

**TOWN OF EDMONSTON, MARYLAND
FINANCIAL STATEMENTS
JUNE 30, 2023**

TOWN OF EDMONSTON

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Independent Auditor’s Report

Honorable Mayor
Members of the Town Council
Town Manager
Town of Edmonston, Maryland

Opinion

We have audited the accompanying financial statements of the governmental activities and the major fund of the Town of Edmonston, Maryland (the “Town”) as of and for the year ended June 30, 2023, 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 Edmonston as of June 30, 2023, 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) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (GAS). 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 Edmonston 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 Edmonston's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

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 Edmonston'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, the budgetary comparison information, and the pension-related supplementary information on pages 4 through 9, 41 and 42, respectively, 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 Edmonston, Maryland's financial statements as a whole. The Schedule of Revenues-Budget and Actual and Schedule of Expenditures-Budget and Actual ("supplemental schedules") on pages 43 through 46 are not a required part of the basic financial statements. The supplemental schedules 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 supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Hindley & Associates, LLC

October 30, 2023

**TOWN OF EDMONSTON, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

The following information includes our discussion and analysis of the financial performance of the Town of Edmonston and provides an overview of the Town's financial activities for the year ended June 30, 2023. Please read it in conjunction with the transmittal letter and the Town's financial statements.

Financial Highlights

- The Town of Edmonston continues to work diligently to reduce expenditures in all departments and continuously seeks to obtain new sources of revenue. We continue to apply for and receive new grants and have a reasonable degree of assurance of obtaining some if not all the grants. During the fiscal year, the Town received grant awards to design and construct 8 rain gardens for Buchanan Street in the amount of \$179,360. Other grants included a beautification grant from the Maryland Department of Housing and Community Development for senior and low to moderate income homeowners to assist with improvements to the exterior of their homes and a grant from them for business façade improvements. Other grants included a United States Department of Agriculture (USDA) \$279,030 grant to begin a door-to-door food composting in partnership with Compost Crew and Eco City Farms. The Town began cooperation with the University of Maryland Finance Center on a Port Towns Walkable Watershed grant, with implementation in 2024.
- The Town received a planning grant from the Maryland National Capital Park and Planning Commission to conduct an economic development strategic plan for the community. The plan was completed in the Spring of 2023. It outlines strategies to continue to grow and improve the business community in Edmonston. The plan will complement the Port Towns Sector Plan update beginning in 2023, with completion in 2025.
- The State of Maryland Department of Assessments and Taxation certified the assessable base for the town of Edmonston increased from \$183,167,681 to 194,008,337 which allowed the Town to utilize the constant yield rate for property taxes not to increase for FY 2023-24. The property tax rate for FY23-24 reduced from \$.4957 to \$.4680.
- The Town received its second installment of the American Rescue Plan Act of 2021 during the fiscal year in the amount of \$734,293. The Mayor and Council sought public input for the use of the funds. Target projects include renovation of Town Hall and grants to residents for flood mitigation. Other projects that have been approved include purchasing a police cruiser, public works pickup, electronic reader board, snowplow, tree maintenance, traffic study and sidewalk work on Gallatin Street.
- The Acting Police Chief was successful in writing several grants for the Town to include updating the license plate readers, recruitment and retention grant and a equipment grant to purchase a simulator for training officers. The Town received

**TOWN OF EDMONSTON, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

a Chesapeake Bay Trust grant in the amount of \$131,785 to construct 7 rain gardens and install permeable gutter on Hamilton Street which was finished in July, 2023. The Town is currently managing a \$279,260 Safe Routes to Schools grant to construct sidewalks on two streets in F23-24. The town was successful with a grant to bring a full-time intern on board to focus on environmental issues beginning August 2023. The grant is funded fully by the Chesapeake Bay Trust. The intern will be working on community outreach to the Latino community, conducting a green fair, creating a junior green team and working on many other environmental issues.

- Investment in infrastructure was key during FY22-23 and continues over to the new fiscal year. Washington Suburban Sanitary District is ending a 2-year program replacing and updating the Town's aging water pipes through their infrastructure renewal program. Construction will replace approximately 13,981 feet/2.65 miles of water main and will be completed by January 9, 2024. In addition, the Town completed two Community Development Block Grants (CDBG) to repave Crittenden Street and to install sidewalks on 51st Avenue, 52nd Avenue and Emerson Street. Finally, the Town continues to work with Bartlett Tree Experts to manage the tree canopy on public property.
- The Town continues to maintain surplus funds in an investment account. This ensures that future obligations are met during times of economic uncertainty. The reserve balance on June 30, 2023, was \$761,884. This represents 43% of the annual budget for FY22-23.

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.

**TOWN OF EDMONSTON, MARYLAND
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Reporting the Town as a Whole

The Statement of the Net Position and the Statement of Activities

One of the most important questions asked about the Town’s finances is, “Is the Town as a whole, better off or worse off as a result of the year’s activities?” The statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps to answer this question. 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 and liabilities plus deferred inflows) 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.

In the Statement of Net Position and the Statement of Activities, we divide the Town into two kinds of activity:

- **Governmental Activity-** All of the Town’s basic services are reported here, including the police, general government, public works, fire, economic development, and recreation. Taxes, franchise fees, fines, and state and federal grants finance most of these activities.
- **Business-type Activity –** The Town currently has no business-type activities.

**TOWN OF EDMONSTON, MARYLAND
MANAGEMENT’S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

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. The Town’s government fund:

- Governmental funds- All 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 be converted to cash. The governmental fund statements provide a detailed short-term view of the Town’s general government operations and the basic service 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 reconciliation to the right 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	Rental License Fees
Public Safety	State Grants, Homeland Security Grant, and Vehicle Release Fees
Public Works	Highway User Revenues, Stormwater Management Payment, and Landfill Rebate Charges

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.

**TOWN OF EDMONSTON, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Government-Wide Financial Information

The following is selected information as of June 30, 2023 and for the previous year ended provided for comparison purposes.

	<u>2022</u>	<u>2023</u>
Current assets	\$ 1,739,881	\$ 1,753,908
Capital assets	1,176,021	1,324,817
Total assets	2,915,902	3,078,725
Deferred outflows	103,755	117,329
Total assets and deferred outflows	3,019,657	3,196,054
Current liabilities	185,724	183,253
Long-term liabilities	689,137	726,402
Total liabilities	874,861	909,655
Deferred inflows	153,034	12,507
Net Position		
Net investment in capital assets	714,070	926,340
Restricted	-	-
Unrestricted	1,277,692	1,347,552
Total net position	1,991,762	2,273,892
Total liabilities, deferred inflows, and net position	3,019,657	3,196,054
Program revenues		
Charges for services	345,874	206,494
Grants and contributions	1,014,483	1,293,182
General revenues		
Income taxes	134,121	139,605
Property taxes	1,115,177	1,251,535
Other	-	-
Total general revenues	1,303,502	1,550,083
Transfers	-	-
Total revenues and transfers	2,663,859	3,049,759
Expenses		
General government	808,255	1,094,151
Public safety	977,852	902,710
Public works	675,508	752,233
Interest	21,594	18,535
Total expenses and transfers	2,483,209	2,767,629
Change in net position	180,650	282,130
Net position, beginning of year	1,811,112	1,991,762
Net position, end of year	1,991,762	2,273,892

**TOWN OF EDMONSTON, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Business-type Activities

The Town currently has no business-type activities.

The Town's Funds

The following schedule presents a summary of revenues and expenditures for the fiscal year ended June 30, 2023 and the increases and decreases in relation to the prior year.

	FY2023	Percent	Increase (Decrease)
	<u>Amount</u>	<u>of Total</u>	<u>From FY2022</u>
Revenues			
Taxes	\$ 1,413,428	46%	\$ 161,509
Intergovernmental	1,293,182	42%	278,699
Licenses and permits	48,124	2%	(1,054)
Miscellaneous	295,634	10%	(46,414)
	<u>\$ 3,050,368</u>	<u>100%</u>	<u>\$ 392,740</u>
Expenditures			
General government	\$ 1,061,783	35%	\$ 396,145
Public safety	897,162	30%	(22,230)
Public works	646,002	21%	65,207
Capital outlays	346,665	11%	247,330
Debt service	82,009	3%	(17,692)
	<u>\$ 3,033,621</u>	<u>100%</u>	<u>\$ 668,760</u>

Budgetary Highlights

There were budgetary amendments during the year. At the regular Town Council meeting on June 8, 2023, both expenditures and revenues increased, and the final amendment was adopted by a majority of the Town Council.

**TOWN OF EDMONSTON, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2023**

Capital Asset and Debt Administration

Capital Assets

Major capital additions for the year included \$345,385 for building, equipment and infrastructure.

Debt

The Town did not add any long-term debt for FY22-23 and retired \$63,474. At year-end, the outstanding balance was \$398,477.

Economic Factors and Next Year's Budget and Rates

The Town's business base continues to remain constant. There are 136 businesses operating in the Town of Edmonston. The Town completed an economic development strategic plan through a grant from the Maryland National Capital Park and Planning Commission. The plan provides the Town with strategies to improve the business sector and help it grow for the future. The Town saw an increase in the assessable tax base for FY22 -23. The valuation increase resulted in the Town exercising the constant rate for property taxes. The Property Tax Rate decreased from FY21-22 to FY22-23. The decrease was from \$.5264 per \$100 assessed value to \$.4957.

Contacting the Town's Financial Management

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact The Town Administrator at 5005 52nd Avenue, Edmonston, Maryland 20781.

TOWN OF EDMONSTON, MARYLAND
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Total
ASSETS		
Current Assets		
Cash and cash equivalents - unrestricted	\$ 689,242	\$ 689,242
Investments	761,884	761,884
Accounts receivable - income taxes	61,365	61,365
Other accounts receivable	173,426	173,426
Parking tickets receivable	22,270	22,270
Red light fines receivable - net of allowances	45,721	45,721
Other assets	-	-
Total Current Assets	1,753,908	1,753,908
Noncurrent Assets		
Net capital assets	1,324,817	1,324,817
Total Noncurrent Assets	1,324,817	1,324,817
TOTAL ASSETS	3,078,725	3,078,725
DEFERRED OUTFLOWS OF RESOURCES	117,329	117,329
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 3,196,054	\$ 3,196,054
LIABILITIES		
Current Liabilities		
Accounts payable and accrued expenses	\$ 130,373	\$ 130,373
Current portion of long-term debt	52,880	52,880
Total Current Liabilities	183,253	183,253
Noncurrent Liabilities		
Compensated absences	73,152	73,152
Net pension liability	307,653	307,653
Loan payable - long-term	345,597	345,597
Total Noncurrent Liabilities	726,402	726,402
TOTAL LIABILITIES	909,655	909,655
DEFERRED INFLOWS OF RESOURCES	12,507	12,507
NET POSITION		
Net investment in capital assets	926,340	926,340
Unrestricted	1,347,552	1,347,552
TOTAL NET POSITION	2,273,892	2,273,892
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 3,196,054	\$ 3,196,054

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

**TOWN OF EDMONSTON, MARYLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

Functions/Programs	Expenses	Indirect Expenses	Charges for Services	Program Revenues		Net (Expense) Revenue and Changes in Net Position Primary Government	
				Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
Primary Government							
Governmental Activities:							
General government	\$ 1,094,151	\$ -	\$ 101,924	\$ -	\$ -	\$ (992,227)	\$ (992,227)
Public safety	902,710	18,535	104,570	1,235,207	-	418,532	418,532
Public works	752,233	-	-	57,975	-	(694,258)	(694,258)
Interest expense	18,535	(18,535)	-	-	-	-	-
Total Governmental Activities	2,767,629	-	206,494	1,293,182	-	(1,267,953)	(1,267,953)
 Total Primary Government	 \$ 2,767,629	 \$ -	 \$ 206,494	 \$ 1,293,182	 \$ -	 \$ (1,267,953)	 \$ (1,267,953)
				General revenues:			
				Taxes			
						139,605	139,605
						1,251,535	1,251,535
						21,679	21,679
						55,055	55,055
						82,209	82,209
				Total General Revenues		1,550,083	1,550,083
				Transfers in (out)		-	-
				Change in Net Position		282,130	282,130
				Net Position, beginning of year		1,991,762	1,991,762
				Net Position, end of year		\$ 2,273,892	\$ 2,273,892

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

**TOWN OF EDMONSTON, MARYLAND
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023**

	General Fund	Total Governmental Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents - unrestricted	\$ 689,242	\$ 689,242
Cash and cash equivalents - restricted	-	-
Investments	761,884	761,884
Accounts receivable - income taxes	61,365	61,365
Other accounts receivable	173,426	173,426
Accounts receivable - parking tickets	22,270	22,270
Accounts receivable - red light fines	45,721	45,721
Other assets	-	-
TOTAL ASSETS	<u>1,753,908</u>	<u>1,753,908</u>
DEFERRED OUTFLOWS OF RESOURCES		-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 1,753,908</u>	<u>\$ 1,753,908</u>
LIABILITIES		
Accounts payable and accrued expenses	\$ 130,373	\$ 130,373
Amounts held in escrow	-	-
TOTAL LIABILITIES	<u>130,373</u>	<u>130,373</u>
DEFERRED INFLOWS OF RESOURCES	<u>61,365</u>	<u>61,365</u>
FUND BALANCES		
Restricted	-	-
Unassigned	1,562,170	1,562,170
TOTAL FUND BALANCES	<u>1,562,170</u>	<u>1,562,170</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 1,753,908</u>	<u>\$ 1,753,908</u>

**RECONCILIATION OF TOTAL GOVERNMENTAL
FUND BALANCE TO NET POSITION OF
GOVERNMENTAL ACTIVITIES
JUNE 30, 2023**

<i>Total Governmental Fund Balances</i>	\$ 1,562,170
Long-term liabilities, including loans payable and compensated absences, are not due and payable in the current period and therefore are not reported in the funds.	(779,282)
Receivables pertaining to revenue that is not available in accordance with modified accrual accounting are reported as deferred inflows of resources in the funds.	61,365
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	1,324,817
Deferred outflows of resources pertaining to long-term liabilities are not reported in the funds.	117,329
Deferred inflows of resources pertaining to long-term liabilities are not reported in the funds.	(12,507)
Long-term receivables do not provide current resources and therefore are not reported in the funds.	-
<i>Net Position of Governmental Activities</i>	<u>\$ 2,273,892</u>

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

TOWN OF EDMONSTON, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

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, 2023

	General Fund	Total Governmental Funds	
REVENUES			
Taxes	\$ 1,413,428	\$ 1,413,428	
Licenses and permits	48,124	48,124	
Intergovernmental	1,293,182	1,293,182	
Miscellaneous	295,634	295,634	
Total Revenues	<u>3,050,368</u>	<u>3,050,368</u>	
EXPENDITURES			
Current Operations			
General government	1,061,783	1,061,783	
Public safety	897,162	897,162	
Public works	646,002	646,002	
Capital outlays	346,665	346,665	
Debt Service			
Principal	63,474	63,474	
Interest	18,535	18,535	
Total Expenditures	<u>3,033,621</u>	<u>3,033,621</u>	
Excess of revenues over (under) expenditures and other financing uses	<u>16,747</u>	<u>16,747</u>	
Other financing sources (uses)			
Proceeds from long-term debt	-	-	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	
Excess of revenue and other financing sources over (under) expenditures and other financing uses	<u>16,747</u>	<u>16,747</u>	
Fund balance, beginning of year	<u>1,545,423</u>	<u>1,545,423</u>	
Fund balance, end of year	<u>\$ 1,562,170</u>	<u>\$ 1,562,170</u>	
			<i>Net Change in Fund Balances - Total Governmental Funds</i> \$ 16,747
			Repayment of debt principal is reported in governmental funds, however, in the statement of activities, it is recorded as a reduction in long-term debt. This is the amount of principal debt repayment. 63,474
			Pension expense related to net pension liability does not require the use of current financial resources and therefore is not reported in the funds. 76,488
			Proceeds from long-term debt are recorded as an other financing source in the funds, but not in the Statement of Activities. This is the amount of proceeds from long-term debt. -
			Differences in accounting for compensated absences between the accrual basis and the modified accrual basis. (24,046)
			Changes in deferred inflows of resources relating to income taxes do not use current resources and are not reported as a revenue in the funds. (609)
			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. <u>150,076</u>
			<i>Change in Net Position of Governmental Activities</i> <u>\$ 282,130</u>

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

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Town of Edmonston, Maryland is a municipal corporation governed by an elected mayor and an elected town council and provides the following services as authorized by its charter: public safety, public works and general administrative services. The Town's major sources of revenues are real estate taxes, income taxes and usage taxes.

The accounting policies of the Town of Edmonston 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 Edmonston, 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 funds are grouped into one broad fund category.

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.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 or within funds). This is the same approach used in the preparation of the proprietary fund financial statements, if any, 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.

Separate financial statements are provided for governmental funds, proprietary funds, if any, and fiduciary funds, 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.

The government-wide statement of activities presents a comparison between expenses, and program revenues for each segment of the business-type activities, if any, of the Town 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.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 financial statements, if any, 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, public safety, and public works 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, franchise 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.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 funds.

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 held at June 30, 2023 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, 2023 consist of taxes, highway user revenue, fines, parking tickets, and franchise fees. Certain receivables are reduced to expected net realizable value by an allowance for doubtful accounts.

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, if any, when used.

Local Tax Reserve Fund

At June 30, 2023, the Town was advised by the State of Maryland that \$61,365 of the Local Tax Reserve Fund was allocable to the Town. The Town recorded receivable and deferred inflows of resources in the amount of \$61,365 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.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

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, 2023 the balance of deferred inflows of resources in the governmental fund financial statements consisted of income taxes of \$61,365. The balance of deferred outflows of resources in the government-wide statements consists of \$117,329 pertaining to the Maryland State Retirement System.

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.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued

Compensated Absences

The Town allows its eligible employees to accrue up to 240 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 240 hour maximum for vacation time. All other amounts are forfeited. As of June 30, 2023, the liability for compensated absences is \$73,152. Vested annual leave is expensed in the appropriate fund. In the fund financial statements, governmental funds report only the compensated absence liability payable from expendable available financial resources.

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 their 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 – all other 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.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 Manager 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 spend first when other unrestricted fund balance classifications are available for use.

**TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

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 2023. For day-to-day management control, expenditures may not exceed budget at the departmental level. The Town prepares an annual operating budget on a basis consistent with generally accepted accounting principles.

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 by FDIC 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 \$688,586 and the bank balances totaled \$759,437. Of the bank balances, the entire amount was insured by Federal Depository Insurance Corporation (FDIC) or secured by a surety bond or collateralized with securities held in the Town's name. At year end, the Town's bank balances were not exposed to any custodial credit risk because all deposits were fully collateralized.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

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 investment collateral is held by a third party custodian with whom the Town has a current custodial agreement in the Town's name.

Generally, the Town's investing activities are managed by the Town Manager. 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) corporation, special district authority or political subdivision thereof, or in any fund or trust that invests only in the securities described in this paragraph; and 5) the Maryland Local Government Investment Pool.

Investments

The Town has invested at June 30, 2023, \$761,591 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 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.

**TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023**

NOTE 3 – DEPOSITS AND INVESTMENTS – continued

As of June 30, 2023, the Town had the following investments:

<u>Types of Investments</u>	<u>Fair Value/ Carrying Amount</u>	<u>Cost</u>	<u>Average Credit Quality/ Ratings</u>
MLGIP	\$ 761,591	\$ 761,591	AAAm
Money Market	293	293	N/A
Total Investments	<u>\$ 761,884</u>	<u>\$ 761,884</u>	

Note: Ratings are provided where applicable to indicate associated Credit Risk.

NOTE 4 – PROPERTY TAXES

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 in two installments, October 1 and January 1, of the same year. After January 1, the Town charges both penalties and interest upon the unpaid balance. If the taxes remain unpaid the property is placed with Prince George’s 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.

The real and personal property tax rates during fiscal year 2023 were \$0.4957 and \$1.50 per \$100 of assessed value, respectively.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Not being depreciated:				
Land	\$ 100,803	\$ -	\$ -	\$ 100,803
Construction in progress	18,418	-	-	\$ 18,418
Subtotal	<u>119,221</u>	-	-	<u>119,221</u>
Depreciable capital assets:				
Buildings	227,727	-	-	227,727
Furniture & equipment	413,551	25,894	-	439,445
Vehicles	684,250	50,153	-	734,403
Infrastructure	2,034,741	269,338	-	2,304,079
Subtotal	<u>3,360,269</u>	<u>345,385</u>	-	<u>3,705,654</u>
Total capital assets	<u>3,479,490</u>	<u>345,385</u>	-	<u>3,824,875</u>
Accumulated depreciation:				
Buildings	155,100	5,852	-	160,952
Furniture & equipment	267,038	34,041	-	301,079
Vehicles	504,877	45,288	-	550,165
Infrastructure	1,376,454	111,408	-	1,487,862
Subtotal, accumulated depreciation	<u>2,303,469</u>	<u>196,589</u>	-	<u>2,500,058</u>
Net capital assets	<u>\$ 1,176,021</u>	<u>\$ 148,796</u>	<u>\$ -</u>	<u>\$ 1,324,817</u>

Depreciation was charged to functions as follows:

Government activities:	
General government	\$ 27,382
Public safety	50,605
Public works	118,602
Total government activities depreciation expense	<u>\$ 196,589</u>

The Town has no material construction commitments as of June 30, 2023.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 6 – ACCOUNTS RECEIVABLE

The Town has current and non-current receivables. Current receivables are amounts which are expected to be paid in 60 days. The current receivables total \$220,955 and consist of: \$61,365 for income taxes, \$173,426 for other accounts receivables, \$45,721 for red light fines, and \$22,270 for parking fines. Non-current receivables are amounts which are not expected to be paid in 60 days.

NOTE 7 – DEFERRED COMPENSATION PLANS

The Town offers a Deferred Compensation Plan to its employees in accordance with Section 457 of the Internal Revenue Code. The plan, available to all Town employees, permits employees to defer a portion of their salary until future years. Participation in the plan is optional and participants elect how their salary deferrals are invested. Investment options include the following: stock funds, bond funds, and money market accounts, including various risk alternatives. Deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. The plan is administered by the ICMA Retirement Corporation (ICMA-RC). There were no contributions made for the year ended June 30, 2023. During the year ended June 30, 2023, there were no contributions by the Town or employees as there were no active participants in the plan as of June 30, 2023. ICMA-RC has the responsibility for investing the funds, maintaining detailed accounting records for the individual employee and the Town, and disbursing funds to plan participants.

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 fair value of the plan assets at June 30, 2023 is not reflected in the Town's financial statements.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – RETIREMENT PLAN

The Town participates in the Maryland State Pension System (the “System”) described below and qualifies as a Participating Governmental Unit (“PGU”). The State Retirement Agency (the “Agency”) is the Plan administrator and fiduciary. GASB No. 68 requires that a PGU recognize its proportionate share of the System’s net pension liability (i.e., unfunded pension liability) and pension expense. The Town’s proportionate share of the net pension liability is based on total System contributions and approximates \$307,653 as of the measurement date of June 30, 2023.

GASB No. 71 requires that contributions to the pension plan subsequent to the measurement date be recognized as a deferred outflow of resources. The Town’s fiscal 2023 contribution of \$36,603 is therefore recognized as a pension-related deferred outflow of resources. The presentation of the net pension liability and pension expense in accordance GASB 68 and GASB 71 required the restatement of the beginning net position.

During the year ended June 30, 2015, the Town elected to join the State of Maryland Alternate Contributory Pension Selection System (ACPS). The Plan is part of the Maryland State Retirement and Pension System (the State System), and is a cost-sharing multiple-employer public employee retirement system. The State System provides pension, death, and disability benefits to plan members and beneficiaries.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – RETIREMENT PLAN – continued

A. Description of Plans

The State of Maryland identifies multiple-employer defined benefit pension plans as cost-sharing plans.

On October 1, 1941, the Employees' Retirement System of the State of Maryland was established to provide retirement allowances and other benefits to State employees, elected and appointed officials and the employees of participating governmental units. Effective January 1, 1980, the Employees' Retirement System was essentially closed to new members and the Employees' Pension System was established.

The Employees' Pension System of the State of Maryland (Pension System) was established January 1, 1980. The Pension System covers employees hired after December 31, 1979, as well as Retirement System participants who have voluntarily joined the Pension System. The Employees Contributory Pension System of the State of Maryland (Contributory Pension System) was established July 1, 1998. The Town elected to participate in the Contributory Pension System effective May 1, 2005.

Under the terms of the Contributory Pension System, a member hired may retire with full benefits upon attaining age 60 or after completing 30 years of eligible service regardless of age. A member may retire with reduced benefits prior to attaining age 60 after completing 25 years of eligible service. A member terminating employment before attaining retirement age, but after completing five years of eligible service, becomes eligible for a vested retirement allowance upon age 60.

Under the terms of the Contributory Pension System, a member hired before July 1, 2011 may retire after 30 years of service regardless of age; at age 65 with two years of service; at age 64 with three years of service; at age 63 with four years of service; or at age 62 with at least five years of service. An employee hired before July 1, 2011 may also take early retirement with reduced benefits at age 55 with 15 years of service. A member hired before July 1, 2011 terminating employment before attaining retirement age, but after completing five years of eligible service, becomes eligible for a vested pension allowance upon reaching age 62. Members hired on or after July 1, 2011 may retire when their age and years of eligibility service totals 90 years or at age 65 with 10 years of eligibility service. Members hired on or after July 1, 2011 may retire with reduced benefits at age 60 with 15 years of eligibility service. A member hired on or after July 1, 2011 terminating employment before attaining retirement age, but after completing ten years of eligible service becomes eligible for a vested pension allowance upon reaching age 65.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – RETIREMENT PLAN – continued

On retirement from service, a member of any of these plans shall receive an annual service retirement allowance based on the member's average final compensation and years of creditable service multiplied by a factor. This factor varies from 1.2% to 2.0% per eligible service year, depending on employee/employer contributions and other plan-specific provisions. Early retirement, where available, is subject to provisions that reduce the benefit received.

Benefits under the two plans are established under the State Personnel and Pensions Article of the Annotated Code of Maryland.

Benefits are established under the State Personnel and Pensions Article of the Annotated Code of Maryland. The plan is administered by the Maryland State Retirement Agency.

The Maryland State Retirement Agency issues a comprehensive annual financial report that includes disclosures regarding: plan assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The pension plans' fiduciary net position has been determined on the same basis used by the pension plans. The pension plans' financial statements are prepared on the accrual basis of accounting and are prepared in accordance with principles generally accepted in the United States of America that apply to governmental accounting for fiduciary funds. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value. Actual employer contributions billed to participating governmental units for the year ending June 30, 2022 are used as the basis for determining each employer's proportionate share of the collective pension amounts reported in the Schedule of Employer Allocations. The contributions were not adjusted for differences between actuarially determined contributions and actual contributions by the State of Maryland. This report can be obtained from the agency's office as follows:

State Retirement and Pension System of Maryland
120 E. Baltimore Street, Suite 1601
Baltimore, Maryland 21202-1600

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – RETIREMENT PLAN – continued

Funding Policy

Obligations to contribute to the plans are under the Annotated Code of Maryland. Members of the pension plan contribute 7% of annual compensation during employment. The required contribution rate is determined on an actuarially determined basis. During the year ended June 30, 2023 the Town contributed \$36,603. The Town contributed 100% of its required contribution for the year ended June 30, 2023. For members of the pension plan, full-service pension allowances equal 2% of average final compensation (AFC) up to a maximum benefit of 60% of AFC (30 years of credit).

Required contributions under the plans are not funded by both employee and Town contributions but are funded entirely by the Town. Contributions by the Town take place during the fiscal year and are based upon salaries for the preceding fiscal year. The Town contributions for the year ending June 30, 2023 are based on salaries for the year ending June 30, 2022. The contribution requirements of plan members of the reporting entity are established and may be amended by the Maryland State Pension System Board of Trustees, and contributions by the Town are authorized by the Town Council. The required and actual contributions for the fiscal years ending June 30th were as follows:

	Fiscal Year Ending June 30		
	2023	2022	2021
Retirement plan contributions	<u>\$ 36,603</u>	<u>\$ 34,869</u>	<u>\$ 34,277</u>

The Town contributed \$36,603 to the System for fiscal year 2023 which was actuarially determined based on statutory provisions. The Town has also recognized in Pension Expense its proportionate share of the System’s deferred inflows of resources (an increase in Pension Expense) attributable to the net difference between projected and actual investment earnings on pension plan assets and its proportionate share of the System’s deferred outflows of resources (a decrease in Pension Expense) attributable to changes in assumptions.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – RETIREMENT PLAN – continued

Required disclosures aggregate for the plan:

	<u>Maryland State Pension System</u>
Total pension liability	\$ 84,319,523,000
Total fiduciary net position	64,310,991,000
Town's proportionate share of total pension liabilities	307,653
Town's proportionate share of net pension liabilities	0.0015376%
Total pension assets	64,310,991,000
Measurement date of collective net pension liability	June 30, 2022
Date of actuarial valuation	June 30, 2022
Deferred outflows related to pensions	117,329
Deferred inflows related to pensions	12,507
Pension expense/expenditures for the period	(76,488)

Actuarial assumptions

The annual required contribution for the current year was determined as part of the actuarial valuation on July 1, 2021 rolled forward to June 30, 2022. The key assumptions used to perform the June 30, 2022 pension liability calculation for the System are as follows:

Actuarial Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Asset valuation method	5-year smoothed market; 20% collar
Inflation (b)	2.25% general, 2.75% wage
Salary Increases	2.75%
Discount Rate (a)	6.80%
Investment Rate of Return (b)	6.80%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period July 1, 2014 to July 30, 2018.
Mortality	Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvement scale.

- (a) Discount rate at prior measurement date was 6.80%.
- (b) There were no benefit changes during the year. Adjustments to the roll-forward liabilities were made to reflect the following assumption changes in the 2022 valuation:
 - a. Investment return assumption decreased to 6.80%
 - b. Inflation assumption decreased from 2.60%.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – RETIREMENT PLAN – continued

The components of the net pension liability for the System as of June 30, 2023, calculated in accordance with GASB Statement No. 67, are shown in the following table:

Total pension liability	\$ 84,319,523,000
Plan Fiduciary Net Position	<u>64,310,991,000</u>
Net Pension Liability	<u><u>\$ 20,008,532,000</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	<u><u>76.27%</u></u>

Investments

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 geometric real rates of return were adopted by the Pension System’s Board after considering input from the investment consultant(s) and actuary(s). For each major asset class that is included in the Pension System’s target asset allocation, these best estimates are summarized in the following table:

Asset Class	Target Allocations	Long-term Expected Real Rate of Return
Public equity	37%	4.7%
Private equity	13%	6.5%
Rate sensitive	19%	-0.4%
Credit opportunity	9%	2.6%
Real assets	14%	4.2%
Absolute return	8%	2.0%
Total	100%	

The above was the Pension System’s Board of Trustee’s adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2022.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – RETIREMENT PLAN – continued

Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 6.80%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. 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.

Sensitivity of the Net Pension Liability

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the System’s net pension liability and the Town’s proportionate share of the System’s net pension liability, calculated using a single discount rate of 6.80%, a single discount rate that is 1-percentage point lower (i.e., 5.80%), and a single discount rate that is 1-percentage point higher (i.e., 7.80%).

	1% Lower	Current Rate -	1% Higher
The System's Net Pension Liability	\$ 30,699,455,000	\$ 20,008,532,000	\$ 11,137,544,000
The Town's Proportionate Share of Net Pension Liability	\$ 472,038	\$ 307,653	\$ 171,252

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – RETIREMENT PLAN – continued

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2023, the Town reported a liability of \$307,653 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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 governmental units, actuarially determined. At June 30, 2023, the Town’s proportion was approximately 0.0015376 percent.

For the year ended June 30, 2023, the Town recognized pension expense of \$76,488. At June 30, 2023, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows	Deferred Inflows
Changes of assumptions	\$ -	\$ -
Differences in actual and expected experiences	-	11,663
Net difference between projected and actual earnings on pension plan investments	79,882	-
Changes in proportion and differences between employer contributions and share of contributions	844	844
Contributions subsequent to the measurement date	36,603	-
Total	\$117,329	\$12,507

The deferred outflows of resources of \$36,603 relating to contributions subsequent to the measurement date will be recognized as a reduction of the Town’s net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources are being amortized over a five-year period beginning in fiscal 2023. These unamortized amounts will be ratably recognized in pension expense over the next four years.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 8 – RETIREMENT PLAN – continued

Net Pension Liability

The components of the Town’s proportionate share of the Pension System’s net pension liability as of the measurement date of June 30, 2023 were as follows:

Total pension liability	\$	1,296,505
Plan Fiduciary Net Position		988,852
Net Pension Liability	<u>\$</u>	<u>307,653</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		<u>76.27%</u>

NOTE 9 – LONG-TERM OBLIGATIONS

On July 3, 2020, the Town entered into a lease purchase agreement for \$56,261 with First Government Lease for a 2020 Ford Interceptor Police Cruiser at a fixed rate of 3.00%. Quarterly principal and interest payments of \$2,230 are due through June, 2027. The remaining principal balance at June 30, 2023 is \$33,497.

On May 6, 2021, the Town entered into a lease purchase agreement for \$47,051 with First Government Lease for a 2021 Ford Explorer Police Cruiser at a fixed rate of 4.99%. Quarterly principal and interest payments of \$2,674 are due through June, 2026. The remaining principal balance at June 30, 2023 is \$29,685.

On September 24, 2020, the Town entered into a lease purchase agreement for \$95,227 with First Government Lease for body cameras, tasers and cruiser cameras at a fixed rate of 4.55%. Quarterly principal and interest payments of \$ 4,625 are due through September, 2027. The remaining principal balance at June 30, 2023 is \$64,462.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 – LONG-TERM OBLIGATIONS – continued

In July 2011, the Town issued \$650,000 in general obligation bonds to TD Bank, N.A., with a fixed interest rate of 2.50% per annum due July 31, 2028. The bonds, which are for street improvements and related construction, are payable in twice annual installments comprised of principal and interest, due July 31 and January 31 in the amount of approximately \$23,585, based upon an 18-year amortization period. The principal balance as of June 30, 2023 is \$229,500.

In July 2017, the Town reissued general obligation bonds held by TD Bank. In November 2019, the Town refinanced these bonds through the Maryland Department of Housing and Community Development, Community Development Administration Local Government Infrastructure Bonds. The bonds were issued at a premium of \$42,545. Semi-annual interest at 2% is due April 1 and October 1 each year through April 1, 2029. The balance of principal outstanding at June 30, 2023 is \$229,500. The balance of bond premiums at June 30, 2023 is \$39,885.

Through the refinancing, the Town was able to reduce the interest rate from 4.33% to 2%. The purpose of the refunding was to realize savings on debt service costs. The Town obtained an economic gain, that is the difference between the present value of the debt service streams for the refunding debt and the refunded debt, of \$41,384.

These bonds are backed by the full faith and credit of the Town and contain acceleration provisions that in the event of default the full amount outstanding including accrued interest may become due and payable immediately. Additionally, the trustee may intercept revenues due from the State (such as income taxes) to satisfy the debt of the Local Government Infrastructure Bonds. Defaults would be triggered by events such as bankruptcy or failure to pay principal and interest when due.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 9 – LONG-TERM OBLIGATIONS – continued

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Retirements</u>	<u>June 30, 2023</u>	<u>Amount Due Within 1 Year</u>
G.O. Bonds	\$ 262,500	\$ -	\$ 33,000	\$ 229,500	\$ 34,500
Bond premium	39,885	-	-	39,885	-
Copier lease 14	1,860	-	1,860	-	-
Vehicle leases	157,706	-	28,614	129,092	18,380
	<u>\$ 461,951</u>	<u>\$ -</u>	<u>\$ 63,474</u>	<u>\$ 398,477</u>	<u>\$ 52,880</u>

	<u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2023</u>
Compensated Absences	\$ 49,106	\$ 24,046	\$ -	\$ 73,152

Debt service requirements pertaining to leases are as follows:

Year(s) Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 28,615	\$ 9,501	\$ 38,115
2024	30,427	7,688	38,115
2025	32,377	5,738	38,115
2026	34,476	3,640	38,115
2027	25,844	1,577	27,421
Thereafter	4,521	104	4,625
Total	<u>\$ 156,260</u>	<u>\$ 28,247</u>	<u>\$ 184,508</u>

Debt service requirements pertaining to bonds are as follows:

Year(s) Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 33,000	\$ 10,894	\$ 43,894
2024	34,500	9,524	44,024
2025	36,000	8,093	44,093
2026	37,500	6,598	44,098
2027	39,000	5,042	44,042
Thereafter	82,500	5,167	87,667
Total	<u>\$ 262,500</u>	<u>\$ 45,318</u>	<u>\$ 307,818</u>

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 10 – CONCENTRATIONS

The Town derives most of its revenues, except grants, from its citizens. The Town provides various services to its residents. The Town is located in northern Prince George’s County, Maryland.

NOTE 11 – 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, employee, health, police and public officials’ legal liability insurance coverage.

This 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, 2023 and the amount of settlements has not exceeded coverage for each of the past three years.

NOTE 12 – 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 13 – FUND BALANCE REPORTING

Fund balances for the Town’s governmental funds consisted of the following as of June 30, 2023:

Unassigned Fund Balances

All remaining fund balances are unassigned. At June 30, 2023, this amount was \$1,562,170.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 – NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued the following statements:

Statement No. 87, *Leases*, issued June 2018, effective for financial statements for fiscal years beginning after June 15, 2021 (postponed 18 months by Statement No. 95).

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, issued June 2018, effective for reporting periods beginning after December 15, 2020 (postponed one year by Statement No. 95).

Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, issued August 2018, effective for reporting periods beginning after December 15, 2019 (postponed one year by Statement No. 95).

Statement No. 91, *Conduit Debt Obligations*, issued May 2019, effective for reporting periods beginning after December 15, 2021 (postponed one year by Statement No. 95).

Statement No. 92, *Omnibus 2020*, issued January 2020, effective for reporting periods beginning after June 15, 2021 (postponed one year by Statement No. 95).

Statement No. 93, *Replacement of Interbank Offered Rates*, issued March 2020, effective for reporting periods beginning after June 15, 2020 (postponed one year by Statement No. 95).

Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, issued March 2020, effective for reporting periods beginning after June 15, 2022.

Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, issued May 2020, effective immediately.

Statement No. 96, *Subscription-Based Information Technology Arrangements*, issued May 2020, effective for reporting periods beginning after June 15, 2022.

Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, issued June 2020, effective for reporting periods beginning after June 15, 2021.

Statement No. 98, *The Annual Comprehensive Financial Report*, issued October 2021, effective immediately.

TOWN OF EDMONSTON, MARYLAND
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 14 – NEW ACCOUNTING PRONOUNCEMENTS – continued

Statement No. 99, *Omnibus 2022*, issued April 2022, sections effective for reporting periods ending after June 15, 2022 and 2023.

Statement No. 100, *Accounting Changes and Error Corrections*, issued June 2022, effective for reporting periods beginning after June 15, 2023.

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

The Town will implement these statements as necessary as of their effective dates. The Town is still in the process of determining the effect of implementing these GASB statements.

**TOWN OF EDMONSTON, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF REVENUES AND EXPENDITURES - UNAUDITED
BUDGET AND ACTUAL (BUDGETARY BASIS)
FOR THE YEAR ENDED JUNE 30, 2023**

	General Fund			
	Original Budget	Final Budget	Actual	Variance
Revenues				
Taxes	\$ 1,232,937	\$ 1,360,440	\$ 1,413,428	\$ 52,988
Licenses and permits	53,279	46,656	48,124	1,468
Intergovernmental	2,130,417	1,087,020	1,293,182	206,162
Miscellaneous	627,500	505,344	295,634	(209,710)
Total Revenues	\$ 4,044,133	\$ 2,999,460	\$ 3,050,368	\$ 50,908
Expenditures				
General government	\$ 2,469,276	\$ 1,157,599	\$ 1,129,915	\$ 27,684
Public safety	1,035,790	875,110	898,442	(23,332)
Public works	495,011	875,404	923,255	(47,851)
Debt service	44,056	91,347	82,009	9,338
Transfer to reserves	-	-	-	-
Total Expenditures	\$ 4,044,133	\$ 2,999,460	\$ 3,033,621	\$ (34,161)

Town of Edmonston, MD
SCHEDULES OF REQUIRED PENSION-RELATED
SUPPLEMENTARY INFORMATION

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Town's proportion (%) of collective net pension liability	0.00154376%	0.0015419%	0.0008796%	0.0008601%	0.0008444%	0.0005959%	0.0006636%	0.0008261%	0.000747%
Town's proportionate share (\$) of collective net pension liability	\$ 307,653	\$ 231,320	\$ 198,810	\$ 177,410	\$ 177,174	\$ 128,849	\$ 156,568	\$ 171,675	\$ 132,597
Town's covered payroll(\$)	\$ 705,960	\$ 758,848	\$ 618,594	\$ 560,759	\$ 511,447	\$ 565,127	\$ 575,523	\$ 513,485	\$ 492,779
Town's proportionate share of collective net pension liability as a percentage of its covered-employee payroll	43.58%	30.48%	32.14%	31.64%	34.64%	22.80%	27.20%	33.43%	26.91%
Pension plan's fiduciary net position as a percentage of the total pension liability	76.27%	81.84%	71.87%	72.34%	71.18%	69.38%	65.79%	68.78%	71.87%

*This schedule is required to present information for 10 years; however, until a full 10-year trend is compiled, information is only present for those years available.

SCHEDULE OF THE TOWN'S PENSION PLAN CONTRIBUTIONS
Last 10 Fiscal Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 36,603	\$ 34,869	\$ 34,277	\$ 18,860	\$ 17,663	\$ 16,268	\$ 12,128	\$ 13,387	\$ 17,412
Contributions in relation to the contractually required contribution	36,603	34,869	34,277	18,860	17,663	16,268	12,128	13,387	17,412
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-
Town's covered-employee payroll	705,960	758,848	618,594	560,759	511,447	565,127	575,523	513,485	492,779
Contributions as a percentage of covered-employee payroll	5.2%	4.6%	5.5%	3.4%	3.5%	2.9%	2.1%	2.6%	3.5%

*This schedule is required to present information for 10 years; however, until a full 10-year trend is compiled, information is only present for those years available.

**TOWN OF EDMONSTON, MARYLAND
SCHEDULE OF REVENUES
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	Variable Favorable (Unfavorable)
REVENUES			
Taxes			
Real estate	\$ 896,183	\$ 896,182	\$ (1)
Personal property	334,102	355,353	21,251
Local income taxes	108,476	140,214	31,738
Admissions and amusement	21,679	21,679	-
Total Taxes	<u>1,360,440</u>	<u>1,413,428</u>	<u>52,988</u>
Licenses and Permits			
Traders licenses	30,551	29,525	(1,026)
Buildings and permits	5,509	5,639	130
State business licenses	222	1,661	1,439
Cable TV franchise fee	10,374	11,299	925
Total Licenses and Permits	<u>46,656</u>	<u>48,124</u>	<u>1,468</u>
Intergovernmental			
Highway user revenue	41,335	54,475	13,140
Police aid	45,216	60,286	15,070
Other grants	996,969	1,174,921	177,952
Disposal fee rebate	3,500	3,500	-
Total Intergovernmental	<u>1,087,020</u>	<u>1,293,182</u>	<u>206,162</u>
Miscellaneous			
Interest income	40,798	55,055	14,257
Cable TV equipment grant	6,503	7,056	553
Fines and forfeitures	109,256	91,290	(17,966)
Vehicle releases	12,665	13,280	615
Apartment/rental inspections	26,300	53,800	27,500
Miscellaneous	42,883	60,798	17,915
Asset liquidation	5,700	5,700	-
Rec. center rental	24,640	-	(24,640)
Carryover previous year	227,944	-	(227,944)
Donations	8,655	8,655	-
Total Miscellaneous	<u>505,344</u>	<u>295,634</u>	<u>(209,710)</u>
TOTAL REVENUES	<u>\$ 2,999,460</u>	<u>\$ 3,050,368</u>	<u>\$ 50,908</u>

TOWN OF EDMONSTON, MARYLAND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND - continued
YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variable Favorable <u>(Unfavorable)</u>
EXPENDITURES			
General Government			
Accounting and auditing	\$ 6,006	\$ 7,034	\$ (1,028)
ARPA Expenditures	364,067	306,058	-
Salaries	206,444	199,442	7,002
Supplies and equipment	15,322	20,475	(5,153)
Advertising	585	585	-
Bank charges	1,712	1,694	18
Capital expenditures	3,831	68,132	(64,301)
Community events	64,680	68,340	(3,660)
Consultants	1,352	1,352	-
Contract services	99,550	106,316	(6,766)
Contributions	9,500	10,000	(500)
Dues, training and conventions	18,890	4,530	14,360
Elections	1,479	1,279	200
Employee events	2,750	2,416	334
Grant expenditures	235,463	208,314	27,149
Insurance and bonds	2,674	3,571	(897)
Legal counsel	3,904	3,785	119
Medical/life insurance	27,168	26,083	1,085
Miscellaneous	21,706	22,755	(1,049)
Payroll taxes	14,996	15,861	(865)
Port towns contribution	2,750	-	2,750
Postage	1,645	1,429	216
Printing	9,875	9,779	96
Repairs and maintenance	8,776	7,955	821
State retirement	8,731	8,731	-
Telephone	19,798	21,246	(1,448)
Training	250	-	250
Uniforms	-	-	-
Utilities	2,703	2,753	(50)
Vehicle maintenance	-	-	-
Worker's compensation	992	-	992
Total General Government	<u>\$ 1,157,599</u>	<u>\$ 1,129,915</u>	<u>\$ (30,325)</u>

TOWN OF EDMONSTON, MARYLAND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND - continued
YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	Variable Favorable (Unfavorable)
Public Safety			
Advertising	\$ 2,828	\$ 2,828	\$ -
Accounting and auditing	5,856	7,366	(1,510)
Vehicle maintenance	30,799	28,364	2,435
Capital expenditures	-	1,280	(1,280)
Community events	11,088	10,704	384
Fuel	37,699	37,778	(79)
Medical/life insurance	92,511	76,042	16,469
Legal	4,014	4,014	-
Dues, training and conventions	7,580	19,980	(12,400)
Miscellaneous	8,792	16,777	(7,985)
Payroll taxes	35,369	37,459	(2,090)
Postage	614	689	(75)
Printing	3,026	3,254	(228)
Insurance and bonds	17,922	17,922	-
Contract service	29,373	29,764	(391)
Repairs and maintenance	12,287	11,263	1,024
Retirement	22,051	22,051	-
Salaries	480,514	499,378	(18,864)
Supplies and equipment	7,577	8,959	(1,382)
Telephone	14,598	14,920	(322)
Uniforms	4,914	5,872	(958)
Utilities	2,530	2,753	(223)
Workers compensation	43,168	39,025	4,143
Total Public Safety	<u>\$ 875,110</u>	<u>\$ 898,442</u>	<u>\$ (23,332)</u>

TOWN OF EDMONSTON, MARYLAND
SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL - GENERAL FUND - continued
YEAR ENDED JUNE 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variable Favorable (Unfavorable)</u>
Public Works			
Insurance and Bonds	\$ 1,900	\$ 1,900	\$ -
Capital expenditures	236,137	277,253	(41,116)
Construction	6,500	49,570	(43,070)
Consultants	12,360	12,360	-
Contract service	16,741	17,523	(782)
Fuel	9,712	9,424	288
Beautification	66,966	67,277	(311)
Medical/life insurance	19,024	19,122	(98)
Dues, training and conventions	75	75	-
Dump Fees	3,386	3,110	276
Miscellaneous	500	999	(499)
Mosquito control	2,035	2,035	-
Payroll taxes	8,568	8,699	(131)
Repairs and maintenance	26,364	106,206	(79,842)
State retirement	5,821	5,821	-
Salaries	113,242	110,824	2,418
Seminars/Meetings	-	844	(844)
Street improvement	84,236	-	84,236
Street lighting	30,610	27,718	2,892
Supplies and equipment	23,796	21,924	1,872
Telephone	2,400	2,400	-
Trash/recycling contract	166,535	141,182	25,353
Tree maintenance	10,600	10,600	-
Uniforms	1,562	1,561	1
Vehicle maintenance	20,876	19,894	982
Workers compensation	5,458	4,934	524
Total Public Works	<u>875,404</u>	<u>923,255</u>	<u>(47,851)</u>
Total Expenditures before Debt Service and Transfer to Reserves	<u>2,908,113</u>	<u>2,951,612</u>	<u>(101,508)</u>
Debt Service	<u>91,347</u>	<u>82,009</u>	<u>9,338</u>
Transfer to Reserves	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u><u>\$ 2,999,460</u></u>	<u><u>\$ 3,033,621</u></u>	<u><u>\$ (34,161)</u></u>