

EASTON UTILITIES COMMISSION

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED JUNE 30, 2024 AND 2023



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**EASTON UTILITIES COMMISSION
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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor and
Council of Easton, Maryland
The Chairman and Members of
The Easton Utilities Commission
Easton, Maryland

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Easton Utilities Commission (The Commission), an enterprise fund of the Town of Easton, Maryland, as of and for the years ended June 30, 2024 and 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Commission, an enterprise fund of the Town of Easton, as of June 30, 2024 and 2023, and the changes in financial position, and, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission 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.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Commission and do not purport to, and do not present fairly the financial position of the Town of Easton, Maryland, as of June 30, 2024 and 2023, the changes in its financial position, or, where applicable, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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.

The Honorable Mayor and
Council of Easton, Maryland
The Chairman and Members of
The Easton Utilities Commission

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

In performing an audit in accordance with GAAS and *Government 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 Easton Utilities Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratios, the schedule of Commission contributions – pension, the schedule of changes in the Commission's net OPEB liability and related ratios and the schedule of Commission contributions – OPEB, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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

The Honorable Mayor and
Council of Easton, Maryland
The Chairman and Members of
The Easton Utilities Commission

because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 7, 2024, on our consideration of the Easton Utilities Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Easton Utilities Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Easton Utilities Commission's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Baltimore, Maryland
October 7, 2024

**EASTON UTILITIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

This section of the annual financial report of Easton Utilities Commission (the Commission) presents a summary of the Commission's financial performance during the fiscal years ended June 30, 2024 (FY24) and June 30, 2023 (FY23). Please read it in conjunction with the financial statements and notes to the financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

Overall financial performance during FY24 was positive and the Commission's financial condition improved overall.

- 🌐 FY24 operating revenues totaled \$60.8 million, a decrease of \$5.4 million (8.1%) from FY23.
- 🌐 Operating expenses totaled \$56.8 million in FY24, which was \$8.6 million (13.1%) lower than FY23.
- 🌐 FY24 operating revenues and operating expenses included approximately \$19.3 million of energy and related expenses. This was \$4.8 million less than FY23.
- 🌐 Total assets and deferred outflows at June 30, 2024 were \$159.0 million, while total liabilities and deferred inflows were \$26.2 million and total net position was \$132.8 million. Total assets and deferred outflows increased by \$2.0 million, total liabilities and deferred inflows decreased by \$1.0 million, and total net position increased by \$3.1 million, versus the comparable amounts at June 30, 2023.

Overall financial performance during FY23 declined due to significant increases in costs. However, the Commission's financial condition remains sound.

- 🌐 FY23 operating revenues totaled \$66.2 million, an increase of \$5.0 million (8.1%) from FY22.
- 🌐 Operating expenses totaled \$65.4 million in FY23, which was \$10.4 million (19.0%) higher than FY22.
- 🌐 FY23 operating revenues and operating expenses included approximately \$24.1 million of energy and related expenses. This was \$3.3 million more than FY22.
- 🌐 Total assets and deferred outflows at June 30, 2023 were \$156.9 million, while total liabilities and deferred inflows were \$27.2 million and total net position was \$129.7 million. Total assets and deferred outflows increased by \$1.6 million, total liabilities and deferred inflows increased by \$2.3 million, and total net position decreased by \$700 thousand, versus the comparable amounts at June 30, 2022.

**EASTON UTILITIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

ORGANIZATIONAL SUMMARY

The Commission is an enterprise fund of the Town of Easton, Maryland. It provides electric, gas, [REDACTED] to residents of the Town and to customers located in portions of the surrounding area. In 1923, Easton became the first municipality in Maryland to own all of its utilities, an arrangement that is still unique today. The Commission reports financial information on a fiscal year basis (July 1 – June 30). The oversight of the Commission is exercised by a board of three Commissioners, who are local residents appointed to six-year terms by the Mayor of Easton with approval of the Town Council.

OVERVIEW OF ANNUAL FINANCIAL REPORT

The annual report consists of three parts – Management's Discussion and Analysis (MD&A), the financial statements and supplementary information. The MD&A (this section) serves as an introduction to the statements and supplementary information. It represents management's examination and analysis of the Commission's financial condition and performance.

The financial statements include: statements of net position; statements of revenues, expenses, and changes in net position; statements of cash flows; and notes to the financial statements. The statements of net position present the financial position of the Commission on an accrual basis and provide information about the nature and amount of resources and obligations at year-end. The statements of revenues, expenses, and changes in net position present the results of the business activities for the fiscal years and information as to how the net position changed during the years. The statements of cash flows present changes in cash and cash equivalents resulting from operating, financing, and investing activities. This statement presents cash receipts and cash disbursements information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.

The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Commission's accounting policies, significant account balances and activities, obligations, and subsequent events, if any. Required supplementary information includes details on the changes in the net pension liability or asset, net OPEB (Other Postemployment Benefits) liability or asset, the Commission's pension contributions, and the Commission's OPEB contributions. Supplementary information includes more details about the Commission's departmental results, and is not a required part of the financial statements.

The financial statements were prepared by management from the detailed books and records of the Commission, and were externally audited.

FINANCIAL ANALYSIS

The following condensed financial statements and other selected information serve as the key financial data and indicators for management monitoring and planning.

**EASTON UTILITIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

CONDENSED FINANCIAL STATEMENTS

CONDENSED STATEMENTS OF NET POSITION

	<u>June 30, 2024</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Capital Assets:			
Producing Assets	\$ 103,590,993	\$ 96,609,399	\$ 93,688,285
Construction in Progress	3,201,885	7,822,011	7,054,700
Current and Other Assets	<u>50,641,244</u>	<u>50,732,817</u>	<u>51,875,291</u>
Total Assets	157,434,122	155,164,227	152,618,276
Total Deferred Outflows	1,534,731	1,761,640	2,688,849
Total Assets and Deferred Outflows	<u>\$ 158,968,853</u>	<u>\$ 156,925,867</u>	<u>\$ 155,307,125</u>
Current Liabilities	\$ 16,101,071	\$ 16,669,075	\$ 10,561,214
Long-Term Liabilities	<u>7,531,666</u>	<u>8,589,032</u>	<u>11,789,435</u>
Total Liabilities	23,632,737	25,258,107	22,350,649
Total Deferred Inflows	2,524,345	1,943,248	2,542,314
Total Liabilities and Deferred Inflows	<u>26,157,082</u>	<u>27,201,355</u>	<u>24,892,963</u>
Net Position:			
Net Investment in Capital Assets	97,715,412	93,585,342	88,592,765
Restricted for Capital Project	-	-	1,816,458
Restricted for OPEB Trust	5,264,970	1,635,008	1,114,728
Unrestricted	<u>29,831,389</u>	<u>34,504,162</u>	<u>38,890,211</u>
Total Net Position	132,811,771	129,724,512	130,414,162
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 158,968,853</u>	<u>\$ 156,925,867</u>	<u>\$ 155,307,125</u>

CONDENSED STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

	<u>Year Ended June 30, 2024</u>	<u>Year Ended June 30, 2023</u>	<u>Year Ended June 30, 2022</u>
Revenues	\$ 60,791,889	\$ 66,182,807	\$ 61,206,089
Expenses	<u>56,799,744</u>	<u>65,361,781</u>	<u>54,941,464</u>
Operating Income	<u>3,992,145</u>	<u>821,026</u>	<u>6,264,625</u>
Other Expenses, Net	(904,886)	(1,510,676)	(2,710,529)
Increase (Decrease) in Net Position	<u>\$ 3,087,259</u>	<u>\$ (689,650)</u>	<u>\$ 3,554,096</u>

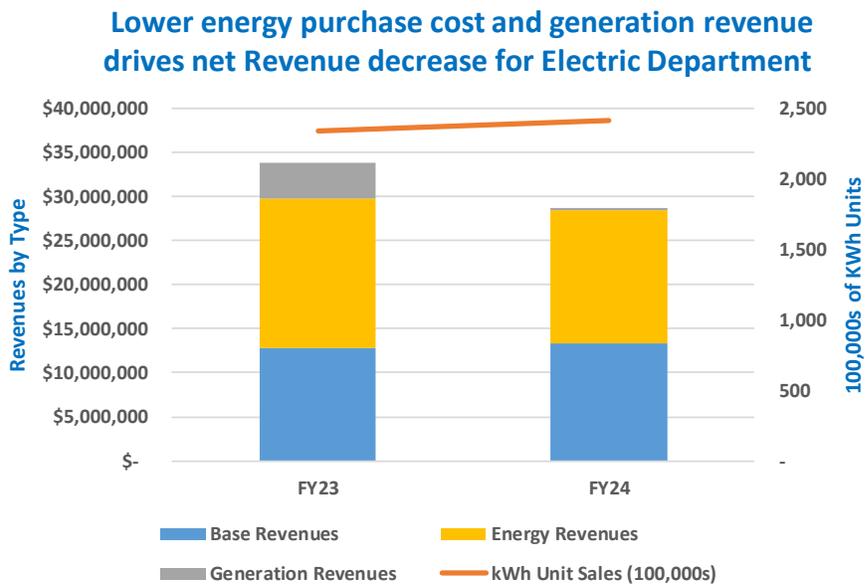
OTHER SELECTED INFORMATION

	<u>FY24</u>	<u>FY23</u>	<u>FY22</u>
Ratio of the Following to Operating Revenues:			
Operating Expenses	0.93	0.99	0.90
Operating Expenses, Net of Depreciation	0.80	0.86	0.77
Total Assets and Deferred Outflows	2.61	2.37	2.54
Net Position	2.18	1.96	2.13
Debt Related Ratios:			
Debt Service Coverage	4.90	3.42	5.33
Debt to Net Position	0.06	0.08	0.09

**EASTON UTILITIES COMMISSION
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

GENERAL TRENDS AND SIGNIFICANT EVENTS

ELECTRIC DEPARTMENT base revenues for FY24 increased \$500 thousand over FY23 due to an increase in the Department’s unit sales by 7.5 million kilowatt hours during the year. Energy revenues were down \$1.7 million primarily due to the historically high net cost of purchased power in the first six months of FY23. The average cost of energy decreased 10% in FY24 from FY23. The cost of energy per kWh is passed through to customers with no markup. The Department’s unit sales increase of 3.2% in FY24 is primarily related to higher residential sales. Higher generation revenues in FY23 were a result of meeting energy needs of the PJM Interconnection pool.

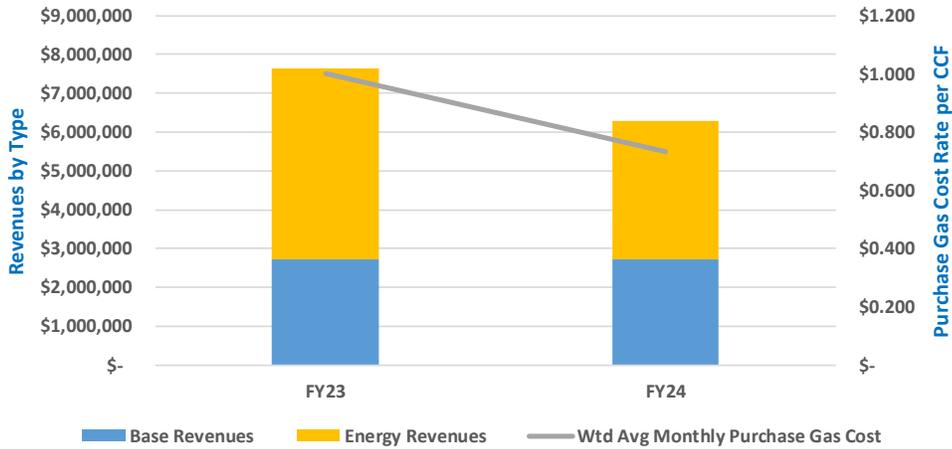


Electric’s operating expenses decreased \$6.7 million, with \$3.5 million attributed to a decrease in purchased power costs driven by the 13% decrease of the cost of energy per kWh during fiscal year 2024. An additional \$1.7 million relates to a decrease in generation costs. The remaining decrease in expenses related to other base operating expenses.

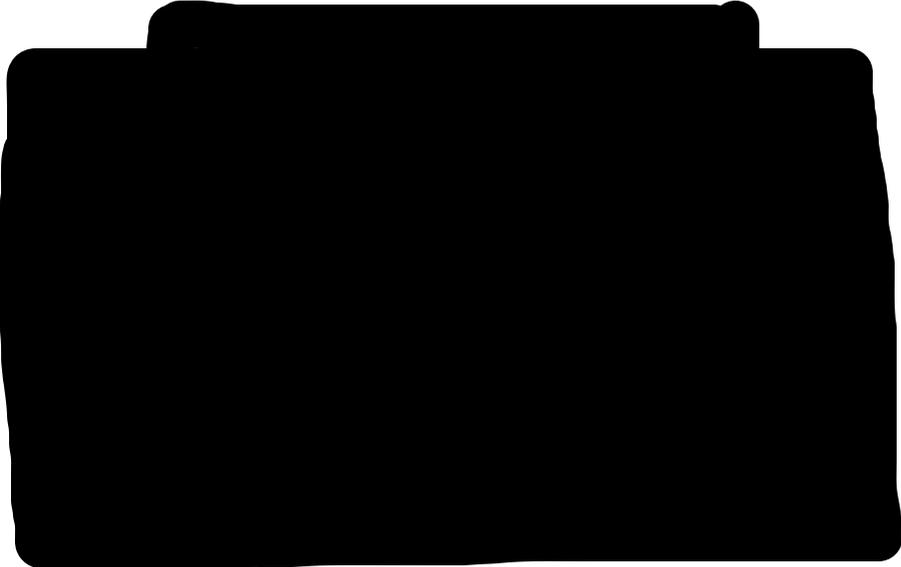
GAS DEPARTMENT base revenues for FY24 decreased \$16 thousand versus FY23 due to slightly lower unit sales partially offset by a greater number of customers. Residential and small commercial base customer revenues are fixed, regardless of the weather’s impact on usage. However, the energy portion of revenues is very weather dependent. The milder winter and lower unit sales, combined with the decrease in commodity prices resulted in a net decrease in total revenues. The average cost of gas per CCF decreased 27% in FY24 from FY23 driving the decrease of total energy portion of revenues by \$1.3 million. The cost of gas is passed through to customers at no markup.

**EASTON UTILITIES COMMISSION
 MANAGEMENT'S DISCUSSION AND ANALYSIS
 FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

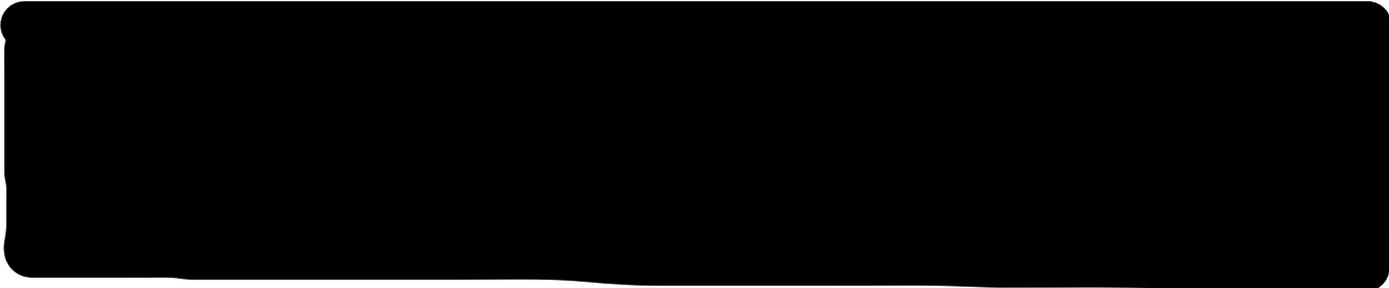
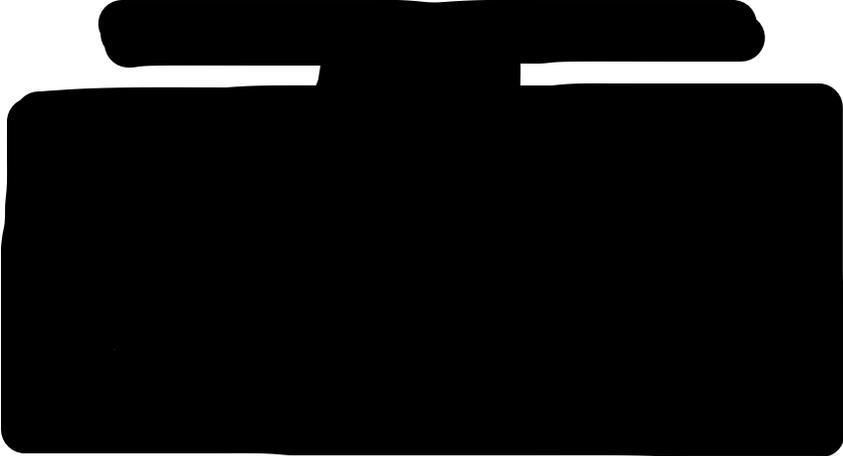
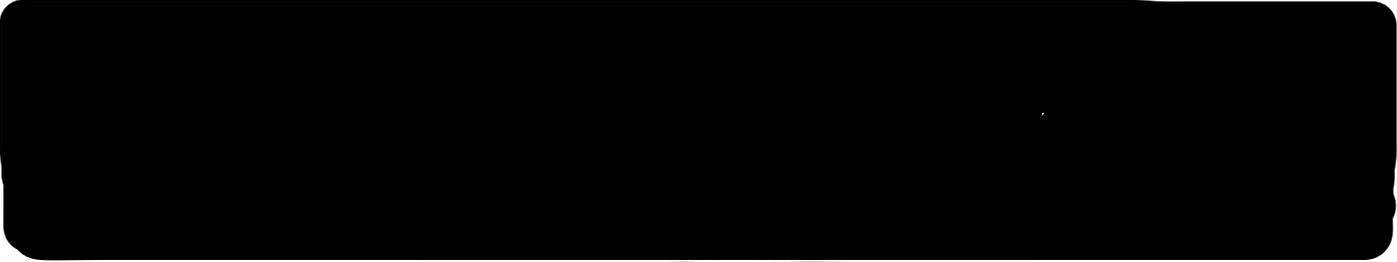
**Lower purchased gas cost contributes to revenue decrease in
 FY24 for Gas Department**



The Gas Department's operating expenses decreased \$1.4 million versus FY23 and were primarily associated with a decrease in the cost of gas purchases for customer usage.

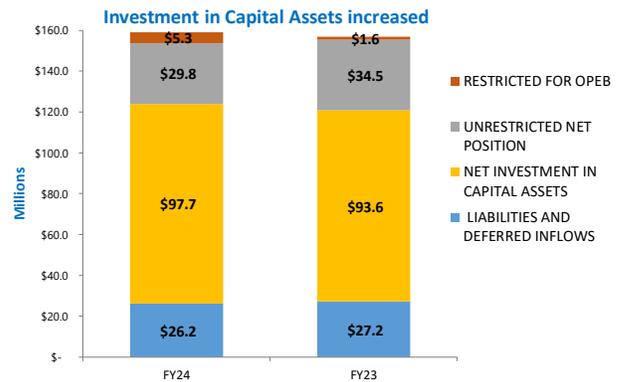
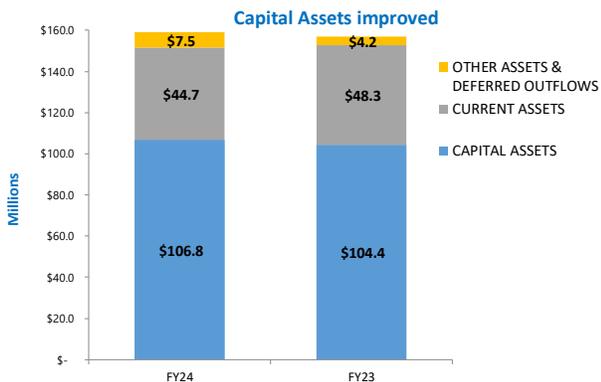


**EASTON UTILITIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**



FINANCIAL CONDITION

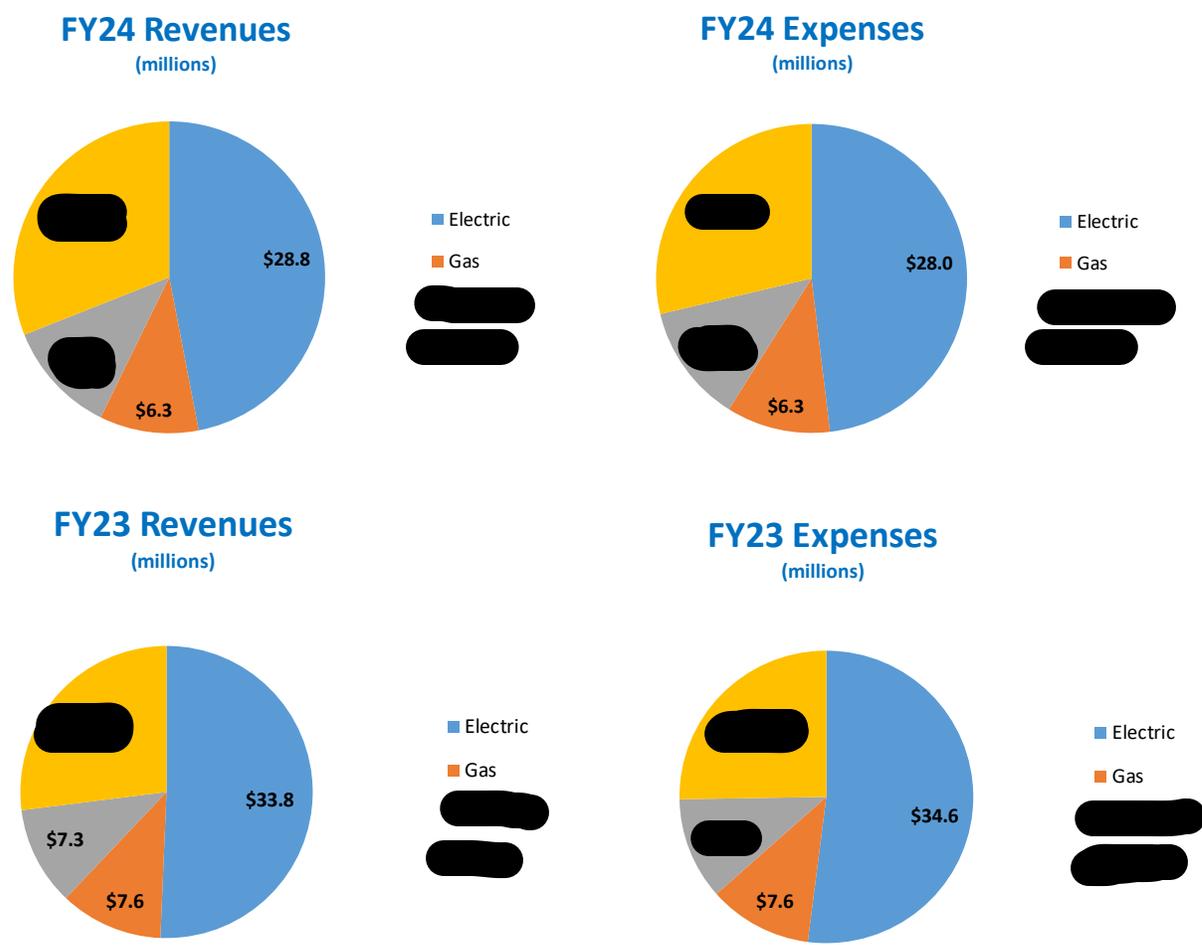
The Commission's financial condition remained strong at year-end FY24, with adequate working capital and updated infrastructure to meet demand and reliability objectives. The current financial condition, operating and expansion plans, and staff capabilities are in place to meet anticipated customer needs.



**EASTON UTILITIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

RESULTS OF OPERATIONS

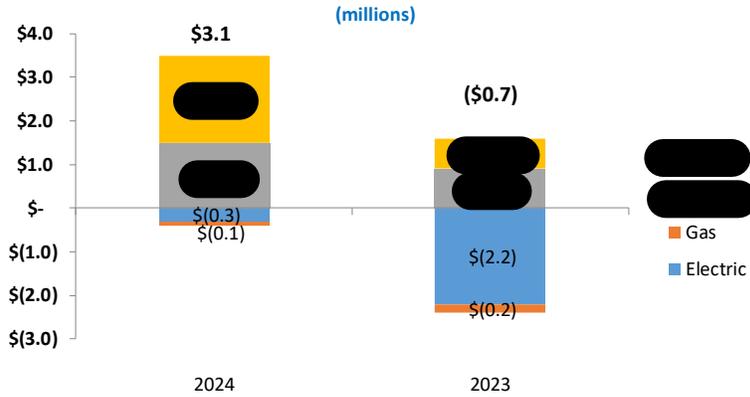
FY24 Operating revenues and expenses decreased from FY23 in all departments, except [REDACTED] revenues. The higher net costs of purchased power in FY23, which are passed through to customers with no markup, is the primary factor for these decreases. The charts below exclude eliminations.



Net position increased in FY24 [REDACTED] partially offset by losses in Electric and Gas Departments.

**EASTON UTILITIES COMMISSION
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

Mixed results in Net Position across all departments in FY24



CAPITAL ASSETS

The net investment in plant, equipment, and construction in progress net of depreciation increased \$2.4 million during FY24. The increase was attributed to capital asset additions in FY24 including costs related to the Crew Building and Electric Department's Fleet Parking Facility. In addition, significant additions included [REDACTED] Electric department's transformer purchases and primary underground conductor installations.

LONG-TERM DEBT

[REDACTED]

**EASTON UTILITIES COMMISSION
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023**

**CURRENTLY KNOWN FACTS OR CONDITIONS THAT MAY HAVE A SIGNIFICANT IMPACT ON
FINANCIAL CONDITIONS OR OPERATIONS**

Across all departments, the Commission has extensive infrastructure replacement and new installation projects designed to maintain Easton Utilities’ exceptional service reliability. A five-year capital forecast totals approximately \$79.2 million for the potential projects.

Inflation has directly impacted operating costs and reduced earnings. The Commission continuously evaluates opportunities to increase revenues and services to offset rising costs.

To mitigate the effect of continually rising expenses, the Commission staff, through departmental teams, are annually tasked with finding ways to implement cost reductions, productivity, or process improvements of at least \$150 thousand. The teams achieved this goal with over \$1.6 million in savings for FY24.

FINAL COMMENTS

The Commission’s mission is to enhance the quality of life in our community by providing reliable, competitively-priced utility [REDACTED] services through skilled, safety-oriented, and customer-focused employees. Management regularly reviews both this mission and an accompanying set of core values – Integrity, Commitment and Excellence. We believe our plans for the future continue to be consistent with these values and mission.

CONTACT INFORMATION

If you have any questions about the report or would like additional information, please write the Commission at 201 N. Washington Street, P.O. Box 1189, Easton, Maryland 21601, Attn: Controller.

**EASTON UTILITIES COMMISSION
STATEMENTS OF NET POSITION
JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 7,961,265	\$ 9,186,999
Investments	11,143,681	16,853,640
Accounts Receivable, Net	4,863,127	4,312,372
Grants Receivable, Short-Term	7,406,410	5,521,185
Collateral Deposit	200,000	200,000
Interest Receivable	96,281	88,825
Prepaid Expenses	437,352	772,037
Unbilled Revenue	2,166,252	1,688,997
Inventory	10,461,915	9,702,084
Total Current Assets	<u>44,736,283</u>	<u>48,326,139</u>
Noncurrent Assets:		
Grants Receivable, Long-Term	462,386	699,105
Net OPEB Asset	5,264,970	1,635,008
Unamortized Expenses	177,605	72,565
Capital Assets:		
Capital Assets, Not Being Depreciated	5,770,788	10,390,914
Capital Assets, Net of Accumulated Depreciation	101,022,090	94,040,496
Total Noncurrent Assets	<u>112,697,839</u>	<u>106,838,088</u>
Total Assets	<u>157,434,122</u>	<u>155,164,227</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>1,534,731</u>	<u>1,761,640</u>
Total Assets and Deferred Outflows	<u>\$ 158,968,853</u>	<u>\$ 156,925,867</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 2,696,827	\$ 2,765,019
Accrued Salaries and Related Expenses	1,961,140	2,036,634
Tax Collection Payable	756,292	864,645
Compensated Absences	1,103,550	1,192,268
Customer Deposits and Supplier Refunds	1,552,651	1,488,045
Unearned Revenue	5,817,763	6,217,859
Over-Recovered Energy Costs, Net	138,296	92,396
Loans Payable, Due Within One Year	2,074,552	2,012,209
Total Current Liabilities	<u>16,101,071</u>	<u>16,669,075</u>
Noncurrent Liabilities:		
Loans Payable, Due in More than One Year	6,109,248	8,186,078
Net Pension Liability	1,422,418	402,954
Total Noncurrent Liabilities	<u>7,531,666</u>	<u>8,589,032</u>
Total Liabilities	<u>23,632,737</u>	<u>25,258,107</u>
DEFERRED INFLOWS OF RESOURCES	<u>2,524,345</u>	<u>1,943,248</u>
NET POSITION		
Net Investment in Capital Assets	97,715,412	93,585,342
Restricted for OPEB Trust	5,264,970	1,635,008
Unrestricted	29,831,389	34,504,162
Total Net Position	<u>132,811,771</u>	<u>129,724,512</u>
Total Liabilities, Deferred Inflows, and Net Position	<u>\$ 158,968,853</u>	<u>\$ 156,925,867</u>

See accompanying Notes to Financial Statements.

**EASTON UTILITIES COMMISSION
STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
YEARS ENDED JUNE 30, 2024 AND 2023**

	<u>2024</u>	<u>2023</u>
OPERATING REVENUES	\$ 60,791,889	\$ 66,182,807
OPERATING EXPENSES (including Depreciation of \$8,053,210 and \$8,177,333)	<u>56,799,744</u>	<u>65,361,781</u>
OPERATING INCOME	3,992,145	821,026
OTHER INCOME (EXPENSE)		
Nonoperating Revenues	10,859,310	12,476,149
Nonoperating Expenses (including Interest of \$252,061 and \$248,874 and Depreciation of \$218,933 and \$154,258)	<u>(11,764,196)</u>	<u>(13,986,825)</u>
TOTAL OTHER INCOME (EXPENSE)	<u>(904,886)</u>	<u>(1,510,676)</u>
INCREASE (DECREASE) IN NET POSITION	3,087,259	(689,650)
Net Position - Beginning of Year	<u>129,724,512</u>	<u>130,414,162</u>
NET POSITION - END OF YEAR	<u>\$ 132,811,771</u>	<u>\$ 129,724,512</u>

See accompanying Notes to Financial Statements.

**EASTON UTILITIES COMMISSION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023**

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 58,853,753	\$ 71,418,673
Cash Payments to Suppliers	(34,477,993)	(42,320,743)
Cash Payments for Salaries and Wages	(17,816,794)	(16,101,636)
Net Cash Provided by Operating Activities	6,558,966	12,996,294
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Payments in Lieu of Taxes	(2,447,512)	(2,257,942)
Net Cash Used by Noncapital Financing Activities	(2,447,512)	(2,257,942)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Cash Flows from Grant Receipts	8,230,157	10,166,671
Acquisition and Construction of Capital Assets	(18,868,273)	(22,278,022)
Proceeds from Capital Charges	814,707	356,965
Proceeds from Sale of Assets	51,651	34,740
Principal Paid on Loan Payable	(2,014,487)	(1,951,933)
Interest Paid on Loan Payable	(198,363)	(224,973)
Other Interest Paid	(53,698)	(23,901)
Net Cash Used by Capital and Related Financing Activities	(12,038,306)	(13,920,453)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	991,159	782,024
Sales of Investments	17,395,738	15,939,958
Purchases of Investments	(11,685,779)	(15,132,261)
Net Cash Provided by Investing Activities	6,701,118	1,589,721
DECREASE IN CASH AND CASH EQUIVALENTS	(1,225,734)	(1,592,380)
Cash and Cash Equivalents - Beginning of Year	9,186,999	10,779,379
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,961,265	\$ 9,186,999
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 3,992,145	\$ 821,026
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	8,053,210	8,177,333
Amortization	10,023	36,244
Other Miscellaneous Nonoperating Revenues	163,176	32,332
Effects of Changes in Operating Assets, Deferred Outflows, Liabilities and Deferred Inflows:		
Accounts Receivable, Customer Deposits and Supplier Refunds, and Unbilled Revenues	(3,011,743)	3,107,378
Over-Recovered Energy Costs, Net	45,900	1,459,841
Inventory	(759,831)	58,413
Prepaid and Other Assets	(3,420,625)	(1,056,304)
Payables and Accrued Expenses	678,704	31,888
Deferred Inflows/Outflows	808,007	328,143
Total Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	2,566,821	12,175,268
Net Cash Provided by Operating Activities	\$ 6,558,966	\$ 12,996,294
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributions of Capital Assets	\$ 352,453	\$ 580,595
Contributions of Capital related Accounts Payable and Retainage	\$ 893,666	\$ 647,782

See accompanying Notes to Financial Statements.

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 1 BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of Reporting Entity

Easton Utilities Commission (the Commission) is an enterprise fund of the Town of Easton, Maryland that provides electric, gas, [REDACTED] services (the Total Utility Fund) to the residents of the Town of Easton and to customers located in portions of the surrounding area. The oversight of the Commission is exercised by a three-member board of commissioners, who are local residents. They are appointed to six-year terms by the Mayor of the Town of Easton with approval of the Town Council.

Basis of Presentation

The utility rates of the Commission are subject to the approval of the Town Council. In addition, the Electric and Gas Departments are under regulation by the Public Service Commission of Maryland. As such, the Commission maintains accounting records in accordance with the Uniform System of Accounts as prescribed by the Federal Energy Regulatory Commission, except where Governmental Accounting Standards Board (GASB) pronouncements specifically exclude their use.

The Commission's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants are recognized as revenue when all eligibility requirements are met.

The Commission's departments are either regulated or self-regulated, therefore, they are subject to certain requirements of private sector guidance that provides certain costs that would otherwise be charged to expense should be deferred as regulatory assets, based on the expected recovery from customers in future rates. Utility plant assets donated by developers or constructed with grants received from other agencies are recorded as capital assets to the extent the depreciation of such costs will be included in rates charged by the Commission in future years. However, when it becomes probable part of the cost of an asset will be disallowed for rate-making purposes and a reasonable estimate of the amount of the disallowance can be made, the estimated amount of the probable disallowance is deducted from the reported cost of the plant and recognized as a disallowed and impaired asset.

The financial statements include the accounts of all of the Departments. All material inter-department transactions and balances have been eliminated from the balances of the Total Utility Fund.

Accounts Receivable, Net

The Commission's receivables are recorded net of an allowance for uncollectible amounts. The receivables consist of amounts due from customers for services and other miscellaneous receivables. The allowance is determined by management based on historical collection trends. As of June 30, 2024 and 2023 the Commission had a net accounts receivable balance of \$4,863,127 and \$4,312,372, respectively. The balance of the allowance for uncollectible amounts at June 30, 2024 and 2023 was \$250,494 and \$305,868, respectively.

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

**NOTE 1 BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Under-Recovered and Over-Recovered Energy Costs, Net

The Commission recognizes the effects of energy costs that have not been recovered from customers by way of energy cost revenue adjustments for the Electric and Gas Departments. Under-recovered energy costs represent energy costs incurred by the Commission, but not yet billed to customers. Over-recovered energy costs represent costs billed to customers, but not yet incurred by the Commission. The Commission had net over-recovered energy costs of \$138,296 and \$92,396 at June 30, 2024 and 2023, respectively.

Unbilled Revenue

Customers of the Commission are billed in arrears in one of four monthly cycles. As a result of the cycled, in arrears billing, a portion of June's usage is not yet billed at year-end. A provision for revenue is recorded based on the actual billings in July and the days unbilled in each cycle at the end of June. The balance of unbilled revenue at June 30, 2024 and 2023 was \$2,166,252 and \$1,688,997, respectively.

Inventory

Inventory, consisting of natural gas, materials, fuels and supplies, is recorded at cost. It is carried and charged as used in the operations of the Commission at average cost. The balance at June 30, 2024 and 2023 was \$10,461,915 and \$9,702,084, respectively, at its remaining average cost.

Capital Assets

The Commission's policy is to record all capital additions that individually exceed an acquisition value of \$2,000 with a useful life greater than one year. The cost of minor repairs and maintenance is directly charged to operations. As required by the Public Service Commission of Maryland, the cost of major repairs incurred by the Electric and Gas Departments is amortized over a period of five years. Land rights represent right of way easements that have an indefinite life and are not depreciated.

All assets are depreciated using the straight-line method over their lives as disclosed in Note 4.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents consumption of net assets that applies to a future period and accordingly, is not recognized as an outflow of resources (expenses/expenditures) until then. Based on annual actuarial evaluations, the Commission may have two items qualifying for reporting in this category, actuarial identified future pension costs and other post-employment benefits costs.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to a future period and so will not be recognized as inflow of resources (revenue) until that time. The items that qualify for reporting in this category is the difference between expected and actual expenses of the pension plan and other post-employment benefits plans.

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

**NOTE 1 BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Pensions

For the purpose of measuring the net pension liability; deferred outflows of resources and deferred inflows of resources related to pensions; pension expense; information about the fiduciary net position of the Town of Easton Employees' Pension Plan (the Pension Plan); and additions to/deductions from the Pension Plan's fiduciary net position, have all been determined on the same basis as they are reported by the Pension Plan. Consequently, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Commission's Other Post-Employment Benefits Plan (the OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

Net Position

The Commission utilizes a net position presentation to display equity. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets including infrastructure into one component of net position. Accumulated depreciation and the outstanding balances of debt and related deferred outflows that are attributed to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, or laws and regulations of other governments. Assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

Unrestricted Net Position – This category presents the net position of the Commission, not restricted for any purpose.

Purchased Power and Gas Cost Adjustment Rates

The purchased power and gas costs adjustment rates used in connection with electric and gas charges are subject to review by the Public Service Commission of Maryland (PSC) on a regular basis. As of the date of this report, the purchased power and gas costs adjustment in effect through November 2023 have been reviewed and accepted by the PSC. The adjustment rates applied subsequent to November 2023 have been authorized by the PSC subject to detailed review.

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

**NOTE 1 BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Purchased Power and Gas Cost Adjustment Rates (Continued)

In accordance with the tariff for the Commission's Electric Department, purchased power costs are recovered by the use of a formula that averages costs over a three-month period. These costs are billed to customers in future periods.

In accordance with the tariff for the Commission's Gas Department, gas costs are recovered by the use of a calculation that projects costs and unit sales for the billing month.

Billing Normalization Adjustment

The Commission has a billing normalization adjustment (BNA) for gas residential and commercial customers. The BNA allows the Commission, in combination with base rates, to recover a set amount of revenues from customers regardless of changes in weather and customer usage. Individual monthly base revenues that can be collected from customers under the BNA reflect the pattern of customer usage during the test year used to set the new base rates. For periods of cooler-than-normal weather the Commission would record a reduction to its revenues and establish a refund liability to customers, while the opposite would normally result during periods of warmer-than-normal weather. The BNA is included within Gas Revenues with offsetting activity included within Unbilled Revenue. The BNA revenue adjustment was \$1,677 and (\$4,408), an increase (decrease) in revenues for the years ended June 30, 2024 and 2023, respectively. The amount included in Unbilled Revenue related to the BNA totaled (\$55,201) and (\$56,878), at June 30, 2024 and 2023, respectively.

Operating Revenues and Expenses

Operating revenues and expenses generally result from the ongoing principal operations of the Commission. Operating revenues consist primarily of charges for services to the Commission's customers for electric, gas, [REDACTED] [REDACTED] Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All other income and expense items are reported as nonoperating revenues and expenses.

Payment in Lieu of Taxes

The Commission makes a payment in lieu of taxes to the Town of Easton, Maryland at the rate of 4.5% of the balance in the Electric Department [REDACTED] as of July 1 of the current fiscal year. This charge is included in the financial statements as a part of other expenses and was \$2,447,512 and \$2,257,942 for the years ended June 30, 2024 and 2023, respectively. The payment in lieu of taxes accrued as payable to the Town of Easton was \$0 at June 30, 2024 and 2023.

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

**NOTE 1 BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

457 Deferred Compensation Plan

All employees of the Commission may participate in the deferred compensation plan (457 Plan) organized under the Internal Revenue Code Section 457. The Plan is administered by The Standard. Under the terms of the 457 Plan, participating employees may have a portion of their salaries withheld, subject to limitations imposed by the Internal Revenue Service, and invested in the 457 Plan. Eligible employees may elect to defer compensation on a pre-tax basis, an after-tax Roth basis, or a combination of both. This election will impact the tax implications of the related earnings. The Commission is in compliance with the Internal Revenue Code Section 457(g) requiring all assets and income of the 457 Plan to be held in trust for the exclusive benefit of participants and their beneficiaries.

Management's involvement with the 457 Plan is limited to transferring amounts withheld from payroll to the 457 Plan administrators. Management has little administrative involvement and does not perform the investing function. Accordingly, the fair values of the 457 Plan assets are not reflected in the Commission's basic financial statements.

Defined Contribution Plans

The Commission has defined contribution plans to provide benefits to virtually all employees and certain members of management. Defined contribution plan provisions and contribution requirements are established and may be periodically amended. The Commission's contributions to the defined contribution plans for the years ended June 30, 2024 and 2023 totaled \$1,276,228 and \$1,175,519, respectively. In addition, the Commission recorded a liability for contributions not yet made of \$48,852 and \$41,839 as of June 30, 2024 and 2023, respectively.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

NOTE 2 CASH AND INVESTMENTS

Cash and Cash Equivalents

Except for small petty cash funds, all cash is on deposit with federally insured commercial banks. Cash equivalents are all highly liquid debt instruments with an original maturity of three months or less at the date of purchase. The carrying amount of cash and cash equivalents at June 30, 2024 and 2023 was \$7,961,265 and \$9,186,999, respectively, and the bank balance was \$9,479,972 and \$9,627,958, respectively.

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Cash and Cash Equivalents (Continued)

Deposit Risk – Custodial credit risk is the risk that in the event of a bank failure, the Commission’s deposits may not be returned to it. At year end, the Commission was not exposed to custodial credit risk on bank deposits because all deposits in excess of FDIC limits were covered by collateral held by a pledging financial institution in the name of the Commission.

Investments

At June 30, 2024 and 2023, the Commission had investments in the State of Maryland Local Government Investment Pool (MLGIP) of \$7,932,463 and \$13,772,137, respectively. The MLGIP provides all local government units of the State with a safe investment vehicle for short-term investment of funds. Unit value is computed using the amortized cost method and the pool maintains \$1.00 per share value. The pool is similar to a Rule 2a7 like pool, which is not registered with the Securities and Exchange Commission, but generally operates in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940. The Commission has no unfunded commitments nor significant terms or conditions for redemption. The investment objectives of the Pool are to preserve the capital value of the dollars invested, to provide a competitive rate of return and to provide a readily available source of daily liquidity. The amortized cost of the pool is the same as the value of the pool shares.

The Commission had investments held by M&T Securities, Inc. of \$3,211,218 and \$3,081,503 at June 30, 2024 and 2023, respectively. These investments are comprised primarily of US Treasury Bills with maturities of one year, or less, at the time of purchase. It is the Commission’s intention to hold these securities to maturity. These investments are reported at amortized cost, which approximates fair value.

Interest Rate Risk – Fair value fluctuates with interest rates and increasing interest rates could cause fair value to decline below original cost. To limit the Commission’s exposure to fair value losses arising from increasing interest rates, the Commission’s investment policy limits the term of investment maturities. The Commission’s management believes the liquidity of the portfolio is adequate to meet cash flow requirements and to preclude the Commission from having to sell investments below original cost for that purpose. The investments at June 30, 2024 and 2023 complied with the Commission’s investment policy. All investments of the Commission mature within one year.

Credit Risk – Credit risk involves the danger of losing all or part of an investment’s value due to default. The Commission’s investment policy permits investments in the following type of investments: obligations of the U.S. Treasury, agencies and instrumentalities, repurchase agreements, bankers’ acceptances, municipal securities and municipal mutual funds for bond sale proceeds only, certificates of deposit, commercial paper, money market mutual funds, the MLGIP, and any other investment allowable under state of Maryland law and provided for in the Investment Policy utilized by the state of Maryland. The MLGIP was established in 1982 under Article 95 Section 22G of the Annotated Code of Maryland and is rated AAAM by Standard & Poor’s, their highest rating for money market mutual funds.

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the Commission will not be able to recover all or a portion of the value of its investments or collateral securities that are in the possession of an outside party. The Commission’s investment custodial credit risk policy requires all investments to be insured or registered, or for which the securities are held by the Commission or its agent in the Town’s name, be invested in the MLGIP or insured by the FDIC. At June 30, 2024 and 2023, the Commission’s investments were either invested in the MLGIP or insured by the FDIC.

NOTE 3 GRANTS RECEIVABLE AND UNEARNED REVENUE

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 3 GRANTS RECEIVABLE AND UNEARNED REVENUE (CONTINUED)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 4 CAPITAL ASSETS

The following reflects capital asset activity and balances for the fiscal years ended June 30:

	<u>2023</u>	<u>Transfers/ Increases</u>	<u>Transfers/ Decreases</u>	<u>2024</u>
Capital Assets, Not Being Depreciated:				
Land and Land Rights	\$ 2,568,903	\$ -	\$ -	\$ 2,568,903
Construction in Progress	7,822,011	11,453,115	(16,073,241)	3,201,885
Total Capital Assets, Not Being Depreciated	10,390,914	11,453,115	(16,073,241)	5,770,788
Capital Assets Being Depreciated:				
Buildings and Improvements	30,226,735	2,094,975	-	32,321,710
Equipment	60,576,903	4,073,120	(43,931)	64,606,092
Other Utility Plant/Property	143,494,829	5,330,468	(79,680)	148,745,617
Other Physical Property (Non-utility)	6,359,902	3,817,150	-	10,177,052
Less: Amount Disallowed by Regulation	(1,719,785)	-	-	(1,719,785)
Total Capital Assets Being Depreciated	238,938,584	15,315,713	(123,611)	254,130,686
Less Accumulated Depreciation:				
Buildings and Improvements	(15,920,011)	(641,388)	-	(16,561,399)
Equipment	(41,638,520)	(3,091,653)	40,085	(44,690,088)
Other Utility Plant/Property	(84,501,790)	(4,320,169)	21,551	(88,800,408)
Other Physical Property (Non-utility)	(2,837,767)	(218,934)	-	(3,056,701)
Total Accumulated Depreciation	(144,898,088)	(8,272,144)	61,636	(153,108,596)
Net Capital Assets Being Depreciated	94,040,496	7,043,569	(61,975)	101,022,090
Total Capital Assets, Net	<u>\$ 104,431,410</u>	<u>\$ 18,496,684</u>	<u>\$ (16,135,216)</u>	<u>\$ 106,792,878</u>

EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 4 CAPITAL ASSETS (CONTINUED)

	<u>2022</u>	<u>Transfers/ Increases</u>	<u>Transfers/ Decreases</u>	<u>2023</u>
Capital Assets, Not Being Depreciated:				
Land and Land Rights	\$ 2,568,903	\$ -	\$ -	\$ 2,568,903
Construction in Progress	7,054,700	11,833,771	(11,066,460)	7,822,011
Total Capital Assets, Not Being Depreciated	9,623,603	11,833,771	(11,066,460)	10,390,914
Capital Assets Being Depreciated:				
Buildings and Improvements	29,164,873	1,308,887	(247,025)	30,226,735
Equipment	58,520,260	3,307,435	(1,250,792)	60,576,903
Other Utility Plant/Property	137,091,195	6,403,634	-	143,494,829
Other Physical Property (Non-utility)	6,125,452	234,450	-	6,359,902
Less: Amount Disallowed by Regulation	(1,719,785)	-	-	(1,719,785)
Total Capital Assets Being Depreciated	229,181,995	11,254,406	(1,497,817)	238,938,584
Less Accumulated Depreciation:				
Buildings and Improvements	(15,541,127)	(625,909)	247,025	(15,920,011)
Equipment	(39,542,664)	(3,344,947)	1,249,091	(41,638,520)
Other Utility Plant/Property	(80,295,313)	(4,206,477)	-	(84,501,790)
Other Physical Property (Non-utility)	(2,683,509)	(154,258)	-	(2,837,767)
Total Accumulated Depreciation	(138,062,613)	(8,331,591)	1,496,116	(144,898,088)
Net Capital Assets Being Depreciated	91,119,382	2,922,815	(1,701)	94,040,496
Total Capital Assets, Net	<u>\$ 100,742,985</u>	<u>\$ 14,756,586</u>	<u>\$ (11,068,161)</u>	<u>\$ 104,431,410</u>

The following are the depreciation periods for capital assets being depreciated:

Buildings and Improvements	5 - 50 years
Equipment	3 - 60 years
Other Utility Plant/Property	2 - 99 years
Other Physical Property (Non-utility)	10 - 40 years

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 5 LOANS PAYABLE

[REDACTED]

[REDACTED]

[REDACTED]

EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 5 LOANS PAYABLE (CONTINUED)

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

**EASTON UTILITIES COMMISSION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2024 AND 2023**

NOTE 6 PENSION PLAN

General Information About the Pension Plan

Plan Description

The Town of Easton, Maryland Employees’ Pension Plan (the Pension Plan) is a single-employer contributory defined benefit pension plan established by Town ordinance. The Pension Plan is governed by the Town of Easton. The Town has delegated the authority to manage plan assets to The Prudential Insurance Company of America’s Prudential Retirement Division (Prudential).

Effective July 1, 2008, a “soft freeze” was implemented for the existing Pension Plan. All current and former employees who were participants on July 1, 2008 will remain in the Pension Plan, but employees hired after July 1, 2008 are not eligible to participate. Future service is not credited; however, future pay increases are included in computing benefits.

Benefits Provided

Definition and Plan Specifications

Earnings	W-2 Earnings
Final Earnings	Highest average earnings received in any 5 consecutive full calendar years during the last 10 years before retirement date or termination of employment.
Credited Service	All years of service with the employer were credited from the date of employment to July 1, 2008 (or date of termination, if earlier), when accrued service was frozen.
Form of Annuity	Life Annuity
Normal Retirement Date	The first day of the month coinciding with or next following the participant’s 60th birthday or, if later, the fifth anniversary of the participant’s participation commencement date.
Social Security Benefit	Amount of basic monthly Social Security benefit at age 62 based on the employee’s earnings while in covered employment; subject to automatic increases under the current law. Employee’s earnings from the date service ceases until age 62 are assumed to be at the same rate of compensation as participant received when service ceased.
Social Security Covered Compensation	Average of Taxable Wage Bases for 35 calendar years ending with the last day of the calendar year in which a participant attains Social Security Retirement Age; subject to the automatic increases under the current law.
Participation Eligibility	An employee working more than 20 hours per week and for more than five months per calendar year.

**EASTON UTILITIES COMMISSION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2024 AND 2023**

NOTE 6 PENSION PLAN (CONTINUED)

General Information About the Pension Plan (Continued)

Benefits Provided (Continued)

Definition and Plan Specifications (continued)

Benefit Formula 1.4% of Average Annual Earnings times years of Credited Service (up to a maximum of 25 years) plus 0.45% of Average Annual Earnings in excess of Covered Compensation times years of Credited Service (up to a maximum of 25 years).

Note the plan benefits for participants have been “soft frozen” as of July 1, 2008, where accrued service is frozen, but future compensation is not frozen for plan benefit purposes.

Income Payable Amount described in sections (a) or (b) below, whichever

- a) If participant has a spouse as of the retirement date and does not elect otherwise, retirement income shall be paid on the basis of Joint and Survivor form, as stipulated by ERISA and will be the amount determined under the benefit formula multiplied by the appropriate factor.
- b) If participant either has no spouse as of the retirement date or elects to receive their income under the Normal Form, retirement income will be the amount determined under the benefit formula.

Early Retirement Eligibility Five years early with ten years of Service.

Early Benefit Amount Normal retirement benefit accrued to early retirement, actuarially reduced for the number of months Annuity Commencement Date precedes Normal Retirement Date.

Vesting Schedule 100% vested after five years of service; 100% vested at Normal Retirement Date.

Vested Benefit Benefit accrued to date of termination adjusted by the appropriate vesting percentage.

**EASTON UTILITIES COMMISSION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2024 AND 2023**

NOTE 6 PENSION PLAN (CONTINUED)

General Information About the Pension Plan (Continued)

Benefits Provided (Continued)

Definition and Plan Specifications (continued)

Preretirement Spouse Benefit

- A. Eligibility and Benefit Formula Age 55 with 10 years of service: 50% of the pension benefit accrued to date of death.

- B. Eligibility and Benefit Formula Eligible for vesting but not age 55 with 10 years of Service: 50% of the vested pension benefit accrued to date of death, payment deferred to no earlier than the early retirement date of the deceased participant and reduced by the appropriate early retirement and Joint and Survivor Factors.

Additional Retirement Benefit or
 Cash Refund at Retirement or
 Termination

- Eligibility Participant has prior plan contributions.

- Benefit Formula Choice of either a lump sum cash refund equal to the amount of their prior plan contributions with interest or an additional amount of Retirement Benefit equal to the amount which can be provided by the prior plan contributions with credited interest.

Special Termination Benefit

- Eligibility Participant who retires early or retires on his Normal Retirement Date.

- Benefit Formula Amount equal to the Social Security Benefit payable from Normal Retirement Date to 62nd birthday.

- Interest Credited 5% per annum.

- Death or Termination Refund Preretirement: Refund of Employee contributions with interest to date of termination or death.

 Postretirement: Excess of Employee contributions with interest over annuity payments made, unless another form of benefit becomes payable to the beneficiary.

**EASTON UTILITIES COMMISSION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2024 AND 2023**

NOTE 6 PENSION PLAN (CONTINUED)

General Information About the Pension Plan (Continued)

Employees Covered by Benefit Terms	
Inactive Employees or Beneficiaries Currently	
Receiving Benefits	118
Inactive Employees Entitled to But Not Yet Receiving	
Benefits	-
Active Employees	65
Total	183

Contributions

Contributions to the Pension Plan made by the Commission are based on actuarially determined basis. The contribution requirements of the Commission are established and may be amended by the Town Council.

Net Pension Liability

The Commission’s June 30, 2024 net pension liability was measured as of that date and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated August 1, 2023 with adjustments made for the eleven month difference.

The Commission’s June 30, 2023 net pension liability was measured as of that date and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated August 1, 2022 with adjustments made for the eleven month difference.

Actuarial Assumptions – The total pension liability in the August 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary Increases	4.00%
Investment Return	7.00%, Compounded Annually, Net of Pension Plan Investment Expenses, and Including Inflation

Mortality rates were based on the Pub2010G(B) Tables with Scale SSA applied generationally; 50% rates applied for pre-retirement deaths.

The liability was rolled forward 11 months to June 30, 2024.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each asset class. These ranges are combined to produce the long-term expected rate of return (geometric) by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return.

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 6 PENSION PLAN (CONTINUED)

Net Pension Liability (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following tables:

Asset Class	Target Allocation	Long-Term Expected Rate of Return
Domestic Equity	49%	6.20 %
Non-US Equity	11%	6.55 %
US Fixed Income	25%	2.30 %
Stable Value	10%	3.50 %
Real Estate	5%	4.55 %
Total Weighted Average Real Return	100%	4.91 %
Plus Inflation		2.50 %
Total Return without Adjustment		7.41%
Risk Adjustment		-0.41%
Total Expected Return		7.00%

Discount Rate – The discount rate used to measure the total pension liability was 7.00%. The projection of cash flows used to determine the discount rate assumed employee contributions will be made at the current contribution rate and Commission contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee 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 active and inactive employees. Therefore, the long-term expected rates of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance - June 30, 2023	\$ 20,083,647	\$ 19,680,693	\$ 402,954
Changes for the Year:			
Service Cost	169,409	-	169,409
Interest	1,371,646	-	1,371,646
Difference Between Expected and Actual Experience	1,909,581	-	1,909,581
Changes in Assumptions	-	-	-
Contributions - Employer	-	250,000	(250,000)
Net Investment Income	-	2,227,867	(2,227,867)
Benefit Payments, Including Refunds	(1,338,882)	(1,338,882)	-
Administrative Expenses	-	(46,695)	46,695
Net Changes	2,111,754	1,092,290	1,019,464
Balance - June 30, 2024	\$ 22,195,401	\$ 20,772,983	\$ 1,422,418

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 6 PENSION PLAN (CONTINUED)

Changes in the Net Pension Liability (Continued)

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance - June 30, 2022	\$ 19,655,560	\$ 19,203,823	\$ 451,737
Changes for the Year:			
Service Cost	164,875	-	164,875
Interest	1,346,236	-	1,346,236
Difference Between Expected and Actual Experience	114,207	-	114,207
Changes in Assumptions	-	-	-
Contributions - Employer	-	255,000	(255,000)
Net Investment Income (Loss)	-	1,472,974	(1,472,974)
Benefit Payments, Including Refunds	(1,197,231)	(1,197,231)	-
Administrative Expenses	-	(53,873)	53,873
Net Changes	428,087	476,870	(48,783)
Balance - June 30, 2023	<u>\$ 20,083,647</u>	<u>\$ 19,680,693</u>	<u>\$ 402,954</u>

The net pension balance is recorded as Net Pension Liability on the statement of net position of the years ended June 30, 2024 and 2023.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
	Net Pension Liability - June 30, 2024	<u>\$ 3,515,281</u>	<u>\$ 1,422,418</u>

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
	Net Pension Liability - June 30, 2023	<u>\$ 2,384,731</u>	<u>\$ 402,954</u>

Pension Plan Fiduciary Net Position – Detailed information about the Pension Plan’s fiduciary net position is available in the separately issued Town of Easton, Maryland’s financial report.

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 6 PENSION PLAN (CONTINUED)

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

For the year ended June 30, 2024, the Commission recognized pension expense of \$788,426. At June 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,311,123	\$ -
Changes in Actuarial Assumptions	-	-
Net Difference Between Projected and Actual Earnings on Pension Plan Investments, Net Changes	223,608	-
Total	<u>\$ 1,534,731</u>	<u>\$ -</u>

For the year ended June 30, 2023, the Commission recognized pension expense of \$535,192. At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 76,138	\$ (192,389)
Changes in Actuarial Assumptions	-	(31,878)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments, Net Changes	1,201,823	-
Total	<u>\$ 1,277,961</u>	<u>\$ (224,267)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at June 30, 2024 will be recognized in pension expense as follows:

Fiscal Year Ended	Pension Expense
2025	\$ 596,151
2026	1,329,498
2027	(212,391)
2028	(178,527)
Total Amount to be Recognized	<u>\$ 1,534,731</u>

**EASTON UTILITIES COMMISSION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2024 AND 2023**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information About the OPEB Plan

Plan Description

The Commission is an enterprise fund of the Town of Easton (the Town) and participates in its Other Post-Employment Benefits Plan (the OPEB Plan). The OPEB Plan is a single-employer retiree benefit plan administered by the Town. This disclosure provides the information specific to the Commission’s portion of the plan. The Commission’s OPEB Plan provides OPEB for all retired employees, including those on disability retirement. Coverage may include the retiree, spouse, and dependents. The OPEB Plan report may be obtained by contacting the Commission’s Controller at 201 N. Washington Street, P.O. Box 1189, Easton, Maryland 21601.

Benefits Provided

The Commission provides life insurance policies in the face amount of \$2,500 and pays a portion of the cost of major medical insurance for retirees. The health care benefits provided vary based on age at retirement and length of service. Retirees eligible for medical insurance and life insurance benefits pay from 0% to 10% of the Commission’s full premium equivalent cost of the base medical insurance. The retirees do not contribute to the life insurance policies provided to them.

Effective March 1, 2020, the Commission increased this benefit to \$10,000 and is self-funding the additional \$7,500 benefit.

Employees Covered By Benefit Terms

At June 30, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	55
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	140
	<u>195</u>

Contributions

Contribution requirements for OPEB benefits are established and may be amended by the Town. The Commission establishes rates based on an actuarially determined rate. For the year ended June 30, 2024, the Commission’s average contribution rate was 2.0% of covered-employee payroll. Employees are not required to contribute to the plan.

Net OPEB Liability (Asset)

The Commission’s June 30, 2024 net OPEB liability (asset) was measured as of that date and the total OPEB Liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation dated July 1, 2023, with adjustments for the 12 month difference.

The Commission’s June 30, 2023 net OPEB liability (asset) was measured as of that date and the total OPEB Liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation dated July 1, 2021, with adjustments for the 24 month difference.

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

General Information About the OPEB Plan (Continued)

Net OPEB Liability (Asset) (Continued)

Actuarial Assumptions - The total OPEB liability in the July 1, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50%
Salary increases	4.00%
Investment rate of return	6.75%, net of OPEB plan investment expense and including inflation
Healthcare cost trend rates	6.50% initially, grading down to 4.25% ultimate

Mortality rates were based on the Pub2010G(B) Tables with Generational Scale SSA Applied for both males and females. The disabled versions of these tables were used for disabled lives, and 50% of the rates are assumed for pre-determined deaths.

The liability was rolled forward 12 months to June 30, 2024.

There were no changes in actuarial assumptions during fiscal year 2024.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each 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. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return. The target allocation and best estimates of real rates of return for each major asset class are summarized in the table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return</u>
Domestic equity	47%	6.20%
Non - US Equity	11%	6.55%
Fixed income - Domestic	27%	2.30%
Stable Value	10%	3.50%
Real Estate	5%	4.55%
Total Weighted Average Real Return	100%	4.83%
Plus Inflation		2.50%
Total Return without Adjustment		7.33%
Risk Adjustment		-0.58%
Total Expected Return		6.75%

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Net OPEB Liability (Asset) (Continued)

Discount rate - The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that Commission contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the expected Plan return of 6.75% was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balances at June 30, 2023	\$ 10,307,865	\$ 11,942,873	\$ (1,635,008)
Changes for the year:			
Service cost	285,195	-	285,195
Interest	705,291	-	705,291
Change in Assumptions	-	-	-
Differences Between Expected and			
Actual Experience	(716,433)	-	(716,433)
Change in Assumptions	(1,727,415)	-	(1,727,415)
Contributions - Employer	-	293,408	(293,408)
Net Investment Income	-	1,938,863	(1,938,863)
Benefit Payments	(293,408)	(293,408)	-
Administrative Expense and Other	-	(55,671)	55,671
Net changes	<u>(1,746,770)</u>	<u>1,883,192</u>	<u>(3,629,962)</u>
Balances at June 30, 2024	<u>\$ 8,561,095</u>	<u>\$ 13,826,065</u>	<u>\$ (5,264,970)</u>

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Changes in the Net OPEB Liability (Asset) (Continued)

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balances at June 30, 2022	\$ 9,634,189	\$ 10,748,917	\$ (1,114,728)
Changes for the year:			
Service cost	273,732	-	273,732
Interest	660,146	-	660,146
Change in Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	-	-	-
Contributions - Employer	-	515,202	(515,202)
Net Investment Income	-	987,518	(987,518)
Benefit Payments	(260,202)	(260,202)	-
Administrative Expense and Other	-	(48,562)	48,562
Net changes	<u>673,676</u>	<u>1,193,956</u>	<u>(520,280)</u>
Balances at June 30, 2023	<u>\$ 10,307,865</u>	<u>\$ 11,942,873</u>	<u>\$ (1,635,008)</u>

The net OPEB liability (asset) balance is reported in Net OPEB Asset on the statement of net position of the years ended June 30, 2024 and 2023.

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following table presents the net OPEB liability (asset) of the Commission, calculated using the discount rate of 6.75% as well as what the Commission's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current discount rate:

	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
	Net OPEB Liability (Asset) - June 30, 2024	<u>\$ (4,193,291)</u>	<u>\$ (5,264,970)</u>
	1% Decrease 5.75%	Current Discount Rate 6.75%	1% Increase 7.75%
Net OPEB Liability (Asset) - June 30, 2023	<u>\$ (398,902)</u>	<u>\$ (1,635,008)</u>	<u>\$ (2,664,835)</u>

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Changes in the Net OPEB Liability (Asset) (Continued)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Trend Rate - The following table presents the net OPEB liability (asset) of the Commission, calculated using the healthcare trend rate of from 6.75% to an ultimate rate of 4.25%, as well as what the Commission's net OPEB liability (asset) would be if it were calculated using trend rates that are one percentage point lower (3.25%) or one percentage point higher (5.25%) than the current rates:

	1% Decrease 3.25%	Current Ultimate Trend Rate 4.25%	1% Increase 5.25%
Net OPEB Liability (Asset) - June 30, 2024	\$ (6,215,765)	\$ (5,264,970)	\$ (4,097,530)

	1% Decrease 3.00%	Current Ultimate Trend Rate 4.00%	1% Increase 5.00%
Net OPEB Liability (Asset) - June 30, 2023	\$ (2,594,786)	\$ (1,635,008)	\$ (1,035,463)

OPEB Plan Fiduciary Net Position - Detailed information about the OPEB Plan's fiduciary net position is available in the separately issued OPEB Plan financial report.

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2024, the Commission recognized OPEB expense of (\$2,047,511). At June 30, 2024, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ (1,431,953)
Changes in Actuarial Assumptions	-	(549,061)
Net Difference Between Projected and Actual Earnings on OPEB Plan Investments	-	(543,331)
Total	\$ -	\$ (2,524,345)

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (OPEB) (CONTINUED)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

For the year ended June 30, 2023, the Commission recognized OPEB expense of (\$5,907). At June 30, 2023, the Commission reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ -	\$ (981,046)
Changes in Actuarial Assumptions	-	(737,935)
Net Difference Between Projected and Actual		
Earnings on OPEB Plan Investments	483,679	-
Total	<u>\$ 483,679</u>	<u>\$ (1,718,981)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at June 30, 2024 will be recognized in OPEB expense as follows:

<u>Fiscal Year Ended</u>	<u>OPEB Expense / (Contra Expense)</u>
2025	\$ (652,466)
2026	(294,952)
2027	(585,026)
2028	(283,664)
2029	(242,513)
After 2029	(465,724)
Total Amount to be Recognized	<u>\$ (2,524,345)</u>

NOTE 8 RELATED PARTY TRANSACTIONS

Easton Utilities Commission provided various services to the Town of Easton, Maryland during the year. All such services were billed to the Town by the Commission. The significant transactions were as follows:

	<u>2024</u>	<u>2023</u>
Utility XXXXXXXXXX Billed	\$ 387,094	\$ 403,846
Engineering and Other Services Billed	22,470	3,324
Total Services Billed	<u>\$ 409,564</u>	<u>\$ 407,170</u>

The outstanding balance of all of the above charges was \$39,778 and \$30,676 at June 30, 2024 and 2023, respectively. The Town charged the Commission \$0 for street repairs and other billings in fiscal years 2024 and 2023, respectively. In fiscal year 2024 and 2023, there was a miscellaneous receivable from the Town for workmen's compensation of \$164,236 and \$10,975, respectively.

**EASTON UTILITIES COMMISSION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 9 LINE OF CREDIT

The Commission maintained a revolving line of credit agreement with M&T bank for \$2,500,000 which bore interest on outstanding balances in the amount of 1.15% above the monthly LIBOR rate (adjusted daily). The purpose of the credit facility was to provide an additional potential source of financing to meet operating needs, if required. The Commission did not draw on this line of credit during either fiscal year 2024 or 2023 and the balance outstanding was \$0 at June 30, 2024 and 2023. The line of credit was closed in fiscal year 2023.

NOTE 10 RISK MANAGEMENT

The Commission is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors, and omissions; injuries to employees; business interruption; and natural disasters. The Commission maintains commercial insurance for each of these risks of loss. Management believes insurance coverage is sufficient to preclude any significant uninsured losses to the Commission. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 11 COMMITMENTS AND CONTINGENCIES

Most grant and cost-reimbursable contracts specify the types of expenditures for which the grant or contract funds may be used. The expenditures made by the Commission under some of these grants and contracts are subject to audit. To date, the Commission has not been notified of any unallowable costs relating to its grants or contracts. In the opinion of management, adjustments for unallowable costs, if any, resulting from such audits will not have a material effect on the accompanying financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

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EASTON UTILITIES COMMISSION
SCHEDULE OF CHANGES IN THE COMMISSION'S NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 169,409	\$ 164,875	\$ 160,462	\$ 156,167	\$ 151,618	\$ 147,202	\$ 148,991	\$ 151,933	\$ 163,920	\$ 162,714
Interest	1,371,646	1,346,236	1,386,427	1,376,736	1,299,908	1,262,570	1,222,686	1,181,857	1,257,106	1,112,582
Differences Between Expected and Actual Experience	1,909,581	114,207	(855,655)	(407,554)	567,848	77,381	74,043	(508,745)	287,972	(433,291)
Changes of Actuarial Assumptions	-	-	488,513	-	-	-	-	(588,556)	470,029	147,934
Benefit Payments, Including Refunds of Employee Contributions	(1,338,882)	(1,197,231)	(956,973)	(1,033,621)	(897,221)	(901,090)	(878,201)	(807,736)	(713,548)	(679,657)
Net Change in Total Pension Liability	2,111,754	428,087	222,774	91,728	1,122,153	586,063	567,519	(571,247)	1,465,479	310,282
Total Pension Liability - Beginning of Year	20,083,647	19,655,560	19,432,786	19,341,058	18,218,905	17,632,842	17,065,323	17,636,570	16,171,091	15,860,809
Total Pension Liability - End of Year (a)	<u>\$ 22,195,401</u>	<u>\$ 20,083,647</u>	<u>\$ 19,655,560</u>	<u>\$ 19,432,786</u>	<u>\$ 19,341,058</u>	<u>\$ 18,218,905</u>	<u>\$ 17,632,842</u>	<u>\$ 17,065,323</u>	<u>\$ 17,636,570</u>	<u>\$ 16,171,091</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 250,000	\$ 255,000	\$ 225,000	\$ 500,000	\$ 350,000	\$ 300,000	\$ 500,000	\$ 500,000	\$ 500,000	\$ 398,460
Net Investment Income	2,227,867	1,472,974	(2,954,439)	5,178,226	494,313	1,095,404	1,383,990	1,873,686	109,650	484,718
Benefit Payments, Including Refunds of Employee Contributions	(1,338,882)	(1,197,231)	(956,973)	(1,033,621)	(897,221)	(901,090)	(878,201)	(807,736)	(713,548)	(679,657)
Administrative Expenses	(46,695)	(53,873)	(52,360)	(60,911)	(58,631)	(60,306)	(55,508)	(66,663)	(47,806)	(45,007)
Net Change in Plan Fiduciary Net Position	1,092,290	476,870	(3,738,772)	4,583,694	(111,539)	434,008	950,281	1,499,287	(151,704)	158,514
Plan Fiduciary Net Position - Beginning of Year	19,680,693	19,203,823	22,942,595	18,358,901	18,470,440	18,036,432	17,086,151	15,586,864	15,738,568	15,580,054
Plan Fiduciary Net Position - End of Year (b)	<u>\$ 20,772,983</u>	<u>\$ 19,680,693</u>	<u>\$ 19,203,823</u>	<u>\$ 22,942,595</u>	<u>\$ 18,358,901</u>	<u>\$ 18,470,440</u>	<u>\$ 18,036,432</u>	<u>\$ 17,086,151</u>	<u>\$ 15,586,864</u>	<u>\$ 15,738,568</u>
Commission's Net Pension Liability (Asset) - End of Year (a) - (b)	<u>\$ 1,422,418</u>	<u>\$ 402,954</u>	<u>\$ 451,737</u>	<u>\$ (3,509,809)</u>	<u>\$ 982,157</u>	<u>\$ (251,535)</u>	<u>\$ (403,590)</u>	<u>\$ (20,828)</u>	<u>\$ 2,049,706</u>	<u>\$ 432,523</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)	93.6 %	98.0 %	97.7 %	118.1 %	94.9 %	101.4 %	102.3 %	100.1 %	88.4 %	97.3 %
Covered-Employee Payroll	\$ 7,114,293	\$ 7,270,357	\$ 7,182,948	\$ 8,126,545	\$ 6,889,154	\$ 7,141,324	\$ 7,074,373	\$ 7,050,397	\$ 7,438,950	\$ 7,362,051
Commission's Net Pension Liability (Asset) as a Percentage of Covered-Employee Payroll	20.0 %	5.5 %	6.3 %	(43.2)%	14.3 %	(3.5)%	(5.7)%	(0.3)%	27.6 %	5.9 %

NOTES TO SCHEDULE

This schedule is presented to illustrate the requirement to show information for 10 years.

**EASTON UTILITIES COMMISSION
SCHEDULE OF COMMISSION CONTRIBUTIONS - PENSION
LAST TEN FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially Determined Contributions	\$ 270,441	\$ 118,702	\$ 112,308	\$ 182,886	\$ 221,783	\$ 194,006	\$ 220,960	\$ 294,330	\$ 396,831	\$ 398,460
Contributions in Relation to the Actuarially Determined Contribution	250,000	255,000	225,000	500,000	350,000	300,000	500,000	500,000	500,000	398,460
Contributions Deficiency (Excess)	<u>\$ 20,441</u>	<u>\$ (136,298)</u>	<u>\$ (112,692)</u>	<u>\$ (317,114)</u>	<u>\$ (128,217)</u>	<u>\$ (105,994)</u>	<u>\$ (279,040)</u>	<u>\$ (205,670)</u>	<u>\$ (103,169)</u>	<u>\$ -</u>
Covered-Employee Payroll	\$ 7,114,293	\$ 7,270,357	\$ 7,182,948	\$ 8,126,545	\$ 6,889,154	\$ 7,141,324	\$ 7,074,373	\$ 7,050,397	\$ 7,438,950	\$ 7,362,051
Contributions as a Percentage of Covered-Employee Payroll	3.5%	3.5%	3.1%	6.2%	5.1%	4.2%	7.1 %	7.1 %	6.7 %	5.4 %

NOTES TO SCHEDULE

Valuation Date: August 1, 2023

Actuarially determined contribution rates are calculated as of August 1, one year prior to the end of the fiscal year in which the contributions are reported.

Methods and Assumptions Used to Determine the Contribution Rates:

Actuarial Cost Method	Entry Age Normal, with a closed level-dollar amortization (26 years remaining) of unfunded actuarial accrued liability (UAAL).
Amortization Method	Entry Age Normal
Remaining Amortization Period	26 Years
Asset Valuation Method	Market value of assets
Inflation	2.50 percent per year
Salary Increases	4.00 percent per year
Investment Rate of Return	7.00 percent compounded annually, net of pension plan investment expenses and including inflation
Retirement Age	Early retirement: Five years early with ten years of service; Normal Retirement: Age 60 or, if later, the fifth anniversary of the Participant's participation commencement date.
Mortality	Mortality rates were based on the Pub2010G(B) Tables with Scale SSA applied generationally; 50% rates applied for pre-retirement deaths.

EASTON UTILITIES COMMISSION
SCHEDULE OF CHANGES IN THE COMMISSION'S NET OPEB LIABILITY AND RELATED RATIOS
LAST EIGHT FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service Cost	\$ 285,195	\$ 273,732	\$ 256,082	\$ 245,790	\$ 307,839	\$ 296,355	\$ 295,736	\$ 272,844
Interest	705,291	660,146	724,264	677,091	639,789	593,210	549,156	599,456
Changes of Benefit Terms	(1,727,415)	-	-	262,015	-	-	-	-
Differences Between Expected and Actual Experience	(716,433)	-	(909,265)	-	(370,376)	-	(279,999)	-
Changes of Actuarial Assumptions	-	-	(394,000)	-	-	(212,100)	(1,044,512)	-
Benefit Payments	(293,408)	(260,202)	(262,428)	(256,246)	(232,811)	(238,356)	(208,144)	(206,944)
Net Change in Total OPEB Liability	(1,746,770)	673,676	(585,347)	928,650	344,441	439,109	(687,763)	665,356
Total OPEB Liability - Beginning of Year	10,307,865	9,634,189	10,219,536	9,290,886	8,946,445	8,507,336	9,195,099	8,529,743
Total OPEB Liability - End of Year (a)	<u>\$ 8,561,095</u>	<u>\$ 10,307,865</u>	<u>\$ 9,634,189</u>	<u>\$ 10,219,536</u>	<u>\$ 9,290,886</u>	<u>\$ 8,946,445</u>	<u>\$ 8,507,336</u>	<u>\$ 9,195,099</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 293,408	\$ 515,202	\$ 487,428	\$ 506,246	\$ 681,932	\$ 3,437,678	\$ 707,436	\$ 706,944
Net Investment Income	1,938,863	987,518	(1,373,230)	2,446,401	173,324	472,760	336,016	479,309
Benefit Payments	(293,408)	(260,202)	(262,428)	(256,246)	(232,811)	(238,356)	(208,144)	(206,944)
Administrative Expenses	(55,671)	(48,562)	(53,736)	(47,720)	(41,215)	(27,830)	(16,024)	(20,976)
Net Change in Plan Fiduciary Net Position	1,883,192	1,193,956	(1,201,966)	2,648,681	581,230	3,644,252	819,284	958,333
Total Fiduciary Net Position - Beginning of Year	11,942,873	10,748,917	11,950,883	9,302,202	8,720,972	5,076,720	4,257,436	3,299,103
Total Fiduciary Net Position - End of Year (b)	<u>\$ 13,826,065</u>	<u>\$ 11,942,873</u>	<u>\$ 10,748,917</u>	<u>\$ 11,950,883</u>	<u>\$ 9,302,202</u>	<u>\$ 8,720,972</u>	<u>\$ 5,076,720</u>	<u>\$ 4,257,436</u>
Commission's Net OPEB Liability (Asset) - End of Year (a) - (b)	<u>\$ (5,264,970)</u>	<u>\$ (1,635,008)</u>	<u>\$ (1,114,728)</u>	<u>\$ (1,731,347)</u>	<u>\$ (11,316)</u>	<u>\$ 225,473</u>	<u>\$ 3,430,616</u>	<u>\$ 4,937,663</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)	161.50%	115.90%	111.60%	116.90%	100.10%	97.50%	59.70%	46.30%
Covered-Employee Payroll	\$ 14,476,799	\$ 12,973,350	\$ 13,467,763	\$ 11,986,010	\$ 12,711,220	\$ 10,175,617	\$ 9,534,402	\$ 8,230,343
Commission's Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	(36.4)%	(12.6)%	(8.3)%	(14.4)%	(0.1)%	2.2%	36.0%	60.0%

NOTES TO SCHEDULE

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the Commission will present information for those years for which information is available.

**EASTON UTILITIES COMMISSION
SCHEDULE OF COMMISSION CONTRIBUTIONS - OPEB
LAST EIGHT FISCAL YEARS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Determined Contributions	\$ -	\$ 56,227	\$ 44,483	\$ 259,010	\$ 249,199	\$ 472,208	\$ 472,208	\$ 511,474
Contributions in Relation to the Actuarially Determined Contribution	293,408	515,202	487,428	506,246	681,932	3,437,678	707,436	706,944
Contributions Deficiency (Excess)	<u>\$ (293,408)</u>	<u>\$ (458,975)</u>	<u>\$ (442,945)</u>	<u>\$ (247,236)</u>	<u>\$ (432,733)</u>	<u>\$ (2,965,470)</u>	<u>\$ (235,228)</u>	<u>\$ (195,470)</u>
Covered-Employee Payroll	\$ 14,476,799	\$ 12,973,350	\$ 13,467,763	\$ 11,986,010	\$ 12,711,220	\$ 10,175,617	\$ 9,534,402	\$ 8,230,343
Contributions as a Percentage of Covered-Employee Payroll	2.0%	4.0%	3.6%	4.2%	5.4%	33.8%	7.4%	8.6%

NOTES TO SCHEDULE

Valuation Date: July 1, 2023

Actuarially determined contribution rates are calculated as of July 1, one year prior to the end of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine the Contribution Rates:

Actuarial Cost Method	Entry Age method, with a closed level dollar amortization of the unfunded liability (26 years remaining as of July 1, 2023).
Amortization Method	Entry Age method
Remaining Amortization Period	26 Years
Asset Valuation Method	Market value of assets
Inflation	2.50 percent
Healthcare Cost Trend Rates	6.50 percent initially, grading down to 4.25% ultimate
Salary Increases	4.00 percent
Investment Rate of Return	6.75 percent, net of OPEB plan investment expense and including inflation
Retirement Age	Early Retirement Age 55-59; Normal Retirement Age 60, Late Retirement Over Age 60
Mortality	Mortality rates were based on the Pub2010G(B) Tables with Generational Scale SSA Applied for both males and females. The disabled versions of these tables were used for disabled lives, and 50% of the rates are assumed for pre-retirement deaths.

Other information:

This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, governments should present information for those years for which information is available.

SUPPLEMENTARY INFORMATION

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

The Honorable Mayor and Council
of Easton, Maryland
The Chairman and Members of
the Easton Utilities Commission
Easton, Maryland

We have audited the financial statements of Easton Utilities Commission (the Commission) as of and for the years ended June 30, 2024 and June 30, 2023, and have issued our report thereon dated October 7, 2024 which contained unmodified opinions on those financial statements. Our audit was performed for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's financial statements. The combining and individual departmental statements are presented for the purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 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 to 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.

This report is intended solely for the information and use of Commissioners and the management of the Commission and is not intended to be and should not be used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
October 7, 2024

EASTON UTILITIES COMMISSION
COMBINING DEPARTMENTAL STATEMENT OF NET POSITION
JUNE 30, 2024

	Total Utility Fund	Eliminations
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 7,961,265	\$ -
Investments	11,143,681	-
Accounts Receivable, Net	4,863,127	-
Grants Receivable, Short-Term	7,406,410	-
Collateral Deposit	200,000	-
Interest Receivable	96,281	(31,268)
Prepaid Expenses	437,352	-
Unbilled Revenue	2,166,252	-
Inventory	10,461,915	-
Interdepartmental Loans	-	(5,400,000)
Total Current Assets	44,736,283	(5,431,268)
Noncurrent Assets:		
Grants Receivable, Long-Term	462,386	-
Net OPEB Asset	5,264,970	-
Interdepartmental Loans	-	(1,500,000)
Unamortized Expenses	177,605	-
Capital Assets:		
Capital Assets, Not Being Depreciated	5,770,788	-
Capital Assets, Net of Accumulated Depreciation	101,022,090	-
Total Noncurrent Assets	112,697,839	(1,500,000)
Total Assets	157,434,122	(6,931,268)
DEFERRED OUTFLOWS OF RESOURCES		
	1,534,731	-
Total Assets and Deferred Outflows	\$ 158,968,853	\$ (6,931,268)
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 2,696,827	\$ -
Accrued Salaries and Related Expenses	1,961,140	-
Accrued Interest Payable	-	(31,268)
Tax Collection Payable	756,292	-
Compensated Absences	1,103,550	-
Customer Deposits and Supplier Refunds	1,552,651	-
Unearned Revenue	5,817,763	-
Over-Recovered Energy Costs, Net	138,296	-
Loans Payable, Due Within One Year	2,074,552	-
Interdepartmental Loans, Due Within One Year	-	(5,400,000)
Total Current Liabilities	16,101,071	(5,431,268)
Noncurrent Liabilities:		
Loans Payable, Due in More than One Year	6,109,248	-
Interdepartmental Loans, Due in More than One Year	-	(1,500,000)
Net Pension Liability	1,422,418	-
Total Noncurrent Liabilities	7,531,666	(1,500,000)
Total Liabilities	23,632,737	(6,931,268)
DEFERRED INFLOWS OF RESOURCES		
	2,524,345	-
NET POSITION		
Net Investment in Capital Assets	97,715,412	6,900,000
Restricted for OPEB Trust	5,264,970	-
Unrestricted	29,831,389	(6,900,000)
Total Net Position	132,811,771	-
Total Liabilities, Deferred Inflows, and Net Position	\$ 158,968,853	\$ (6,931,268)

EASTON UTILITIES COMMISSION
COMBINING DEPARTMENTAL STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2024

<u>Electric Department</u>	<u>Gas Department</u>	<u>[REDACTED]</u>	<u>[REDACTED]</u>
\$ 313,743	\$ 145,235	[REDACTED]	[REDACTED]
3,310,226	-	[REDACTED]	[REDACTED]
2,291,364	298,369	[REDACTED]	[REDACTED]
-	-	[REDACTED]	[REDACTED]
200,000	-	[REDACTED]	[REDACTED]
52,875	-	[REDACTED]	[REDACTED]
281,691	29,713	[REDACTED]	[REDACTED]
1,045,658	48,950	[REDACTED]	[REDACTED]
5,701,181	748,162	[REDACTED]	[REDACTED]
150,000	-	[REDACTED]	[REDACTED]
<u>13,346,738</u>	<u>1,270,429</u>	[REDACTED]	[REDACTED]
-	-	[REDACTED]	[REDACTED]
2,490,351	429,359	[REDACTED]	[REDACTED]
1,500,000	-	[REDACTED]	[REDACTED]
82,158	62,283	[REDACTED]	[REDACTED]
708,462	244,326	[REDACTED]	[REDACTED]
<u>40,887,044</u>	<u>7,345,470</u>	[REDACTED]	[REDACTED]
<u>45,668,015</u>	<u>8,081,438</u>	[REDACTED]	[REDACTED]
59,014,753	9,351,867	[REDACTED]	[REDACTED]
757,433	130,133	[REDACTED]	[REDACTED]
<u>\$ 59,772,186</u>	<u>\$ 9,482,000</u>	[REDACTED]	[REDACTED]
\$ 2,408,402	\$ 170,995	[REDACTED]	[REDACTED]
956,948	125,862	[REDACTED]	[REDACTED]
-	31,268	[REDACTED]	[REDACTED]
513,579	5,505	[REDACTED]	[REDACTED]
522,159	91,917	[REDACTED]	[REDACTED]
1,079,368	293,926	[REDACTED]	[REDACTED]
-	-	[REDACTED]	[REDACTED]
57,333	80,963	[REDACTED]	[REDACTED]
-	-	[REDACTED]	[REDACTED]
750,000	2,900,000	[REDACTED]	[REDACTED]
<u>6,287,789</u>	<u>3,700,436</u>	[REDACTED]	[REDACTED]
-	-	[REDACTED]	[REDACTED]
-	1,500,000	[REDACTED]	[REDACTED]
654,312	113,794	[REDACTED]	[REDACTED]
<u>654,312</u>	<u>1,613,794</u>	[REDACTED]	[REDACTED]
6,942,101	5,314,230	[REDACTED]	[REDACTED]
1,532,488	215,929	[REDACTED]	[REDACTED]
39,951,840	3,189,796	[REDACTED]	[REDACTED]
2,490,351	429,359	[REDACTED]	[REDACTED]
8,855,406	332,686	[REDACTED]	[REDACTED]
<u>51,297,597</u>	<u>3,951,841</u>	[REDACTED]	[REDACTED]
<u>\$ 59,772,186</u>	<u>\$ 9,482,000</u>	[REDACTED]	[REDACTED]

**EASTON UTILITIES COMMISSION
 COMBINING DEPARTMENTAL STATEMENT OF REVENUES,
 EXPENSES, AND CHANGES IN NET POSITION
 YEAR ENDED JUNE 30, 2024**

	Total Utility Fund	Eliminations
OPERATING REVENUES	\$ 60,791,889	\$ (527,192)
OPERATING EXPENSES (including Depreciation of \$8,053,210)	<u>56,799,744</u>	<u>(1,391,723)</u>
OPERATING INCOME	3,992,145	864,531
OTHER INCOME (EXPENSE)		
Nonoperating Revenues	10,859,310	(929,909)
Nonoperating Expenses (including Interest of \$252,061 and Depreciation of \$218,933)	<u>(11,764,196)</u>	<u>65,378</u>
TOTAL OTHER INCOME (EXPENSE)	<u>(904,886)</u>	<u>(864,531)</u>
INCREASE (DECREASE) IN NET POSITION	3,087,259	-
Net Position - Beginning of Year	<u>129,724,512</u>	<u>-</u>
NET POSITION - END OF YEAR	<u><u>\$ 132,811,771</u></u>	<u><u>\$ -</u></u>

**EASTON UTILITIES COMMISSION
 COMBINING DEPARTMENTAL STATEMENT OF REVENUES,
 EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
 YEAR ENDED JUNE 30, 2024**

Electric Department	Gas Department		
\$ 28,772,343	\$ 6,296,582		
<u>27,930,870</u>	<u>6,321,915</u>		
841,473	(25,333)		
1,140,532	42,446		
<u>(2,350,241)</u>	<u>(104,275)</u>		
<u>(1,209,709)</u>	<u>(61,829)</u>		
(368,236)	(87,162)		
<u>51,665,833</u>	<u>4,039,003</u>		
<u>\$ 51,297,597</u>	<u>\$ 3,951,841</u>		

EASTON UTILITIES COMMISSION
COMBINING DEPARTMENTAL STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2024

	Total Utility Fund	Eliminations
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 58,853,753	\$ (527,192)
Cash Payments to Suppliers	(34,477,993)	527,192
Cash Payments for Salaries and Wages	(17,816,794)	-
Net Cash Provided by Operating Activities	6,558,966	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Payments in Lieu of Taxes	(2,447,512)	-
Net Cash Used by Noncapital Financing Activities	(2,447,512)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interdepartmental Loans	-	500,000
Cash Flows from Grant Receipts	8,230,157	-
Acquisition and Construction of Capital Assets	(18,868,273)	-
Proceeds from Capital Charges	814,707	-
Proceeds from Sale of Assets	51,651	-
Principal Paid on Loan Payable	(2,014,487)	-
Interest Paid on Loan Payable	(198,363)	-
Other Interest Paid	(53,698)	68,220
Net Cash Provided (Used) by Capital and Related Financing Activities	(12,038,306)	568,220
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	991,159	(68,220)
Interdepartmental loans	-	(500,000)
Sales of investments	17,395,738	-
Purchases of investments	(11,685,779)	-
Net Cash Provided (Used) by Investing Activities	6,701,118	(568,220)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	(1,225,734)	-
Cash and Cash Equivalents - Beginning of Year	9,186,999	-
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 7,961,265	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 3,992,145	\$ 864,531
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	8,053,210	-
Amortization	10,023	-
Other Miscellaneous Nonoperating Revenues	163,176	(864,531)
Effects of Changes in Operating Assets, Deferred Outflows, Liabilities, and Deferred Inflows:		
Accounts Receivable, Customer Deposits and Supplier Refunds, and Unbilled Revenues	(3,011,743)	-
Over (Under)-Recovered Energy Costs, Net	45,900	-
Inventory	(759,831)	-
Prepaid and Other Assets	(3,420,625)	-
Payables and Accrued Expenses	678,704	-
Deferred Inflows/Outflows	808,007	-
Total Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities	2,566,821	(864,531)
Net Cash Provided by Operating Activities	\$ 6,558,966	\$ -
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributions of Capital Assets	\$ 352,453	\$ -
Contributions of Capital related Accounts Payable and Retainage	\$ 893,666	\$ -

**EASTON UTILITIES COMMISSION
 COMBINING DEPARTMENTAL STATEMENT OF CASH FLOWS (CONTINUED)
 YEAR ENDED JUNE 30, 2024**

<u>Electric Department</u>	<u>Gas Department</u>		
\$ 28,331,787	\$ 6,362,646		
(18,322,244)	(4,498,428)		
(7,641,945)	(1,450,388)		
<u>2,367,598</u>	<u>413,830</u>		
(1,834,449)	-		
<u>(1,834,449)</u>	<u>-</u>		
(1,750,000)	100,000		
-	-		
(2,976,809)	(468,702)		
-	-		
6,683	6,128		
-	-		
-	-		
(38,310)	(76,274)		
<u>(4,758,436)</u>	<u>(438,848)</u>		
433,616	-		
150,000	-		
4,000,000	-		
(365,396)	-		
<u>4,218,220</u>	<u>-</u>		
(7,067)	(25,018)		
320,810	170,253		
<u>\$ 313,743</u>	<u>\$ 145,235</u>		
\$ 841,473	\$ (25,333)		
2,791,417	531,039		
3,822	3,514		
239,923	15,330		
(738,515)	62,868		
58,036	(12,136)		
89,305	54,847		
(1,599,769)	(326,541)		
310,222	45,602		
371,684	64,640		
1,526,125	439,163		
<u>\$ 2,367,598</u>	<u>\$ 413,830</u>		
\$ -	\$ -		
<u>\$ 893,666</u>	<u>\$ -</u>		

EASTON UTILITIES COMMISSION
COMBINING DEPARTMENTAL STATEMENT OF NET POSITION
JUNE 30, 2023

	Total Utility Fund	Eliminations
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 9,186,999	\$ -
Investments	16,853,640	-
Accounts Receivable, Net	4,312,372	-
Grants Receivable, Short-Term	5,521,185	-
Collateral Deposit	200,000	-
Interest Receivable	88,825	(34,110)
Prepaid Expenses	772,037	-
Unbilled Revenue	1,688,997	-
Inventory	9,702,084	-
Interdepartmental Loans	-	(5,750,000)
Total Current Assets	48,326,139	(5,784,110)
Noncurrent Assets:		
Grants Receivable, Long-Term	699,105	-
Net OPEB Asset	1,635,008	-
Interdepartmental Loans	-	(1,650,000)
Unamortized Expenses	72,565	-
Capital Assets:		
Capital Assets, Not Being Depreciated	10,390,914	-
Capital Assets, Net of Accumulated Depreciation	94,040,496	-
Total Noncurrent Assets	106,838,088	(1,650,000)
Total Assets	155,164,227	(7,434,110)
DEFERRED OUTFLOWS OF RESOURCES		
	1,761,640	-
Total Assets and Deferred Outflows	\$ 156,925,867	\$ (7,434,110)
LIABILITIES		
Current Liabilities:		
Accounts Payable	\$ 2,765,019	\$ -
Accrued Salaries and Related Expenses	2,036,634	-
Accrued Interest Payable	-	(34,110)
Tax Collection Payable	864,645	-
Compensated Absences	1,192,268	-
Customer Deposits and Supplier Refunds	1,488,045	-
Unearned Revenue	6,217,859	-
Over-Recovered Energy Costs, Net	92,396	-
Loans Payable, Due Within One Year	2,012,209	-
Interdepartmental Loans, Due Within One Year	-	(5,750,000)
Total Current Liabilities	16,669,075	(5,784,110)
Noncurrent Liabilities:		
Loans Payable, Due in More than One Year	8,186,078	-
Interdepartmental Loans, Due in More than One Year	-	(1,650,000)
Net Pension Liability	402,954	-
Total Noncurrent Liabilities	8,589,032	(1,650,000)
Total Liabilities	25,258,107	(7,434,110)
DEFERRED INFLOWS OF RESOURCES		
	1,943,248	-
NET POSITION		
Net Investment in Capital Assets	93,585,342	7,400,000
Restricted for OPEB Trust	1,635,008	-
Unrestricted	34,504,162	(7,400,000)
Total Net Position	129,724,512	-
Total Liabilities, Deferred Inflows, and Net Position	\$ 156,925,867	\$ (7,434,110)

EASTON UTILITIES COMMISSION
COMBINING DEPARTMENTAL STATEMENT OF NET POSITION (CONTINUED)
JUNE 30, 2023

<u>Electric Department</u>		<u>Gas Department</u>			
\$	320,810	\$	170,253		
	6,944,830		-		
	1,938,015		343,772		
	-		-		
	200,000		-		
	63,016		-		
	434,166		57,010		
	627,879		56,635		
	5,790,486		803,009		
	150,000		-		
	<u>16,469,202</u>		<u>1,430,679</u>		
	-		-		
	820,568		138,962		
	1,650,000		-		
	7,604		5,869		
	3,598,460		474,408		
	<u>37,814,861</u>		<u>7,184,067</u>		
	<u>43,891,493</u>		<u>7,803,306</u>		
	60,360,695		9,233,985		
	861,812		148,284		
\$	<u>61,222,507</u>	\$	<u>9,382,269</u>		
\$	2,337,328	\$	206,352		
	981,842		123,795		
	-		34,110		
	665,859		6,645		
	574,787		93,442		
	1,047,019		284,146		
	-		-		
	(703)		93,099		
	-		-		
	<u>2,500,000</u>		<u>2,650,000</u>		
	<u>8,106,132</u>		<u>3,491,589</u>		
	-		-		
	-		1,650,000		
	185,359		32,236		
	<u>185,359</u>		<u>1,682,236</u>		
	8,291,491		5,173,825		
	1,265,183		169,441		
	38,265,540		3,358,475		
	820,568		138,962		
	12,579,725		541,566		
	<u>51,665,833</u>		<u>4,039,003</u>		
\$	<u>61,222,507</u>	\$	<u>9,382,269</u>		

**EASTON UTILITIES COMMISSION
 COMBINING DEPARTMENTAL STATEMENT OF REVENUES,
 EXPENSES, AND CHANGES IN NET POSITION
 YEAR ENDED JUNE 30, 2023**

	<u>Total Utility Fund</u>	<u>Eliminations</u>
OPERATING REVENUES	\$ 66,182,807	\$ (512,694)
OPERATING EXPENSES (including Depreciation of \$8,177,333)	<u>65,361,781</u>	<u>(1,149,007)</u>
OPERATING INCOME	821,026	636,313
OTHER INCOME (EXPENSE)		
Nonoperating Revenues	12,476,149	(704,533)
Nonoperating Expenses (including Interest of \$248,874 and Depreciation of \$154,258)	<u>(13,986,825)</u>	<u>68,220</u>
TOTAL OTHER INCOME (EXPENSE)	<u>(1,510,676)</u>	<u>(636,313)</u>
INCREASE (DECREASE) IN NET POSITION	(689,650)	-
Net Position - Beginning of Year	<u>130,414,162</u>	<u>-</u>
NET POSITION - END OF YEAR	<u>\$ 129,724,512</u>	<u>\$ -</u>

**EASTON UTILITIES COMMISSION
 COMBINING DEPARTMENTAL STATEMENT OF REVENUES,
 EXPENSES, AND CHANGES IN NET POSITION (CONTINUED)
 YEAR ENDED JUNE 30, 2023**

Electric Department	Gas Department		
\$ 33,784,433	\$ 7,640,407		
<u>34,613,362</u>	<u>7,674,809</u>		
(828,929)	(34,402)		
656,687	26,254		
<u>(1,999,501)</u>	<u>(196,018)</u>		
<u>(1,342,814)</u>	<u>(169,764)</u>		
(2,171,743)	(204,166)		
<u>53,837,576</u>	<u>4,243,169</u>		
<u>\$ 51,665,833</u>	<u>\$ 4,039,003</u>		

EASTON UTILITIES COMMISSION
COMBINING DEPARTMENTAL STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2023

	Total Utility Fund	Eliminations
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 71,418,673	\$ (512,694)
Cash Payments to Suppliers	(42,320,743)	512,694
Cash Payments for Salaries and Wages	(16,101,636)	-
Net Cash Provided by Operating Activities	12,996,294	-
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Cash Payments in Lieu of Taxes	(2,257,942)	-
Net Cash Used by Noncapital Financing Activities	(2,257,942)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Interdepartmental Loans	-	(3,250,000)
Cash Flows from Grant Receipts	10,166,671	-
Acquisition and Construction of Capital Assets	(22,278,022)	-
Proceeds from Capital Charges	356,965	-
Proceeds from Sale of Assets	34,740	-
Principal Paid on Loan Payable	(1,951,933)	-
Interest Paid on Loan Payable	(224,973)	-
Other Interest Paid	(23,901)	71,062
Net Cash Used by Capital and Related Financing Activities	(13,920,453)	(3,178,938)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received	782,024	(71,062)
Interdepartmental loans	-	3,250,000
Sales of investments	15,939,958	-
Purchases of investments	(15,132,261)	-
Net Cash Provided (Used) by Investing Activities	1,589,721	3,178,938
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	(1,592,380)	-
Cash and Cash Equivalents - Beginning of Year	10,779,379	-
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 9,186,999	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 821,026	\$ 636,313
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:		
Depreciation	8,177,333	-
Amortization	36,244	-
Other Miscellaneous Nonoperating Revenues	32,332	(636,313)
Effects of Changes in Operating Assets, Deferred Outflows, Liabilities, and Deferred Inflows:		
Accounts Receivable, Customer Deposits and Supplier Refunds, and Unbilled Revenues	3,107,378	-
Under-Recovered Energy Costs, Net	1,459,841	-
Inventory	58,413	-
Prepaid, and Other Assets	(1,056,304)	-
Payables and Accrued Expenses	31,888	-
Deferred Inflows/Outflows	328,143	-
Total Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	12,175,268	(636,313)
Net Cash Provided by Operating Activities	\$ 12,996,294	\$ -
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES		
Contributions of Capital Assets	\$ 580,595	\$ -
Contributions of Capital Related Accounts Payable and Retainage	\$ 647,782	\$ -

**EASTON UTILITIES COMMISSION
 COMBINING DEPARTMENTAL STATEMENT OF CASH FLOWS (CONTINUED)
 YEAR ENDED JUNE 30, 2023**

<u>Electric Department</u>	<u>Gas Department</u>	[REDACTED]	[REDACTED]
\$ 36,100,016	\$ 7,961,414		
(26,595,302)	(5,984,016)		
(6,857,296)	(1,305,387)		
<u>2,647,418</u>	<u>672,011</u>		
(1,707,352)	-		
<u>(1,707,352)</u>	<u>-</u>		
2,500,000	350,000		
-	-		
(4,859,150)	(805,286)		
-	-		
10,603	5,352		
-	-		
-	-		
(17,017)	(74,729)		
<u>(2,365,564)</u>	<u>(524,663)</u>		
303,100	-		
150,000	-		
-	-		
(232,037)	-		
<u>221,063</u>	<u>-</u>		
(1,204,435)	147,348		
1,525,245	22,905		
<u>\$ 320,810</u>	<u>\$ 170,253</u>		
\$ (828,929)	\$ (34,402)		
2,679,228	504,694		
4,677	28,880		
51,953	16,989		
1,047,445	60,363		
1,216,182	243,659		
(1,014,274)	67,373		
(509,689)	(115,569)		
(150,121)	(126,227)		
150,946	26,251		
<u>3,476,347</u>	<u>706,413</u>		
<u>\$ 2,647,418</u>	<u>\$ 672,011</u>		
\$ -	\$ -		
<u><u>\$ 647,782</u></u>	<u><u>\$ -</u></u>		

EASTON UTILITIES COMMISSION
ELECTRIC DEPARTMENT REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 2024 AND 2023

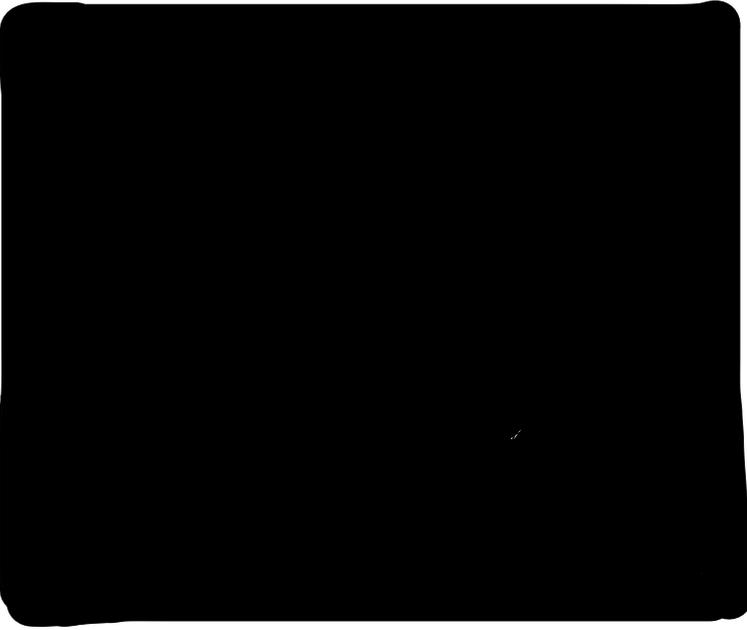
	<u>2024</u>	<u>2023</u>
OPERATING REVENUE		
Residential and Domestic	\$ 12,853,241	\$ 13,546,103
Commercial and Industrial	14,634,801	16,319,969
Public Authorities	663,645	682,678
Intercompany	402,556	394,242
Energy Cost Revenue Adjustment	(72,680)	(1,232,468)
Interconnection and Net FTRs	290,780	4,073,909
Total Operating Revenue	<u>28,772,343</u>	<u>33,784,433</u>
OPERATING EXPENSES		
Power Generation Operation	966,224	2,714,846
Power Generation Maintenance	796,629	785,094
Dispatching and Other	(1,528,417)	(672,568)
Control Room and Interchange Expenses	15,650,801	19,174,996
Transmission Expense	206,565	129,400
Distribution Operation	577,608	470,841
Distribution Maintenance	623,816	722,096
Administrative, Engineering, and Customer Services	7,846,227	8,609,429
General Depreciation	2,791,417	2,679,228
Total Operating Expenses	<u>27,930,870</u>	<u>34,613,362</u>
OPERATING INCOME (LOSS)	841,473	(828,929)
OTHER INCOME		
Interest	358,097	255,452
Interest on Intercompany Notes	65,378	68,220
Rent and Other, Net	127,321	-
Pole Rent and Other	13,904	14,289
Contributions from Users	446,299	193,635
Late Charges	53,799	59,030
Gain on Sale of Assets	6,717	10,603
Miscellaneous	69,017	55,458
Total Other Income	<u>1,140,532</u>	<u>656,687</u>
OTHER EXPENSES		
Payment in Lieu of Taxes to the Town of Easton	(1,834,449)	(1,707,352)
Disallowed and Impaired Assets	(446,299)	(193,635)
Other Interest	(38,310)	(17,017)
Miscellaneous Amortization	(3,822)	(4,677)
Miscellaneous	(27,361)	(76,820)
Total Other Expenses	<u>(2,350,241)</u>	<u>(1,999,501)</u>
TOTAL OTHER INCOME (EXPENSE)	<u>(1,209,709)</u>	<u>(1,342,814)</u>
DECREASE IN NET POSITION	\$ (368,236)	\$ (2,171,743)

EASTON UTILITIES COMMISSION
GAS DEPARTMENT REVENUES AND EXPENSES
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
OPERATING REVENUE		
Residential	\$ 3,096,255	\$ 3,820,306
Commercial and Industrial	3,094,861	3,977,951
Intercompany	93,330	85,809
Energy Cost Revenue Adjustment	12,136	(243,659)
Total Operating Revenue	<u>6,296,582</u>	<u>7,640,407</u>
OPERATING EXPENSES		
Gas Supply Operation:		
Gas Purchases	3,599,935	4,903,227
Propane Plant Cost	1,441	(1,097)
Distribution Operation	301,358	239,762
Distribution Maintenance	280,138	288,913
Administrative, Engineering, and Customer Services	1,608,004	1,739,310
General Depreciation	531,039	504,694
Total Operating Expenses	<u>6,321,915</u>	<u>7,674,809</u>
OPERATING LOSS	(25,333)	(34,402)
OTHER INCOME		
Late Charges	10,747	13,343
Contributions from Users	20,986	3,917
Gain on Sale of Assets	6,128	5,352
Miscellaneous	4,585	3,642
Total Other Income	<u>42,446</u>	<u>26,254</u>
OTHER EXPENSES		
Interest on Intercompany Notes	(65,378)	(68,220)
Disallowed and Impaired Assets	(20,986)	(3,917)
Miscellaneous Amortization	(3,514)	(28,880)
Other Interest	(8,054)	(3,667)
Miscellaneous	(6,343)	(91,334)
Total Other Expenses	<u>(104,275)</u>	<u>(196,018)</u>
TOTAL OTHER INCOME (EXPENSE)	<u>(61,829)</u>	<u>(169,764)</u>
DECREASE IN NET POSITION	\$ (87,162)	\$ (204,166)

EASTON UTILITIES COMMISSION

YEARS ENDED JUNE 30, 2024 AND 2023

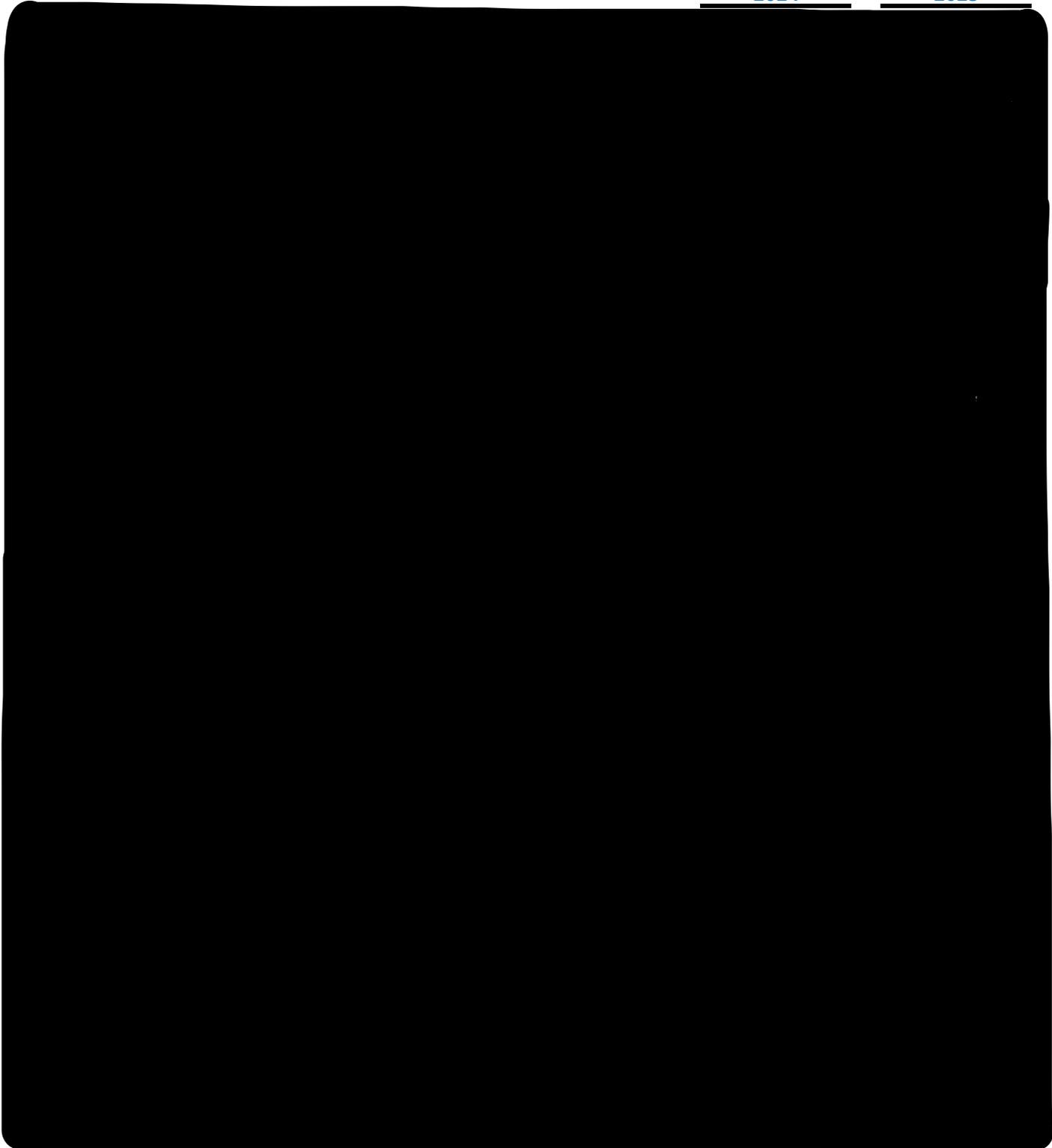
	<u>2024</u>	<u>2023</u>
		
OPERATING LOSS		
OTHER INCOME		
Rent and Other, Net		
Interest		
Late Charges		
Capital Charges		
Contributions from Users		
Grants		
Gain on Sale of Assets		
Miscellaneous		
Total Other Income		
OTHER EXPENSES		
Miscellaneous Depreciation		
Interest on Notes		
Other Interest		
Miscellaneous		
Disallowed and Impaired Assets		
Total Other Expenses		
TOTAL OTHER INCOME (EXPENSE)		
INCREASE IN NET POSITION		

EASTON UTILITIES COMMISSION

YEARS ENDED JUNE 30, 2024 AND 2023

2024

2023



ADDENDUM TO ANNUAL REPORT

MARYLAND JURISDICTIONAL
ELECTRIC SALES STATISTICS

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Feb. 19, 2025	Year/Period of Report End of <u>June 30, 2024</u>
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ELECTRIC OPERATING REVENUES (Account 400)

- The following instructions generally apply to the annual version of these pages. Do not report quarterly data in columns (c), (e), (f), and (g). Unbilled revenues and MWH related to unbilled revenues need not be reported separately as required in the annual version of these pages.
- Report below operating revenues for each prescribed account, and manufactured gas revenues in total.
- Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted for each group of meters added. The -average number of customers means the average of twelve figures at the close of each month.
- If increases or decreases from previous period (columns (c),(e), and (g)), are not derived from previously reported figures, explain any inconsistencies in a footnote.

Line No.	Title of Account (a)	Operating Revenues Year to Date Quarterly/Annual (b)	Operating Revenues Previous year (no Quarterly) (c)
1	Sales of Electricity		
2	(440) Residential Sales	12,827,091	13,012,315
3	(442) Commercial and Industrial Sales		
4	Small (or Comm.) (See Instr. 4)	14,604,911	15,675,847
5	Large (or Ind.) (See Instr. 4)		
6	(444) Public Street and Highway Lighting		
7	(445) Other Sales to Public Authorities	662,302	656,569
8	(446) Sales to Railroads and Railways		
9	(448) Interdepartmental Sales	401,904	382,079
10	TOTAL Sales to Ultimate Consumers	28,496,208	29,726,810
11	(447) Sales for Resale	290,780	4,073,909
12	TOTAL Sales of Electricity	28,786,988	33,800,719
13	(Less) (449.1) Provision for Rate Refunds	(14,644)	(16,286)
14	TOTAL Revenues Net of Prov. for Refunds	28,772,344	33,784,433
15	Other Operating Revenues		
16	(450) Forfeited Discounts		
17	(451) Miscellaneous Service Revenues		
18	(453) Sales of Water and Water Power		
19	(454) Rent from Electric Property		
20	(455) Interdepartmental Rents		
21	(456) Other Electric Revenues		
22	(456.1) Revenues from Transmission of Electricity of Others		
23	(457.1) Regional Control Service Revenues		
24	(457.2) Miscellaneous Revenues		
25			
26	TOTAL Other Operating Revenues		
27	TOTAL Electric Operating Revenues	28,772,344	33,784,433

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Feb. 19, 2025	Year/Period of Report End of <u>June 30, 2024</u>
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ELECTRIC OPERATING REVENUES (Account 400)

5. Commercial and industrial Sales, Account 442, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 1000 Kw of demand. (See Account 442 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

6. See pages 108-109, important Changes During Period, for important new territory added and important rate increase or decreases.

7. For Lines 2,4,5,and 6, see Page 304 for amounts relating to unbilled revenue by accounts.

8. Include unmetered sales. Provide details of such Sales in a footnote.

MEGAWATT HOURS SOLD		AVG.NO. CUSTOMERS PER MONTH		Line No.
Year to Date Quarterly/Annual (d)	Amount Previous year (no Quarterly) (e)	Current Year (no Quarterly) (f)	Previous Year (no Quarterly) (g)	
				1
108,770	102,652	8,599	8,580	2
				3
124,323	123,870	2,267	2,272	4
				5
				6
5,586	5,021	90	93	7
				8
2,714	2,339	39	39	9
241,391	233,882	10,995	10,985	10
1,278	8,090			11
				12
				13
242,669	241,972	10,995	10,985	14

Line 12, column (b) includes \$ (417,779) of unbilled revenues.
 Line 12, column (d) includes 4,695 MWH relating to unbilled revenues

ADDENDUM TO ANNUAL REPORT

**MARYLAND JURISDICTIONAL
GAS SALES STATISTICS**

Name of Respondent MARYLAND JURISDICTION	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Feb. 19, 2025	Year of Report June 30, 2024
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GAS OPERATING REVENUES (ACCOUNT 400)

1. Report below natural gas operating revenues for each prescribed account, and manufactured gas revenues in total.
2. Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas.
3. Report number of customers, columns (f) and (g), on the basis of meters, in addition to the number of flat rate accounts; except that where separate meter readings are added for billing purposes, one customer should be counted

- for each group of meters added. The average number of customers means the average of twelve figures at the close of each month.
4. Report quantities of natural gas sold in Mcf (14.73 psia at 60°F). If billings are on a therm basis, give the Btu contents of the gas sold and the sales converted to Mcf.
 5. If increases or decreases from previous year (columns (c), (e) and (g)), are not derived from previously

Line No.	Title of Account (a)	OPERATING REVENUES	
		Amount for Year (b)	Amount for Previous Year (c)
1	GAS SERVICE REVENUES		
2	480 Residential Sales	3,101,400	3,717,575
3	481 Commercial & Industrial Sales		
4	Small (or Comm.) (See Instr. 6)	1,923,467	2,354,305
5	Large (or Ind.) (See Instr. 6)	1,178,195	1,485,719
6	482 Other Sales to Public Authorities		
7	484 Interdepartmental Sales	93,519	82,809
8	TOTAL Sales to Ultimate Consumers	6,296,581	7,640,408
9	483 Sales for Resale		
10	TOTAL Nat. Gas Service Revenues		
11	Revenues from Manufactured Gas		
12	TOTAL Gas Service Revenues	6,296,581	7,640,408
13	OTHER OPERATING REVENUES		
14	485 Intracompany Transfers		
15	487 Forfeited Discounts		
16	488 Misc. Service Revenues		
17	489 Rev. from Trans. of Gas of Others		
18	490 Sales of Prod. Ext. from Nat. Gas		
19	491 Rev. from Nat. Gas Proc. by Others		
20	492 Incidental Gasoline and Oil Sales		
21	493 Rent from Gas Property		
22	494 Interdepartmental Rents		
23	495 Other Gas Revenues		
24	TOTAL Other Operating Revenues		
25	TOTAL Gas Operating Revenues		
26	(Less) 496 Provision for Rate Refunds		
27	TOTAL Gas Operating Revenues Net of Provision for Refunds		
28	Dist. Type Sales by States (Incl. Main Line Sales to Resid. and Comm. Custrs.)		
29	Main Line Industrial Sales (Incl. Main Line Sales to Pub. Authorities)		
30	Sales for Resale		
31	Other Sales to Pub. Auth. (Local Dist. Only)		
32	Interdepartmental Sales		
33	TOTAL (Same as Line 10, Columns (b) and (d))		

Name of Respondent	This Report Is: (1) <input checked="" type="checkbox"/> An Original (2) <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr) Feb. 19, 2025	Year of Report June 30, 2024
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GAS OPERATING REVENUES (ACCOUNT 400) (Continued)

reported figures, explain any inconsistencies in a footnote.

6. *Commercial and Industrial Sales, Account 481*, may be classified according to the basis of classification (Small or Commercial, and Large or Industrial) regularly used by the respondent if such basis of classification is not generally greater than 200,000 Mcf per year or approximately 800 Mcf

per day of normal requirements. (See Account 481 of the Uniform System of Accounts. Explain basis of classification in a footnote.)

7. See pages 108-109, Important Changes During Year, for important new territory added and important rate increases or decreases.

MCF OF NATURAL GAS SOLD		AVG. NO. OF NAT. GAS CUSTRS. PER MO.		Line No.
Quantity for Year (d)	Quantity for Previous Year (e)	Number for Year (f)	Number for Previous Year (g)	
				1
207,448	206,753	4,216	4,200	2
				3
160,409	158,936	693	679	4
113,791	118,655	14	15	5
				6
7,619	6,038	15	14	7
489,267	490,382	4,937	4,909	8
				9
				10

NOTES

Line 12, column (b) includes (9,362) of unbilled revenues

Line 12, column (c) includes 11,402 of unbilled revenues

Line 8, column (d) includes (3,234) MCF relating to unbilled revenues

Line 8, column (e) includes 293 MCF relating to unbilled revenues

				11
				12
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