



**City of Taneytown, Maryland**

**Financial Statements, Supplementary Information, and  
Independent Auditors' Reports**

**For the Year Ended June 30, 2022**

**City of Taneytown, Maryland  
Summary of Elected and Appointed Officials**

**As of June 30, 2022**

**MAYOR**

Bradley J. Wantz

**CITY COUNCIL**

Joe A. Vigliotti, Mayor Pro Tem

Diane A. Foster

Judith K. Fuller

Daniel M. Haines

LeRoy Hand

**CITY MANAGER**

Jim Wieprecht

**TREASURER**

Barri Avallone

**CITY ATTORNEY**

Jack A. Gullo, Jr.

**City of Taneytown, Maryland  
For the Year Ended June 30, 2022**

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## **INDEPENDENT AUDITORS' REPORT**

**Mayor and City Council  
City of Taneytown, 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 City of Taneytown, Maryland, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Taneytown, 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 City of Taneytown, Maryland, as of June 30, 2022, 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 City of Taneytown, 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 City of Taneytown, 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 City of Taneytown, 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 City of Taneytown, 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, budgetary comparison information and pension schedules on pages 4 - 9 and 38 - 43 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 financial statements, and other knowledge we obtained during our audit of the basic

**City of Taneytown, Maryland  
Independent Auditors' Report  
Page 3**

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 October 5, 2022, on our consideration of the City of Taneytown, 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 City of Taneytown, 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 City of Taneytown, Maryland's internal control over financial reporting and compliance.

*DeLeon & Stang*

**DeLeon & Stang, CPAs and Advisors  
Frederick, Maryland  
October 5, 2022**

## **CITY OF TANEYTOWN, MARYLAND MANAGEMENT'S DISCUSSION AND ANALYSIS**

Management of the City of Taneytown ("the City") offers readers the following narrative overview and analysis of the financial statements and activities of the City for the fiscal year ended June 30, 2022, which includes a comparison with the prior year.

A feature of this year's financial picture is the continued implementation of GASB 65 – refunding of debt and GASB 68 – accounting and reporting for pensions. The statement of net position will continue to show deferred outflows and inflows of resources affecting the total net position.

In addition, the City has continued its ongoing program to replace and upgrade deteriorated and substandard infrastructure such as water and sewer.

### **FINANCIAL HIGHLIGHTS:**

1. The City's government-wide net position increased \$1,748,970 in fiscal year 2022 as compared to an increase of \$2,902,188 in fiscal year 2021.
2. The assets of the City exceeded its liabilities as of June 30, 2022 as noted below:  
  
Governmental Activities: 10,351,872 (up \$174,631 from last year).  
Business-Type Activities: \$21,924,960 (up \$1,574,339 from last year).  
Of the total net position, \$5,767,386 is unrestricted; \$26,138 is restricted for WWTP loan reserve; \$9,247,330 is restricted for future utility capital infrastructure and \$17,262,116 is invested in capital assets, net of related debt.
3. Total assets as of June 30, 2022 were \$15,673,817 for governmental activities and \$33,996,030 for business-type activities. Total governmental and business-type capital assets, net were \$8,643,852 and \$19,612,781 respectively.
4. The City's total liabilities as of June 30, 2022 were \$14,117,750 (down \$1,143,969 from last year). Of that amount \$10,994,517 are debt obligations. Total long-term liabilities for the City as of June 30, 2022 were \$13,124,719 (including the net pension liability of \$2,130,202 per GASB 68).
5. As of June 30, 2022, the City's governmental funds reported a combined ending fund balance of \$4,939,538 (up \$42,026 from last year). Of that amount \$4,625,951 is unassigned and available for spending, \$265,512 is committed for Parks – Open Space, and \$14,998 is assigned to lease obligation and police impact fees.
6. As of June 30, 2022, the City's revenues were as follows: General Fund \$5,351,660 (up \$368,566 or 7% from last year) and Enterprise Fund \$5,161,380 (down \$400,793 or 7% from last year). Enterprise Fund revenues have decreased due to fewer benefit assessments collected compared to the prior year.
7. As of June 30, 2022, the City's expenditures were as follows: General Fund \$5,309,634 (up \$204,831 or 4% from last year) and Enterprise Fund \$3,587,041 (up \$274,413 or 8% from last year).

## CITY OF TANEYTOWN, MARYLAND MANAGEMENT'S DISCUSSION AND ANALYSIS

8. As of June 30, 2022, the City's deferred outflows were as follows: Governmental activities \$1,364,044 and Business-type activities \$379,817. Within the governmental and business-type activities, deferred outflows consisted of the 2022 pension contributions, change in proportionate share, net difference between project and actual earnings on pension plan investments, and changes in actuarial assumptions related to the pension plans. In the business-type activities, deferred outflows also included costs associated with debt refunding (\$174,856) that are required to be amortized.
9. As of June 30, 2022, the City's total deferred inflows were as follows: Governmental activities \$3,198,462 and Business-type activities \$1,820,664. Within the governmental activities and business-type activities, deferred inflows related to pension were identified as the difference between actual and expected experience, changes of pension assumptions, and change in proportionate share. Also included this year in the deferred inflows is \$3,179,277 of American Rescue Plan unearned revenue, split evenly between governmental and business-type activities.

### OVERVIEW OF THE FINANCIAL STATEMENTS:

The discussion and analysis are intended to serve as an introduction to the City of Taneytown's basic financial statements. The City of Taneytown's basic financial statements are comprised of three (3) components: 1) government-wide financial statements; 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.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of Taneytown's finances, in a manner similar to a Private-sector business.

The statement of net position presents information on all of the City'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 City is improving or deteriorating.

The statement of activities presents information showing how the government's net position 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 the 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.

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government (legislative, executive, financial administration, legal, planning and zoning, general services), public safety, public works, parks, recreation, and culture, economic development and other charges. The major business-type activities of the City include water and sewer utilities.



## **CITY OF TANEYTOWN, MARYLAND MANAGEMENT'S DISCUSSION AND ANALYSIS**

The government-wide financial statements include only the City of Taneytown itself (known as the primary government) and are on pages 10 and 11 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two (2) categories: governmental funds 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, governmental fund financial statements focus on near term inflows and outflows of spendable resources, as well as on 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 that of the 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 the two.

The city adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget on pages 38 - 41 of this report.

The basic governmental fund financial statements can be found on pages 12 – 14 of this report.

**Proprietary funds.** The City of Taneytown maintains one proprietary, or enterprise, fund. Enterprise funds are used to report the same functions as business-type activities in the government-wide financial statements. The City of Taneytown operates a Sanitary Sewer and Water Enterprise Fund.

The basic proprietary fund financial statements can be found on pages 15 – 18 of this report.

**Notes to the Financial Statements.** These notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 19 – 37 of this report.

**Required supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information.

With all of the aforementioned stated, please review the following data closely for a detailed accounting of the financial activities and assets of the City of Taneytown.

**CITY OF TANEYTOWN, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

The following table summarizes revenues and expenses for the governmental activities of the City and totals for the government overall.

	Governmental		Total	
	Activities		Government	
	2021	2022	2021	2022
<b>REVENUES</b>				
Program Revenues				
Operating grants and contributions	\$ 509,472	\$ 455,445	509,472	455,445
Charges for services	389,601	402,817	5,785,998	5,337,862
Capital grants and contributions	137,859	205,187	137,859	294,677
General Revenues				
Taxes	3,556,165	3,903,589	3,556,165	3,903,589
Intergovernmental	332,392	361,493	332,392	361,493
Interest	3,151	4,008	8,707	10,900
Miscellaneous	50,349	15,017	79,092	18,760
Rental Income	4,105	4,105	135,583	130,316
<b>TOTAL REVENUES</b>	<b>4,983,094</b>	<b>5,351,661</b>	<b>10,545,268</b>	<b>10,513,042</b>
<b>PROGRAM EXPENSES</b>				
General government	909,102	918,620	909,102	918,620
Public safety	1,310,681	2,012,038	1,310,681	2,012,038
Public works	1,562,444	1,549,089	1,562,444	1,549,089
Recreation and culture	388,162	566,814	388,162	566,814
Economic development	122,184	95,873	122,184	95,873
Interest	37,878	34,596	37,878	34,596
Business-type activities	-	-	3,312,628	3,587,041
<b>TOTAL PROGRAM EXPENSES</b>	<b>4,330,451</b>	<b>5,177,030</b>	<b>7,643,079</b>	<b>8,764,071</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 652,643</b>	<b>\$ 174,631</b>	<b>\$ 2,902,188</b>	<b>\$ 1,748,970</b>

**General Fund Budget Variances**

During FY 2022, the Mayor and City Council publicly amended the budget in September 2021 (Ordinance No. 07-2021), March 2022 (Ordinance No. 01-2022), and again in September 2022 (Ordinance No. 06-2022). At year's end, actual revenues were \$452,208 more than was budgeted. More specifically, local property taxes, other local taxes, licenses and permits were \$99,678 more than the budgeted amount, grants \$92,287 more than budgeted, and \$224,139 more than budgeted in service charges, fees, fines and forfeitures, and miscellaneous revenues. \$203,500 of this amount was for park impact fees.

Actual General Fund expenditures were \$5,309,634 which is \$1,920,260 less than budgeted, due to Capital Projects deferred to the next fiscal year.

# CITY OF TANEYTOWN, MARYLAND MANAGEMENT'S DISCUSSION AND ANALYSIS

## **Budget Fiscal Year 2023**

Replacement and upgrades to deteriorated and substandard infrastructure will continue to be a high priority for the City. The City will utilize the ARP funds awarded to make improvements.

Management will continue an annual analysis and maintenance report/schedule for all public infrastructure so that the City can properly budget and repair all its infrastructure, buildings, vehicles, and equipment. Major equipment purchases and construction projects that will continue or begin in the next fiscal year include:

### **General Fund**

- Public Works: Roberts Mill Street reconstruction and storm drain replacement
- Public Safety: Police vehicle replacements (4 – 2 deferred from FY22)
- Parks, Recreation, and Culture: Bollinger Park development, THS Skate park, and Memorial Park expansion.

### **Enterprise Fund**

- Water: Roberts Mill project, Well 8 Generator
- Sewer: Roberts Mill project, Meadowbrook Interceptor, Belt Filter Press & Building

The **General Fund** is expected to experience an increase in property tax receipts a result of the City maintaining its real property tax rate at .37 cent per \$100 of assessed value which was not exempt from the constant yield tax rate provision. This rate is higher than the 0.3574 constant yield tax rate and is based on Ordinance No. 04-2022.

The City will continue to receive the following grants in the general fund for FY 2023: Highway User Revenue (HUR) Grant, and State Aid for Police Protection Grant.

Approved budget for fiscal year 2023 General Fund Revenue was \$8,781,739 and Expenditures \$8,781,739 per Ordinance No. 02 -2022.

The **Enterprise Fund** will maintain previous water and sewer rates for FY 2023. The water rate will be \$7.25 per every 1,000 gallons and the sewer rate will be at \$14.24 per every 1,000 gallons. The rate was decreased in FY18, due to the effective management of the system, reduction in operational costs, increase in the accuracy of the metering system, and modest growth in the City.

Approved budget for fiscal year 2022 Enterprise Fund Revenue was \$5,237,529 and Expenditures of \$5,237,529.

**CITY OF TANEYTOWN, MARYLAND  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Request for more information:**

This financial report is designed to provide a general overview of the City of Taneytown's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed during business hours to:

City Manager  
17 E. Baltimore Street  
Taneytown, MD 21787

**CITY OF TANEYTOWN, MARYLAND**  
**Statement of Net Position**  
**June 30, 2022**

	<b>Primary Government</b>		
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>Assets</b>			
Cash and cash equivalents	\$ 6,362,017	\$ 4,325,879	\$ 10,687,896
Restricted cash	375,943	9,273,468	9,649,411
Taxes receivable	27,993	-	27,993
Due from other agencies	84,925	-	84,925
Due from customers	-	768,133	768,133
Other receivables	146,010	(1,151)	144,859
Prepaid expenses	33,077	16,920	49,997
Capital assets:			
Land	904,255	182,621	1,086,876
Buildings and improvements	4,764,233	409,525	5,173,758
Machinery and equipment	2,739,020	1,347,302	4,086,322
Infrastructure	9,187,308	36,381,650	45,568,958
Construction in progress	361,880	1,153,952	1,515,832
Total Capital assets	17,956,696	39,475,050	57,431,746
Less: accumulated depreciation	(9,312,844)	(19,862,269)	(29,175,113)
Capital assets, net	8,643,852	19,612,781	28,256,633
Total Assets	<u>15,673,817</u>	<u>33,996,030</u>	<u>49,669,847</u>
<b>Deferred Outflows of Resources</b>	<u>1,364,044</u>	<u>379,817</u>	<u>1,743,861</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>17,037,861</u>	<u>34,375,847</u>	<u>51,413,708</u>
<b>Liabilities</b>			
Accounts payable	329,431	255,231	584,662
Grants payable	28,533	-	28,533
Accrued expenses	122,071	151,644	273,715
Developer deposits	106,121	-	106,121
Noncurrent liabilities:			
Bonds and loans due within one year	92,467	803,653	896,120
Bonds and loans due in more than one year	834,478	9,263,919	10,098,397
Net pension liability	1,974,426	155,776	2,130,202
Total Liabilities	<u>3,487,527</u>	<u>10,630,223</u>	<u>14,117,750</u>
<b>Deferred Inflows of Resources</b>	<u>3,198,462</u>	<u>1,820,664</u>	<u>5,019,126</u>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>6,685,989</u>	<u>12,450,887</u>	<u>19,136,876</u>
<b>Net Position</b>			
Net investment in capital assets	7,716,907	9,545,209	17,262,116
Restricted for specific purposes	-	9,273,468	9,273,468
Unrestricted	2,634,965	3,106,283	5,741,248
<b>Total Net Position</b>	<u>\$ 10,351,872</u>	<u>\$ 21,924,960</u>	<u>\$ 32,276,832</u>

**CITY OF TANEYTOWN, MARYLAND**  
**Statement of Activities**  
**For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position		
					Governmental Activities	Business-type Activities	Total
<b>Primary Government</b>							
<b>Governmental Activities</b>							
General government	\$ (918,620)	\$ 145,996	\$ 15,000	\$ -	\$ (757,624)	\$ -	\$ (757,624)
Public safety	(2,012,038)	29,929	92,503	-	(1,889,606)	-	(1,889,606)
Public works	(1,549,089)	-	347,942	89,490	(1,111,657)	-	(1,111,657)
Parks, recreation, and culture	(566,814)	226,892	-	115,697	(224,225)	-	(224,225)
Economic development	(95,873)	-	-	-	(95,873)	-	(95,873)
Interest expense on long-term debt	(34,596)	-	-	-	(34,596)	-	(34,596)
Total Governmental Activities	<u>(5,177,030)</u>	<u>402,817</u>	<u>455,445</u>	<u>205,187</u>	<u>(4,113,581)</u>	<u>-</u>	<u>(4,113,581)</u>
<b>Business-type Activities</b>							
Utility fund	<u>(3,587,041)</u>	<u>4,935,045</u>	<u>-</u>	<u>89,490</u>	<u>-</u>	<u>1,437,494</u>	<u>1,437,494</u>
<b>Total Primary Government</b>	<u>\$ (8,764,071)</u>	<u>\$ 5,337,862</u>	<u>\$ 455,445</u>	<u>\$ 294,677</u>	<u>(4,113,581)</u>	<u>1,437,494</u>	<u>(2,676,087)</u>
<b>General Revenues</b>							
Property taxes					2,950,947	-	2,950,947
Income taxes					950,194	-	950,194
Other local taxes					2,448	-	2,448
County tax distribution					361,493	-	361,493
Rental income					4,105	126,211	130,316
Interest income					4,008	6,891	10,900
Miscellaneous income					15,017	3,743	18,760
<b>Total general revenues</b>					<u>4,288,212</u>	<u>136,845</u>	<u>4,425,058</u>
<b>Change in net position</b>					174,631	1,574,339	1,748,970
<b>Net position, beginning of year</b>					<u>10,177,241</u>	<u>20,350,621</u>	<u>30,527,862</u>
<b>Net position, end of year</b>					<u>\$ 10,351,872</u>	<u>\$ 21,924,960</u>	<u>\$ 32,276,832</u>

The accompanying notes are an integral part of this statement.

**CITY OF TANEYTOWN, MARYLAND**  
**Balance Sheet**  
**Governmental Fund**  
**June 30, 2022**

	<b>General</b>	<b>Total Governmental Fund</b>
<b>Assets</b>		
Cash and cash equivalents	\$ 6,362,017	\$ 6,362,017
Restricted cash	375,943	375,943
Taxes receivable	27,993	27,993
Due from other agencies	84,925	84,925
Other receivables	146,010	146,010
Prepaid expenses	33,077	33,077
<b>Total Assets</b>	<b>\$ 7,029,965</b>	<b>\$ 7,029,965</b>
<b>Liabilities</b>		
Accounts payable	\$ 329,431	\$ 329,431
Grants payable	28,533	28,533
Accrued salaries	36,703	36,703
Developer deposits	106,121	106,121
Total Liabilities	500,788	500,788
<b>Deferred Inflows of Resources</b>	<b>1,589,639</b>	<b>1,589,639</b>
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>2,090,427</b>	<b>2,090,427</b>
<b>Fund Balance</b>		
Nonspendable	33,077	33,077
Restricted	-	-
Committed	265,512	265,512
Assigned	14,998	14,998
Unassigned	4,625,951	4,625,951
Total Fund Balance	4,939,538	4,939,538
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 7,029,965</b>	<b>\$ 7,029,965</b>

**CITY OF TANEYTOWN, MARYLAND**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Governmental Fund**  
**For the Year Ended June 30, 2022**

	<b>General</b>	<b>Total Governmental Fund</b>
<b>Revenues</b>		
Local property taxes	\$ 2,950,947	\$ 2,950,947
Local income taxes	950,194	950,194
Other local taxes	2,448	2,448
Licenses and permits	135,716	135,716
Intergovernmental revenues	1,022,125	1,022,125
Service charges	260,771	260,771
Fines and forfeitures	6,330	6,330
Miscellaneous revenues	23,129	23,129
Total Revenues	5,351,660	5,351,660
<b>Expenditures</b>		
General government	871,948	871,948
Public safety	1,654,611	1,654,611
Public works	1,474,825	1,474,825
Parks, recreation, and culture	1,092,342	1,092,342
Economic development	94,406	94,406
Debt service	121,502	121,502
Total Expenditures	5,309,634	5,309,634
Excess of Revenues under Expenditures	42,026	42,026
Fund Balance - July 1, 2021	4,897,512	
<b>Fund Balance - June 30, 2022</b>	<b>\$ 4,939,538</b>	
<b>Adjustments for the Statement of Activities</b>		
Capital outlay		916,318
Depreciation expense		(574,917)
Loss on disposal of capital asset		(46,383)
Debt service expenditures		85,831
Change in accrued interest		1,075
Compensated absences		6,571
Net pension adjustment		(255,890)
Change in Net Position of Governmental Activities		<b>\$ 174,631</b>



**CITY OF TANEYTOWN, MARYLAND**  
**Reconciliation of Fund Balance to Net Position of Governmental Activities**  
**June 30, 2022**

Fund balance - governmental fund \$ 4,939,538

Amounts reported for governmental activities in the statement of net position are different because:

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

Capital assets, net 8,643,852

Deferred outflows of resources 1,364,044

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:

Accrued interest payable (9,253)

Compensated absences (76,114)

Long-term debt (926,945)

Net pension liability (1,974,426)

Deferred inflows of resources - pension related (1,608,823)

Net position - governmental activities \$ 10,351,872

**CITY OF TANEYTOWN, MARYLAND**  
**Statement of Net Position**  
**Proprietary Fund**  
**June 30, 2022**

	<b>Utility Fund</b>	<b>Total Proprietary Fund</b>
<b>Assets</b>		
Current Assets		
Cash and cash equivalents	\$ 4,325,879	\$ 4,325,879
Restricted cash	9,273,468	9,273,468
Due from customers	768,133	768,133
Other receivables	(1,151)	(1,151)
Prepaid expenses	16,920	16,920
Total Current Assets	14,383,249	14,383,249
Capital Assets		
Land	182,621	182,621
Infrastructure	36,381,650	36,381,650
Buildings and improvements	409,525	409,525
Machinery and equipment	1,347,302	1,347,302
Construction in progress	1,153,952	1,153,952
Total Capital Assets	39,475,050	39,475,050
Less: accumulated depreciation	(19,862,269)	(19,862,269)
Total Capital Assets, net	19,612,781	19,612,781
Total Assets	33,996,030	33,996,030
<b>Deferred Outflows of Resources</b>		
	379,817	379,817
<b>Total Assets and Deferred Outflows of Resources</b>	<b>34,375,847</b>	<b>34,375,847</b>
<b>Liabilities</b>		
Current Liabilities		
Accounts payable	255,231	255,231
Accrued expenses	151,644	151,644
Current portion of bond and loans payable	803,653	803,653
Total Current Liabilities	1,210,528	1,210,528
Noncurrent Liabilities		
Noncurrent portion of bond and loans payable	9,263,919	9,263,919
Net pension liability	155,776	155,776
Total Noncurrent Liabilities	9,419,695	9,419,695
Total Liabilities	10,630,223	10,630,223
<b>Deferred Inflows of Resources</b>		
	1,820,664	1,820,664
<b>Total Liabilities and Deferred Inflows of Resources</b>	<b>12,450,887</b>	<b>12,450,887</b>
<b>Net Position</b>		
Net investment in capital assets	9,545,209	9,545,209
Restricted for specific purposes	9,273,468	9,273,468
Unrestricted	3,106,283	3,106,283
Total Net Position	\$ 21,924,960	\$ 21,924,960

The accompanying notes are an integral part of this statement.  
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**CITY OF TANEYTOWN, MARYLAND**  
**Statement of Revenues, Expenses, and Change in Net Position**  
**Proprietary Fund**  
**For the Year Ended June 30, 2022**

	<u>Utility Fund</u>	<u>Total Proprietary Fund</u>
<b>Operating Revenues</b>		
Charges for services	\$ 4,935,045	\$ 4,935,045
Rental income	126,211	126,211
Intergovernmental revenues - grants	89,490	89,490
Miscellaneous income	<u>3,743</u>	<u>3,743</u>
Total Operating Revenues	5,154,489	5,154,489
<b>Operating Expenses</b>		
Salaries	571,937	571,937
Professional fees	344,346	344,346
Heat, light, and power	250,283	250,283
Employee benefits	162,743	162,743
Supplies	328,351	328,351
Depreciation	1,125,816	1,125,816
Insurance	39,257	39,257
Maintenance	391,284	391,284
Office	<u>22,320</u>	<u>22,320</u>
Total Operating Expenses	<u>3,236,337</u>	<u>3,236,337</u>
<b>Operating Income</b>	1,918,152	1,918,152
<b>Nonoperating Revenues (Expenses)</b>		
Interest income	6,891	6,891
Interest expense and fiscal agent fees	<u>(350,704)</u>	<u>(350,704)</u>
Total Nonoperating Revenues (Expenses)	<u>(343,813)</u>	<u>(343,813)</u>
<b>Net income</b>	1,574,339	1,574,339
Change in Net Position	1,574,339	1,574,339
Total Net Position, beginning of year	<u>20,350,621</u>	<u>20,350,621</u>
<b>Total Net Position, end of year</b>	<u>\$ 21,924,960</u>	<u>\$ 21,924,960</u>

**CITY OF TANEYTOWN, MARYLAND**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Year Ended June 30, 2022**

	<b>Business-type Activities - Enterprise Fund</b>
	<b>Utility Fund</b>
<b>Cash Flows from Operating Activities</b>	
Cash receipts from customers	\$ 4,896,794
Cash receipts from other governments	1,679,128
Cash receipts from rental income	126,211
Other operating cash receipts	-
Cash payments to suppliers for goods and services	(1,337,550)
Cash payments to employees for services	(589,739)
Net cash provided by operating activities	4,774,844
<b>Cash Flows from Capital and Related Financing Activities</b>	
Principal paid on loans payable	(786,048)
Purchase of capital assets	(66,015)
Current year construction of capital assets	(773,087)
Interest paid on capital debt	(327,404)
Net cash used in capital and related financing activities	(1,952,554)
<b>Cash Flows from Investing Activities</b>	
Interest income	6,891
Net cash provided by investing activities	6,891
Net increase in cash and cash equivalents and restricted cash	2,829,181
Cash and cash equivalents and restricted cash - beginning of year	10,770,166
Cash and cash equivalents and restricted cash - end of year	\$ 13,599,347
<b>Reconciliation to Statement of Net Position</b>	
Cash and cash equivalents	\$ 4,325,879
Restricted cash	9,273,468
	\$ 13,599,347

**CITY OF TANEYTOWN, MARYLAND**  
**Statement of Cash Flows**  
**Proprietary Fund**  
**For the Year Ended June 30, 2022**

		<u>Utility Fund</u>
Reconciliation of Operating Income to		
Net Cash provided by Operating Activities		
Operating income	\$	1,918,152
Depreciation expense		1,125,816
Construction in progress adjustments		30,912
Amortization of premium		(3,743)
Net changes in operating assets and liabilities:		
Customer receivables		(38,251)
Other receivables		-
Prepaid expenses		9,905
Accounts payable		157,054
Deferred outflows		(103,921)
Deferred inflows		1,771,191
Accrued expenses		(13,179)
Net pension liability		(79,092)
Net cash provided by operating activities	\$	<u><u>4,774,844</u></u>

**CITY OF TANEYTOWN, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**Financial Reporting Entity**

The City of Taneytown, Maryland (the City) was incorporated in 1884, pursuant to authority of Article XIE of the Constitution of Maryland and Article 23A of the Annotated Code of Maryland. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety, highways and streets, sanitation, health and social services, culture-recreation, public improvements, planning and zoning and general administrative services. The accompanying basic financial statements conform to accounting principles generally accepted in the United States of America.

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 City.

The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing governmental accounting and financial reporting principles. Governments are also required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. In accordance with GASB Statement No. 62, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the City has elected not to apply non-GASB pronouncements issued on or after November 30, 1989.

**Government-wide and Fund Financial Statements**

The City's basic financial statements include both government-wide (based on the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The City's public safety, public works, recreation and culture, economic development, debt service and general government services are classified as governmental activities. The City's water and sewer services are classified as business-type activities.

**CITY OF TANEYTOWN, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

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

In the fund financial statements, financial transactions and accounts of the City 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 City for the year ended June 30, 2022:

**Governmental Fund Types**

General Fund – This fund is the City's primary operating fund. It accounts 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 City (i.e., public safety, public works, parks and recreation, and general government activities, etc.). These activities are funded principally by property and income taxes on individuals and businesses, and grants from other governmental units.

**Proprietary Fund Types**

Enterprise Fund – The Utility fund accounts for the revenues generated from the charges for distribution of water and charges for sewer services provided to residential and commercial users of the City.

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.

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 City's enterprise fund 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.



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

**Cash, Cash Equivalents and Investments**

For purposes of the statement of cash flows, the City considers cash on hand, demand deposits, and all highly liquid investments and debt instruments with maturities of three months or less from the date of acquisition to be cash and cash equivalents. In some instances, cash resources of the individual funds are combined to form a pool of cash and investments. Investments are carried at market value in all funds. Investment income earned as a result of pooling is distributed to the appropriate funds based on the average balance of cash and investments of each fund.

**Prepaid Items**

Payments made to vendors for services that will benefit periods beyond the fiscal year-end are recorded as prepaid items. Prepaid items are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

**Receivables**

Significant receivables include amounts from customers for utility services and various taxes. These receivables are due within one year. As of June 30, 2022, the City had no allowance for uncollectible accounts.

**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".

**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 and a cost of \$5,000 or more. Capital assets purchased or acquired are recorded at cost or, if donated, at the estimated fair market value upon receipt. Depreciation of property and equipment is computed on the straight-line method for financial reporting purposes.

**CITY OF TANEYTOWN, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

Depreciation is provided for over the following estimated useful lives of the assets:

Infrastructure	25 – 50 years
Buildings and Improvements	20 – 40 years
Equipment	5 – 10 years

**Budgets and Budgetary Accounting**

The City prepares an annual operating budget for the General Fund and Utility Fund on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted amounts are subject to amendment during the fiscal year.

**Compensated Absences**

Full-time employees are eligible for paid annual leave, and all leave time must be earned before being taken. The amount employees accrue is based on their number of continuous service years. Employees will receive all of their unused earned vacation leave upon termination. Vacation leave can be carried over to subsequent calendar years, with a maximum of 80 hours. Employees who do not use their accrued leave by the end of the calendar year shall forfeit all annual leave in excess of 80 hours.

Full-time employees shall accrue four hours of sick leave per pay period. There is no maximum of sick leave that may be carried over to subsequent years. When leaving the employment of the City, the amount of accrued sick leave shall be applied to the employee's years of service under the formula and parameters as provided by the State Retirement System.

The vested annual leave is expensed as incurred in the appropriate funds.

**Fund Balance**

The City 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:

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

**CITY OF TANEYTOWN, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

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).

Committed fund balance – Amounts that can only be used for specific purposes because of a formal action (resolution or ordinance) by the City's highest level of decision-making authority, the Mayor and Council. The City's committed fund balance consists of open space / park impact fees as of June 30, 2022.

Assigned fund balance – Amounts that are constrained by the City'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. With the exception of the General Fund, this is the residual fund balance classification for all governmental funds with positive balances. The amount of assigned funds is related to collected police impact fees and the remaining lease obligations on a non-cancellable capital lease.

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 City's policy to use externally restricted resources first, then unrestricted resources – committed, assigned, and unassigned – in order as needed.

**Net Position**

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 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, plus any proceeds remaining in cash and investments. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

**CITY OF TANEYTOWN, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2022**

**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.

**Use of 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**

**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. Custodial credit risk for investments exists when, in the event of the failure of the counterparty to a transaction, a government may be unable to recover the value of investment or collateral securities that are in the possession of an outside party. As of year-end, the total amount of the City's bank balances were \$20,481,316, the carrying amount of deposits was \$20,336,957, and cash on hand was \$350.

The City maintains deposits at two financial institutions. As of June 30, 2022, all deposits were covered by the Federal Deposit Insurance Corporation and securities held by the pledging financial institution's trust department in the City's name.

The City's cash and cash equivalents as of June 30, 2022, reconciled to the total presented in the Statement of Net Position, are as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
Cash on hand	\$ 350	\$ -	\$ 350
Bank deposits	<u>6,737,610</u>	<u>13,599,347</u>	<u>20,336,957</u>
	<u>\$ 6,737,960</u>	<u>\$ 13,599,347</u>	<u>\$ 20,337,307</u>

**CITY OF TANEYTOWN, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2022**

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

**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 obligation.

The City shall invest only in the following types of securities, which are authorized by the State:

- Obligations of U.S. governmental agencies
- Fully collateralized certificates of deposit
- Bankers acceptances with the highest quality letter and numerical rating
- Municipal securities with the highest quality letter and numerical rating
- Money market mutual funds containing securities of U.S. governmental agencies
- Local Government Investment Pool administered by the State Treasurer

**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.

**Restricted Cash**

Cash is restricted for the following purposes as of June 30, 2022:

	<b>Governmental</b>	<b>Business-Type</b>	
	<b><u>Activities</u></b>	<b><u>Activities</u></b>	<b><u>Total</u></b>
Developer deposits	\$ 110,431	\$ -	\$ 110,431
Open space/park impact	265,512	-	265,512
Capital infrastructure	-	9,247,330	9,247,330
Loan reserve fund	-	<u>26,138</u>	<u>26,138</u>
	<u>\$ 375,943</u>	<u>\$ 9,273,468</u>	<u>\$ 9,649,411</u>

**NOTE 3**      **PROPERTY TAXES**

The City'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.

**CITY OF TANEYTOWN, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 3      PROPERTY TAXES (Continued)**

Property taxes become delinquent on October 1. Interest accrues at 0.5% monthly for delinquent property taxes. Total assessable base on which levies were made for the year ended June 30, 2022, was \$760,533,454 and the property tax rate was \$0.37 per \$100 of assessed value.

**NOTE 4      CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2022 was as follows:

**Primary Government:**

<u>Governmental Activities:</u>	Balance July 1, 2021	Additions	Dispositions	Transfers	Balance June 30, 2022
Capital assets, not depreciated					
Land	\$ 904,255	\$ -	\$ -	\$ -	\$ 904,255
Construction in progress	176,960	378,943	-	(194,023)	361,880
Total capital assets, not depreciated	<u>1,081,215</u>	<u>378,943</u>	<u>-</u>	<u>(194,023)</u>	<u>1,266,135</u>
Capital assets, depreciated					
Buildings and improvements	4,689,111	76,747	(1,625)	-	4,764,233
Machinery and equipment	2,735,110	118,700	(114,790)	-	2,739,020
Infrastructure	8,762,969	343,591	(111,612)	192,360	9,187,308
Total capital assets, depreciated	16,187,190	539,038	(228,027)	192,360	16,690,561
Accumulated depreciation	<u>(8,919,571)</u>	<u>(574,917)</u>	<u>181,644</u>	<u>-</u>	<u>(9,312,844)</u>
Governmental activities - Capital assets, net	<u>\$ 8,348,834</u>	<u>\$ 343,064</u>	<u>\$ (46,383)</u>	<u>\$ (1,663)</u>	<u>\$ 8,643,852</u>

Depreciation expense was charged to each function as follows:

General government	\$ 59,958
Public safety	113,161
Public works	308,537
Parks, recreation, and culture	93,261
	<u>\$ 574,917</u>

**CITY OF TANEYTOWN, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 4      CAPITAL ASSETS (Continued)**

<u><i>Business-type Activities</i></u>	Balance July 1, 2021	Additions	Dispositions	Transfers	Balance June 30, 2022
Capital assets, not depreciated					
Land	\$ 182,621	\$ -	\$ -	\$ -	\$ 182,621
Construction in progress	<u>551,969</u>	<u>773,087</u>	<u>-</u>	<u>(171,104)</u>	<u>1,153,952</u>
Total capital assets, not depreciated	<u>734,590</u>	<u>773,087</u>	<u>-</u>	<u>(171,104)</u>	<u>1,336,573</u>
Capital assets, depreciated					
Buildings and improvements	409,525	-	-	-	409,525
Machinery and equipment	1,329,838	66,015	(48,551)	-	1,347,302
Infrastructure	<u>36,241,458</u>	<u>-</u>	<u>-</u>	<u>140,192</u>	<u>36,381,650</u>
Total capital assets, depreciated	37,980,821	66,015	(48,551)	140,192	38,138,477
Accumulated depreciation	<u>(18,785,004)</u>	<u>(1,125,816)</u>	<u>48,551</u>	<u>-</u>	<u>(19,862,269)</u>
Business-type activities					
Capital assets, net	<u>\$ 19,930,407</u>	<u>\$ (286,714)</u>	<u>\$ -</u>	<u>\$ (30,912)</u>	<u>\$ 19,612,781</u>

Depreciation expense was charged to each function as follows:

Water services	\$ 324,888
Sewer services	<u>800,928</u>
	<u>\$ 1,125,816</u>

**CITY OF TANEYTOWN, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 5      DEBT OBLIGATIONS**

Debt outstanding as of June 30, 2022 is as follows for:

Governmental Activities:

<u>Purpose</u>	<u>Rate</u>	<u>Amount</u>
\$400,000 Infrastructure Financing Bonds - 2004 Series A; Due in annual principal installments of \$7,600 - \$23,600 plus semi annual interest payments. The bonds mature on May 1, 2034.	4.6% Avg.	\$     221,600
\$436,698 2012 Refunding of the General Obligation Bond, Series 2009; Due in annual principal installments of \$17,909 - \$35,297 plus semiannual interest payments. The bonds mature on March 15, 2029.	4.24%	218,345
\$897,000 General Obligations Bonds, 2011 Series A; Due in annual principal installments of \$33,000 - \$61,000, plus semi annual interest payments. The bonds mature on June 30, 2031.	2.75%	<u>487,000</u>
Total governmental activities		<u>\$     926,945</u>



**CITY OF TANEYTOWN, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 5      DEBT OBLIGATIONS (Continued)**

Business-type Activities:

<u>Purpose</u>	<u>Rate</u>	<u>Amount</u>
\$1,184,000 General Obligation Bonds, 2011 Series A; Due in annual principal installments of \$53,000 - \$81,000 plus semiannual interest payments. The bonds mature on June 30, 2033.	2.75%	786,000
\$3,206,000 loan for Baltimore Street Water Main Extension; semiannual interest payments and annual principal payments of \$134,843 - \$208,749; annual administrative fee of \$10,323; loan matures on February 1, 2029.	2.50%	1,358,565
\$2,253,000 General Obligation Bonds, York Street Sanitary Sewer Improvements Project, 2012 Series (USDA); Due in quarterly principal and interest installments of \$20,503. The bonds mature on June 28, 2052.	2.00%	1,841,269
\$805,000 Drinking Water Bond, 2012 Series; Due in annual principal installments of \$39,350 - \$45,419 plus semi-annual interest payments. The bond matures on February 1, 2032.	0.80%	438,304
\$6,356,974 Infrastructure Financing Bonds, 2014 Series A-1; Due in annual principal installments of \$111,974 - \$590,000, starting in 2019, plus semiannual interest payments. The bonds mature on May 1, 2032. Includes unamortized bond premium of \$48,664.	3.48% Avg.	5,055,000
\$826,713 Infrastructure Financing Bonds, 2014 Series A-2; Due in annual principal installments of \$26,187 - \$56,000 plus semiannual interest payments. The bonds mature on May 1, 2034.	3.54% Avg.	<u>551,000</u>
Total business-type activities		<u>\$ 10,030,138</u>

Debt service requirements are as follows:

	<u>Principal</u>	<u>Interest &amp; Fees</u>	<u>Total</u>
2023	\$ 896,120	\$ 335,114	\$ 1,231,234
2024	920,260	313,917	1,234,177
2025	945,084	289,678	1,234,762
2026	970,100	264,921	1,235,021
2027	993,911	239,362	1,233,273
2028-2032	4,650,985	998,633	5,649,618
2033-2037	525,062	961,611	1,486,673
2038-2042	318,774	91,286	410,060
2043-2047	352,270	57,790	410,060
2048-2052	384,518	25,542	410,060

**CITY OF TANEYTOWN, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 5**      **DEBT OBLIGATIONS** (Continued)

**Changes in Non-Current Liabilities**

During the year ended June 30, 2022, the following changes in debt obligations occurred:

	<u>July 1, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>June 30, 2022</u>	<u>Due within One year</u>
Bonds 2004, Series A	\$ 235,200	\$ -	\$ (13,600)	\$ 221,600	\$ 14,100
Bonds 2012 Refunding	244,576	-	(26,231)	218,345	27,367
Bonds 2011, Series A	1,380,000	-	(107,000)	1,273,000	114,000
USDA 2012	1,886,265	-	(44,996)	1,841,269	45,373
Baltimore St. Water Main Ext.	1,534,178	-	(175,613)	1,358,565	180,004
2012 Series Drinking Water Bond	480,244	-	(41,940)	438,304	42,276
2014 Series A-1 Bonds	5,480,000	-	(425,000)	5,055,000	435,000
2014 Series A-2 Bonds	<u>588,500</u>	<u>-</u>	<u>(37,500)</u>	<u>551,000</u>	<u>38,000</u>
Total debt obligations	<u>\$ 11,828,963</u>	<u>\$ -</u>	<u>\$ (871,880)</u>	<u>\$ 10,957,083</u>	<u>\$ 896,120</u>
Unamortized bond premium				37,434	
Total carrying value of debt obligations				<u>\$ 10,994,517</u>	

As of June 30, 2022, the current debt obligations are recorded as follows:

Governmental activities	\$ 92,467
Business-type activities	<u>803,653</u>
Total current obligations	<u>\$ 896,120</u>

**Interest Expense**

For the year ended June 30, 2022, total interest costs were \$385,300 and reported as follows: interest expense of \$34,596 for governmental activities and \$350,704 for business-type activities. Cash paid for interest for business-type activities was \$327,404.

**CITY OF TANEYTOWN, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 6**      **PENSION BENEFITS**

Cost-sharing Multiple Employer Pension Plan:

Plan description

All permanent employees of the City who are expected to work at least 500 hours in the fiscal year are provided retirement benefits through the Maryland State Retirement and Pension System through two separate plans: Employee's Contributory Pension System ("Pension System") and the Law Enforcement Officers Pension System (LEOPS).

The Pension System is a defined benefit plan and multiple employer system. The plan involves state-wide participation of employees from numerous other state and local governmental units. The system is administered by the Maryland State Retirement Agency pursuant to the Annotated Code of Maryland.

Under the Pension System, members may retire after 30 years of service or the attainment of age 62 with five years of service, age 63 with four years of service, age 64 with three years of service or age 65 or over with two years of service.

LEOPS provides retirement allowances and other benefits for State and local law enforcement officers. This system includes both retirement plan and pension plan provisions which are applicable to separate portions of the State System's membership. The retirement plan provisions are applicable to those members who, on the date they elected to participate in LEOPS, were members of the Employees' Retirement System. The State System's pension plan provisions are applicable to all other participating law enforcement officers.

A member of LEOPS is eligible for full retirement benefits upon the earlier of attaining age 50 or accumulating 25 years of eligibility service regardless of age.

The Maryland State Retirement and Pension System does not prepare or maintain separate actuarial reports for the participating governmental units. The Maryland State Retirement and Pension System issues a comprehensive annual financial report. The report can be obtained from the agency's offices at:

Maryland State Retirement and Pension Systems  
120 East Baltimore Street  
Baltimore, Maryland 21202

**Funding policy**

Obligations to contribute to the plans were established under Titles 22 and 23 of the State Personnel and Pensions Article of the Maryland Code.

**CITY OF TANEYTOWN, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 6**      **PENSION BENEFITS** (Continued)

Members of the Pension System contribute 2% of their gross employee compensation and members of LEOPS contribute 7%. The total contributions from the employees for the fiscal years ended June 30 were as follows:

2022	\$	79,637
2021		74,696
2020		67,618
2019		68,003
2018		68,400
2017		64,760
2016		63,567
2015		60,691
2014		58,509
2013		55,170

The City also contributed to the System, in amounts equal to 100% of the required contributions for both Plans. The amounts contributed for the years ended June 30 were as follows:

2022	\$	341,114
2021		312,851
2020		246,102
2019		253,565
2018		238,930
2017		234,205
2016		230,745
2015		232,333
2014		217,818
2013		188,155

Total pension expense for the year ended June 30, 2022 was \$595,545; \$550,122 for governmental activities and \$45,423 for business-type activities.

**CITY OF TANEYTOWN, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 6**      **PENSION BENEFITS** (Continued)

**Key actuarial methods and assumptions:**

Actuarial Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Actuarial Valuation Date	June 30, 2021
Inflation	In the 2021 actuarial valuation, 2.60% general, 3.10% wage In the 2020 actuarial valuation, 2.60% general, 3.10% wage
Salary Increases	In the 2021 actuarial valuation, 2.75% to 9.25% In the 2020 actuarial valuation, 3.10% to 11.60%
Investment Rate of Return	In the 2021 actuarial valuation, 6.80% In the 2020 actuarial valuation, 7.40%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2019 valuation pursuant to the 2018 experience study for the period July 1, 2014 to June 30, 2018.
Mortality	Various versions of the Pub-2010 Mortality Tables for males and females with projected generational mortality improvements based on the MP-2018 fully generational mortality Improvements scale for males and females.

**Investments**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board after considering input from the System's investment consultant(s) and actuary(s). For each major asset class that is included in the System's target asset allocation as of June 30, 2021, these best estimates are summarized in the following table:

**CITY OF TANEYTOWN, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 6**      **PENSION BENEFITS** (Continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity	37.0%	4.7%
Private Equity	13.0%	6.5%
Rate Sensitive	19.0%	-0.4%
Credit Opportunity	9.0%	2.6%
Real Assets	14.0%	4.2%
Absolute Return	<u>8.0%</u>	2.0%
Total	100.0%	

The above was the Board of Trustees' adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2021. For the years ended June 30, 2021 and 2020, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 26.69% and 3.50%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Discount rate**

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

**Sensitivity of the net pension liability**

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.80%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate of 1-percentage-point lower or 1-percentage-point higher:

<b>System:</b>	<b>1% decrease 5.80%</b>	<b>NPL at 6.80%</b>	<b>1% increase 7.80%</b>
Employees' Pension	\$ 1,115,432	\$ 654,927	\$ 272,941
LEOPS	2,512,601	1,475,275	614,821
	<u>\$ 3,628,033</u>	<u>\$ 2,130,202</u>	<u>\$ 887,762</u>

**CITY OF TANEYTOWN, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 7      DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES**

For the year ended June 30, 2022, the City reported deferred outflows and inflows of resources related to the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of pension assumptions	\$ 344,293	\$ 71,266
Difference between actual and expected experience	-	187,974
Net difference between projected and actual earnings on pension plan investments	296,406	944,153
Change in proportionate share	587,192	636,456
City contributions subsequent to the measurement date	<u>341,114</u>	<u>-</u>
	1,569,005	1,839,849
Other deferred outflows and inflows:		
Unearned revenue - American Rescue Plan	-	3,179,277
Unamortized cost related to debt refunding	<u>174,856</u>	<u>-</u>
	<u>\$ 1,743,861</u>	<u>\$ 5,019,126</u>

Deferred outflows of resources of \$341,114 related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows for the years ending June 30:

2023	\$ 172,248
2024	139,955
2025	143,830
2026	160,406
2027	<u>(4,481)</u>
	<u>\$ 611,958</u>

**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 City 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. The City's federal grant expenditures were less than \$750,000; therefore, they were not subject to the Single Audit Act for fiscal year 2022.

**CITY OF TANEYTOWN, MARYLAND**  
**Notes to the Financial Statements**  
**June 30, 2022**

**NOTE 9      LEASE OBLIGATIONS**

In February 2019, the City entered into a non-cancelable operating lease for equipment. The lease requires monthly payments of \$620 for 60 months. Future lease payments are as follows:

2023	\$ 7,440
2024	5,580
2025	-
2026	-
2027	-

**NOTE 10      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 City 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 City purchases commercial insurance coverage for these types of losses, including worker's compensation and employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

**NOTE 11      RESTRICTED NET POSITION**

As of June 30, 2022, restricted net position consists of the following:

WWTP loan reserve	\$      26,138
Future capital infrastructure	<u>9,247,330</u>
Total	<u>\$ 9,273,468</u>

**NOTE 12      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 October 5, 2022, the date the financial statements were available to be issued, the City performed an evaluation and revealed no other material events or transactions which would require an adjustment or disclosure in the accompanying financial statements, except for following. In August 2022, the City received \$3,360,770 as the second payment from the American Rescue Plan Act.



**CITY OF TANEYTOWN, MARYLAND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget to Actual - General Fund**

<b>For the year ended June 30, 2022</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>				
Real property	\$ 2,639,195	\$ 2,722,977	\$ 2,782,816	\$ 59,839
Personal property	139,000	139,000	152,234	13,234
Penalties and interest	<u>15,000</u>	<u>15,000</u>	<u>15,897</u>	<u>897</u>
Total Local Property Taxes	<u>2,793,195</u>	<u>2,876,977</u>	<u>2,950,947</u>	<u>73,970</u>
<b>Local Income Taxes</b>	<u>650,000</u>	<u>950,000</u>	<u>950,194</u>	<u>194</u>
<b>Other Local Taxes</b>				
Admissions and amusement taxes	<u>5,250</u>	<u>5,250</u>	<u>2,448</u>	<u>(2,802)</u>
Total Other Local Taxes	<u>5,250</u>	<u>5,250</u>	<u>2,448</u>	<u>(2,802)</u>
<b>Licenses and Permits</b>				
Alcoholic beverages	2,500	2,500	2,638	138
Trader's licenses	12,500	12,500	12,719	219
Building permits	2,200	2,200	8,473	6,273
Cable franchise fees	90,000	90,000	111,736	21,736
Solicitors License	<u>200</u>	<u>200</u>	<u>150</u>	<u>(50)</u>
Total Licenses and Permits	<u>107,400</u>	<u>107,400</u>	<u>135,716</u>	<u>28,316</u>
<b>Intergovernmental Revenues</b>				
State aid for police protection	101,187	101,187	92,503	(8,684)
Highway user revenues	299,477	299,477	347,942	48,465
County tax differential	327,452	356,675	356,675	-
Financial corporations	-	-	-	-
Road levy	4,818	4,818	4,818	-
Grants	<u>201,061</u>	<u>127,900</u>	<u>220,187</u>	<u>92,287</u>
Total Intergovernmental Revenues	<u>933,995</u>	<u>890,057</u>	<u>1,022,125</u>	<u>132,068</u>
<b>Service Charges</b>				
Zoning fees	2,600	2,600	5,960	3,360
Park impact fees	-	-	203,500	203,500
Non-refundable developer fees	2,500	2,500	1,000	(1,500)
Public safety charges	6,000	18,000	17,626	(374)
Public parking facilities	7,000	7,000	6,893	(107)
Recreation charges	6,500	6,500	23,392	16,892
Other	<u>32</u>	<u>32</u>	<u>2,400</u>	<u>2,368</u>
Total Service Charges	<u>24,632</u>	<u>36,632</u>	<u>260,771</u>	<u>224,139</u>

**CITY OF TANEYTOWN, MARYLAND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget to Actual - General Fund**

<b>For the year ended June 30, 2022</b>	<b>Original Budget</b>	<b>Final Appropriated Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Fines and Forfeitures</b>				
Parking and code enforcement fines	20,700	20,700	6,330	(14,369)
Total Fines and Forfeitures	<u>20,700</u>	<u>20,700</u>	<u>6,330</u>	<u>(14,369)</u>
<b>Miscellaneous Revenues</b>				
Interest income	5,336	5,336	4,008	(1,328)
Rental income	4,100	4,100	4,105	5
Sale of property (other than tax sale)	3,000	3,000	7,000	4,000
Other	-	-	8,016	8,016
Total Miscellaneous Revenues	<u>12,436</u>	<u>12,436</u>	<u>23,129</u>	<u>10,693</u>
<b>Total Revenues</b>	<u>4,547,608</u>	<u>4,899,452</u>	<u>5,351,660</u>	<u>452,208</u>
<b>General Government</b>				
Legislative				
Mayor and Council salaries	28,000	28,000	27,667	333
Fringe benefits	4,791	4,791	5,329	(538)
Total salaries and fringe benefits	32,791	32,791	32,996	(205)
Other operating	27,155	27,155	28,771	(1,616)
Total Legislative	<u>59,946</u>	<u>59,946</u>	<u>61,767</u>	<u>(1,821)</u>
Executive				
City Manager salaries	46,163	46,163	48,079	(1,916)
Fringe benefits	26,149	26,149	20,731	5,418
Total salaries and fringe benefits	72,312	72,312	68,810	3,502
Other operating	8,300	8,300	5,024	3,276
Total Executive	<u>80,612</u>	<u>80,612</u>	<u>73,834</u>	<u>6,778</u>
Financial Administration				
Finance salaries	115,700	115,700	127,388	(11,688)
Clerk salaries	48,084	56,307	55,068	1,239
Fringe benefits	114,158	114,787	115,548	(761)
Total salaries and fringe benefits	277,942	286,794	298,004	(11,210)
Independent accounting and auditing	18,000	18,000	16,183	1,817
Other operating	34,450	34,450	20,483	13,967
Total Financial Administration	<u>330,392</u>	<u>339,244</u>	<u>334,670</u>	<u>4,574</u>
Legal	<u>47,200</u>	<u>47,200</u>	<u>47,295</u>	<u>(95)</u>

**CITY OF TANEYTOWN, MARYLAND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget to Actual - General Fund**

<b>For the year ended June 30, 2022</b>	<b>Original Budget</b>	<b>Final Appropriated Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
Planning and Zoning				
Salaries	46,319	46,319	46,319	-
Fringe benefits	20,725	20,725	8,436	12,289
Total salaries and fringe benefits	67,044	67,044	54,755	12,289
Other operating	21,325	21,325	12,536	8,789
<b>Total Planning and Zoning</b>	<b>88,369</b>	<b>88,369</b>	<b>67,291</b>	<b>21,078</b>
General Services				
Municipal Buildings				
Other operating	118,555	118,555	123,639	(5,084)
Capital outlay	-	-	-	-
<b>Total Municipal Buildings</b>	<b>118,555</b>	<b>118,555</b>	<b>123,639</b>	<b>(5,084)</b>
IT Department				
Salaries	81,200	81,200	86,257	(5,057)
Fringe benefits	33,430	33,430	23,273	10,157
Total salaries and fringe benefits	114,630	114,630	109,530	5,100
Other operating	67,660	67,660	53,922	13,738
Capital outlay	15,000	15,000	-	15,000
<b>Total IT Department</b>	<b>197,290</b>	<b>197,290</b>	<b>163,452</b>	<b>33,838</b>
<b>Total General Services</b>	<b>315,845</b>	<b>315,845</b>	<b>287,091</b>	<b>28,754</b>
<b>Total General Government</b>	<b>922,364</b>	<b>931,216</b>	<b>871,948</b>	<b>59,268</b>
<b>Public Safety</b>				
Police Department				
Salaries	1,025,897	1,040,320	957,032	83,288
Fringe benefits	529,577	530,680	434,386	96,294
Total salaries and fringe benefits	1,555,474	1,571,000	1,391,418	179,582
Other operating	297,933	309,933	250,280	59,653
Capital outlay	92,500	13,000	12,913	87
<b>Total Public Safety</b>	<b>1,945,907</b>	<b>1,893,933</b>	<b>1,654,611</b>	<b>239,322</b>
<b>Public Works</b>				
Highways and Streets				
Salaries	293,716	293,716	281,444	12,272
Fringe benefits	120,846	120,846	116,623	4,223
Total salaries and fringe benefits	414,562	414,562	398,067	16,495
Other operating	390,795	390,795	329,899	60,896
Capital outlay	1,708,074	1,721,714	237,460	1,484,254
<b>Total Highways and Streets</b>	<b>2,513,431</b>	<b>2,527,071</b>	<b>965,426</b>	<b>1,561,645</b>
Waste collection	625,000	625,000	509,399	115,601
<b>Total Public Works</b>	<b>3,138,431</b>	<b>3,152,071</b>	<b>1,474,825</b>	<b>1,677,246</b>

The accompanying notes are an integral part of this statement.

**CITY OF TANEYTOWN, MARYLAND**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance**  
**Budget to Actual - General Fund**

<b>For the year ended June 30, 2022</b>	<b>Original Budget</b>	<b>Final Appropriated Budget</b>	<b>Actual</b>	<b>Variance with Final Budget Positive (Negative)</b>
<b>Parks, Recreation, and Culture</b>				
Salaries	78,574	78,574	104,314	(25,740)
Fringe benefits	<u>34,147</u>	<u>34,147</u>	<u>44,415</u>	<u>(10,268)</u>
Total salaries and fringe benefits	112,721	112,721	148,729	(36,008)
Other operating	228,435	249,435	277,668	(28,233)
Capital outlay	<u>616,116</u>	<u>659,982</u>	<u>665,945</u>	<u>(5,963)</u>
<b>Total Parks, Recreation, and Culture</b>	<u>957,272</u>	<u>1,022,138</u>	<u>1,092,342</u>	<u>(70,204)</u>
<b>Economic Development</b>				
Salaries	46,319	46,319	46,498	(179)
Fringe benefits	<u>16,441</u>	<u>16,441</u>	<u>14,431</u>	<u>2,010</u>
Total salaries and fringe benefits	62,760	62,760	60,929	1,831
Other operating	<u>33,086</u>	<u>46,730</u>	<u>33,477</u>	<u>13,253</u>
<b>Total Economic Development</b>	<u>95,846</u>	<u>109,490</u>	<u>94,406</u>	<u>15,084</u>
<b>Debt Service</b>				
Principal payments	85,831	85,831	85,831	-
Interest payments	<u>35,215</u>	<u>35,215</u>	<u>35,671</u>	<u>(456)</u>
<b>Total Debt Service</b>	<u>121,046</u>	<u>121,046</u>	<u>121,502</u>	<u>(456)</u>
<b>Total Expenditures</b>	<u>7,180,866</u>	<u>7,229,894</u>	<u>5,309,634</u>	<u>1,920,260</u>
<b>Excess (Deficiency) of Revenues over (under) Expenditures</b>	(2,633,258)	(2,330,442)	42,026	2,372,468
<b>Other Financing Sources (Uses)</b>				
Budgeted use of fund balance	<u>2,633,258</u>	<u>2,330,442</u>	<u>-</u>	<u>(2,330,442)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>2,633,258</u>	<u>2,330,442</u>	<u>-</u>	<u>(2,330,442)</u>
<b>Net change in fund balance</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,026</u>	<u>\$ 42,026</u>

**CITY OF TANEYTOWN, MARYLAND**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**

For the Year Ended June 30

	2022			2021			2020			2019		
	Employees' Pension System	Law Enforcement Officers' Pension System	Total	Employees' Pension System	Law Enforcement Officers' Pension System	Total	Employees' Pension System	Law Enforcement Officers' Pension System	Total	Employees' Pension System	Law Enforcement Officers' Pension System	Total
City's proportion of the net pension liability	0.004365509%	0.009833656%	0.014199165%	0.003730616%	0.007747675%	0.011478292%	0.003455175%	0.008892775%	0.012347950%	0.003460656%	0.008521290%	0.011981946%
City's proportionate share of the net pension liability	\$ 654,927	\$ 1,475,275	\$ 2,130,202	\$ 843,170	\$ 1,751,080	\$ 2,594,250	\$ 712,651	\$ 1,834,189	\$ 2,546,840	\$ 726,101	\$ 1,787,903	\$ 2,514,004
Covered-employee payroll	\$ 1,179,546	\$ 768,073	\$ 1,947,619	\$ 1,053,610	\$ 715,477	\$ 1,769,087	\$ 967,192	\$ 618,697	\$ 1,585,889	\$ 902,248	\$ 653,510	\$ 1,555,758
City's proportionate share of net pension liability as a percentage of its covered-employee payroll	55.52%	192.07%	109.37%	80.03%	244.74%	146.64%	73.68%	296.46%	160.59%	80.48%	273.58%	161.59%
Plan Fiduciary Net Position as a % of total pension liability			81.84%			70.72%			72.34%			71.18%

**CITY OF TANEYTOWN, MARYLAND**  
**Schedule of Contributions and Related Ratios**

For the Year Ended June 30

	2022			2021			2020			2019		
	Employees' Pension System	Law Enforcement Officers' Pension System	Total	Employees' Pension System	Law Enforcement Officers' Pension System	Total	Employees' Pension System	Law Enforcement Officers' Pension System	Total	Employees' Pension System	Law Enforcement Officers' Pension System	Total
Contractually required contribution	\$ 111,585	\$ 229,529	\$ 341,114	\$ 96,164	\$ 216,687	\$ 312,851	\$ 79,987	\$ 166,115	\$ 246,102	\$ 70,952	\$ 182,613	\$ 253,565
Actual contribution	(111,585)	(229,529)	(341,114)	(96,164)	(216,687)	(312,851)	(79,987)	(166,115)	(246,102)	(70,952)	(182,613)	(253,565)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 1,179,546	\$ 768,073	\$ 1,947,619	\$ 1,053,610	\$ 715,477	\$ 1,769,087	\$ 967,192	\$ 618,697	\$ 1,585,889	\$ 902,248	\$ 653,510	\$ 1,555,758
Contributions as a percentage of covered-employee payroll	9.46%	29.88%	17.51%	9.13%	30.29%	17.68%	8.27%	26.85%	15.52%	7.86%	27.94%	16.30%

The accompanying notes are an integral part of this schedule.

**CITY OF TANEYTOWN, MARYLAND**  
**Schedule of the City's Proportionate Share of the Net Pension Liability**

For the Year Ended June 30

	2018			2017			2016			2015		
	Law Enforcement		Total	Law Enforcement		Total	Law Enforcement		Total	Law Enforcement		Total
	Employees' Pension System	Officers' Pension System		Employees' Pension System	Officers' Pension System		Employees' Pension System	Officers' Pension System		Employees' Pension System	Officers' Pension System	
City's proportion of the net pension liability	0.003168357%	0.008338549%	0.011506906%	0.003276261%	0.008568465%	0.011844727%	0.003576500%	0.007446398%	0.011022898%	0.002822655%	0.006524311%	0.009346966%
City's proportionate share of the net pension liability	\$ 685,116	\$ 1,803,103	\$ 2,488,219	\$ 773,002	\$ 2,021,646	\$ 2,794,648	\$ 743,258	\$ 1,547,489	\$ 2,290,747	\$ 500,929	\$ 1,157,852	\$ 1,658,781
Covered-employee payroll	\$ 926,288	\$ 627,423	\$ 1,553,711	\$ 897,386	\$ 697,193	\$ 1,594,579	\$ 864,298	\$ 689,996	\$ 1,554,294	\$ 831,293	\$ 653,911	\$ 1,485,204
City's proportionate share of net pension liability as a percentage of its covered-employee payroll	73.96%	287.38%	160.15%	86.14%	289.97%	175.26%	86.00%	224.28%	147.38%	60.26%	177.07%	111.69%
Plan Fiduciary Net Position as a % of total pension liability			69.38%			65.79%			68.78%			71.87%

For the Year Ended June 30

	2018			2017			2016			2015		
	Law Enforcement		Total	Law Enforcement		Total	Law Enforcement		Total	Law Enforcement		Total
	Employees' Pension System	Officers' Pension System		Employees' Pension System	Officers' Pension System		Employees' Pension System	Officers' Pension System		Employees' Pension System	Officers' Pension System	
Contractually required contribution	\$ 69,009	\$ 169,921	\$ 238,930	\$ 64,487	\$ 169,718	\$ 234,205	\$ 63,824	\$ 166,921	\$ 230,745	\$ 75,008	\$ 156,950	\$ 231,958
Actual contribution	(69,009)	(169,921)	(238,930)	(64,487)	(169,718)	(234,205)	(63,824)	(166,921)	(230,745)	(75,008)	(156,950)	(231,958)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 926,288	\$ 627,423	\$ 1,553,711	\$ 897,386	\$ 697,193	\$ 1,594,579	\$ 864,298	\$ 689,996	\$ 1,554,294	\$ 831,293	\$ 653,911	\$ 1,485,204
Contributions as a percentage of covered-employee payroll	7.45%	27.08%	15.38%	7.19%	24.34%	14.69%	7.38%	24.19%	14.85%	9.02%	24.00%	15.62%

The accompanying notes are an integral part of this schedule.



**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 City Council  
City of Taneytown, 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, and each major fund of the City of Taneytown, Maryland, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City of Taneytown, Maryland's basic financial statements and have issued our report thereon dated October 5, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City of Taneytown, 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 City of Taneytown, Maryland's internal control. Accordingly, we do not express an opinion on the effectiveness of the City of Taneytown, 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. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City of Taneytown, 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*.

**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  
October 5, 2022**