. Box 216, Washington Grove, MD 20880.

TOWN OF WASHINGTON GROVE, MARYLAND
STATEMENT OF NET POSITION
JUNE 30, 2024

	Governmental Activities	Total
ASSETS		
Current Assets		
Cash and cash equivalents - unrestricted	$ 190,831	$ 190,831
Investments	2,047,086	2,047,086
Accounts receivable	21,984	21,984
Accounts receivable - income taxes	81,903	81,903
Other Assets	150	150
Total Current Assets	2,341,954	2,341,804
Noncurrent Assets		
Net capital assets	1,254,775	1,254,775
Total Noncurrent Assets	1,254,775	1,254,775
TOTAL ASSETS	3,596,729	3,596,579
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 3,596,729	$ 3,596,579
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	$ 85,756	$ 85,756
Unearned revenue	4,200	4,200
Unearned revenue - ARPA	423,571	423,571
Total Current Liabilities	513,527	513,527
Noncurrent Liabilities		
Compensated absences	11,793	11,793
Total Noncurrent Liabilities	11,793	11,793
TOTAL LIABILITIES	525,320	525,320
DEFERRED INFLOWS OF RESOURCES	-	-
NET POSITION		
Net investment in capital assets	1,254,775	1,254,775
Restricted	423,571	423,571
Unrestricted	1,393,063	1,393,063
TOTAL NET POSITION	3,071,409	3,071,409
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	$ 3,596,729	$ 3,596,729

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

TOWN OF WASHINGTON GROVE, MARYLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Primary Government: Total
Primary Government						
Governmental Activities:						
General government	$ 193,434	$ 8,675	$ 90,886	$ -	$ (93,873)	$ (93,873)
Public works	101,884	-	51,990	-	(49,894)	(49,894)
Parks, lake & recreation	193,306	7,022	-	-	(186,284)	(186,284)
Total Governmental Activities	488,624	15,697	142,876	-	(330,051)	(330,051)
Total Primary Government	$ 488,624	$ 15,697	$ 142,876	$ -	$ (330,051)	$ (330,051)
General revenues:						
Taxes						
Income taxes					160,692	160,692
Property taxes					320,341	320,341
Interest and investment earnings					101,672	101,672
Miscellaneous					28,145	28,145
Total General Revenues					610,850	610,850
Change in Net Position					280,799	280,799
Net Position, beginning of year					2,790,078	2,790,078
Net Position, end of year					$ 3,070,877	$ 3,070,877

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

TOWN OF WASHINGTON GROVE, MARYLAND
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2024

	General Fund	Total Governmental Funds
ASSETS		
Cash and cash equivalents - unrestricted	$ 190,831	$ 190,831
Investments	2,047,086	2,047,086
Accounts receivable	21,984	21,984
Accounts receivable - income taxes	81,903	81,903
Other Assets	150	150
TOTAL ASSETS	2,341,954	2,341,954
DEFERRED OUTFLOWS OF RESOURCES	-	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	$ 2,341,954	$ 2,341,954
LIABILITIES		
Accounts payable and accrued expenses	$ 85,756	$ 85,756
Unearned revenue	4,200	4,200
Unearned revenue - ARPA	423,571	423,571
TOTAL LIABILITIES	513,527	513,527
DEFERRED INFLOWS OF RESOURCES	81,903	81,903
FUND BALANCES		
Restricted	423,571	423,571
Unassigned	1,322,953	1,322,953
TOTAL FUND BALANCES	1,746,524	1,746,524
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,341,954	$ 2,341,954

RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2024

Total Governmental Fund Balances	$ 1,746,524
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,254,775
Long-term liabilities, including compensated absences are not due and payable in the current period and therefore are not reported in the funds.	(12,325)
Receivables pertaining to revenue that is not available in accordance with modified accrual accounting are reported as deferred inflows of resources in the funds.	81,903
Net Position of Governmental Activities	$ 3,070,877

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

TOWN OF WASHINGTON GROVE, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund	Total Governmental Funds
REVENUES		
Taxes	$ 481,816	$ 481,816
Intergovernmental	142,876	142,876
Charges for services	9,622	9,622
Fines, licenses, permits	6,075	6,075
Interest income	101,672	101,672
Miscellaneous	28,145	28,145
Total Revenues	770,206	770,206
EXPENDITURES		
Current Operations		
General government	171,447	171,447
Public works	59,523	59,523
Parks, lake & recreation	171,939	171,939
Capital outlays	87,470	87,470
Total Expenditures	490,379	490,379
Excess of revenues over (under) expenditures and other financing uses	279,827	279,827
Excess of revenue and other financing sources over (under) expenditures and other financing uses	279,827	279,827
Fund balance, beginning of year	1,466,697	1,466,697
Fund balance, end of year	$ 1,746,524	$ 1,746,524

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net Change in Fund Balances - Total Governmental Funds	$ 279,827
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	3,576
Differences in accounting for compensated absences between modified accrual and accrual accounting.	(1,821)
Increases in deferred inflows of resources relating to income taxes are not available to finance current period obligations and are not reported as revenue in the governmental funds.	(783)
Change in Net Position of Governmental Activities	$ 280,799

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Town was incorporated May 30, 1937, and is a municipal corporation governed by an elected mayor and an elected town council and provides the following services as authorized by its charter: streets, sanitation, recycling, health and social services, public park improvements and general administrative services. Its major sources of revenues are derived from real estate taxes, income taxes and usage taxes.

The accounting policies of the Town of Washington Grove conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

In evaluating how to define the Town of Washington Grove, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set by the Governmental Accounting Standards Board. Component units are legally separate organizations for which the elected officials of the Town are financially accountable and a financial benefit or burden relationship exists. In addition, component units can be other organizations for which the nature and significance of their relationship with the Town are such that exclusion would cause the Town's financial statements to be misleading. Based upon the application of criteria set by the Governmental Accounting Standards Board, there are no separate component units of the Town.

Basis of Presentation – Fund Accounting

The accounting system is organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

The Town's governmental funds include the General Fund. The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Basis of Accounting

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the Town, the primary government, as a whole. These statements distinguish between activities that are governmental and those that are considered business-type activities. The Town has no business-type activities.

The government-wide statements are prepared using the economic resources measurement focus and the accrual basis of accounting, including the reclassification or elimination of internal activity (between funds). This is the same approach used in the preparation of the proprietary fund financial statements but differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between expenses, and program revenues for each segment of the business-type activities of the Town, if any, and for each governmental program. Direct expenses are those that are specifically associated with a service, program or department and are therefore clearly identifiable to a particular function. Indirect costs are allocated to programs. When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as needed. Program revenues include charges paid by the recipients of the goods or services offered by the programs and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues which are not classified as program revenues are presented as general revenues. The comparison of program revenues and expenses identifies the extent to which each program or business segment is self-financing or draws from the general revenues of the Town. Net position should be reported as restricted when constraints placed on net position use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

Separate financial statements are provided for governmental funds, proprietary funds, if any, and fiduciary funds, if any, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds, if any, are reported as separate columns in the fund financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Fund Financial Statements

Fund financial statements report detailed information about the Town. The focus of governmental and enterprise, if any, financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. Nonmajor funds, if any, are aggregated and presented in a single column.

Governmental Funds

Town activities pertaining to general government, streets, sanitation, recycling, health and social services, and public park improvements are reported in the governmental funds. All governmental funds are accounted for using modified accrual basis of accounting and the current financial resources measurement focus. Under this basis revenues are recognized in the accounting period in which they become measurable and available. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable.

The major governmental fund is:

- General Fund – This is the Town's primary operating fund. It is used to account for all financial resources except for those required to be accounted for in another fund.

Revenue Recognition

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available (i.e. collectible within the current year or within two months of year-end and available to pay obligations of the current period). These include property taxes, investment earnings, charges for services and intergovernmental revenues.

Some revenues, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, some revenues are recorded as receivables and deferred inflows of resources.

Other revenues, including licenses and permits, certain charges for services, and miscellaneous revenues, are recorded as revenue when received in cash because they are generally not measurable until actually received.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Expenditure Recognition

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Most expenditures are measurable and are recorded when the related fund liability is incurred. However, principal and interest on long-term debt, which has not matured, are recognized when paid.

Allocations of costs, such as depreciation and amortization, are not recognized in the governmental activities.

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments with original maturities greater than one year are stated at fair value. Fair value is estimated based on quoted market prices at year-end. All investments not required to be reported at fair value are stated at cost or amortized cost.

Receivables

Receivables at June 30, 2024, consist primarily of state income tax. Accounts receivable are deemed collectible in full.

Inventory of Supplies

Inventories, if any, are stated at cost, on the first-in, first-out basis. The costs of inventory items are recorded as expenditures in the governmental type funds and expenses in the proprietary type funds when used.

Deferred Outflows and Inflows of Resources

A *deferred outflow of resources* represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. Likewise, a *deferred inflow of resources* represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

As of June 30, 2024, the balance of deferred inflows of resources consisted of income taxes of $81,903

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Local Tax Reserve Fund

At June 30, 2024, the Town was advised by the State of Maryland that $81,903 of the Local Tax Reserve Fund was allocable to the Town. The Town recorded receivable and deferred inflows of resources in the amount of $81,903 in the fund financial statements. Changes in this amount have been reflected as current year income tax revenue in the government-wide financial statements in accordance with full accrual accounting.

Capital Assets and Depreciation

The accounting and reporting treatment applied to the capital assets associated with a fund are determined by its measurement focus. General capital assets are long-lived assets of the Town as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. Infrastructure such as bridges, roads, curbs and gutters, streets, sidewalks, drainage systems and lighting systems are capitalized. The valuation bases for general capital assets are historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. Donated capital assets are capitalized at estimated fair market value on the date donated. Intangible assets are recognized if they are identifiable, and are amortized over their useful lives if they do not have indefinite useful lives.

Depreciation of capital assets is computed and recorded by the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows: buildings, 20 to 50 years: improvements/infrastructure, 5 to 50 years; equipment, 2 to 20 years.

Restricted Reserves

The Town uses restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

Interest Expense

Interest is expensed as incurred except when interest is incurred during the construction period and is capitalized as part of the cost of the asset.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Compensated Absences

The Town allows its eligible employees to accrue up to 160 hours of vacation leave. Any amounts over this maximum are forfeited at the end of the next calendar year. Upon employee termination, the Town pays up to the 160-hour maximum for vacation time. The Town also pays one fourth of accrued sick leave to a retiring employee but not to a terminated employee. All other amounts are forfeited. As of June 30, 2024, the liability for compensated absences is $11,793.

Estimates

Management uses estimates and assumptions in preparing financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues, expenditures, and expenses. Actual results could vary from the estimates that were used.

Equity Classifications

Equity is classified as net position and is displayed in three components:

Net investment in capital assets – Consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings, and reduced or increased by deferred inflows and outflows attributable to the acquisition, construction or improvement of those assets.

Restricted net position – Consists of net position with constraints placed on its use either by 1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments; or 2) law through constitutional provisions or enabling legislation and are reduced by liabilities and deferred inflows of resources related to those constraints.

Unrestricted net position – consists of net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first and then unrestricted resources as needed.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Governmental Fund Balances

In the governmental fund financial statements, fund balances are classified as follows:

1. Non-Spendable Fund Balance – amounts that cannot be spent either because they are in a non-spendable form or because they are legally or contractually required to be maintained intact.
2. Restricted Fund Balance – amounts that can be spent only for specific purposes because of restrictions imposed externally by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by the Town Charter, Town Code or enabling legislation.
3. Committed Fund Balance – amounts that can be used only for specific purposes determined by a formal action by Town Council, the Town's highest level of decision-making authority, ordinance or resolution.
4. Assigned Fund Balance – amounts that are constrained by the Town's intent that they will be used for specific purposes but are neither restricted nor committed. Pursuant to the Town Charter, the Town Treasurer and the Town council are authorized to assign amounts for specific purposes.
5. Unassigned Fund Balance – all amounts not included in other spendable classifications.

The Town considers restricted fund balances to be spent for governmental expenditures first when both restricted and unrestricted resources are available. The Town also considers committed fund balances to be spent first when other unrestricted fund balance classifications are available for use.

NOTE 2 – COMPLIANCE AND ACCOUNTABILITY

Budget Requirements, Accounting, and Reporting

Requirements for all funds:

Annual budgets are adopted for all Town funds. The Town Council may subsequently amend the budget and the budget was amended during fiscal year 2024. For day-to-day management control, expenditures may not exceed budget at the department level. The budget deviates from GAAP because the budget includes a use of reserves as a budgeted revenue. Refer to Note 12 for a reconciliation between non-GAAP and GAAP.

NOTE 3 – DEPOSITS AND INVESTMENTS

Deposit Policies

Statutes authorize the Town to invest in certificates of deposit, repurchase agreements, passbooks, banker's acceptance, and other available bank investments provided that approved securities are pledged to secure those funds deposited in an amount equal to the amount of those funds. In addition, the Town can invest in direct debt securities of the United States unless such an investment is expressly prohibited by law and can invest in the State of Maryland Local Government Investment Pool.

The Town's deposits are insured or collateralized with securities held by the Town, its agent, or by the pledging financial institution's trust department or agent in the name of the Town.

Deposits

Custodial credit risk for deposits is the risk that in the event of a bank failure, the Town's deposits may not be returned or the Town will not be able to recover collateral securities in the possession of an outside party. The Town's policy requires deposits to be insured by FDIC, and balances exceeding FDIC limits be secured by collateral valued at 102 percent of principal and accrued interest. Collateral is to be held by the Town, its agent, or by the pledging financial institution's trust department or agent in the name of the Town.

At year-end, the carrying amounts of the Town's deposits were $190,831 and the bank balances totaled $200,562. Of the bank balances, all are insured by Federal Depository Insurance Corporation (FDIC). At year end, the Town's bank balances were not exposed to any custodial credit risk because all deposits were fully collateralized.

NOTE 3 – DEPOSITS AND INVESTMENTS - continued

Investment Policies

Credit Risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town has no policy regarding credit risk.

Interest Rate Risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Investments held for longer periods are subject to increased risk of adverse interest rate changes. The Town's policy provides that, to the extent practicable, investments are matched with anticipated cash flows.

Concentration of Credit Risk is the risk of loss attributed to the magnitude of the Town's investment in a single issuer. The Town has no policy regarding concentration of credit risk.

For investments, **custodial credit risk** is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investments or collateral securities in the possession of an outside party. Town policy provides that collateral is to be held by the Town, its agent, or by the pledging financial institution's trust department or agent in the name of the Town.

Generally, the Town's investing activities are managed by the Town Treasurer. Investing is performed in accordance with investment policies adopted by the Town Council complying with State Statutes and the Town Charter. Town funds may be invested in: 1) U.S. Treasury obligations; 2) U.S. Government Agency and U.S. Government-sponsored instrumentalities; 3) Repurchase agreements (master repurchase agreement required); 4) Collateralized certificates of deposit (only Maryland commercial banks); and 5) Maryland Local Government Investment Pool.

Investments

The Town has invested at June 30, 2024, $1,784,260 in the State of Maryland Local Government Investment Pool (MLGIP). The pool is under the administrative control of the State's Treasurer's Office. The Town's investments are shown by type, carrying amount, fair value, cost and level of risk assumed in holding the various accounts. Investments are carried at cost which approximates market. The fair value of MLGIP investments is determined daily. PNC Bank is currently contracted to operate the Pool and may invest in any instrument permitted by Section 6-222 of the State Finance and Procurement Article. The Town's fair value position in the Pool is the same as the value of pool share.

NOTE 3 – DEPOSITS AND INVESTMENTS - continued

As of June 30, 2024, the Town had the following investments:

Types of Investments	Fair Value/ Carrying Amount	Cost	Average Credit Quality/ Ratings
MLGIP	$ 1,784,260	$ 1,784,260	AAAm
Certificate of Deposit:			
Sandy Spring Bank	104,469	104,469	BBB+
Sandy Spring Bank	158,357	158,357	BBB+
Certificates of deposit	$ 262,826	$ 262,826	
Total Investments	$ 2,047,086	$ 2,047,086	

Note: Ratings are provided where applicable to indicate associated Credit Risk. N/A indicates not applicable.

NOTE 4 - RECEIVABLES

Receivables are comprised of the following as of June 30, 2024:

Income taxes	81,903
Highway user	21,984
	$ 103,887

NOTE 5 – PROPERTY TAX

Real estate and personal property taxes are levied based on the State of Maryland's assessments. Real estate taxes are levied on July 1 and are payable by October 1 of the same year. After October 1, the Town charges both penalties and interest upon the unpaid balance. If the taxes remain unpaid the property is placed with Montgomery County for tax sale the following May.

Personal property taxes are levied throughout the year when the assessment is received from the State of Maryland. The taxes are payable within 30 days after levy. Penalties and interest are charged on any unpaid taxes after the thirty days has expired. When taxes are overdue, a lien is placed against the property. The real and personal property tax rates during the year ended June 30, 2024, were $0.2326 and $0.70 per $100 of assessed value, respectively.

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2024, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Not being depreciated:				
Land	$ 780,009	$ -	$ -	$ 780,009
Subtotal	780,009	-	-	780,009
Depreciable capital assets:				
Roads	745,011	63,719	-	808,730
Buildings and improvements	1,066,774	2,727	-	1,069,501
Recreation facilities	406,275	21,024	-	427,299
Equipment	98,699	-	-	98,699
Subtotal	2,316,759	87,470	-	2,404,229
Total capital assets	3,096,768	87,470	-	3,184,238
Accumulated depreciation:				
Roads	534,121	38,962	-	573,083
Buildings and improvements	954,128	18,029	-	972,157
Recreation facilities	282,088	21,380	-	303,468
Equipment	75,232	5,523	-	80,755
Subtotal, accumulated depreciation	1,845,569	83,894	-	1,929,463
Net capital assets	$ 1,251,199	$ 3,576	$ -	$ 1,254,775

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION – continued

Depreciation was charged to functions as follows:

Government activities:	
General government	$ 20,166
Public works	42,361
Parks	21,367
Total government activities depreciation expense	$ 83,894

The Town has no material construction commitments as of June 30, 2024.

NOTE 7 – DEFERRED COMPENSATION PLAN

The Town provides retirement benefits for all of its full-time employees through a deferred compensation plan. All full-time employees are eligible to participate. Plan provisions and contribution requirements are established and may be amended by the Town council. The Town contributes up to five percent (5%) of an eligible employee's compensation per annum towards the plan and employees may make voluntary contributions of up to $7,500 annually. During the year ended June 30, 2024, employees contributed $0 to the plan and the Town contributed 100% of its required contribution in the amount of $0. The Town currently has no employees participating in the plan.

Effective January 1, 1998, all amounts of compensation deferred under the plan, and all related income, are held in trust for the exclusive benefit of participants and their beneficiaries. The assets will not be diverted to any other purpose.

In compliance with the Internal Revenue Code Section 457(g), all assets and income of the plan are held in trust for the exclusive benefit of participants and their beneficiaries. Accordingly, the investments designated for compensation benefits are not reflected in the Town's financial statements.

The Plan Administrator, ICMA Retirement Corporation, is the trustee.

NOTE 8 – RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors and omissions; injuries to workers, and natural disasters.

The Town has an insurance agreement with the Local Government Insurance Trust (LGIT), a public entity risk pool. LGIT provides the Town's property, general, automobile, and public officials' legal liability insurance coverage.

NOTE 8 – RISK MANAGEMENT - continued

The Town also has an agreement with Chesapeake Employers' Insurance (formerly Injured Worker's Insurance Fund) to provide a workers' compensation policy. The Town's health insurance is managed by Employers Association, Inc.

LGIT is a total risk and cost sharing pool for all participants. In the event that the Trust's General Fund falls into a deficit that cannot be satisfied by transfers from the Trust's capital and surplus accounts, the Trustees shall determine a method to fund the deficit. The Trust agreement empowers the Trustees to assess an additional premium to each deficit-year participant. Debt issues could also be used to fund a deficit.

Premiums are charged to the Town's General Fund, with no provision made for claim liability in addition to premiums, unless an assessment is made by the Trust. There have been no assessments during the year ended June 30, 2024, and the amounts of settlements have not exceeded coverage for each of the past three years.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Grants

The Town receives grants from time-to-time. Expenditures from certain grants are subject to audit by the grantor, and the Town is contingently liable to refund amounts received in excess of allowable expenditures. In the opinion of the Town's management, no material refunds will be required as a result of disallowed expenditures.

NOTE 10 – COMPTROLLER OF THE TREASURY OF MARYLAND V. WYNNE

In 2015, in *Comptroller of the Treasury of Maryland v. Wynne*, the Supreme Court invalidated a portion of Maryland's personal income tax scheme after determining that it inherently burdened the earnings of individuals who resided in one state but earned income in another.

In response, Maryland has enacted corrective legislation allowing a credit for Maryland residents against personal income tax for income taxed by other states. The Court had ruled that the failure of Maryland law to allow such a credit rendered Maryland's personal income tax scheme unconstitutional.

The original impact of the ruling on the Town was $339 in total. During FY2021, the Comptroller's Office stated repayment will be made in 80 withholdings over 20 years, beginning in May 2021. During FY2021, the Town paid off the entire amount owed. At June 30th, 2024 the balance was $0.

NOTE 11 – CONCENTRATIONS

The Town derives most of its revenues from the citizens of the Town. The Town is located in Montgomery County, Maryland.

NOTE 12 - DIFFERENCES BETWEEN GAAP AND BUDGET BASIS

The financial statements and notes conform to GAAP. The budget is prepared on a basis not consistent with GAAP. The budget deviates from GAAP because it includes use of reserves as a budgeted revenue. The reconciliation between the non-GAAP budget and GAAP follows:

Budgeted excess (deficiency) of revenues over (under) expenditures - non-GAAP basis	$ -
Use of reserves	(87,701)
Budgeted excess (deficiency) of revenues over (under) expenditures - GAAP basis	$ (87,701)

NOTE 13 – FUND BALANCE REPORTING

Fund balances for the Town's governmental funds consisted of the following as of June 30, 2024:

Unassigned Fund Balances

At June 30, 2024, the amount of unassigned funds was $1,322,953.

Restricted Fund Balances

At June 30, 2024, the amount of restricted funds was $423,571.

NOTE 14 – NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued the following statements:

Statement No. 101, *Compensated Absences*, issued June 2022, effective for reporting periods beginning after December 15, 2023.

Statement No. 102, *Certain Risk Disclosures*, issued December 2023, effective for fiscal years beginning after June 15, 2024.

Statement No. 103, *Financial Reporting Model Improvements*, issued April 2024, effective for fiscal years beginning after June 15, 2025.

Statement No. 104, *Disclosure of Certain Capital Assets*, issued September 2024, effective for fiscal years beginning after June 15, 2025.

The Town will implement these statements as necessary as of their effective dates. While the Town is still in the process of determining the effect of implementing these GASB statements, they are not expected to have a material effect on the financial position of the Town.

TOWN OF WASHINGTON GROVE, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION - UNAUDITED
SCHEDULE OF REVENUES AND EXPENDITURES -
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2024

	General Fund			
	Original Budget	**Final Budget**	**Actual**	**Variance**
Revenues				
Income taxes	$ 132,056	$ 132,056	$ 161,475	$ 29,419
Property taxes	312,220	312,220	320,341	8,121
Fines, licenses and permits	5,375	5,375	6,075	700
Interest and investment earnings	18,890	18,890	101,672	82,782
Charges for services	6,700	6,700	9,622	2,922
Operating grants and contributions	52,500	52,500	51,990	(510)
Other revenues	90,886	90,886	90,886	-
Miscellaneous	2,000	2,000	28,145	26,145
Use of reserves	87,701	87,701	-	(87,701)
Total Revenues	$ 708,328	$ 708,328	$ 770,206	$ 61,878
Expenditures				
General government	$ 197,316	$ 197,316	$ 135,490	$ 61,826
Public works	152,331	152,331	59,523	92,808
Parks, lake and recreation	283,822	283,822	171,939	111,883
Miscellaneous	74,859	74,859	35,957	38,902
Capital outlay	-	-	87,470	(87,470)
Total Expenditures	$ 708,328	$ 708,328	$ 490,379	$ 217,949

TOWN OF WASHINGTON GROVE, MARYLAND
SCHEDULE OF REVENUES - GENERAL FUND
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	Original budget	Final Budget	Actual	Variance Favorable (Unfavorable)
REVENUES				
Taxes				
Taxes - Local Property				
Real estate	$ 253,220	$ 253,220	$ 260,226	$ 7,006
Dwelling tax	54,000	54,000	54,054	54
Public utilities	5,000	5,000	5,811	811
Taxes - State Shared				
Income taxes	132,056	132,056	161,475	29,419
Delinquent taxes, penalties and interest	-	-	250	250
Total Taxes	444,276	444,276	481,816	37,540
Licenses and Permits				
Business	125	125	75	(50)
Other licenses and permits				
Other permits	250	250	780	530
Cable TV franchise fee	5,000	5,000	5,220	220
Total Licenses and Permits	5,375	5,375	6,075	700
Intergovernmental				
State Grants				
Highway and streets	52,500	52,500	51,990	(510)
County Grants				
Revenue sharing	90,886	90,886	90,886	-
Total Intergovernmental	143,386	143,386	142,876	(510)
Miscellaneous				
Recreation program user fees	5,200	5,200	7,022	1,822
Rental - McCathran Hall	1,500	1,500	2,600	1,100
Interest	18,890	18,890	101,672	82,782
Miscellaneous	2,000	2,000	26,955	24,955
Contributions & donations	-	-	1,190	1,190
Use of reserves	87,701	87,701	-	(87,701)
Total Miscellaneous	115,291	115,291	139,439	24,148
Total Revenues	$ 708,328	$ 708,328	$ 770,206	$ 61,878

TOWN OF WASHINGTON GROVE, MARYLAND
SCHEDULE OF EXPENDITURES - GENERAL FUND
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
EXPENDITURES				
General Government				
Executive				
Conference and dues	$ 1,300	$ 1,300	$ 1,684	$ (384)
Telephone	650	650	779	(129)
Postage	250	250	68	182
Legal notices	600	600	652	(52)
Repairs - office equipment	500	500	585	(85)
Supplies and internet	600	600	679	(79)
Information technology support	1,000	1,000	2,415	(1,415)
Records management	2,000	2,000	240	1,760
Town clerk salary	51,038	51,038	53,669	(2,631)
Maintenance coord salary	6,600	6,600	1,200	5,400
Town website	-	-	871	(871)
Website operations	1,000	1,000	-	1,000
Software	700	700	1,375	(675)
Printing and copying	300	300	-	300
Total Executive	66,538	66,538	64,217	2,321
Administration				
Salaries	13,598	13,598	13,442	156
Postage	150	150	74	76
Bond	100	100	100	-
Software	2,805	2,805	2,602	203
Supplies	150	150	407	(257)
Bank fees	360	360	171	189
Total Administration	17,163	17,163	16,796	367
Professional Fees				
Audit/Accounting	7,900	7,900	7,765	135
Planning and zoning	47,600	47,600	22,833	24,767
Legal counsel	13,350	13,350	7,044	6,306
Total Professional Fees	68,850	68,850	37,642	31,208
Municipal Building				
Utilities	12,522	12,522	7,266	5,256
Telephone	1,225	1,225	1,261	(36)
Fire alarm	800	800	762	38
Sprinkler testing	1,800	1,800	1,226	574
Janitorial	2,918	2,918	2,178	740
McCathran Hall	16,000	16,000	6,720	9,280
Contracted Contingency	9,000	9,000	-	9,000
Miscellaneous supplies	500	500	149	351
Total Municipal Building	44,765	44,765	19,562	25,203
Total General Government	$ 197,316	$ 197,316	$ 138,217	$ 59,099

TOWN OF WASHINGTON GROVE, MARYLAND
SCHEDULE OF EXPENDITURES - GENERAL FUND- continued
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Public Works				
Street maintenance				
Contract Services	3,267	3,267	-	3,267
Supplies	-	-	1,550	(1,550)
Street lighting	4,500	4,500	4,582	(82)
Street light install/repair	1,000	1,000	88	912
Snow and ice removal	3,000	3,000	2,400	600
Sanitation	2,000	2,000	-	2,000
Resurfacing	40,000	40,000	49,398	(9,398)
Lightning Des	2,500	2,500	-	2,500
Signs	300	300	119	181
Speed Hump	4,000	4,000	-	4,000
Walkways				
Contract Services	3,267	3,267	-	3,267
Supplies	500	500	-	500
Lighting	2,000	2,000	-	2,000
Restoration	5,000	5,000	894	4,106
Waste collection and disposal				
Trash collection	32,157	32,157	27,230	4,927
Recycling services	21,846	21,846	18,381	3,465
Leaf collection	20,460	20,460	18,600	1,860
Contract Services	6,534	6,534	-	-
Total Public Works	$ 152,331	$ 152,331	$ 123,242	$ 22,555

TOWN OF WASHINGTON GROVE, MARYLAND
SCHEDULE OF EXPENDITURES - GENERAL FUND - continued
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final	Actual	Variance Favorable (Unfavorable)
Parks, Lakes and Recreation				
Parks				
Supplies	$ 1,000	$ 1,000	$ 178	$ 822
Tree planting	30,000	30,000	12,286	17,714
Tree expert	1,000	1,000	-	1,000
Beautification and forestry	6,000	6,000	-	6,000
Vehicle operation	1,000	1,000	109	891
Contract services	52,272	52,272	65,586	(13,314)
Contract Contingency	15,000	15,000	14,136	864
Tree removal	30,000	30,000	33,475	(3,475)
Tree pruning	20,000	20,000	-	20,000
Tree watering	10,000	10,000	245	9,755
Tree Health	6,000	6,000	2,852	3,148
Forest management	50,000	50,000	21,663	28,337
Forester and educational programs	500	500	50	450
Nicho's trees	1,850	1,850	-	1,850
Total Parks	224,622	224,622	150,580	74,042
Lakes				
Salaries	22,400	22,400	10,520	11,880
Supplies	1,700	1,700	304	1,396
Electricity for pump and aeration	800	800	714	86
Water testing and treatment	7,000	7,000	7,043	(43)
Lifeguard Training	1,800	1,800	570	1,230
Footbridge and dock	500	500	-	500
Total Lakes	34,200	34,200	19,151	15,049
Recreation				
Salaries	6,300	6,300	6,141	159
Supplies and programs	18,700	18,700	17,091	1,609
Total Recreation	25,000	25,000	23,232	1,768
Total Parks, Lakes and Recreation	$ 283,822	$ 283,822	$ 192,963	$ 90,859

TOWN OF WASHINGTON GROVE, MARYLAND
SCHEDULE OF EXPENDITURES - GENERAL FUND - continued
BUDGET (NON-GAAP BUDGETARY BASIS) AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2024

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Miscellaneous				
Payroll taxes/health insurance- total	$ 20,186	$ 20,186	$ 16,452	$ 3,734
Historic preservation	30,223	30,223	10,217	20,006
Racial and social equity	7,620	7,620	2,632	4,988
Insurance - workers' compensation	3,000	3,000	2,410	590
Insurance - property	700	700	733	(33)
Insurance - liability	3,000	3,000	1,573	1,427
Contingency	4,500	4,500	1,440	3,060
Other miscellaneous	5,630	5,630	500	5,130
Total Miscellaneous	74,859	74,859	35,957	38,902
Total Expenditures	$ 708,328	$ 708,328	$ 490,379	$ 211,415

Lindsey + Associates LLC
Certified Public Accountants

Lindsey + Associates

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October 25, 2024

To the Mayor, Town Council and Town Manager
Town of Washington Grove, Maryland

We audited the financial statements of the governmental activities and each major fund of the Town of Washington Grove, Maryland (the "Town") for the year ended June 30, 2024, and have issued our report thereon dated October 25, 2024. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U. S. Generally Accepted Auditing Standards

As stated in our engagement letter dated March 21, 2024, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U. S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the Town. Such consideration was solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed test of the Town's compliance with certain provisions of laws, regulations, contracts and grants. However, the objective of our test was not to provide an opinion on compliance with such provisions.

Planned Scope and Timing of the Audit

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

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Town are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 2024, except as may be explained in Note 1 to the financial statements. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Difficulties Encountered in Performing the Audit

There were no difficulties encountered during the audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The following adjustments were proposed by us, and management has approved and made these adjustments.

- Fixed assets, depreciation expense and related accumulated depreciation

Disagreements with Management

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

Management Representations

We have requested certain representation from management that is included in the management representation letter dated October 25, 2024.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

We have also provided the Town's management with a letter dated October 25, 2024 pertaining to our audit findings and recommendations.

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

Very truly yours,

Lindsey & Associates, LLC

Lindsey + Associates LLC
Certified Public Accountants

Lindsey + Associates

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October 25, 2024

To the Mayor, Town Council and Town Manager
Town of Washington Grove, Maryland

In planning and performing our audit of the financial statements of the Town of Washington Grove (the "Town") as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Town's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses, and therefore, there can be no assurance that all such deficiencies have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the following deficiencies in the Town's internal control to be material weaknesses:

Preparation of Financial Statements

In the current year, as well as the prior year, we noted that no Town employee has the technical background to prepare the financial statements, including the related notes to the financial statements, in accordance with generally accepted accounting principles.

As part of the audit, the Town's management has requested us to prepare a draft of the Town's financial statements, including related notes to the financial statements. Similar to prior years, the Treasurer performed a review of the financial statements. However, in order to provide improved oversight of the financial statement preparation services at an appropriate level and implement controls over the financial reporting process, we recommend the use of one or both of the following publications in subsequent years when reviewing the financial statements: *Governmental Accounting, Auditing, and Financial Reporting Using the GASB 34 Model* available from the Government Finance Officers Association at www.gfoa.org or *Preparing Governmental Financial Statements Under GASBS No. 34* available from Thomson Tax & Accounting at www.ppc.thomson.com.

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

Very truly yours,

Lindsey & Associates, LLC