



May 20, 2025

Mr. Andrew S. Johnston, Executive Secretary  
Maryland Public Service Commission (MPSC)  
William Donald Schaefer Tower  
6 Saint Paul Street, 16<sup>th</sup> Floor  
Baltimore, Maryland 21202-6806

Dear Mr. Johnston:

Subject: 2024 Annual Report Requested by the Maryland Public Service Commission

Enclosed for e-filing in response to the Maryland Public Service Commission's (MPSC) request for the 2024 Annual Report, the Town of Williamsport has enclosed:

- The Town's Audited Financial report for the year ended June 30, 2024 to satisfy Instruction #2 of the MPSC's request, and
- Retail sales data for the years ended June 30, 2024 & June 30, 2023 to satisfy Instruction #3 of the MPSC's request.

Should you have any questions, or need additional information, please do not hesitate to call me (410) 251-0526.

Best Regards,  
Smart Utility Management, LLC

A handwritten signature in black ink that reads 'Christopher S. Simms'.

Christopher S. Simms

Enclosures(s)

cc: Jamie Smith, Maryland Public Service Commission  
Chad Rooney, Town of Williamsport





**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Financial Statements, Supplementary Information and**  
**Independent Auditors' Reports**

**For the Year Ended June 30, 2024**

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Summary of Elected and Appointed Officials**

**June 30, 2024**

**Mayor**

William Green

**Assistant Mayor**

Dennis Grove

**Council Members**

Jim Braswell

Charles Brown III

Earle Pereschuck

Ben Tinsley

Margaret Yaukey

**Town Manager**

Chad Rooney

**Town Auditor**

DeLeon & Stang, CPAs and Advisors

**Town Attorney**

Kuczynski & Kuczynski, P.A.

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**For the Year Ended June 30, 2024**

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## **INDEPENDENT AUDITORS' REPORT**

### **Mayor and Council of the Town of Williamsport, Maryland**

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Town of Williamsport, Maryland, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Williamsport, Maryland's basic 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 respective financial position of the governmental activities, the business-type activities and each major fund of the Town of Williamsport, Maryland, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

- Exercise professional 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 the Town of Williamsport, Maryland's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town of Williamsport, Maryland's ability to continue as a going concern for a reasonable period of time.

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

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison schedules on pages 4 - 8 and 32 - 35 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic

**The Town of Williamsport, Maryland  
Independent Auditors' Report  
Page 3**

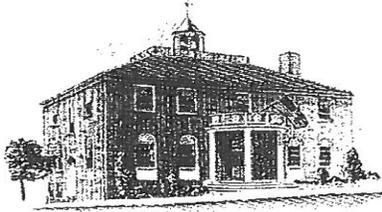
financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2025, on our consideration of the Town of Williamsport, Maryland'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 Town of Williamsport, Maryland'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 Town of Williamsport, Maryland's internal control over financial reporting and compliance.

*DeLeon & Stang*

**DeLeon & Stang, CPAs and Advisors  
Frederick, Maryland  
February 28, 2025**



OFFICE OF  
MAYOR AND COUNCIL

# The Town of Williamsport

2 NORTH CONOCOHEAGUE STREET  
P. O. BOX 307  
WILLIAMSPORT, MARYLAND 21795

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## Management’s Discussion and Analysis

As management of the Town of Williamsport, we offer readers of the Town of Williamsport’s financial statements this narrative overview and analysis of the financial activities of the Town of Williamsport for the fiscal year ending June 30, 2024.

### Financial Highlights:

- The Town’s government-wide net position increased \$1,460,116 in fiscal year 2024 as compared to an increase of \$336,865 in fiscal year 2023.
- The assets of the Town exceeded its liabilities as of June 30, 2024 as noted below:

Governmental Activities: \$5,814,762 (increase from last year)  
 Business-Type Activities: \$ 294,547 (increase from last year)

Of the total net position; \$5,043,719 is invested in capital assets, net of related debt, \$1,045,590 is unrestricted and \$20,000 is restricted.

- Total governmental and business-type capital assets, net of related depreciation was \$3,502,526 and \$4,115,154, respectively.
- The Town’s total liabilities as of June 30, 2024 were \$5,243,078 (up from last year). Of that amount \$2,572,691 are long-term liabilities. Total outstanding debt for the Town as of June 30, 2024 was \$2,573,961 (down from the prior year). Total deferred inflows were \$31,950-as of June 30, 2024.
- As of June 30, 2024, the Town of Williamsport’s governmental funds reported a combined ending fund balance of \$2,312,236 (down from last year). Of that amount \$8,269 is nonspendable, \$20,000 is restricted, \$272,246 is committed, and \$2,011,721 is unassigned.
- As of June 30, 2024, the Town of Williamsport’s operating revenues were as follows: Governmental Funds \$2,501,761 (up from last year) and Proprietary Funds \$3,016,862 (up from last year).
- As of June 30, 2024, the Town of Williamsport’s operating expenditures were as follows: Governmental Funds \$2,685,023 (up from last year) and Proprietary Funds \$3,024,788 (up from last year).

### Overview of the Financial Statements:

The discussion and analysis are intended to serve as an introduction to the Town of Williamsport’s basic financial statements. The Town of Williamsport’s basic financial statements comprise three components: 1) government wide financial statement, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

## Management's Discussion and Analysis

	Governmental Activities		Total Government	
	2024	2023	2024	2023
<b>ASSETS</b>				
Current and Other Assets	\$ 2,458,859	\$ 3,725,172	\$ 3,766,657	\$ 4,415,015
Capital Assets	3,502,526	2,735,112	7,617,680	6,477,558
<b>TOTAL ASSETS</b>	<b>5,961,385</b>	<b>6,460,284</b>	<b>11,384,337</b>	<b>10,892,573</b>
<b>LIABILITIES</b>				
Current Liabilities	114,673	189,152	2,670,387	2,517,072
Long-term Liabilities	-	-	2,572,691	2,669,643
<b>TOTAL LIABILITIES</b>	<b>114,673</b>	<b>189,152</b>	<b>5,243,078</b>	<b>5,186,715</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	<b>31,950</b>	<b>1,092,231</b>	<b>31,950</b>	<b>1,092,231</b>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	3,502,525	2,735,112	5,043,719	3,807,333
Restricted	20,000	20,000	20,000	20,000
Unrestricted	2,292,236	2,423,789	1,045,590	786,294
<b>TOTAL NET ASSETS</b>	<b>\$ 5,814,761</b>	<b>\$ 5,178,901</b>	<b>\$ 6,109,309</b>	<b>\$ 4,613,626</b>
<b>REVENUES</b>				
<b>General Revenues</b>				
Taxes	\$ 840,208	\$ 870,719	\$ 840,208	\$ 870,719
Electric Project (net of expenses)	-	-	159,196	-
Investment earnings	16,607	580	30,417	1,731
Miscellaneous	97,590	135,423	137,818	166,733
<b>Program Revenues</b>				
Operating grants and contributions	432,701	483,061	432,701	579,370
Capital grants and contributions	850,637	360,431	1,619,226	663,239
Charges for services	264,018	243,560	3,240,652	2,845,063
<b>TOTAL REVENUES</b>	<b>2,501,761</b>	<b>2,093,774</b>	<b>6,460,218</b>	<b>5,126,855</b>
<b>PROGRAM EXPENSES</b>				
General government	721,066	651,486	721,066	651,486
Public safety	137,967	155,496	137,967	155,496
Public works	461,272	404,568	461,272	404,568
Parks, recreation, and culture	282,187	292,749	282,187	292,749
Community promotion	96,928	127,046	96,928	127,046
Economic development	71,234	57,565	71,234	57,565
Miscellaneous	146,955	158,572	146,955	158,572
Business-type activities	-	-	3,082,493	2,942,508
<b>TOTAL PROGRAM EXPENSES</b>	<b>1,917,609</b>	<b>1,847,482</b>	<b>5,000,102</b>	<b>4,789,990</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 584,152</b>	<b>\$ 246,292</b>	<b>\$ 1,460,116</b>	<b>\$ 336,865</b>

### Government-wide financial statements:

The government-wide financial statements are designed to provide readers with a broad overview of the Town of Williamsport's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the Town of Williamsport's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of Williamsport is improving or deteriorating. The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

## **Management's Discussion and Analysis**

Both the government-wide financial statements distinguish functions of the Town of Williamsport that are principally supported by taxes and intergovernmental revenues from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of the Town of Williamsport include general government, public safety, public works, parks and recreation, etc. The business-type activities of the Town of Williamsport are water/sewer distribution and electric distribution operations.

The government-wide financial statements include primary government, which includes governmental (general and special revenue), and business-type (Enterprise) activities.

The government-wide financial statements can be found on pages 9 and 10 of this report.

### **Fund Financial Statements:**

A fund is a grouping of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Williamsport, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds can be divided into two categories: governmental and proprietary funds.

### **Governmental Funds:**

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, government fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town of Williamsport adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided at pages 32 – 35. The Town has two governmental funds, the general fund and the special revenue fund. The basic governmental fund financial statements are found on pages 10 - 12 of this report.

### **Proprietary Funds:**

The Town of Williamsport maintains two different types of proprietary funds. Enterprise funds are used to report the same function as business-type activities in the government-wide financial statements. The Town uses Enterprise funds to account for its water & sewer and electric distributions.

## **Management's Discussion and Analysis**

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water & sewer and electric operations. Both are considered major funds of the Town of Williamsport. The basic proprietary fund financial statements are found on pages 14 – 17 of this report.

### **Budget Variances:**

In reviewing the budget to actual revenue for fiscal year 2024, the following significant variances are noted: local income taxes exceeded budget by \$37,137 resulting from conservative budgeting; Recreation charges exceeded the budget by \$40,288 also as a result of conservative budgeting; grant revenues were \$1,985,901 less than budget due to grant funding being accounted for as revenues for projects not completed during the fiscal year; the same situation applied to miscellaneous revenues being \$667,115 less than budgeted.

In reviewing the budget to actual expenditures for fiscal year 2024, the following significant variances are noted: Financial Administrative Salaries appear under budget due to the Town Manager's salary being posted to all three funds and not under Finance Salaries; other operating police expenditures were \$38,227 less than the budget because a part time position was eliminated. Parks & Recreation salaries were over budget by \$38,781 due to the increase in minimum wage; Salaries for economic development were \$26,041 less than budgeted because the position was only filled for part of the fiscal year.

### **Capital Asset / Infrastructure Assets:**

The Town of Williamsport received \$2,058,978 from the American Rescue Plan Act (ARPA) in FY 2022 and FY 2023. The money went towards allowable expenditures, including infrastructure, as needed. As of June 30, 2024, the Town has spent the entire balance of this funding.

The Town of Williamsport spent \$850,637 on the paving of Conococheague/Artizan/Potomac Streets, \$561,982 on a manhole sewer project with a majority of the project being completed in FY2024; The Town also spent \$51,970 on (2) sewer grinders.

Other FY 2024 capital asset additions include a Ford F250 (\$68,230), sidewalk projects (\$42,771), and various other building improvements (\$116,306).

### **Budget Year FY 2024 & FY 2025:**

The Town of Williamsport was awarded \$874,457 from the Maryland Department of the Environment for the Sewer Line and Manhole Rehabilitation project. This project began moving towards completion in the summer of 2023 and is currently ongoing.

## **Management's Discussion and Analysis**

The Town of Williamsport was approved to receive \$160,000 Bond Bill from the State of Maryland for the Springfield Farm Barn. Project started in the spring of 2023 and completed the same year. The James Kalbfleisch Room was constructed with a cement floor, wooded walls, new windows, electrical improvements, and a food & beverage serving area.

The Town of Williamsport was approved to receive \$378,000 from Project Open Space for land acquisition of the Springfield Mansion property. This money is intended to be used once the property asking price decreases to an acceptable amount.

The Town of Williamsport was approved to receive \$20,000 from the Department of Housing and Community Development for Main Street operations for FY24. The funding from all previous fiscal years have been paid to the town for Main Street operations. The town will continue to use this grant in the future.

The Town of Williamsport was approved to receive \$50,000 from the Department of Housing and Community Development for Main Street Façade. Money will be distributed to eligible business and homeowners within the Town of Williamsport to update and improve facade.

The Town of Williamsport was approved to receive \$70,000 from Maryland DNR to plan and design new boat ramp at River Bottom park. An RFP was approved to begin engineering; however, it was found the property which was designated by the previous Town Manager for construction is not owned by the town nor has a lease with longevity acceptable by DNR to allow the engineering and construction to move forward. This project was approved by the Mayor and Town Council to be abandoned.

During the Maryland State Legislative Sessions in 2023 and 2024, the legislature approved \$520,000 and \$750,000, respectfully, for the acquisition of the Springfield Manor property. This money is intended to accompany Program Open Space funds once the purchase price has been reduced to around the total money available to the town through grant funds.

During the Maryland State Legislative Session in 2024, the legislature approved \$750,000 in funds for improvements to the Williamsport Memorial Library building. The informal direction by the Mayor and Town Council is to wait until Washington County builds their new library facility in the next few years.

### **Requests for more information:**

This financial report is designed to provide a general overview of the Town of Williamsport's finances for all those with an interest in government finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Town of Williamsport, Chad Rooney, Town Manager, P.O. Box 307, Williamsport, MD 21795.

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Statement of Net Position**  
**June 30, 2024**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents	\$ 2,232,624	\$ 285,697	\$ 2,518,321
Certificates of deposit	30,482	-	30,482
Due from other governments	51,422	-	51,422
Due from customers, net	-	297,254	297,254
Taxes receivable, net	27,954	-	27,954
Other receivables, net	12,259	724,847	737,106
Prepaid expenses	8,269	-	8,269
Total Current Assets	<u>2,363,010</u>	<u>1,307,798</u>	<u>3,670,808</u>
<b>Capital Assets</b>			
Land	296,641	1,946	298,587
Property and equipment	7,930,386	8,098,958	16,029,344
Construction in progress	30,710	577,572	608,282
	8,257,737	8,678,476	16,936,213
Less: accumulated depreciation	<u>(4,755,211)</u>	<u>(4,563,322)</u>	<u>(9,318,533)</u>
Capital Assets, net	<u>3,502,526</u>	<u>4,115,154</u>	<u>7,617,680</u>
<b>Other Assets</b>			
Advance to electric fund	95,849	-	95,849
Total Other Assets	<u>95,849</u>	<u>-</u>	<u>95,849</u>
<b>Total Assets</b>	<u>5,961,385</u>	<u>5,422,952</u>	<u>11,384,337</u>
<b>Liabilities, Deferred Inflows and Net Position</b>			
<b>Current Liabilities</b>			
Accounts payable	92,772	900,203	992,975
Accrued liabilities	21,901	15,844	37,745
Current portion of debt obligations	-	97,119	97,119
Overdraft	-	1,514,971	1,514,971
Meter deposits	-	27,577	27,577
Total Current Liabilities	<u>114,673</u>	<u>2,555,714</u>	<u>2,670,387</u>
<b>Long-term Liabilities</b>			
Advance from general fund	-	95,849	95,849
Long-term debt obligations	-	2,476,842	2,476,842
Total Long-term Liabilities	<u>-</u>	<u>2,572,691</u>	<u>2,572,691</u>
<b>Total Liabilities</b>	<u>114,673</u>	<u>5,128,405</u>	<u>5,243,078</u>
<b>Deferred Inflows of Resources</b>	<u>31,950</u>	<u>-</u>	<u>31,950</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>146,623</u>	<u>5,128,405</u>	<u>5,275,028</u>
<b>Net Position (Deficit)</b>			
Net investment in capital assets	3,502,525	1,541,193	5,043,719
Restricted	20,000	-	20,000
Unrestricted	2,292,236	(1,246,646)	1,045,590
<b>Total Net Position</b>	<u>\$ 5,814,762</u>	<u>\$ 294,547</u>	<u>\$ 6,109,309</u>

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Statement of Activities**  
**For the Year Ended June 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General government	\$ (721,066)	\$ 24,957	\$ 58,655		\$ (637,454)	\$ -	\$ (637,454)
Public safety	(137,967)	-	108,462	-	(29,505)	-	(29,505)
Public works	(461,272)	135,073	125,920	850,637	650,358	-	650,358
Parks, recreation, and culture	(282,187)	103,988	5,146		(173,053)	-	(173,053)
Community promotion	(96,928)	-	66,658	-	(30,270)	-	(30,270)
Economic development	(71,234)	-	67,860	-	(3,374)	-	(3,374)
Miscellaneous	(143,434)	-	-	-	(143,434)	-	(143,434)
Interest expense	(3,521)	-	-	-	(3,521)	-	(3,521)
Total Governmental Activities	<u>(1,917,609)</u>	<u>264,018</u>	<u>432,701</u>	<u>850,637</u>	<u>(370,253)</u>	<u>-</u>	<u>(370,253)</u>
<b>Business-type Activities</b>							
Electric	(1,561,393)	1,509,705	-	34,425	-	(17,263)	(17,263)
Water and sewer	(1,521,100)	1,466,929	-	734,164	-	679,993	679,993
Total Business-type Activities	<u>(3,082,493)</u>	<u>2,976,634</u>	<u>-</u>	<u>768,589</u>	<u>-</u>	<u>662,730</u>	<u>662,730</u>
<b>Total Primary Government</b>	<u>\$ (5,000,102)</u>	<u>\$ 3,240,652</u>	<u>\$ 432,701</u>	<u>\$ 1,619,226</u>	<u>(370,253)</u>	<u>662,730</u>	<u>292,477</u>
<b>General Revenues</b>							
Property taxes					659,048	-	659,048
State shared taxes					177,637	-	177,637
Other local taxes					3,523	-	3,523
Electric project income, net of expenses					-	159,196	159,196
Interest income					16,607	13,810	30,417
Rental income					64,705	-	64,705
Other					32,885	40,228	73,113
<b>Total General Revenues</b>					<u>954,405</u>	<u>213,234</u>	<u>1,167,639</u>
<b>Change in net position</b>					584,152	875,964	1,460,116
<b>Net position - July 1, 2023, restated</b>					<u>5,230,610</u>	<u>(581,417)</u>	<u>4,649,193</u>
<b>Net position - June 30, 2024</b>					<u>\$ 5,814,762</u>	<u>\$ 294,547</u>	<u>\$ 6,109,309</u>

The accompanying notes are an integral part of this statement.

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2024**

	<b>Governmental Fund Types</b>	
	<b>General</b>	<b>Total Governmental Funds</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 2,232,624	\$ 2,232,624
Certificates of deposit	30,482	30,482
Receivables:		
Due from other governments	51,422	51,422
Other receivables, net	12,259	12,259
Taxes receivable, net	27,954	27,954
Advance to electric fund	95,849	95,849
Prepaid items	8,269	8,269
<b>Total Assets</b>	\$ 2,458,859	\$ 2,458,859
<b>Liabilities</b>		
Accounts payable	\$ 92,772	\$ 92,772
Accrued liabilities	21,901	21,901
<b>Total Liabilities</b>	114,673	114,673
<b>Deferred Inflows of Resources</b>	31,950	31,950
<b>Fund Balances</b>		
Nonspendable	8,269	8,269
Restricted	20,000	20,000
Committed	272,246	272,246
Assigned	-	-
Unassigned	2,011,721	2,011,721
<b>Total Fund Balances</b>	2,312,236	2,312,236
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	\$ 2,458,859	\$ 2,458,859

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance-**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	<b>General</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>		
Local property taxes	\$ 659,048	\$ 659,048
Local income taxes	177,637	177,637
Other local taxes	3,523	3,523
Licenses and permits	24,957	24,957
Intergovernmental revenues	1,216,680	1,216,680
Service charges	230,106	230,106
Fines and forfeitures	8,955	8,955
Miscellaneous	180,855	180,855
Total Revenues	2,501,761	2,501,761
<b>Expenditures</b>		
General government	761,346	761,346
Public safety	137,965	137,965
Public works	1,199,694	1,199,694
Recreation and culture	270,899	270,899
Community promotion	96,928	96,928
Economic development	71,234	71,234
Debt service	3,521	3,521
Miscellaneous	143,436	143,436
Total Expenditures	2,685,023	2,685,023
<b>Deficiency of Revenues under Expenditures</b>	(183,262)	(183,262)
Fund Balance - July 1, 2023, restated	2,495,498	
<b>Fund Balance - June 30, 2024</b>	<b>\$ 2,312,236</b>	
<b>Adjustments for the Statement of Activities</b>		
Capital outlay		1,040,423
Write off of abandoned capital projects		(86,690)
Depreciation expense		(186,319)
Change in Net Position of Governmental Activities		<b>\$ 584,152</b>

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Reconciliation of Fund Balance to Net Position**  
**of Governmental Activities**  
**June 30, 2024**

Fund balance - governmental funds	\$ 2,312,236
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources, therefore are not reported in the funds

Capital assets, net	<u>3,502,526</u>
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Net position - governmental activities	<u>\$ 5,814,762</u>
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**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2024**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Electric</b>	<b>Water and Sewer</b>	<b>Total</b>
<b>Assets</b>			
Current Assets			
Cash and cash equivalents	\$ 285,697	\$ -	\$ 285,697
Due from customers, net	142,108	155,146	297,254
Other receivables, net	<u>84,434</u>	<u>640,413</u>	<u>724,847</u>
Total Current Assets	<u>512,239</u>	<u>795,559</u>	<u>1,307,798</u>
Capital Assets			
Land	510	1,436	1,946
Property and equipment	1,038,684	7,060,274	8,098,958
Construction in Progress	<u>-</u>	<u>577,572</u>	<u>577,572</u>
	1,039,194	7,639,282	8,678,476
Less: accumulated depreciation	<u>(918,168)</u>	<u>(3,645,154)</u>	<u>(4,563,322)</u>
Capital Assets, net	<u>121,026</u>	<u>3,994,128</u>	<u>4,115,154</u>
<b>Total Assets</b>	<u>633,265</u>	<u>4,789,687</u>	<u>5,422,952</u>
<b>Liabilities and Net Position</b>			
Current Liabilities			
Accounts payable	216,378	683,825	900,203
Accrued liabilities	9,240	6,604	15,844
Current portion of debt obligations	-	97,119	97,119
Overdraft	-	1,514,971	1,514,971
Meter deposits	<u>27,577</u>	<u>-</u>	<u>27,577</u>
Total Current Liabilities	<u>253,195</u>	<u>2,302,519</u>	<u>2,555,714</u>
Long-term Liabilities			
Advance from general fund	95,849	-	95,849
Long-term debt obligations	<u>-</u>	<u>2,476,842</u>	<u>2,476,842</u>
Total Long-term Liabilities	<u>95,849</u>	<u>2,476,842</u>	<u>2,572,691</u>
<b>Total Liabilities</b>	<u>349,044</u>	<u>4,779,361</u>	<u>5,128,405</u>
<b>Net Position (Deficit)</b>			
Net investment in capital assets	121,026	1,420,167	1,541,193
Unrestricted	<u>163,195</u>	<u>(1,409,841)</u>	<u>(1,246,646)</u>
<b>Total Net Position</b>	<u>\$ 284,221</u>	<u>\$ 10,326</u>	<u>\$ 294,547</u>

The accompanying notes are an integral part of this statement.  
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**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Statement of Revenues, Expenses, and Changes in Net Position-**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Electric</b>	<b>Water and Sewer</b>	<b>Total</b>
<b>Operating Revenues</b>			
Charges for services	\$ 1,509,705	\$ 1,466,929	\$ 2,976,634
Miscellaneous	1,414	38,814	40,228
Total Operating Revenues	<u>1,511,119</u>	<u>1,505,743</u>	<u>3,016,862</u>
<b>Operating Expenses</b>			
Utilities purchased	1,166,844	711,118	1,877,962
Personnel	72,024	93,361	165,385
General operating expenses	284,195	335,160	619,355
Insurance	18,511	18,511	37,022
Depreciation	19,576	305,488	325,064
Total Operating Expenses	<u>1,561,150</u>	<u>1,463,638</u>	<u>3,024,788</u>
<b>Operating income (loss)</b>	(50,031)	42,105	(7,926)
<b>Nonoperating Revenues (Expenses)</b>			
Interest income	8,989	4,821	13,810
Electric project income, net of expenses	159,196	-	159,196
Intergovernmental revenues - capital grants	34,425	734,164	768,589
Interest expense	(243)	(57,462)	(57,705)
Total Nonoperating Revenues (Expenses)	<u>202,367</u>	<u>681,523</u>	<u>883,890</u>
<b>Change in net position</b>	152,336	723,628	875,964
Total net position (deficit), beginning of year, restated	<u>131,885</u>	<u>(713,302)</u>	<u>(581,417)</u>
<b>Total net position, end of year</b>	<u>\$ 284,221</u>	<u>\$ 10,326</u>	<u>\$ 294,547</u>

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended June 30, 2024**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Electric</b>	<b>Water and Sewer</b>	<b>Totals</b>
<b>Cash Flows from Operating Activities</b>			
Cash receipts from customers and subsidies	\$ 1,417,000	\$ 1,445,886	\$ 2,862,886
Cash receipts from others	1,414	38,814	40,228
Cash payments to suppliers for goods and services	(1,449,861)	(730,295)	(2,180,156)
Cash payments to employees for services	(65,383)	(93,155)	(158,538)
Net cash flows from operating activities	<u>(96,829)</u>	<u>661,250</u>	<u>564,421</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Expenditures in excess of deposits	-	1,514,971	1,514,971
Net cash flows from noncapital financing activities	<u>-</u>	<u>1,514,971</u>	<u>1,514,971</u>
<b>Cash Flows from Capital and Related Financing Activities</b>			
Purchase of capital assets	(34,115)	(663,657)	(697,772)
Cash received from other governments - capital grants	34,425	298,210	332,635
Cash received from third party	468,112	-	468,112
Cash payments for electric project	(308,916)	-	(308,916)
Principal paid on capital debt	-	(96,264)	(96,264)
Interest paid	(243)	(57,462)	(57,705)
Net cash flows from financing activities	<u>159,263</u>	<u>(519,173)</u>	<u>(359,910)</u>
<b>Cash Flows from Investing Activities</b>			
Investment income	8,989	4,821	13,810
Net cash flows from investing activities	<u>8,989</u>	<u>4,821</u>	<u>13,810</u>
Net increase in cash and cash equivalents	71,423	1,661,869	1,733,291
Cash and cash equivalents (overdraft) - beginning of year	214,274	(1,661,869)	(1,447,595)
<b>Cash and cash equivalents - end of year</b>	<u>\$ 285,697</u>	<u>\$ -</u>	<u>\$ 285,697</u>

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For The Year Ended June 30, 2024**

	<b>Business-type Activities - Enterprise Funds</b>		
	<b>Electric</b>	<b>Water and Sewer</b>	<b>Totals</b>
<b>Reconciliation of operating income (loss) to net cash from operating activities</b>			
Operating income (loss)	\$ (50,031)	\$ 42,105	\$ (7,926)
Adjustments:			
Depreciation expense	19,576	305,488	325,064
Provision for uncollectible accounts/write off of prior year allowances	23,494	(36,244)	(12,750)
Net changes in assets and liabilities:			
Receivables	(92,704)	(21,043)	(113,747)
Accounts payable	(4,645)	370,738	366,094
Accrued liabilities	6,641	206	6,847
Meter deposits	840	-	840
Net cash flows from operating activities	<u>\$ (96,829)</u>	<u>\$ 661,250</u>	<u>\$ 564,421</u>

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Financial Reporting Entity**

The Town of Williamsport was incorporated in 1823 and is currently organized under the provisions of a Mayor-Council form of government. The financial statements of The Town of Williamsport, Maryland (the Town) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units.

Accounting principles generally accepted in the United States of America require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Governmental Accounting Standards Board Codification Section 2100 have been considered and there are no agencies or entities which should be presented with the Town.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The Town follows GASB 62 in applying GASB guidance to its proprietary activities and Financial Accounting Standards Board statements and interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins issued on or before November 30, 1989, that do not conflict with or contradict GASB pronouncements.

**Government-wide and Fund Financial Statements**

The basic financial statements include both government-wide (based on the Town as a whole) and fund financial statements. The statement of net position and the statement of activities report information about the Town as a whole. For the most part, the effect of interfund activity has been removed from these statements. These statements include the financial activities of the primary government. The statements distinguish between those activities of the Town that are governmental and those that are considered business-type activities.

The statement of net position presents the financial condition of the governmental and business-type activities of the Town at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the Town's governmental activities and for business-type activities of the Town. Direct expenses are those that are specifically associated with a service, program, or department and therefore clearly identifiable to a particular function.

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Government-wide and Fund Financial Statements** (Continued)

Program revenues include charges paid by the recipient of the goods and services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the Town, with certain limited exceptions.

The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the Town.

In the fund financial statements, financial transactions and accounts of the Town are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and managerial requirements.

The following is a brief description of the specific funds used by the Town in fiscal year 2024:

**Governmental Fund Types**

General Fund – This Fund is the Town's primary operating fund. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund. The General Fund accounts for the normal recurring activities of the Town (i.e., public safety, parks and recreation, public works, general government, etc.). These activities are funded principally by property and income taxes on individuals and businesses, and grants from other governmental units.

Special Revenue Fund – This Fund is used to account for proceeds of a specific revenue source that are legally restricted to expenditures for specified purposes. The community development block grant (CDBG) is maintained in this fund.

**Proprietary Fund Types**

Enterprise Funds – The Electric Fund and the Water and Sewer Fund are accounted for in Enterprise Funds. The primary measurement focus is upon the determination of net income, financial position, and cash flows. The generally accepted accounting principles are similar to those used in the private business sector.

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide statements are prepared 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 related cash flows. Property taxes are recognized as revenues in the year in which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. This approach differs from the manner in which governmental fund financial statements are prepared. Therefore, governmental fund financial statements include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for the governmental fund.

Net position is reported as restricted when constraints placed on net position use are externally imposed by grantors or contributors.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be "available" when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers all revenues as available if they are collected within 60 days after year-end. Expenditures generally are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Business-type activities and all proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

**Budgets and Budgetary Accounting**

The budget document is a comprehensive financial plan showing all revenues and expenditures expected for the General Fund, Electric Fund, and Water and Sewer Fund of the Town. Budgets are adopted on an annual cycle for all funds.

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Town considers all highly liquid investments and investments purchased with an original maturity of six months or less when purchased to be cash and cash equivalents.

**Receivables and Uncollectible Accounts**

Significant receivables include amounts due from customers primarily for utility services, which are due within one year. The Electric Fund has an allowance account balance as of June 30, 2024 of \$114,402 for amounts due from customers. No allowance for uncollectible accounts is recorded for the Water and Sewer Fund because the Town may file a lien against the landowner.

The General Fund has an allowance account balance as of June 30, 2024 of \$32,399 for the collectability of state certification taxes.

**Short-term Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables".

**Prepaid Expenses**

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid expenses. In governmental funds, reported prepaid expenses are equally offset by nonspendable fund balance amounts, which indicates that they do not constitute "available spendable resources" even though they are a component of total assets.

**Capital Assets**

Capital assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as assets with an estimated useful life in excess of one year. Capital assets purchased or acquired are recorded at cost or, if donated, at the estimated fair market value upon receipt. The Town capitalizes equipment over \$5,000 and infrastructure over \$10,000. Depreciation of property and equipment is computed on the straight-line method for financial reporting purposes.

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Assets** (Continued)

Depreciation is provided for over the estimated useful lives of the assets, as follows:

Buildings	20 – 50 years
Land improvements	10 – 20 years
Infrastructure	20 – 50 years
Machinery and equipment	5 – 15 years

**Compensated Absences**

The Town’s policies regarding vacation time permit employees to accumulate earned but unused vacation leave up to eighty hours, which is paid upon employment separation.

**Deferred Outflows / Inflows of Resources**

In addition to assets, the statement of net position may report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that period.

In addition to liabilities, the statement of net position may report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that period.

**Unearned Revenue**

Unearned revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Town before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, the liability for unearned revenue is removed and the revenue is recognized. Unearned revenues of \$31,950 within Governmental Activities are recognized as deferred inflows of resources as of year-end.

**Fund Balance**

The Town has implemented GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions for its governmental funds. Under GASB Statement No. 54, fund balances are required to be reported according to the following classifications:

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Fund Balance** (Continued)

Nonspendable fund balance – Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables.

Restricted fund balance – Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or other governments; or are imposed by law (through constitutional provisions or enabling legislation). As of June 30, 2024, \$20,000 remained restricted for the library.

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the Town's highest level of decision-making authority, the Mayor and Council. The Mayor and Council have committed \$272,246 (the farm account) that can be used at the Mayor and Council's discretion.

Assigned fund balance – Amounts that are constrained by the Town's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the Mayor and Council, or by an official to whom that authority has been given. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances.

Unassigned fund balance – This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which amounts had been restricted, committed or assigned. When both restricted and unrestricted resources are available for use, it is the Town's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

**Net Position (Deficit)**

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of the cost of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**Interfund Transactions**

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers.

During fiscal year 2020, the General Fund advanced \$141,000 to the Electric Fund for the purchase of the electric substation upgrade. Starting in fiscal year 2021, the advance will be paid back in six annual installments, accruing interest at a rate of 2%. As of June 30, 2024, \$95,849 remained due to/due from the respective General and Electric Fund. No payment was made on the advance during fiscal year 2024.

**Estimates**

The preparation of basic financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the basic financial statements and accompanying notes. Actual results could differ from those estimates.

**NOTE 2- DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**

**Credit Risk**

Credit risk is defined as the risk that an issuer or other counterparts to an investment in debt securities will not fulfill its obligations. There is no rating on the certificates of deposit. The Town shall invest only in the following types of securities, which are authorized by the State:

- Obligations of U.S. governmental agencies
- Fully insured or collateralized certificates of deposit or other interest bearing time deposits or savings accounts
- Repurchase agreements collateralized in an amount not less than 102% of the principal
- Bankers acceptances with the highest quality letter and numerical rating
- Commercial paper with the highest quality letter and numerical rating
- Money market mutual funds registered under the Investment Company Act of 1940
- An obligation or security of, or other interest in, any open-end or closed-end management type investment company or investment trust
- Local Government Investment Pool administered by the State Treasurer.

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 2- DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS**  
(Continued)

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. At year-end, the carrying amount of the Town's deposits was \$1,033,350 the bank balances were \$1,049,577 and cash on hand was \$200. All of the bank balances were covered by the Federal Deposit Insurance Corporation or by collateral held by the pledging financial institution's trust department in the Town's name.

**Concentration of Credit Risk**

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer, not applicable to investments issued or explicitly guaranteed by the U.S. government, investments in mutual funds and external investment pools, or other pooled investments. Of the investments, 100% are invested in debt instruments (certificates of deposit).

**Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town is not explicit as to how interest rate risk is managed. The interest rate for the certificates of deposit as of June 30, 2024 was 0.03%.

**NOTE 3- PROPERTY TAXES**

The Town's property taxes are levied each July 1 at rates enacted by the Mayor and Council on the total assessed value as determined by the Maryland State Department of Assessments and Taxation.

Property taxes become delinquent on October 1. Interest accrues at 1% monthly for delinquent property taxes. Tax liens on real property are sold at public auction the first Tuesday in June on taxes delinquent since October 1 of the current fiscal year.

Total assessable base on which levies were made for the year ended June 30, 2024 was \$117,824,423 and the property tax rate was \$0.485 per \$100 of assessed value.

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 4- CAPITAL ASSETS**

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

	<u>July 1, 2023</u>			<u>Transfer/</u>	<u>June 30, 2024</u>
<u>Governmental activities:</u>	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Expense</u>	<u>Balance</u>
Capital assets, not being depreciated					
Land	\$ 296,641	\$ -	\$ -	\$ -	\$ 296,641
Construction in progress	86,690	30,710	-	(86,690)	30,710
Total capital assets not being depreciated	<u>383,331</u>	<u>30,710</u>	<u>-</u>	<u>(86,690)</u>	<u>327,351</u>
Capital assets, being depreciated					
Municipal buildings	1,171,849	-	-	-	1,171,849
Furniture and fixtures	25,318	-	-	-	25,318
Machinery and equipment	366,006	-	-	-	366,006
Vehicles	169,656	-	-	-	169,656
Software	16,957	-	-	-	16,957
Streets and alleys	2,117,465	893,407	-	-	3,010,872
Other town properties	<u>3,053,422</u>	<u>116,306</u>	<u>-</u>	<u>-</u>	<u>3,169,728</u>
Total capital assets being depreciated	6,920,673	1,009,713	-	-	7,930,386
Less: Accumulated depreciation	<u>(4,568,892)</u>	<u>(186,319)</u>	<u>-</u>	<u>-</u>	<u>(4,755,211)</u>
Governmental activities capital assets, net	<u>\$ 2,735,112</u>	<u>\$ 854,104</u>	<u>\$ -</u>	<u>\$ (86,690)</u>	<u>\$ 3,502,526</u>

Depreciation expense was charged to functions/programs as follows:

Governmental activities:

General government	\$ 66,801
Public works	68,295
Parks, recreation, and culture	<u>51,223</u>
Total depreciation expense	<u>\$ 186,319</u>

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 4- CAPITAL ASSETS** (Continued)

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

	<b>July 1, 2023</b>			<b>Transfer/</b>	<b>June 30, 2024</b>
<u>Business-type activities:</u>	<u>Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Expense</u>	<u>Balance</u>
Capital assets, not being depreciated					
Land	\$ 1,946	\$ -	\$ -	\$ -	\$ 1,946
Construction in progress	<u>205,142</u>	<u>577,572</u>	<u>-</u>	<u>(205,142)</u>	<u>577,572</u>
Total capital assets not being depreciated	<u>207,088</u>	<u>577,572</u>	<u>-</u>	<u>(205,142)</u>	<u>579,518</u>
Capital assets, being depreciated					
Electric infrastructure	881,247	-	-	-	881,247
Furniture and fixtures	19,431	-	-	-	19,431
Software	33,912	-	-	-	33,912
Vehicles	363,627	68,230	-	-	431,857
Water/sewer infrastructure	5,734,497	51,970	-	-	5,786,467
Water/sewer system improvements	<u>740,902</u>	<u>-</u>	<u>-</u>	<u>205,142</u>	<u>946,044</u>
Total capital assets being depreciated	<u>7,773,616</u>	<u>120,200</u>	<u>-</u>	<u>205,142</u>	<u>8,098,958</u>
Less: Accumulated depreciation	<u>(4,238,258)</u>	<u>(325,064)</u>	<u>-</u>	<u>-</u>	<u>(4,563,322)</u>
Business-type activities capital assets, net	<u>\$ 3,742,446</u>	<u>\$ 372,708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,115,154</u>

Depreciation expense was charged to functions/programs as follows:

Business-type activities:

Electric	\$ 19,576
Water and sewer	<u>305,488</u>
Total depreciation expense	<u>\$ 325,064</u>

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 5- LONG-TERM LIABILITIES**

Debt outstanding as of June 30, 2024 is as follows:

Business-type activities:

\$684,538 Maryland Department of the Environment loan; 0% interest rate; payable annually on February 1; maturing in 2027	\$ 100,028
\$1,321,390 Maryland Water Quality Financing Administration Drinking Water Bond - Series 2018B; 0.8% interest rate; payable annually on February 1; maturing in 2038	1,205,390
\$1,600,000 Wastewater System Improvement Bond; 2.125% annual interest rate; expires December 14, 2052	<u>1,268,543</u>
	\$ 2,573,961
Less current portion	<u>(97,119)</u>
	<u>\$ 2,476,842</u>

The Maryland Water Quality Financing Administration Drinking Water Bond balance above includes 50% loan and 50% loan forgiveness. The 50% loan forgiveness will be recognized on March 21, 2028. The debt service requirements below include the amortization of the outstanding loan balance at year-end and not the 50% loan forgiveness amount of \$660,695.

Debt service requirements are as follows:

	<u>Enterprise Funds</u>	
	<u>Principal</u>	<u>Interest</u>
2025	97,119	31,768
2026	52,760	30,910
2027	53,578	30,038
2028	87,342	29,149
2029	143,158	38,035
2030-2034	399,906	115,526
2035-2039	384,255	90,927
2040-2044	235,412	67,125
2045-2049	261,728	41,361
2050-2054	<u>198,008</u>	<u>12,822</u>
	1,913,266	487,661
Forgiveness	660,695	-
Total	<u>\$ 2,573,961</u>	<u>\$ 487,661</u>

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 5- LONG-TERM LIABILITIES** (Continued)

**Changes in Non-Current Liabilities**

During the year ended June 30, 2024, the following changes in long-term obligations occurred:

	<u>July 1, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2024</u>	<u>Due within one year</u>
<u>Business-type activities:</u>					
MDE I&I sewer rehab loan	\$ 144,991	\$ -	\$ (44,963)	\$ 100,028	\$ 44,962
MWQFA drinking water bond	1,224,723	-	(19,333)	1,205,390	19,333
Wastewater system improvement bond	<u>1,300,511</u>	<u>-</u>	<u>(31,968)</u>	<u>1,268,543</u>	<u>32,824</u>
	<u>\$ 2,670,225</u>	<u>\$ -</u>	<u>\$ (96,264)</u>	<u>\$ 2,573,961</u>	<u>\$ 97,119</u>

**Interest Expense**

For the year ended June 30, 2024 total interest costs were \$61,226 and reported as follows: \$3,521 for governmental activities and \$57,705 for business-type activities. Cash paid for interest for business-type activities was \$57,705 for the year ended June 30, 2024.

**Conduit Debt**

In July 2015, the Town approved the issuance of Maryland Economic Development Revenue bonds, not to exceed \$3.6 million, to provide financial assistance to the YMCA of Hagerstown, Maryland. The Town is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2024, the conduit debt obligation outstanding was \$2,063,601.

**NOTE 6- RETIREMENT PLAN**

The Town maintains a defined contribution pension plan, which includes a 401(k) provision. The name of the plan is Town of Williamsport 401(k) Profit Sharing Plan and Trust. The plan administrator is the employer. The plan's third-party administrator is Creative Retirement Services, Inc. Plan provisions are established by the employer and can only be amended under the Town Council's authority. Eligible employees are permitted to contribute up to the annual legal limit. The employer is permitted to make a discretionary contribution with the authority of the Town Council. Eligible employees must be at least 21 years of age and have obtained more than one year of service. Vesting of employer's contributions is graduated, with 100% vesting after six years of service. The Town made employer contributions of \$10,596 during the year.

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 7- RISKS, COMMITMENTS AND CONTINGENT LIABILITIES**

**Grant Funds**

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although it is believed by management that such disallowances will be immaterial.

**Risk Management**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town's general liability risks are financed through the Town's participation in the Maryland Local Government Insurance Trust (MLGIT). The Town pays an annual premium to MLGIT for its general insurance coverage. The Town has coverage of \$1,000,000 for each occurrence. The annual aggregate limit is \$2,000,000 and is the most the Trust will pay under the Town's agreement. The Town continues to carry commercial insurance for employee health and accident insurance and workers compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage, and no significant reductions in insurance coverage have occurred, in any of the past three fiscal years.

**NOTE 8- GRANTS FROM GOVERNMENTAL UNITS**

Federal and state governmental units represent an important source of supplementary funding used to finance construction, maintenance, employment programs, and other activities beneficial to the community. The grants received by the Town specify the purpose for which the grant funds are to be used, and such grants are subject to audit by the granting agency or its representative if Federal expenditures for the fiscal year exceed \$750,000. For the year ended June 30, 2024, the Town's federal grant expenditures did exceed \$750,000 and the Town was subject to the Alternative Compliance Examination Engagement for Recipients That Would Otherwise be Required to Undergo a Single Audit or Program-Specific Audit as a Result of Receiving Coronavirus State and Local Fiscal Recovery Funds" of the CSLFRF section of the 2024 OMB *Compliance Supplement*. Total CSLFRF funds spent during fiscal year 2024 were \$1,107,908.

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 9- PRIOR PERIOD ADJUSTMENT**

The Town has restated its opening net position and related fund balances for corrections to prior year balances. The accompanying financial statements have been restated to reflect the corrections, which are enumerated below :

	<b>Governmental</b>			
	<u>Activities</u>	<u>Govt. Fund</u>	<u>Electric Fund</u>	<u>Water &amp; Sewer Fund</u>
Total Net Position, beginning of year	\$ 5,178,901	\$ 2,443,789	\$ 132,145	\$ (697,419)
Prior Period Adjustments :				
Correction of error related to system conversion	(9,694)	(9,694)	(260)	(15,883)
Prior year overpayment	61,403	61,403	-	-
Total Net Position, end of year	<u>\$ 5,230,610</u>	<u>\$ 2,495,498</u>	<u>\$ 131,885</u>	<u>\$ (713,302)</u>

**NOTE 10- SUBSEQUENT EVENTS**

Subsequent events are defined as events or transactions that occur after the Statement of Net Position date through the date that the financial statements are available to be issued. As of February 28, 2025, the date the financial statements were available to be issued, the Town performed an evaluation and revealed no material events or transactions which would require an adjustment or disclosure in the accompanying financial statements.

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-**  
**Budget to Actual- General Fund**

<b>For the year ended June 30, 2024</b>	<b>Original Budget</b>	<b>Final Appropriated Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Local Property Taxes</b>	\$ 654,707	\$ 654,707	\$ 659,048	\$ 4,341
<b>Local Income Taxes</b>	140,500	140,500	177,637	37,137
<b>Admissions &amp; Amusement Taxes</b>	1,000	1,000	3,523	2,523
<b>Licenses and Permits</b>				
Traders, peddlers, and alcohol licenses	550	550	3,599	3,049
Building permits	3,000	3,000	2,080	(920)
Cable television franchise fees	25,000	25,000	19,278	(5,722)
Total Licenses and Permits	28,550	28,550	24,957	(3,593)
<b>Intergovernmental Revenues</b>				
State aid for police protection	15,000	15,000	34,631	19,631
Highway user revenues	126,030	126,030	125,610	(420)
Hotel and motel tax	22,500	22,500	33,340	10,840
Grants	3,009,000	3,009,000	1,023,099	(1,985,901)
Total Intergovernmental Revenues	3,172,530	3,172,530	1,216,680	(1,955,850)
<b>Service Charges</b>				
Public parking fees	6,000	6,000	8,679	2,679
Waste collection	109,200	109,200	117,439	8,239
Recreation charges	63,700	63,700	103,988	40,288
Total Service Charges	178,900	178,900	230,106	51,206
<b>Fines and forfeitures</b>				
Parking fines	5,000	5,000	8,955	3,955
<b>Miscellaneous Revenues</b>				
Investment earnings	2,900	2,900	16,607	13,707
Rents and concessions	71,000	71,000	64,705	(6,295)
Donations & special events	57,500	57,500	66,658	9,158
Miscellaneous	700,000	700,000	32,885	(667,115)
Total Miscellaneous Revenues	831,400	831,400	180,855	(650,545)
<b>Total Revenues</b>	\$ 5,012,587	\$ 5,012,587	\$ 2,501,761	\$ (2,510,826)

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-**  
**Budget to Actual- General Fund (Continued)**

<b>For the year ended June 30, 2024</b>	<b>Original Budget</b>	<b>Final Appropriated Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>General Government</b>				
Legislative				
Salaries	\$ 12,500	\$ 12,500	\$ 12,500	\$ -
Other operating	<u>13,250</u>	<u>13,250</u>	<u>19,709</u>	<u>(6,459)</u>
Total Legislative	<u>25,750</u>	<u>25,750</u>	<u>32,209</u>	<u>(6,459)</u>
Executive				
Salaries	7,500	7,500	7,500	-
Other operating	<u>9,750</u>	<u>9,750</u>	<u>5,939</u>	<u>3,811</u>
Total Executive	<u>17,250</u>	<u>17,250</u>	<u>13,439</u>	<u>3,811</u>
Financial Administration				
Finance				
Salaries	50,000	50,000	-	50,000
Other operating	83,250	83,250	75,112	8,138
Independent accounting / auditing	<u>18,750</u>	<u>18,750</u>	<u>17,591</u>	<u>1,159</u>
Total Financial Administration	<u>152,000</u>	<u>152,000</u>	<u>92,703</u>	<u>59,297</u>
Legal				
Other operating	<u>20,000</u>	<u>20,000</u>	<u>9,714</u>	<u>10,286</u>
Total Legal	<u>20,000</u>	<u>20,000</u>	<u>9,714</u>	<u>10,286</u>
Planning and Zoning				
Other operating	<u>21,950</u>	<u>21,950</u>	<u>28,752</u>	<u>(6,802)</u>
Total Planning and Zoning	<u>21,950</u>	<u>21,950</u>	<u>28,752</u>	<u>(6,802)</u>
General Services				
Municipal buildings				
Salaries	90,000	90,000	97,947	(7,947)
Other operating	148,700	148,700	197,724	(49,024)
Capital outlay	-	<u>107,100</u>	<u>107,081</u>	<u>19</u>
Total Municipal buildings	<u>238,700</u>	<u>345,800</u>	<u>402,752</u>	<u>(56,952)</u>
Data processing				
Other operating	<u>22,000</u>	<u>22,000</u>	<u>17,236</u>	<u>4,764</u>
Total Data processing	<u>22,000</u>	<u>22,000</u>	<u>17,236</u>	<u>4,764</u>

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-**  
**Budget to Actual- General Fund (Continued)**

<b>For the year ended June 30, 2024</b>	<b>Original Budget</b>	<b>Final Appropriated Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Other general services				
Salaries	45,500	45,500	48,166	(2,666)
Other operating	<u>130,900</u>	<u>130,900</u>	<u>116,376</u>	<u>14,524</u>
Total Other general services	<u>176,400</u>	<u>176,400</u>	<u>164,542</u>	<u>11,858</u>
Total General Services	<u>437,100</u>	<u>544,200</u>	<u>584,529</u>	<u>(40,329)</u>
<b>Total General Government</b>	<u>\$ 674,050</u>	<u>\$ 781,150</u>	<u>\$ 761,346</u>	<u>\$ 19,804</u>
<b>Public Safety</b>				
Police				
Other operating	<u>\$ 156,000</u>	<u>\$ 156,000</u>	<u>\$ 117,773</u>	<u>\$ 38,227</u>
Total Police	<u>156,000</u>	<u>156,000</u>	<u>117,773</u>	<u>38,227</u>
Fire and Rescue Services				
Other operating	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Total Fire and Rescue Services	<u>5,000</u>	<u>5,000</u>	<u>5,000</u>	<u>-</u>
Other Public Safety				
Salaries	<u>7,500</u>	<u>7,500</u>	<u>15,192</u>	<u>(7,692)</u>
Total Other Public Safety	<u>7,500</u>	<u>7,500</u>	<u>15,193</u>	<u>(7,692)</u>
<b>Total Public Safety</b>	<u>\$ 168,500</u>	<u>\$ 168,500</u>	<u>\$ 137,965</u>	<u>\$ 30,535</u>
<b>Public Works</b>				
Highways and Streets				
Salaries	<u>\$ 40,000</u>	<u>\$ 40,000</u>	<u>\$ 34,578</u>	<u>\$ 5,422</u>
Other operating	<u>260,797</u>	<u>260,797</u>	<u>186,197</u>	<u>74,600</u>
Capital outlay	<u>-</u>	<u>806,720</u>	<u>806,717</u>	<u>3</u>
Total Highways and Streets	<u>300,797</u>	<u>1,107,517</u>	<u>1,027,492</u>	<u>80,025</u>
Waste Collection and Disposal				
Salaries	<u>10,000</u>	<u>10,000</u>	<u>20,040</u>	<u>(10,040)</u>
Other operating	<u>135,000</u>	<u>135,000</u>	<u>152,162</u>	<u>(17,162)</u>
Total Waste Collection and Disposal	<u>145,000</u>	<u>145,000</u>	<u>172,202</u>	<u>(27,202)</u>
<b>Total Public Works</b>	<u>\$ 445,797</u>	<u>\$ 1,252,517</u>	<u>\$ 1,199,694</u>	<u>\$ 52,823</u>

**THE TOWN OF WILLIAMSPORT, MARYLAND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance-**  
**Budget to Actual- General Fund (Continued)**

For the year ended June 30, 2024	Original Budget	Final Appropriated Budget	Actual	Variance with Final Budget Positive (Negative)
<b>Parks, Recreation, and Culture</b>				
Parks				
Salaries	\$ 20,000	\$ 20,000	\$ 30,611	\$ (10,611)
Other operating	108,361	108,361	77,527	30,834
Capital outlay	-	-	39,935	(39,935)
<b>Total Parks</b>	<u>128,361</u>	<u>128,361</u>	<u>148,073</u>	<u>(19,712)</u>
Recreation and culture				
Salaries	50,000	50,000	88,781	(38,781)
Other operating	26,250	26,250	34,045	(7,795)
<b>Total Recreation and culture</b>	<u>76,250</u>	<u>76,250</u>	<u>122,826</u>	<u>(46,575)</u>
<b>Total Parks, Recreation, and Culture</b>	<u>\$ 204,611</u>	<u>\$ 204,611</u>	<u>\$ 270,899</u>	<u>\$ (66,288)</u>
<b>Community Promotion</b>				
Salaries	\$ -	\$ -	\$ 381	\$ (381)
Other operating	114,750	114,750	96,547	18,203
<b>Total Community Promotion</b>	<u>\$ 114,750</u>	<u>\$ 114,750</u>	<u>\$ 96,928</u>	<u>\$ 17,822</u>
<b>Economic Development</b>				
Salaries	\$ 54,000	\$ 54,000	\$ 27,959	\$ 26,041
Other operating	34,000	34,000	43,275	(9,275)
<b>Total Economic Development</b>	<u>\$ 88,000</u>	<u>\$ 88,000</u>	<u>\$ 71,234</u>	<u>\$ 16,766</u>
<b>Debt service</b>	<u>\$ 1,500</u>	<u>\$ 1,500</u>	<u>\$ 3,521</u>	<u>\$ (2,021)</u>
<b>Miscellaneous</b>				
Retirement contributions	7,750	7,750	5,139	2,611
Employee health insurance	40,000	40,000	45,733	(5,733)
Workmen's compensation	8,250	8,250	4,923	3,327
Social security contributions	27,250	27,250	30,414	(3,164)
Miscellaneous/Outside contracts	19,750	19,750	-	19,750
Other	86,851	86,851	57,227	29,624
<b>Total Miscellaneous</b>	<u>\$ 189,851</u>	<u>\$ 189,851</u>	<u>\$ 143,436</u>	<u>\$ 46,414</u>
<b>Depreciation &amp; General Fund Reserves</b>	<u>\$ 206,261</u>	<u>\$ 206,261</u>	<u>\$ -</u>	<u>\$ 206,261</u>
<b>Total Expenditures</b>	<u>\$ 2,093,320</u>	<u>\$ 3,007,140</u>	<u>\$ 2,685,023</u>	<u>\$ 322,117</u>
<b>Net Change in Fund Balance</b>	<u>\$ 2,919,267</u>	<u>\$ 2,005,447</u>	<u>\$ (183,262)</u>	<u>\$ (2,188,709)</u>



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**Mayor and Council of the  
Town of Williamsport, Maryland**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Williamsport, Maryland, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town of Williamsport, Maryland's basic financial statements and have issued our report thereon dated February 28, 2025.

**Report on Internal Control over Financial Reporting**

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as Finding 2024-001 to be a material weakness.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiencies described in the accompanying schedule of findings and responses as Finding 2024-002 and Finding 2024-003 to be significant deficiencies.

**Report on Compliance and Other Matters**

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

**Town of Williamsport, Maryland's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Town of Williamsport, Maryland's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Town of Williamsport, Maryland's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

**Purpose of this Report**

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

*DeLeon & Stang*

**DeLeon & Stang, CPAs and Advisors  
Frederick, Maryland  
February 28, 2025**

**TOWN OF WILLIAMSPORT, MARYLAND**  
**Schedule of Findings and Responses**  
**For the Year Ended June 30, 2024**

**Finding 2024-001:** Internal Controls over Financial Reporting

**Criteria:** The Town is responsible for ensuring that their books and records are reconciled on a frequent basis to prevent any material misstatements. In addition, accurate financial statements are necessary to allow for proper oversight and monitoring of the Town's finances.

**Condition:** During fiscal year 2024, the Town had transition in its Town Accountant position. The accuracy of internal statements during the period of not having a Town Accountant is questionable, due to the number of year-end adjustments that needed to occur to bring the financial records to an acceptable state in accordance with GAAP, as noted below.

After the initial Trial Balance was received in November 2024, the newly hired contracted Accountant made an additional thirteen adjustments after identification of areas that needed corrected by the audit, which had a total decrease in government wide net position of (\$382,474).

In addition, as a result of our audit procedures, we identified an additional thirteen audit adjustments for a total increase in government wide net position of \$366,743.

In total, twenty six adjustments were made to the fiscal year 2024 accounts for a total decrease in government wide net position of \$15,731. The twenty six adjustments spanned across all three funds of the Town; General Fund, Electric Fund and Water/Sewer Fund.

**Cause:** It appears the cause was the transition and lack of a Town Accountant to keep up with the financial records on a frequent basis.

**Effect:** The overall financial effect is noted above. In addition, the Mayor and Council were not provided accurate financial statements to fulfill their overall responsibility of financial oversight and monitoring.

**Recommendation:** We recommend the Town implement a monthly or at least quarterly financial close and reporting process with to ensure the financial statements are fairly presented and present the accurate financial position of the Town.

**Response:** The town accepts this finding as the foundation of the finding is accurate as shown through our records. The town finds it is truthful monthly closeouts were not consistently completed during the absence of a contracted accountant; however, once this individual was onboarded, including learning the complex Tyler Technologies accounting software program, the accountant did a formal review of the missing months and responded accordingly to make necessary adjustments. As the fiscal year progressed, and the contracted accountant became more knowledgeable of our procedures and software, the closeouts and reports were completed timely.

During the next fiscal year, the town feels this finding will not be repeated as it continues contractual services with a knowledgeable financial operative who will complete timely close-outs on a monthly and quarterly basis.

**TOWN OF WILLIAMSPORT, MARYLAND**  
**Schedule of Findings and Responses**  
**For the Year Ended June 30, 2024**

**Finding 2024-002:** Internal Controls over Cash Receipts

**Criteria:** It is the Town's practice for individual deposits to be reviewed once the deposit has been taken to the bank. After the bank receipt is provided, a secondary employee who did not prepare the deposit is to review the daily cashiering screenshot, the deposit ticket, and the bank receipt to ensure they all match. This review is indicated by the Town Manager's initials and date on the cashiering screenshot printout.

**Condition:** During our cash receipts testing, we noted eight out of thirty deposits tested that did not indicate the Town Manager's review.

**Cause:** Per inquiry, these deposits were most likely an oversight.

**Effect:** The Town Manager's review serves as a detection control to ensure cash was properly deposited. Without this secondary control, the risk of misappropriation could increase.

**Recommendation:** The Town is responsible for ensuring its internal controls are operating as intended. We recommend the Town review its internal control policies over cash receipts and make changes, as applicable to ensure the cash receipts process has adequate internal controls to reduce the risk of misappropriation.

**Response:** The town accepts this finding with note of the process by which deposits are made at our financial institution. The Town Manager, serving also in the capacity of Clerk and Treasurer, is the only employee who physically takes all deposits to our bank for processing. This means the Town Manager sees the deposit slip and receipt for each transaction. The deposit slip is then attached to the daily deposit sheets. This is noteworthy to reflect these documents are reviewed by the Town Manager and detection controls are in place, though the lack of a signature as identified by the auditors was not observed on the eight days noted which offers proof of this process.

During the next reporting period, the deposit slips will have the signature of the Town Manager as an offer of proof the above outlined procedures are followed.

**TOWN OF WILLIAMSPORT, MARYLAND**  
**Schedule of Findings and Responses**  
**For the Year Ended June 30, 2024**

**Finding 2024-003:** Internal Controls over Utility Rates

**Criteria:** The Town is responsible for ensuring the electric and water/sewer utility rates are charged to its customers in accordance with the approved established fiscal year rates.

**Condition:** During our utility billing testing of the Electric Fund and Water/Sewer Fund, we noted the following:

Electric Fund: The environmental surcharge rate for fiscal year 2024 was 0.00015 per kwh used. In our sample of sixty utility bills tested, we noted several customers whose environmental surcharge was charged at a rate of 0.00016.

Water/Sewer Fund: The fiscal year 2024 established water/sewer rates were to be effective July 1, 2023, however weren't billed to customers until the September 2023 billing. Therefore, the July and August 2023 billings should have been based on the rates effective from the prior fiscal year, until the rate adjustment was correctly entered into the billing system.

In our sample of sixty utility bills tested, we tested five bills from the month of August 2023 and noted errors in the water billing in all five bills.

Two of the five customers were subject to the minimum usage rate, which was not billed accurately; one under the minimum and one over the minimum.

The remaining three customers were above the minimum usage and the water charge was calculated using a rate more than the established rate at the time.

**Cause:** Per inquiry in regards to the environmental surcharge rate of the Electric Fund, the Town is having trouble with its utility billing software and indicated for some reason it is calculating some of the electric bills at a rate of 0.00016 instead of 0.00015. The Town appears to be aware of the discrepancy in rates charged.

The cause of the August 2023 water rate issue of the Water/Sewer Fund is unknown.

**Effect:** The effect of the above rate discrepancies is unknown amongst the Electric and Water/Sewer Fund.

Based on our testing of the whole fiscal year, we only noted errors in Water/Sewer Fund water billings during the month of August 2023.

**Recommendation:** We recommend the Town review its current rates charged and ensure they are in line with the approved and established rates for the Electric and Water/Sewer Fund and make adjustments as determined necessary after consulting with legal counsel.

**TOWN OF WILLIAMSPORT, MARYLAND**  
**Schedule of Findings and Responses**  
**For the Year Ended June 30, 2024**

**Finding 2024-003:** Internal Controls over Utility Rates (Continued)

**Response:** The town understands the observations of the auditors, but hesitantly agrees with the finding. Proper steps were taken to minimize the observations outlined within the finding and the town worked diligently to implement official action by our elected officials and changes to various rates. In regards to the observations for the electric fund, the town attributes the rate differential rounding by Tyler Technologies accounting software and not manual input by the town or the numerous Tyler Technologies representatives town employees worked with to input the 0.00015 per KWh rate. The system likely rounded bills showing a figure closer to or at 0.00016 KWh.

The reference to water and sewer rates being delayed was observed by the auditors, however, upon completing the billing for these utilities in June 2024, Town employees began the process of contacting Tyler Technologies representatives to implement minimum bills and update the rates approved by the Mayor & Town Council. This process took some time as Tyler Technologies employees did not have the direct knowledge to fulfill the request. This took time and was implemented as soon as possible. The implementation also led to several consumers experiencing problems with their bill as the accounting software double billed several customers. This issue was corrected as timely as possible.

Each month there are variations to consumers who receive a minimum bill. It may initially have been caused by errors in the manual entry to establish minimum billing, however, more recent variations are likely due to the differences in costs for water and sewer consumers who are provided trash pick-up compared to water only, sewer only, or consumers with no trash service at their property. This may be the discrepancies outlined in the observations of the auditors.

The delay in implementing the changes, subsequent billing issues, and variations in minimum amounts due on bills are noted by the auditors, however, are thought by the Town to be unavoidable. The rates being charged within the accounting software will be reviewed and updated in the coming months as the Mayor and Town Council pass the budget and rates for Fiscal Year 2026.

**TOWN OF WILLIAMSPORT, MARYLAND**  
**Summary Schedule of Prior Year Audit Findings**  
**For the Year Ended June 30, 2024**

**Finding 2023-001:** Internal Controls over Financial Reporting

**Criteria:** The Town is responsible for ensuring that their books and records are reconciled on a frequent basis to prevent any material misstatements. In addition, accurate financial statements are necessary to allow for proper oversight and monitoring of the Town's finances.

**Condition:** During fiscal year 2023, the Town had transition in its Town Accountant position. The accuracy of internal statements during the period of not having a Town Accountant is questionable, due to the number of year-end adjustments that needed to occur to bring the financial records to an acceptable state in accordance with GAAP, as noted below.

After the initial Trial Balance was received in mid-December 2023, the newly hired contracted CPA firm made an additional seventeen adjustments for a total decrease in government wide net position of (\$53,583).

As a result of our audit procedures, we identified an additional thirteen audit adjustments for a total decrease in government wide net position of \$(71,916).

In total, thirty adjustments were made to the fiscal year 2023 accounts for a total decrease in government wide net position of \$125,499.

**Cause:** It appears the cause was the transition and lack of a Town Accountant to keep up with the financial records on a frequent basis.

**Effect:** The overall financial effect is noted above. In addition, the Mayor and Council were not provided accurate financial statements to fulfill their overall responsibility of financial oversight and monitoring.

**Recommendation:** We recommend the Town implement a monthly or at least quarterly financial close and reporting process with to ensure the financial statements are fairly presented and present the accurate financial position of the Town.

**Status:** During the reporting period the Town of Williamsport contracted accounting duties and responsibilities with an outside contracted accountant. The contracted accountant was immediately tasked with ensuring all bank reconciliations and other financial statements were completed and proper close outs were finished and maintained monthly. The contracted accountant also worked with our current auditing firm to be proactive in her work to ensure any previous issues outlined in their findings were not repeated.

# Williamsport Municipal Electric Light Plant

## Addendum to Annual Report

Retail Sales Data (Fiscal Year Ending June 30, 2024)

Line No.	(A)	(B)	(C)	(D)	(E)	(F)
	Month	Residential	Commercial	Industrial	Municipal Use	Total
1	Jul 23	864	109	8	44	1,025
2	Aug 23	864	110	8	44	1,026
3	Sep 23	856	110	8	44	1,018
4	Oct 23	860	110	8	44	1,022
5	Nov 23	873	109	8	44	1,034
6	Dec 23	857	110	8	44	1,019
7	Jan 24	857	110	8	44	1,019
8	Feb 24	861	111	8	44	1,024
9	Mar 24	860	111	8	44	1,023
10	Apr 24	858	110	8	44	1,020
11	May 24	857	110	8	44	1,019
12	Jun 24	856	111	8	44	1,019
13	<b>Customer Count</b>					
14	<b>TOTALS</b>	10,323	1,321	96	528	12,268
15	<b>Average</b>	860	110	8	44	1,022

Line No.	(A)	(B)	(C)	(D)	(E)	(F)
	Month	Res.	Comm.	Ind.	Municipal Use	Total
22	Jul 23	723,157	237,853	515,040	75,489	1,551,539
23	Aug 23	836,679	243,091	654,800	78,694	1,813,264
24	Sep 23	567,258	222,015	666,880	63,132	1,519,285
25	Oct 23	497,929	171,751	549,360	50,178	1,269,218
26	Nov 23	835,403	288,402	541,920	54,358	1,720,083
27	Dec 23	1,006,983	263,015	538,320	63,632	1,871,950
28	Jan 24	1,108,703	301,218	508,480	61,364	1,979,765
29	Feb 24	1,030,236	282,538	548,480	61,374	1,922,628
30	Mar 24	619,151	213,806	468,560	53,522	1,355,039
31	Apr 24	751,048	205,502	495,440	61,846	1,513,836
32	May 24	507,627	176,657	526,640	64,170	1,275,094
33	Jun 24	608,715	16,103	92,000	59,325	776,143
34	<b>Retail Sales (kWh)</b>					
35	<b>TOTALS</b>	9,092,889	2,621,951	6,105,920	747,084	18,567,844
36	<b>MWh</b>	<b>9,093</b>	<b>2,622</b>	<b>6,106</b>	<b>747</b>	<b>18,568</b>

# Williamsport Municipal Electric Light Plant

## Addendum to Annual Report

Retail Sales Data (Fiscal Year Ending June 30, 2024)

	(A)	(B)	(C)	(D)	(E)	(F)
	Revenues from Sale of Electric (\$)					
Line No.	Month	Res.	Comm.	Ind.	Municipal Use	Total
1	Jul 23	\$56,629	\$18,129	\$37,974	\$6,080	\$118,812
2	Aug 23	\$65,156	\$18,522	\$47,463	\$6,323	\$137,464
3	Sep 23	\$48,868	\$18,489	\$52,181	\$5,592	\$125,130
4	Oct 23	\$43,184	\$14,367	\$43,795	\$4,532	\$105,877
5	Nov 23	\$69,703	\$23,936	\$43,166	\$4,876	\$141,682
6	Dec 23	\$83,291	\$21,854	\$42,839	\$5,639	\$153,622
7	Jan 24	\$91,311	\$24,992	\$41,164	\$5,451	\$162,919
8	Feb 24	\$85,094	\$23,461	\$43,863	\$5,449	\$157,867
9	Mar 24	\$52,392	\$17,821	\$37,983	\$4,803	\$112,999
10	Apr 24	\$63,977	\$17,141	\$40,271	\$5,490	\$126,879
11	May 24	\$43,976	\$14,770	\$42,641	\$5,676	\$107,063
12	Jun 24	\$52,256	\$1,495	\$10,743	\$5,263	\$69,758
13						
14	TOTALS	\$755,837	\$214,977	\$484,083	\$65,174	\$1,520,072

# Williamsport Municipal Electric Light Plant

## Addendum to Annual Report

Retail Sales Data (Fiscal Year Ending June 30, 2023)

Line No.	(A)	(B)	(C)	(D)	(E)	(F)
	Month	Residential	Commercial	Industrial	Municipal Use	Total
1	Jul 22	870	111	8	44	1,033
2	Aug 22	865	109	8	44	1,026
3	Sep 22	857	109	8	44	1,018
4	Oct 22	866	109	8	44	1,027
5	Nov 22	861	110	8	44	1,023
6	Dec 22	854	109	8	44	1,015
7	Jan 23	862	109	8	44	1,023
8	Feb 23	868	109	8	44	1,029
9	Mar 23	856	110	8	44	1,018
10	Apr 23	860	109	8	44	1,021
11	May 23	861	109	8	44	1,022
12	Jun 23	860	109	8	44	1,021
13						
14	<b>TOTALS</b>	10,340	1,312	96	528	12,276
15						
16	<b>Average</b>	862	109	8	44	1,023

Line No.	(A)	(B)	(C)	(D)	(E)	(F)
	Month	Res.	Comm.	Ind.	Municipal Use	Total
19	<b>Retail Sales (kWh)</b>					
20	Month	Res.	Comm.	Ind.	Municipal Use	Total
21						
22	Jul 22	747,601	228,599	476,720	79,771	1,532,691
23	Aug 22	793,609	239,248	528,080	81,456	1,642,393
24	Sep 22	587,583	221,958	578,800	68,744	1,457,085
25	Oct 22	541,209	173,318	494,640	50,936	1,260,103
26	Nov 22	841,453	203,437	608,880	56,797	1,710,567
27	Dec 22	1,080,277	271,305	543,840	74,906	1,970,328
28	Jan 23	1,078,321	301,702	634,960	67,844	2,082,827
29	Feb 23	1,034,239	277,289	627,920	60,148	1,999,596
30	Mar 23	852,800	229,263	565,040	55,021	1,702,124
31	Apr 23	568,742	193,779	573,040	52,574	1,388,135
32	May 23	594,476	173,819	552,800	63,693	1,384,788
33	Jun 23	521,703	196,382	508,480	69,009	1,295,574
34						
35	<b>TOTALS</b>	9,242,013	2,710,099	6,693,200	780,899	19,426,211
36						
37	<b>MWh</b>	<b>9,242</b>	<b>2,710</b>	<b>6,693</b>	<b>781</b>	<b>19,426</b>

# Williamsport Municipal Electric Light Plant

## Addendum to Annual Report

Retail Sales Data (Fiscal Year Ending June 30, 2023)

	(A)	(B)	(C)	(D)	(E)	(F)
	Revenues from Sale of Electric (\$)					
Line No.	Month	Res.	Comm.	Ind.	Municipal Use	Total
1	Jul 22	\$64,280	\$19,206	\$39,290	\$7,023	\$129,799
2	Aug 22	\$68,089	\$20,085	\$43,434	\$7,163	\$138,771
3	Sep 22	\$46,437	\$16,938	\$42,432	\$5,574	\$111,382
4	Oct 22	\$42,967	\$13,282	\$36,610	\$4,238	\$97,097
5	Nov 22	\$64,248	\$15,552	\$43,920	\$4,679	\$128,400
6	Dec 22	\$81,514	\$20,640	\$40,132	\$6,039	\$148,324
7	Jan 23	\$81,396	\$22,924	\$45,700	\$5,510	\$155,530
8	Feb 23	\$78,177	\$21,089	\$45,145	\$4,928	\$149,339
9	Mar 23	\$64,971	\$17,487	\$41,143	\$4,544	\$128,145
10	Apr 23	\$45,029	\$14,818	\$41,730	\$4,362	\$105,939
11	May 23	\$46,966	\$13,321	\$40,314	\$5,198	\$105,798
12	Jun 23	\$41,484	\$15,011	\$37,535	\$5,595	\$99,625
13						
14	TOTALS	\$725,558	\$210,352	\$497,385	\$64,852	\$1,498,149