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# **Town of Bladensburg, Maryland**

## **Financial Statements, Supplementary Information and Independent Auditor's Report**

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

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**LSWG**

**CERTIFIED PUBLIC ACCOUNTANTS  
& BUSINESS ADVISORS**

**TOWN OF BLADENSBURG, MARYLAND**  
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**June 30, 2024**

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## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Town of Bladensburg, Maryland (the Town), we offer the Town of Bladensburg, Maryland's financial statements, this narrative overview and analysis of the financial activities of the Town of Bladensburg, Maryland for the fiscal year ended June 30, 2024. We encourage readers to consider the following information:

### **Financial Highlights**

#### **Capital Investments and Funding**

The Town made significant investments in much-needed capital assets during the fiscal year. Over \$1.2M of assets were purchased to aid in the delivery of our services and making much needed infrastructure improvements which had been deferred in prior years. These included:

- \$582K for (13) vehicles outfitted for Public Safety.
- \$94K for Public Safety equipment to include in car and mobile radios, computers, and radar units.
- \$317K for (6) mobile surveillance trailers to increase public safety in high traffic areas throughout the Town.
- \$123K for (3) trucks outfitted for Public Works.
- \$103K of road and groundskeeping equipment for Public Works.

The Town also made a significant investment of \$229K in road projects for milling and asphalt overlay of 57<sup>th</sup> Avenue and for sidewalk improvements.

The funding for these capital assets and projects was primarily derived from accumulated Automated Traffic Enforcement Revenues carried over from the previous year, along with a transfer from the Town's fund balance.

The Town's net position decreased by (\$987,817) in FY 2024. The decrease in net position follows two consecutive years of positive growth, with increases of \$389,857 in FY 2022 and \$568,739 in FY 2023. The FY 2024 decrease reflects the utilization of prior-year net position increases to fund these important capital expenditures.

#### **American Rescue Plan Act**

The Town utilized \$1.5M of the American Rescue Plan Act (ARPA) Funds as part of the total \$4.9M awarded to the Town through the State of Maryland. These funded the following:

- \$500K was utilized for homeless prevention services which included rental and utility assistance for almost 150 local families.
- \$56K was utilized for food assistance for local families.
- \$15K was granted to help bolster local businesses and non-profits.
- \$94K was used for equipment purchases in Public Works as part of a Town beautification effort.
- The remainder was used to offset the expenses for the delivery of Town services.

## **Other Notable Highlights:**

- The Town was awarded \$290K by CDBG for bridge repairs and road improvements.
- We continue investment in the ShotSpotter Town-wide gunshot detection system as an important tool in Public Safety.
- The Town expanded its police force with the addition of (3) officers as part of a newly formed Special Assignment Team.
- The Town continues to provide exceptional services to our residents with many community events to include: National Night Out, Senior Picnic, Yule Log, Easter Eggstravaganza, Mental Health Awareness Event, the July 4<sup>th</sup> Fireworks at the Bladensburg Waterfront Park, Citizens Police Academy, Black History Month event, Bladefest, Trunk or Treat, the Haunting of Town Hall, Rock the Block, Shop with-a-Cop, Back to School events, and Coffee with a Cop to name a few.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town of Bladensburg, Maryland's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic 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 Town of Bladensburg, Maryland's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all the Town's assets and deferred outflows less liabilities and deferred inflows with the difference 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 is improving or deteriorating.

The statement of program 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 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 (e.g., uncollected taxes and earned but unused vacation leave). Both government-wide financial statements report governmental activities of the Town that are principally supported by taxes and intergovernmental revenues. The governmental activities of the Town include general government, public works, and public safety. The government-wide financial statements report only on the Town of Bladensburg, Maryland.

**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 Town of Bladensburg, Maryland, 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 Town are governmental 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 governmental funds and governmental activities.

The Town of Bladensburg, Maryland maintains two governmental funds: the general fund and a special revenue fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balance.

The Town of Bladensburg, Maryland adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indication of a government's financial position. The Town of Bladensburg, Maryland's net position decreased \$987,817 from \$7,067,471 on June 30, 2023 to \$6,079,654 on June 30, 2024.

Approximately 31% of the Town of Bladensburg, Maryland's total assets reflect its investment in capital assets (e.g., land, buildings, machinery, and equipment). The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

### Town of Bladensburg, Maryland's Net Position:

	Governmental Activities
Current and Other Assets	\$ 7,140,222
Capital Assets, Net	<u>3,209,559</u>
Total Assets	10,349,781
Deferred Outflows	<u>1,466,132</u>
Current Liabilities	1,412,239
Non-Current Liabilities	<u>3,016,634</u>
Total Liabilities	<u>4,428,873</u>

Deferred Inflows	<u>1,307,386</u>
Invested in Capital Assets, Net of Related Debt	3,243,312
Restricted	551,917
Unrestricted	<u>2,284,425</u>
Total Net Position	<u>\$ 6,079,654</u>

Total assets and deferred outflows in fiscal year 2024 decreased to \$2,286,997 as compared to fiscal year 2023. Liabilities and deferred inflows decreased \$1,299,180 for this same period which resulted in an decrease of \$987,817 in net position.

The deferred outflows of \$1,466,132 is related to pension contributions and changes in actuarial assumptions related to the Pension Plan. The deferred inflows of \$1,307,386 are related to changes in the State Retirement's investment activity of \$780,712, and American Rescue Plan Act (ARPA) funds received but not spent of \$526,674. Additional information related to the pension plan can be found in Note 5 and information related to the deferred inflows can be found in Note 6.

Restricted net position represents unspent highway user revenue of \$551,719 at June 30, 2024.

**Governmental activities.** Governmental activities decreased the Town of Bladensburg, Maryland's net position by \$987,817.

#### **Town of Bladensburg, Maryland's Changes in Net Position**

	<u>Governmental Activities</u>
<b>Revenues:</b>	
Program Revenues:	
Charges for Services	\$ 1,483,303
Operating Grants and Contributions	2,144,210
General Revenues:	
Taxes	5,781,401
Other	<u>646,250</u>
Total Revenues	<u>10,055,164</u>
<b>Expenses:</b>	
General Government	2,836,198
Public Works	1,231,151
Public Safety	6,963,871
Interest	<u>11,761</u>
Total Expenses	<u>11,042,981</u>
Decrease in net position	(987,817)
Net Position July 1, 2023	<u>7,067,471</u>
Net Position June 30, 2024	<u>\$ 6,079,654</u>

## FINANCIAL ANALYSIS OF THE GOVERNMENTAL FUNDS

The Town of Bladensburg, Maryland uses fund accounting to ensure and demonstrate compliance with finance related requirements.

**Governmental funds.** The focus of the Town of Bladensburg, Maryland's governmental funds is to provide information on near term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, Unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's general fund balance decreased \$1,581,597 to \$5,491,079. Fund balance consists of the following: nonspendable fund balance of \$196,391, restricted fund balance of \$551,917, assigned fund balance of \$575,114, committed fund balance of \$750,000 and unassigned fund balance of \$3,417,657. Details of fund balance can be found in Note 3(g) of the attached financial statements.

The Special Revenue Fund was created to account for resources pertaining to the Town's alcohol, tobacco, and firearms (ATF) program. The ending restricted fund balance in the special revenue fund was \$0 at June 30, 2024.

**General fund budgetary highlights.** Generally, budget amendments fall into one of three categories: (1) amendments made to adjust the estimates that are used to prepare the original budget once exact information is available; (2) amendments made to recognize new funding amounts from external sources, such as County and State grants; and (3) increases in appropriations that become necessary to maintain services.

During the fiscal year, the Town amended the budget on several occasions. These adjustments fall within all three categories noted above. See Exhibit B-1 for the detailed budget adjustments.

A comparison of the original and amended budget is as follows:

<b>General Fund:</b>	<b>Original Budget</b>	<b>Amended Budget</b>	
<u>Actual</u>			
Revenues			
Taxes	\$ 5,864,813	\$ 5,864,813	\$ 5,771,876
Intergovernmental	760,056	760,056	684,754
Grant revenue	2,613,134	2,738,134	1,507,302
Other	1,417,000	1,710,418	2,119,954
Total	<u>10,655,003</u>	<u>11,073,421</u>	<u>10,083,886</u>
Expenditures	<u>11,149,262</u>	<u>12,252,679</u>	<u>11,719,826</u>
Total	<u>11,149,262</u>	<u>12,252,679</u>	<u>11,719,826</u>
Change in fund balance (excluding Other Financing)	<u>\$ (494,259)</u>	<u>\$(1,179,258)</u>	<u>\$(1,635,940)</u>

The variance in each individual revenue and expenditure account can be found in Exhibit B-1 to the financial statements.

## **DEBT**

The Town has equipment lease liabilities of \$122,103 and subscription liabilities of \$72,297 at June 30, 2024. As discussed in Note 3 to the financial statements, the Town's net pension liability from its participation in the State of Maryland Employee Pension System is \$2,892,736.

## **CAPITAL ASSETS**

At the end of fiscal year 2024, the Town's governmental activities have invested \$3,209,559 in a variety of capital assets as reflected in the following schedule. These assets include land, buildings, equipment and computer software. Total depreciation expense for the 2024 fiscal year was \$467,995.

### **Governmental Activities – Capital Assets**

	<u>Governmental Activities</u>
Non-Depreciable Assets	
Land	\$ 17,448
Capital Assets, being depreciated	
Buildings	1,602,422
Equipment	4,733,345
Improvements	<u>842,007</u>
Total capital assets, being depreciated	<u>7,177,774</u>
Total Capital Assets	7,195,222
Accumulated Depreciation on Capital Assets	<u>(3,985,663)</u>
Net Capital Assets	<u>\$ 3,209,559</u>

### **Highlights and Economic Factors for Fiscal Year 2025 include:**

Revenues of \$12,956,736 have been projected for fiscal year 2025 to include property tax rate increases, \$1.2 million in Federal funding and \$1.8 million in State funding. Expenditures of \$12,956,736 have been projected for fiscal year 2025 to include \$2.2 million in capital projects. Capital projects to be completed include a Trade School, construction for a New Town Hall and the Bostwick project, all of which are funded through a federal earmark and Maryland State Bond Bills.

## **REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town of Bladensburg, Maryland's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Treasurer's office, Town of Bladensburg, Maryland, 4229 Edmonston Road, Bladensburg, MD 20710.





## **Independent Auditor's Report**

To the Mayor and Council of the  
Town of Bladensburg, Maryland

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Bladensburg, 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 Bladensburg, 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, each major fund and the aggregate remaining fund information of the Town of Bladensburg, Maryland, as of June 30, 2024, and the respective changes in financial position 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Bladensburg, 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 Bladensburg, 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.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our 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 Bladensburg, 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 Bladensburg, 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 information, proportionate share of the net pension liability and related ratios, and required contributions 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 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 10, 2025, on our consideration of the Town of Bladensburg, 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 Town of Bladensburg, 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 Bladensburg, Maryland's internal control over financial reporting and compliance.

*LSWG, P.A.*

Rockville, Maryland  
February 10, 2025

**Town of Bladensburg, Maryland**  
**Statement of Net Position**  
**For the Year Ended June 30, 2024**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and cash equivalents - unrestricted	\$ 235,301
Cash and cash equivalents - restricted	500
Investments	4,224,086
Investments - restricted	1,811,404
Accounts receivable	127,503
Amounts due from other governments	310,554
Prepaid expenses	196,391
Right to use subscription assets - net of amortization	78,627
Right to use lease assets - net of amortization	155,856
Capital assets - net of depreciation	3,209,559
<b>Total Assets</b>	<u>10,349,781</u>
<b>Deferred Outflows of Resources</b>	<u>1,466,132</u>
<b>Liabilities</b>	
Accounts payable and accrued expenses	301,446
Accrued salary	124,441
Accrued compensated absences	915,850
Long-term liabilities:	
Due within one year	70,502
Due in more than one year	3,016,634
<b>Total Liabilities</b>	<u>4,428,873</u>
<b>Deferred Inflows of Resources</b>	<u>1,307,386</u>
<b>Net Position</b>	
Invested in capital assets, net of related debt	3,243,312
Restricted	551,917
Unrestricted	2,284,425
<b>Total Net Position</b>	<u><u>\$ 6,079,654</u></u>

The accompanying notes are an integral part of this statement.

## TOWN OF BLADENSBURG, MARYLAND

Statement of Program Activities  
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Indirect Expense Allocation	Program Revenue		Net (Expense) Revenue and Changes in Net Position Primary Governmental	Total
			Charges for Services	Operating Grants and Contributions	Governmental Activities	
Primary Government						
Governmental Activities:						
General government	\$ 2,836,198	\$ 11,761	\$ 222,725	\$ 1,507,302	\$ (1,117,932)	\$ (1,117,932)
Public safety	6,963,871	-	1,260,578	331,389	(5,371,904)	(5,371,904)
Public works	1,231,151	-	-	305,519	(925,632)	(925,632)
Interest	11,761	(11,761)	-	-	-	-
Total Governmental Activities	11,042,981	-	1,483,303	2,144,210	(7,415,468)	(7,415,468)
Total Primary Government	<u>\$ 11,042,981</u>	<u>\$ -</u>	<u>\$ 1,483,303</u>	<u>\$ 2,144,210</u>	(7,415,468)	(7,415,468)
General Revenues						
Taxes						
State shared taxes					673,744	673,744
Property taxes					5,107,657	5,107,657
Interest income					442,193	442,193
Miscellaneous					204,057	204,057
Total General Revenues					6,427,651	6,427,651
Change in Net Position					(987,817)	(987,817)
Net Position, Beginning of Year					7,067,471	7,067,471
Net Position, End of Year					<u>\$ 6,079,654</u>	<u>\$ 6,079,654</u>

The accompanying notes are an integral part of this statement.

## TOWN OF BLADENSBURG, MARYLAND

## Balance Sheet

## Governmental Funds

June 30, 2024

	General Fund	Special Revenue Fund	Total Governmental Funds
<b>Assets</b>			
Cash and cash equivalents	\$ 235,301	\$ -	\$ 235,301
Restricted cash	500	-	500
Investments	4,224,086	-	4,224,086
Investments - restricted	1,811,404	-	1,811,404
Accounts receivable	127,503	-	127,503
Amounts due from other governments	310,554	-	310,554
Prepaid expenses	196,391	-	196,391
<b>Total Assets</b>	<u>6,905,739</u>	<u>-</u>	<u>6,905,739</u>
<b>Deferred Outflows</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Liabilities</b>			
Accounts payable and accrued expenses	301,446	-	301,446
Accrued salaries	124,441	-	124,441
Accrued compensated absences - current portion	111,967	-	111,967
<b>Total Liabilities</b>	<u>537,854</u>	<u>-</u>	<u>537,854</u>
<b>Deferred Inflows</b>	<u>876,806</u>	<u>-</u>	<u>876,806</u>
<b>Fund Balances</b>			
Nonspendable	196,391	-	196,391
Restricted	551,917	-	551,917
Assigned	575,114	-	575,114
Committed	750,000	-	750,000
Unassigned	3,417,657	-	3,417,657
<b>Total Fund Balances</b>	<u>\$ 5,491,079</u>	<u>\$ -</u>	<u>\$ 5,491,079</u>
<b>Reconciliation of Total Governmental Fund Balances To Net Position of the Governmental Activities</b>			
Total Governmental Fund Balances			\$ 5,491,079
Right to use leased assets used in governmental activities are not financial resources and therefore not reported in the funds.			155,856
Right to use subscription assets used in governmental activities are not financial resources and therefore not reported in the funds.			78,627
Long-term liabilities, including compensated absences, are not due and payable in the current period and therefore are not reported in the funds.			(3,891,019)
Deferred inflows for property taxes not deferred in the statement of net position.			96,094
Deferred outflows of resources relating to pension contributions are not reported in the fund financial statements.			1,466,132
Deferred inflows of resources pertaining to net pension liability are not reported in the funds.			(526,674)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.			<u>3,209,559</u>
<b>Net Position of Governmental Activities</b>			<u>\$ 6,079,654</u>

The accompanying notes are an integral part of this statement.

**TOWN OF BLADENSBURG, MARYLAND**  
**Statement of Revenues, Expenditures,**  
**and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended June 30, 2024**

	<b><u>General</u></b> <b><u>Fund</u></b>	<b><u>Special</u></b> <b><u>Revenue</u></b> <b><u>Fund</u></b>	<b><u>Total</u></b> <b><u>Governmental</u></b> <b><u>Funds</u></b>
<b>Revenues</b>			
Taxes	\$ 5,771,876	\$ -	\$ 5,771,876
Intergovernmental revenues	684,754	-	684,754
Grant revenues	1,507,302	-	1,507,302
Licenses and permits	100,906	-	100,906
Franchise fees	121,529	-	121,529
Service charges	1,259,250	-	1,259,250
Other revenues	<u>638,269</u>	<u>-</u>	<u>638,269</u>
Total Revenues	10,083,886	-	10,083,886
<b>Expenditures</b>			
General government	1,234,884	-	1,234,884
Public safety	7,507,272	1,741	7,509,013
Public works	1,366,731	-	1,366,731
American Rescue Plan Act	1,495,353	-	1,495,353
Grants - restricted	14,443	-	14,443
Debt service - interest	4,867	-	4,867
Debt service - principal	<u>96,276</u>	<u>-</u>	<u>96,276</u>
Total Expenditures	<u>11,719,826</u>	<u>1,741</u>	<u>11,721,567</u>
<b>Excess of Revenues Over (Under) Expenditures</b>	(1,635,940)	(1,741)	(1,637,681)
<b>Other Financing Sources</b>			
Leases	<u>56,084</u>	<u>-</u>	<u>56,084</u>
Total Other Financing Sources	<u>56,084</u>	<u>-</u>	<u>56,084</u>
<b>Net Change in Fund Balance</b>	(1,579,856)	(1,741)	(1,581,597)
<b>Fund Balance - Beginning of Year</b>	<u>7,070,935</u>	<u>1,741</u>	<u>7,072,676</u>
<b>Fund Balance - End of Year</b>	<u><u>\$ 5,491,079</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,491,079</u></u>

The accompanying notes are an integral part of this statement.

**TOWN OF BLADENSBURG, MARYLAND**  
**Reconciliation of the Statement of Revenues, Expenditures**  
**and Changes in Fund Balances of Governmental Funds**  
**to the Statement of Program Activities**  
**For the Year Ended June 30, 2024**

Net Change in Fund Balance - Governmental Funds	\$ (1,581,597)
Governmental funds report capital outlays as expenditures. However, in the statement of program activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded or is less than capital outlays in the current period.	714,175
Changes in deferred inflows of resources relating to property taxes do not provide current financial resources and are not reported as revenue in the funds.	9,525
Right to use lease assets, which were capitalized net of amortization are expensed in the governmental funds.	(17,017)
Right to use subscription assets, which were capitalized net of amortization are expensed in the governmental funds.	(1,706)
Repayment of long-term debt is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position.	47,317
Difference between accrual and modified accrual in accounting for compensated absences.	(120,536)
Pension expense pertaining to net pension liability is not reported in the funds.	<u>(37,978)</u>
Net Change in Net Position	<u><u>\$ (987,817)</u></u>

The accompanying notes are an integral part of this statement.



**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 1 - Summary of Significant Accounting Policies**

**A. Financial Reporting Entity**

The Town of Bladensburg (Town) was established in 1854 and incorporated in 1947 under the laws of the State of Maryland. The Town operates under a Mayor-Council form of government consisting of a Mayor and Town Council. The Town provides the following services as authorized by its charter: streets, recreation, public safety, public works and community promotion. The basic financial statements of the Town have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for established governmental and financial reporting principles. The Town implemented accounting and financial reporting requirements of GASB Statements No. 34, Basic Financial Statements and Management's Discussion and Analysis for States and Local Governments. GASB Statement No. 34 added the following components to the financial statements:

Management's Discussion and Analysis – A narrative introduction and analytical overview of the government's financial activities. This analysis is similar to analysis the private sector provides in their annual reports.

Government-Wide Financial Statements – These include financial statements prepared using full accrual accounting for all of the government's activities. This approach includes not just current assets and liabilities (such as cash and accounts payable) but also capital assets and long-term liabilities (such as buildings and infrastructure, including bridges and roads). Accrual accounting also reports all of the revenues and cost of providing services each year, not just those received or paid in the current year or soon thereafter. The government-wide statements include the Statement of Net Position and the Statement of Program Activities.

Statement of Net Position – The Statement of Net Position displays the financial position of the Town. All assets, deferred outflows, liabilities and deferred inflows of resources associated with the operation of the Town are included on the Statement of Net Position. The net position of a government is broken into three categories –1) invested in capital assets, net of related debt; 2) restricted; and 3) unrestricted.

Statement of Program Activities – The Statement of Program Activities reports expenses and revenues in a format that focuses on the cost of each of the government's functions. The expense of individual functions is compared to the revenues generated directly by the function (for instance, through user charges or intergovernmental grants.)

**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**A. Financial Reporting Entity (continued)**

Budgetary Comparison Schedules – Demonstrating compliance with the adopted budget is an important component of a government's accountability to the public. Many citizens participate in the process of establishing the annual operating budgets of state and local governments, and have a keen interest in following the actual financial progress of their governments over the course of the year. The Town and many other governments revise their original budgets over the course of the year for a variety of reasons.

The financial statements were prepared in accordance with GASB Statement No. 14, The Financial Reporting Entity, which establishes standards for defining and reporting on the financial reporting entity. The definition of the financial reporting entity is based upon the concept that elected officials are accountable to their constituents for their actions. One of the objectives of financial reporting is to provide users of financial statements with the basis for assessing the accountability of the elected officials. The financial reporting entity consists of the Town of Bladensburg. There are no organizations for which the Town is financially accountable and there are no component units of the Town.

**B. 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 reporting model focus is on both the Town as a whole and the fund financial statements, including the major individual funds of the governmental and business-type categories, as well as the fiduciary fund. The government-wide financial statements (i.e., the statement of net position and the statement of program activities) report information on all of the non-fiduciary activities of the Town. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. The Town does not have any business-type activities at this time. The Town currently has no fiduciary funds reportable in the government-wide financial statements.

The statement of program activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

The government-wide statements are reported using the economic resources measurement focus, and the accrual basis of accounting. Reimbursements are reported as a reduction to expenses. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax revenues are recognized in the year for which they are levied while grants are recognized when the grantor eligibility requirements are met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The Town considers revenue to be available if they are collected within 60 days of the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for general obligation debt principal and interest payments which are reported as expenditures in the year due. However, principal and interest on long-term debt, which has not matured, are recognized when paid.

Property taxes, franchise fees, utility taxes, licenses, intergovernmental revenues, and investment income associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The Town reports unearned revenues on its governmental funds balance sheet. Unearned revenues arise from taxes levied in the current year which are for subsequent years' operations. For governmental fund financial statements unearned revenues arise when 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 before the Town 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, or when the Town has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

The Town reports the following governmental funds:

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

The Special Revenue Fund – Used to account for the proceeds of specific revenue sources that are restricted by law or administrative action to expenditures for specific purposes. This fund is used to account for all financial resources pertaining to the Town's ATF program.

**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position**

1. Deposits and Investments

Cash and cash equivalents, which are cash and short-term investments with maturities of three months or less, include cash on hand and demand deposit accounts.

2. Prepaid Expenses

Prepaid expenses record payments to vendors that benefit future reporting periods. Prepaid expenses are similarly reported in government-wide and fund financial statements.

3. Capital Assets

Capital assets, which include furniture, buildings, improvements/infrastructure, vehicles and equipment, furniture and equipment, and computer software assets are reported in the governmental column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

Vehicles and equipment – 3 to 20 years  
Buildings – 25 to 50 years  
Furniture and equipment – 8 years  
Improvements/Infrastructure – 10 to 50 years  
Computer software – 3 to 7 years

**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position (continued)**

**4. Compensated Absences**

Town employees are granted vacation in carrying amounts based on length of service. The Town policies regarding vacation time permit employees to accumulate earned but unused vacation leave. Also, the Town allows the employees upon termination to be paid for 50% of their sick leave to a maximum amount of \$12,000. The liability for these compensated absences is recorded as long-term debt in the government-wide statements. Those amounts estimated to be liquidated with expendable financial resources for the general fund are reported as an expenditure and a fund liability of the general fund.

**5. Property Taxes**

Property taxes for the current year were assessed and collected by Prince George's County and subsequently remitted to the Town. Property taxes are assessed on July 1<sup>st</sup> and are due and payable one half by September 30<sup>th</sup> and one half by December 31<sup>st</sup>. All unpaid taxes levied July 1<sup>st</sup> become delinquent on October 1<sup>st</sup> and January 1<sup>st</sup>. The real property tax rate for the Town for fiscal year ended June 30, 2024 was \$.74 per \$100 of assessed value. The corporate and personal property tax rates for the Town for fiscal year June 30, 2024 was \$2.09 per \$100 of assessed value. Procedures for the collection of delinquent taxes by Prince George's County are provided for in the laws of Maryland. Delinquent taxes are considered fully collectible and therefore no allowance for uncollectible taxes is provided.

**6. Leases**

The Town recognizes has recorded right to use lease assets as a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 87. The right to use assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. The right to use assets are amortized on a straight-line basis over the life of the related lease.

**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 1 - Summary of Significant Accounting Policies (continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position (continued)**

6. Leases (continued)

Key estimates and judgments related to leases include how the Town determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Town uses an estimated incremental borrowing rate as the discount rate for leases. The Town's estimated incremental borrowing rate is the Federal prime rate plus 2% at the commencement of the lease.

Right to use lease assets are reported in assets and lease liabilities are reported as long-term liabilities on the statement of net position.

7. Subscription Based Information Technology Arrangements (SBITA)

The Town has recorded right of use subscription assets as a result of implementing GASB 96 – *Subscription Based Information Technology Arrangements (SBITA)*. The right of use subscription assets are initially measured at the subscription liability plus payments associated with the SBITA contract made to the SBITA vendor at the commencement of the subscription term plus capitalized initial implementation costs. The right of use subscription assets should be amortized over the shorter of the subscription term or the useful life of the underlying IT assets.

8. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the government-wide financial statements. Net position is classified in the following categories:

*Invested in capital assets, net of related debt* – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

Town of Bladensburg, Maryland  
Notes to Financial Statements  
June 30, 2024

**Note 1 - Summary of Significant Accounting Policies (continued)**

**D. Assets, Deferred Outflows, Liabilities, Deferred Inflows and Net Position (continued)**

8. Net Position (continued)

*Restricted net position* – This amount is restricted by creditors, grantors, contributors, laws or regulations of other governments.

*Unrestricted net position* – This amount is the net position that does not meet the definition of “Invested in capital assets, net of related debt” or “restricted net position”.

9. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Accordingly, actual results could differ from those estimates.

10. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents 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 then. See Note 5 for deferred outflows related to GASB. 68.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The Town considers unearned property taxes and grant revenue collected but not spent to be deferred inflows of resources. See Note 5 for deferred inflows related to GASB No. 68 and Note 6 for deferred inflows related to grant revenue.

**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 2 – Reconciliation of Government-Wide and Fund Financial Statements**

- A. Explanation of certain differences between the governmental fund balance and the government-wide statement of net position:

The governmental fund balance sheet includes a reconciliation between fund balance – total government funds and net position – governmental activities as reported in the government-wide statement of net position.

**Note 3 – Detailed Notes on All Funds**

- A. Deposits and Investments

Deposits

State statutes require all deposits be insured by the Federal Depository Insurance Corporation (FDIC) or fully collateralized.

Town administration is authorized to invest in those instruments authorized by Maryland Statutes.

At June 30, 2024, the carrying amount of the Town's deposits was \$231,513 and the bank balances totaled \$343,873. Of the bank balances, the entire amount was either insured by Federal Depository Insurance Corporation (FDIC), or balances exceeding FDIC limits are collateralized at local banks.

Investments – Maryland Local Government Investment Pool

The Town's investments are categorized to give an indication of the level of custodial credit risk assumed by the Town at year-end. Category 1 includes investments that are insured or registered or where securities are held by the Town or its agent, in the Town's name. Category 2 includes uninsured and unregistered investments for which the counterparty's trust department or agent in the Town's name holds the securities. Category 3 includes uninsured and unregistered investments where the securities are held by the financial institution's trust department or agent, but not in the Town's name. The Town holds no such investment at this time. The investments the Town holds are investments in the Maryland Local Government's Investment Pool.



**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 3 – Detailed Notes on All Funds (continued)**

A. Deposits and Investments (continued)

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significantly unobservable inputs.

The Town has the following recurring fair value measurements as of June 30, 2024:

MLGIP mutual funds of \$6,035,490 are valued using quoted market prices (Level 1 inputs).

B. Receivables

Receivables as of June 30, 2024 for the Town's individual major governmental funds, in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Receivables:	
Property taxes	\$ 58,067
Speed camera receivables	69,436
Gross receivables	127,503
Less: allowance or uncollectible	-
Total receivables - Net	<u>\$ 127,503</u>

Governmental funds report unearned revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

C. Right to Use Assets

Lease Assets

The Town has recorded right to use lease assets for leased equipment. The related leases are discussed in the commitments subsection of this note. The right to use lease assets are being amortized on a straight line basis over the terms of the related leases.

**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 3 – Detailed Notes on All Funds (continued)**

C. Right to Use Assets (continued)

Right to use activity for the fiscal year ending June 30, 2024 was as follows:

	<b><u>Beginning Balance</u></b>	<b><u>Increases</u></b>	<b><u>Decreases</u></b>	<b><u>Ending Balance</u></b>
Right to Use Assets				
Tasers	\$ 136,745	\$ -	\$ -	\$ 136,745
Body camera	101,859	-	-	101,859
Equipment	<u>-</u>	<u>56,084</u>	<u>-</u>	<u>56,084</u>
Total Right to Use Assets	<u>238,604</u>	<u>56,084</u>	<u>-</u>	<u>294,688</u>
Less accumulated amortization for:				
Tasers	60,775	30,388	-	91,163
Body camera	15,279	20,372	-	35,651
Equipment	<u>-</u>	<u>12,018</u>	<u>-</u>	<u>12,018</u>
Total Accumulated Amortization	<u>76,054</u>	<u>62,778</u>	<u>-</u>	<u>138,832</u>
Right to Use Assets, Net	<u><u>\$ 162,550</u></u>	<u><u>\$ (6,694)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 155,856</u></u>

**Subscription Assets**

The Town has entered into a subscription based information technology arrangement (SBITA) involving body camera software. The total cost of the Town's subscription asset recorded is \$120,964 less accumulated amortization of \$42,337.

Future subscription payments under the SBITA agreement are as follows:

	<b><u>Subscriptions</u></b>		
<b><u>Fiscal Year</u></b>	<b><u>Principal</u></b>	<b><u>Interest</u></b>	<b><u>Total</u></b>
2025	\$ 23,101	\$ 3,081	\$ 26,182
2026	24,085	2,096	26,181
2027	25,111	1,070	26,181
2028	-	-	-
2029	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 72,297</u></u>	<u><u>\$ 6,247</u></u>	<u><u>\$ 78,544</u></u>

**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 3 – Detailed Notes on All Funds (continued)**

**D. Due from Other Governments**

Due from other governments represent accrued revenue at June 30, 2024 consisting of the following:

Governmental Activities:

Primary Government	
General Fund:	
State	\$ 260,968
County	<u>49,586</u>
Total Primary Government	<u><u>\$ 310,554</u></u>

Governmental Funds:

Primary Government	
General Fund:	
State	\$ 260,968
County	<u>49,586</u>
Total Primary Government	<u><u>\$ 310,554</u></u>

**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 3 – Detailed Notes on All Funds (continued)**

E. Capital Assets

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

	<u><b>Beginning Balance</b></u>	<u><b>Increases</b></u>	<u><b>Decreases</b></u>	<u><b>Ending Balance</b></u>
Governmental Activities				
Capital assets, not being depreciated				
Land	\$ 17,448	\$ -	\$ -	\$ 17,448
Total capital assets, not being depreciated				
Capital assets being depreciated				
Buildings	1,602,422	-	-	1,602,422
Equipment	3,543,511	1,220,419	(30,585)	4,733,345
Improvements	<u>1,017,798</u>	<u>-</u>	<u>(175,791)</u>	<u>842,007</u>
Total capital assets being depreciated	<u>6,163,731</u>	<u>1,220,419</u>	<u>(206,376)</u>	<u>7,177,774</u>
Total capital assets	6,181,179	1,220,419	(206,376)	7,195,222
Less accumulated depreciation for:				
Buildings	978,435	41,463	-	1,019,898
Equipment	2,169,979	391,099	(21,516)	2,539,562
Improvements	<u>537,381</u>	<u>35,433</u>	<u>(146,611)</u>	<u>426,203</u>
Total accumulated depreciation	<u>3,685,795</u>	<u>467,995</u>	<u>(168,127)</u>	<u>3,985,663</u>
Net capital assets	<u><u>\$ 2,495,384</u></u>	<u><u>\$ 752,424</u></u>	<u><u>\$ (38,249)</u></u>	<u><u>\$ 3,209,559</u></u>

Depreciation was charged to functions as follows:

Governmental activities	
General government	\$ 23,223
Public safety	319,981
Public works	<u>124,791</u>
Total governmental activities depreciation expense	<u><u>\$ 467,995</u></u>

**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 3 – Detailed Notes on All Funds (continued)**

**F. Leases**

The Town entered into agreements to lease certain equipment. The lease agreements qualify as other than short-term leases under GASB 87 and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

The first agreement was executed on January 1, 2021, to lease police equipment and requires 5 annual payments, the first payment is \$7,688 followed by 4 annual payments of \$17,300. The initial lease liability was recorded in the amount of \$62,422. As of June 30, 2024, the value of the lease liability is \$16,416. The lease liability is measured at a discount rate of 5.25%. The right to use asset is discussed in more detail in the Right to Use Asset section C of this note.

The second agreement was executed on September 15, 2022, to lease certain police equipment and requires five annual payments of \$22,075. The initial lease liability was recorded in the amount of \$101,859. As of June 30, 2024, the value of the lease liability is \$60,873. The lease liability was measured at a discount rate of 4.25%, which is the prime rate plus 2% at lease inception. The right to use asset is discussed in more detail in the right to use assets section C of this note.

The third agreement was executed on March 1, 2023 for a copier and requires monthly payments of \$1,101. The initial lease liability was recorded in the amount of \$56,084. As of June 30, 2024, the value of the lease liability is \$44,813. The lease liability was measured at a discount rate of 4.19%. As a result of the lease, the Town has recorded a right to use asset with a net book value of \$44,066 on June 30, 2024. The right to use asset is discussed in more detail in the right to use assets section C of this note.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2024 are as follows:

<b>Year Ending</b>	<b>Principal</b>	<b>Interest</b>	
<b><u>June 30</u></b>	<b><u>Payments</u></b>	<b><u>Payments</u></b>	<b><u>Total</u></b>
2025	\$ 47,401	\$ 5,179	\$ 52,580
2026	32,321	2,960	35,281
2027	33,714	1,567	35,281
2028	8,667	137	8,804
2029	-	-	-
<b>Total</b>	<b><u>\$ 122,103</u></b>	<b><u>\$ 9,843</u></b>	<b><u>\$ 131,946</u></b>

**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 3 – Detailed Notes on All Funds (continued)**

**F. Leases (continued)**

The following summarizes the changes in long-term liabilities for the year ended June 30, 2024.

	<b>Balance</b> <b>June 30, 2023</b>	<b>Increase /</b> <b>(Decrease)</b>	<b>Balance</b> <b>June 30, 2024</b>	<b>Due within</b> <b>one year</b>
Bonds payable	\$ 47,318	\$ (47,318)	\$ -	\$ -
Lease liabilities	111,779	10,324	122,103	47,401
Subscription liabilities	94,783	(22,486)	72,297	23,101
Pension liability	2,463,599	4,291,378	2,892,736	-
Accrued compensated absences	755,578	160,272	915,850	-
Total	<u>\$ 3,473,057</u>	<u>\$ 4,392,170</u>	<u>\$ 4,002,986</u>	<u>\$ 70,502</u>

**G. Fund Balance**

The Governmental Accounting Standards Board (GASB) has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

Nonspendable fund balance – such as fund balance associated with inventories, prepaid expenses, long-term loans and notes receivable and property held for resale.

Restricted fund balance – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.

Committed fund balance – includes amounts that can be used only for the specific purposes determined by a formal action of the Mayor and Council of the Town of Bladensburg.

Assigned fund balance – includes amounts to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed.

**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 3 – Detailed Notes on All Funds (continued)**

G. Fund Balance (continued)

Unassigned fund balance – is the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

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

Nonspendable Fund Balance

As of June 30, 2024, the Town has \$196,391 of prepaid expenses included in non-spendable fund balance.

Committed Fund Balance

The Town Council has established a reserve fund in the amount of \$750,000 (emergency fund).

Assigned Fund Balance

The Town's fiscal year 2024-2025 adopted budget contains a \$575,114 projected use of the fund balance.

Restricted Fund Balance

At June 30, 2024, this balance represents unspent highway user revenues in the amount of \$551,719.

Unassigned Fund Balance

All remaining fund balance in the general fund is unassigned. At June 30, 2024, this amount was \$3,417,657.

Order of Fund Balance Spending Policy

The Town's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance at the end of the fiscal year. First non-spendable fund balance is determined. Then restricted fund balances for specific purposes are determined, followed by committed fund balance and assigned fund balance. Unassigned fund balance cannot fall to a negative balance.

**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 4 – Commitment and Contingencies**

**A. 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; and natural disasters. The Town's general liability risks are financed through participation in the Local Government Insurance Trust Risk Pool. For the year ended June 30, 2024, the Town paid annual premiums of approximately \$145,512, respectively, to the pool for its general, auto, umbrella, punitive damages and property insurance coverage. There have been no assessments during the year ended June 30, 2024 and the amounts of settlements have not exceeded coverage for each of the past three years. The agreement with the pool provides that it will be self-sustaining through member premiums, and will reinsure through commercial companies for claims in excess of \$500,000. The Town continues to carry commercial insurance for employee health, life insurance and workers' compensation. Settled claims resulting from these risks have not exceeded commercial insurance coverage for the fiscal year ended June 30, 2024. No significant reduction in insurance coverage have occurred in any of the past three fiscal years.

**B. Contingent Liabilities**

Grants

The Town receives financial assistance from federal, state and local governmental agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any unallowed disbursements resulting from such audits could become a liability of the Town. In the opinion of Town management, no material refunds will be required as a result of unallowed disbursements (if any), by the grantor agencies.

Litigation

In the normal course of business, the Town is a defendant in lawsuits and other claims. The outcome of these claims and lawsuits cannot be reasonably estimated. Therefore, a reserve has not been established. Management believes that such lawsuits and claims will not have a material adverse impact on the Town's financial condition.



**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 5 – Retirement Plans**

**Cost Sharing Multi-Employer Defined Benefit Plan**

The Town has previously implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* (GASB No. 68) which requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability and to more comprehensively and comparably measure the annual costs of pension benefits.

The Town has also previously adopted GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB No. 68*. GASB No. 71 requires that contributions to the pension plan subsequent to the measurement date be recognized as a deferred outflow of resources. The Town's fiscal year 2024 contribution of \$425,141 is therefore recognized as a pension-related deferred outflow of resources.

*Plan description* – On July 1, 2007, the Town entered into the State of Maryland Retirement and Pension System (System). The System was established by the State Personnel and Pensions Article of Annotated Code of Maryland. Responsibility for the System's administration and operation is vested in a 15 member Board of Trustees. The System provides retirement benefits to employees of participating governmental units. Pension benefits are calculated using both the highest three consecutive years' average final compensation (AFC) and the actual number of years of accumulated creditable service. In addition, the pension benefits attributable to service are subject to cost of living adjustments (COLA) that is based on the increase in the Consumer Price Index (CPI) and capped at 2.5% or 1% based on whether the market value investment return for the preceding calendar year was higher or lower than the investment return assumption used in the calculation. There is no indication that the plan is closed to new entrants. This system is handled by the Maryland State Retirement and Pension System, an agent that acts as a common investment and administrative agent for political subdivisions in the State of Maryland, and is, therefore, not reflected as a Town pension trust fund.

Under the terms of the Pension System, a member may retire after 30 years of service regardless of age, at age 65 with two years of service, at age 64 with three years of service, at age 63 with four years of service or at age 62 with at least five years of service. An employee may also take early retirement with reduced benefits at age 55 with 15 years of service.

A member is eligible for vesting after 5 years of service; however, the contribution must be left in the Pension System in order for benefits at age 62. Benefits under the Pension System are established under Titles 22 and 23, respectively, of the State Personnel and Pensions Article of the Annotated Code of Maryland.

**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 5 – Retirement Plans (continued)**

**Cost Sharing Multi-Employer Defined Benefit Plan (continued)**

There are currently 52 active Town employees, 14 inactive Town employees and 16 retired Town employees in the System. Actual System contributions billed to the Town are used as a basis for determining each employer's proportionate share of the collective pension amounts reported in the Schedule of Employer Allocations. The contribution rate for the year ended June 30, 2024 was 11.32%.

The Maryland Pension System issues an annual comprehensive financial report. The report can be obtained from the agency's offices.

State Retirement and Pension System of Maryland  
Attn: Melody Countess, CPA, CGMA  
120 E. Baltimore Street, Suite 1660  
Baltimore, Maryland 21202-1600

*Net Pension Liability* – the pension liability is determined using the individual entry age normal cost method. Under this method, actuarial present value of all future plan benefits that are expected to be paid to each active, terminated vested, and retired participant as of the measurement date is computed. For each active participant this is broken down between the portion that remains to be funded by future entry age normal costs based on a percentage of such participants expected future compensation, and the portion that is attributable to prior service. The latter is referred to as the entry age accrued liability.

*Discount rate* – a single discount rate of 6.80% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 6.80%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on these assumptions, the System's 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.

**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 5 – Retirement Plans (continued)**

**Cost Sharing Multi-Employer Defined Benefit Plan (continued)**

The net pension liability if the discount rate changes plus 1% or minus 1% from the discount rate used in the current projection is as follows:

	<b>1% Decrease (5.80%)</b>	<b>Current Discount Rate (6.80%)</b>	<b>1% Increase (7.80%)</b>
Town's net pension liability	\$ <u>4,289,342</u>	\$ <u>2,892,736</u>	\$ <u>1,733,795</u>

*Other information* – the measurement period is July 1<sup>st</sup> through June 30<sup>th</sup>. The valuation date is June 30, 2023 as this was the latest period available. There are no changes to the benefit terms.

*Key Actuarial Assumptions* – The rate of return on investments is 6.80%. The inflation assumption was 2.25% for general and 2.75% for wage. Salary increases from 2.75% to 11.25%, including wage inflation. The fully generational – PB-2010/MP2018 for males and females mortality tables were used. The amortization method is the level percentage of payroll, closed.

The Town's annual required contribution was \$425,141 for the year ended June 30, 2024, which is the same as the annual pension cost. The contributions made for fiscal year ending June 30, 2024 was \$425,141.

*Deferred inflows and outflows* – With the implementation of GASB Statement 68, deferred inflows and outflows are reported on the Statement of Net Position. The deferred inflows consist of changes in pension investment activity in the amount of \$526,674, for the year ended June 30, 2024, and will be amortized to income over the next 5 years. The Town's deferred outflows include changes in pension assumptions of \$1,466,132, for 2024 and will be amortized to expense over the next 5 years. The 2024 pension contribution was \$425,141. The pension contribution will reduce the net pension liability in the next fiscal year, and the changes in pension assumptions will be amortized over 23 years beginning July 1, 2015.

**Money Purchase Plan**

The Town established a 401A money purchase retirement plan to benefit employees by providing funds for retirement. All full time employees hired were required to contribute to the plan. In 2007, when the Town entered into the State of Maryland Retirement and Pension System, contributions to the 401A money purchase plan were no longer made. The 401A money purchase plan has a forfeiture amount of approximately \$103,000 which can be used to fund future contributions.

**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 5 – Retirement Plans (continued)**

**457 Deferred Compensation Plan**

The Town established a Governmental 457 deferred compensation plan available to all Town employees, which was established in accordance with Internal Revenue Code Section 457. This plan allows pretax deferrals from employees up to the maximum set by IRS regulations. Employees are fully vested in the pretax deferrals made to this plan.

**Note 6 – Deferred Inflows**

The American Rescue Plan Act (ARPA) was signed into Federal law in March of 2021, and established the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program. This program provides financial support to State and Local governments in responding to the economic and public health impacts of COVID-19 and in their efforts to contain impacts on their communities, residents, and businesses. These funds may be used to cover eligible program costs incurred during the period beginning on March 3, 2021 and ending on December 31, 2024, as long as the award funds incurred by December 31, 2024 are expended by December 31, 2026. Any funds not obligated or expended for eligible uses during this period must be returned to the U.S. Treasury.

The Town applied for and was awarded SLFRF funding passed through the State of Maryland in the amount of \$4,933,972 of which \$2,466,986 was received in August of 2021. On August 5, 2022, the Town received its second payment in the amount of \$2,466,986. Revenue recognition of these funds will be deferred until the related eligible expenditures are incurred.

Eligible expenditures incurred during the fiscal year was \$1,495,353. The remaining \$780,712 has been included in deferred inflows at June 30, 2024.

Deferred inflows consist of the following on the Statement of Net Position as of June 30, 2024:

Grant funds received but not yet spent	\$ 780,712
Actuarial assumptions and investment return	
On the State retirement plan	<u>526,674</u>
Total Deferred inflows	<u>\$1,307,386</u>

Deferred inflows consist of the following on the Balance Sheet – Governmental Funds as of June 30, 2024:

Grant funds received but not yet spent	\$ 780,712
Property taxes	<u>96,094</u>
Total Deferred inflows	<u>\$ 876,806</u>

**Town of Bladensburg, Maryland**  
**Notes to Financial Statements**  
**June 30, 2024**

**Note 7 – Subsequent Events**

Management has evaluated subsequent events through February 10, 2025, the date that the financial statements were available to be issued.

The Town is a defendant in legal action currently pending. The Town is actively working to resolve the litigation related to the annexation of Hospital Hill by negotiating with the parties a possible de-annexation agreement. The Town has retained additional annexation legal counsel and is coordinating with our insurer, Local Government Insurance Trust, who has approved our claim and working on our behalf to defend the Town for any claims of fraud or misrepresentation. We are hopeful these legal matters will be resolved in the near future.

## **REQUIRED SUPPLEMENTARY INFORMATION**

**Town of Bladensburg, Maryland**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
<b>Property Taxes</b>				
Real Estate tax	\$ 4,179,813	\$ 4,179,813	\$ 4,189,678	\$ 9,865
Personal property tax	1,045,000	1,045,000	908,454	(136,546)
<b>State Shared</b>				
Income tax	600,000	600,000	663,911	63,911
Admissions and amusement tax	40,000	40,000	9,833	(30,167)
<b>Total Taxes</b>	<u>5,864,813</u>	<u>5,864,813</u>	<u>5,771,876</u>	<u>(92,937)</u>
<b>Licenses and Permits</b>				
County traders license	15,000	15,000	9,944	(5,056)
Local business license	80,000	80,000	90,962	10,962
<b>Total Licenses and Permits</b>	<u>95,000</u>	<u>95,000</u>	<u>100,906</u>	<u>5,906</u>
<b>Intergovernmental - state</b>				
Highway user revenue	285,200	285,200	283,033	(2,167)
Bond bill	150,000	150,000	45,474	(104,526)
State grant for police	300,000	300,000	331,389	31,389
<b>Total Intergovernmental - State</b>	<u>735,200</u>	<u>735,200</u>	<u>659,896</u>	<u>(75,304)</u>
<b>Intergovernmental - county</b>				
County disposal fee rebate	22,484	22,484	22,486	2
Financial - bank stock tax	2,372	2,372	2,372	-
<b>Total Intergovernmental - County</b>	<u>24,856</u>	<u>24,856</u>	<u>24,858</u>	<u>2</u>
<b>Total Intergovernmental</b>	<u>760,056</u>	<u>760,056</u>	<u>684,754</u>	<u>(75,302)</u>
<b>Grant Revenue</b>				
American Rescue Plan Act revenue	2,288,134	2,288,134	1,495,352	(792,782)
Federal earmark	150,000	150,000	-	(150,000)
Other grants	10,000	10,000	4,500	(5,500)
Community legacy	165,000	290,000	7,450	(282,550)
<b>Total Grant Revenue</b>	<u>\$ 2,613,134</u>	<u>\$ 2,738,134</u>	<u>\$ 1,507,302</u>	<u>\$ (1,230,832)</u>

**Continued**

**Town of Bladensburg, Maryland**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Service Charges</b>				
Local fines	\$ 15,000	\$ 15,000	\$ 31,057	\$ 16,057
Copier fees	3,000	3,000	290	(2,710)
Automated traffic enforcement	1,000,000	1,293,418	1,227,903	(65,515)
Fingerprinting	1,000	1,000	-	(1,000)
<b>Total Service Charges</b>	<u>1,019,000</u>	<u>1,312,418</u>	<u>1,259,250</u>	<u>(53,168)</u>
<b>Franchise Fees</b>				
Cable franchise fees	<u>110,000</u>	<u>110,000</u>	<u>121,529</u>	<u>11,529</u>
<b>Total Franchise Fees</b>	<u>110,000</u>	<u>110,000</u>	<u>121,529</u>	<u>11,529</u>
<b>Other Revenues</b>				
Interest	80,000	80,000	442,193	362,193
Miscellaneous revenues	2,000	2,000	9,527	7,527
Insurance reimbursements	60,000	60,000	139,824	79,824
Bus shelter advertising	2,000	2,000	-	(2,000)
Vehicle deployment	7,000	7,000	7,225	225
Property rental	<u>42,000</u>	<u>42,000</u>	<u>39,500</u>	<u>(2,500)</u>
<b>Total Other Revenues</b>	<u>193,000</u>	<u>193,000</u>	<u>638,269</u>	<u>445,269</u>
<b>Total Revenues</b>	<u>\$ 10,655,003</u>	<u>\$ 11,073,421</u>	<u>\$ 10,083,886</u>	<u>\$ (989,535)</u>

Continued



**Town of Bladensburg, Maryland**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>General Government</b>				
<b>Mayor, Council and Town Clerk</b>				
Compensation	\$ 384,051	\$ 384,051	\$ 284,558	\$ 99,493
General administration	229,122	229,122	250,474	(21,352)
<b>Total Mayor, Council and Town Clerk</b>	613,173	613,173	535,032	78,141
<b>Town Administration</b>				
Compensation	193,783	193,783	190,155	3,628
General administration	243,960	243,960	163,076	80,884
Capital outlay	-	-	25,000	(25,000)
<b>Total Town Administration</b>	437,743	437,743	378,231	59,512
<b>Finance</b>				
Compensation	250,164	250,164	260,572	(10,408)
General administration	52,460	52,460	61,049	(8,589)
<b>Total Finance</b>	302,624	302,624	321,621	(18,997)
<b>Total General Government</b>	1,353,540	1,353,540	1,234,884	118,656
<b>Public Safety</b>				
<b>Police Department</b>				
Compensation	4,489,320	4,781,319	5,163,380	(382,061)
General administration	864,500	879,500	1,143,338	(263,838)
Capital Outlay	308,000	979,418	1,200,554	(221,136)
<b>Total Police Department</b>	5,661,820	6,640,237	7,507,272	(867,035)
<b>Total Public Safety</b>	\$ 5,661,820	\$ 6,640,237	\$ 7,507,272	\$ (867,035)

Continued

**Town of Bladensburg, Maryland**  
**Required Supplementary Information**  
**Budgetary Comparison Schedule**  
**General Fund**  
**For the Year Ended June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Public Works</b>				
Compensation	\$ 496,768	\$ 496,768	\$ 472,434	\$ 24,334
General administration	579,000	579,000	605,180	(26,180)
Capital outlay	208,000	208,000	289,117	(81,117)
<b>Total Public Works</b>	<u>1,283,768</u>	<u>1,283,768</u>	<u>1,366,731</u>	<u>(82,963)</u>
<b>American Rescue Plan Act (ARPA)</b>				
Compensation	642,134	742,134	668,291	73,843
Program expenses	1,146,000	971,000	733,189	237,811
Capital outlay	500,000	575,000	93,873	481,127
<b>Total American Rescue Plan Act</b>	<u>2,288,134</u>	<u>2,288,134</u>	<u>1,495,353</u>	<u>792,781</u>
<b>Debt Service</b>				
Interest	-	-	4,867	(4,867)
Principal	87,000	87,000	96,276	(9,276)
<b>Total Debt Service</b>	<u>87,000</u>	<u>87,000</u>	<u>101,143</u>	<u>(14,143)</u>
<b>Grants - Restricted</b>	<u>175,000</u>	<u>300,000</u>	<u>14,443</u>	<u>285,557</u>
<b>Capital Projects - Federal/State funds</b>	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>300,000</u>
<b>Total Expenditures</b>	<u>\$ 11,149,262</u>	<u>\$ 12,252,679</u>	<u>\$ 11,719,826</u>	<u>\$ 532,853</u>

The accompanying notes are an integral part of this schedule.

**Town of Bladensburg, Maryland  
Notes to Required Supplementary Information  
June 30, 2024**

**Note 1 – Summary of Significant Budget Policies**

The Town Council annually adopts a budget for the General Fund of the primary government. All appropriations are legally controlled at the departmental level for the General Fund. On June 12, 2023 the Town Council approved the original adopted budget for the fiscal year ended June 30, 2024. On February 12, 2024, the Town Council approved the revised budget reflected in the financial statements for fiscal year ended June 30, 2024.

The budget is integrated into the accounting system, and the budgetary data, as presented in the financial statements for all funds with annual budgets, compare the expenditures with the amended budgets. All budgets are presented on the modified accrual basis of accounting. Accordingly, the accompanying Budgetary Comparison Schedule for the General Fund presents actual expenditures in accordance with the accounting principles generally accepted in the United States on a basis consistent with the legally adopted budgets as amended. Unexpended appropriations on annual budgets lapse at the end of each fiscal year.

**Note 2 – Material Violations**

There were no material violations of the annual appropriated budgets for the General Fund for the fiscal year ended June 30, 2024. In addition, there were no excesses of budgetary expenditures for the period.

**TOWN OF BLADENSBURG, MARYLAND**  
**Schedule of Proportionate Share of the Net**  
**Pension Liability and Related Ratios**  
**For the Years Ended June 30,**

	<u><b>2024</b></u>	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
Town's portion of the net pension liability	0.0126%	0.0123%	0.0112%	0.0112%	0.0097%	0.0090%	0.0086%	0.0090%	0.0093%
Town's proportionate share of the net pension liability	\$ 2,892,736	\$ 2,463,599	\$ 1,701,734	\$ 2,537,553	\$ 2,008,956	\$ 1,882,379	\$ 1,860,574	\$ 2,123,363	\$ 1,940,687
Town's covered-employee payroll	\$ 4,429,393	\$ 3,842,323	\$ 3,087,871	\$ 2,571,758	\$ 2,324,182	\$ 2,579,516	\$ 2,222,369	\$ 2,089,953	\$ 2,143,542
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	65.31%	64.12%	55.11%	98.67%	86.44%	72.97%	83.72%	101.60%	90.54%
Plan fiduciary net position as a percentage of the total pension liability	73.81%	76.27%	81.84%	70.72%	72.34%	71.18%	69.38%	65.79%	68.78%

\* This schedule is presented to illustrate the requirement to present information for 10 years. However, until a full 10 year trend is compiled, pension plans should present information for those years for which the information is available.

The accompanying notes are an integral part of this schedule.

**TOWN OF BLADENSBURG, MARYLAND**  
**Required Supplementary Information**  
**Schedule of Required Contributions**  
**For the Years Ended June 30,**

	<u><b>2024</b></u>	<u><b>2023</b></u>	<u><b>2022</b></u>	<u><b>2021</b></u>	<u><b>2020</b></u>	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>	<u><b>2016</b></u>
Contractually required contribution	\$ 425,141	\$ 306,342	\$ 281,014	\$ 249,949	\$ 240,723	\$ 206,712	\$ 187,712	\$ 181,209	\$ 181,553
Contribution in relation to the contractually required contribution	<u>(425,141)</u>	<u>(306,342)</u>	<u>(281,014)</u>	<u>(249,949)</u>	<u>(240,723)</u>	<u>(206,712)</u>	<u>(187,712)</u>	<u>(181,209)</u>	<u>(181,553)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered-employee payroll	\$ 4,429,393	\$ 3,842,323	\$ 3,087,871	\$ 2,571,758	\$ 2,324,182	\$ 2,579,516	\$ 2,222,369	\$ 2,089,953	\$ 2,143,542
Contribution as a percentage of covered employee payroll	9.60%	7.97%	9.10%	9.72%	10.36%	8.01%	8.45%	8.67%	8.47%

\* This schedule is presented to illustrate the requirement to present information for 10 years.  
However, until a full 10 year trend is compiled, pension plans should present information for  
those years for which the information is available.

The accompanying notes are an integral part of this schedule.



**INDEPENDENT AUDITOR'S 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***

To the Mayor and Council of the  
Town of Bladensburg, 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, each major fund and the aggregate remaining information of the Town of Bladensburg, Maryland, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated February 10, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town of Bladensburg, Maryland's internal control over financial reporting (internal control) as a basis for designing 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 Bladensburg, Maryland's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Bladensburg, 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 or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about Town of Bladensburg, 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 financial statements. 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.

*LSWG, P.A.*

Rockville, Maryland  
February 10, 2025

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