



OVERVIEW OF FINANCIAL HIGHLIGHTS

YEAR ENDED JUNE 30, 2024



Independent Auditors' Report

In our opinion, the financial statements **present fairly, in all material respects** the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Cambridge, Maryland as of June 30, 2024 and for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Clean or unmodified opinion.

Highest level of assurance that we can give as CPA's.

Government Auditing Standards Report

Report on internal control over financial reporting and on compliance and other matters

- Not an opinion report.
- We did not identify any instances of noncompliance that we were required to report under *Government Auditing Standards*.
- No material weaknesses in internal control were reported.

Other Reports

Government Auditing Standards

Report on compliance for each major Federal program and on internal control over compliance as required by Uniform Guidance.

- Total expenditures of Federal awards = \$5,260,541
- Major Programs:
 - Coronavirus State and Local Fiscal Recovery Funds, from the American Rescue Plan Act (ARPA)
 - Community Development Block Grants/Entitlement Grants (CDBG)
- In our opinion, the City complied with the relevant compliance requirements for each of its major Federal programs.
- We did not identify any material weaknesses in internal control over compliance.

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

	2024		2023
	Budget	Actual	Actual
REVENUES			
Taxes and utility fees	\$ 9,948,218	\$ 11,499,499	\$ 10,243,349
Licenses and permits	1,228,500	1,201,438	1,175,164
Intergovernmental	1,441,336	1,631,028	1,654,144
Charges for services	1,231,897	1,207,371	1,154,310
Fines and forfeitures	7,800	41,273	10,282
Miscellaneous	90,000	960,902	311,893
Total revenues	<u>13,947,751</u>	<u>16,541,511</u>	<u>14,549,142</u>
EXPENDITURES			
Current			
General government	2,460,881	1,613,627	1,169,973
Public safety	6,593,642	6,569,793	6,396,146
Public works	4,152,936	4,091,036	3,627,978
Economic development	860,756	331,133	198,942
Debt service	1,318,195	1,466,611	1,312,843
Capital outlay	933,590	1,045,644	1,494,570
Total expenditures	<u>16,320,001</u>	<u>15,117,844</u>	<u>14,200,452</u>
Revenues over (under) expenditures	<u>(2,372,250)</u>	<u>1,423,667</u>	<u>348,690</u>
OTHER FINANCING SOURCES			
Prior year surplus	2,124,886		
Proceeds from asset disposal		26,636	
Transfers in (out)	(684,886)	400,000	500,000
Loan/lease proceeds		426,415	2,900,311
Total other financing sources	<u>1,440,000</u>	<u>853,051</u>	<u>3,403,846</u>
Net change in fund balance	<u>\$ (932,250)</u>	<u>\$ 2,276,718</u>	<u>\$ 3,752,536</u>

General Fund Balance

FUND BALANCE CONSISTS OF:

Non spendable	\$ 104,628
Restricted	1,118,074
Committed	5,223,852
Assigned	1,850,156
Unassigned	7,457,782
	<u>\$ 15,754,492</u>
Unrestricted fund balances (committed, assigned, and unassigned)	<u>\$ 14,531,790</u>
Number of months of operating expenditures	<u>11.7</u>

Government Finance Officers Association (GFOA) recommends a fund balance of no less than 60 days of operating expenses.

Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

REVENUES	
Intergovernmental	
ARPA	\$ 2,543,810
CDBG	2,321,127
Department of the Interior	6,603
Community Legacy	574,331
MD Dept. Housing & Community Development	487,176
MD Dept. of Transportation	34,905
MD Dept. of Emergency Management	247,461
Other	34,415
Total intergovernmental	6,249,828
 EXPENDITURES	
Current	
General government	297,319
Public safety	166,586
Public works	1,013,324
Economic development	2,712,164
Debt service	0
Capital outlay	3,028,720
Total expenditures	7,218,113
 Revenues under expenditures	(968,285)
 OTHER FINANCING SOURCES	
Transfers out	(400,000)
Proceeds from long-term debt	129,508
Total other financing sources	(270,492)
 Net change in fund balance	\$ (1,238,777)

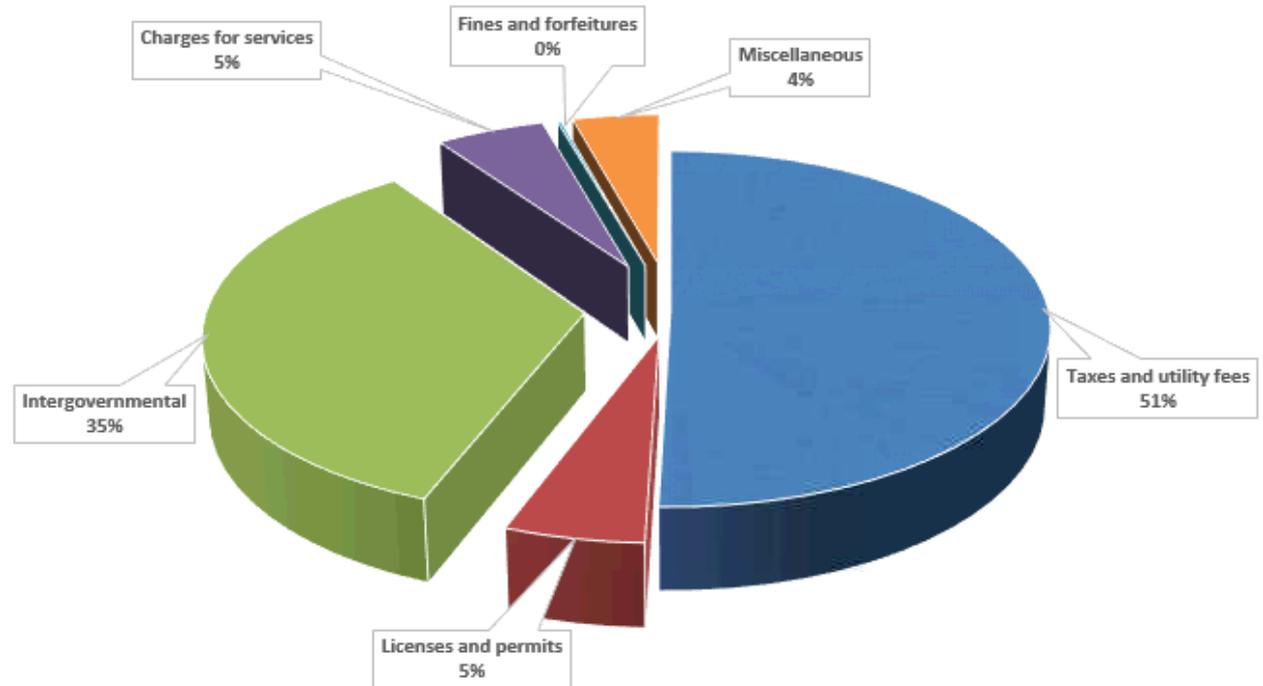
American Rescue Plan Act (ARPA)

As of June 30, 2024, unspent ARPA funds were:

Total grants received	\$	12,079,281
Spent in FY22		(1,953,660)
Spent in FY23		(3,021,968)
Spent in FY24		(2,543,810)
Balance remaining at 6/30/2024	\$	<u>4,559,843</u>

Required to be obligated by 12/31/24 and spent by 12/31/26

Where the money came from

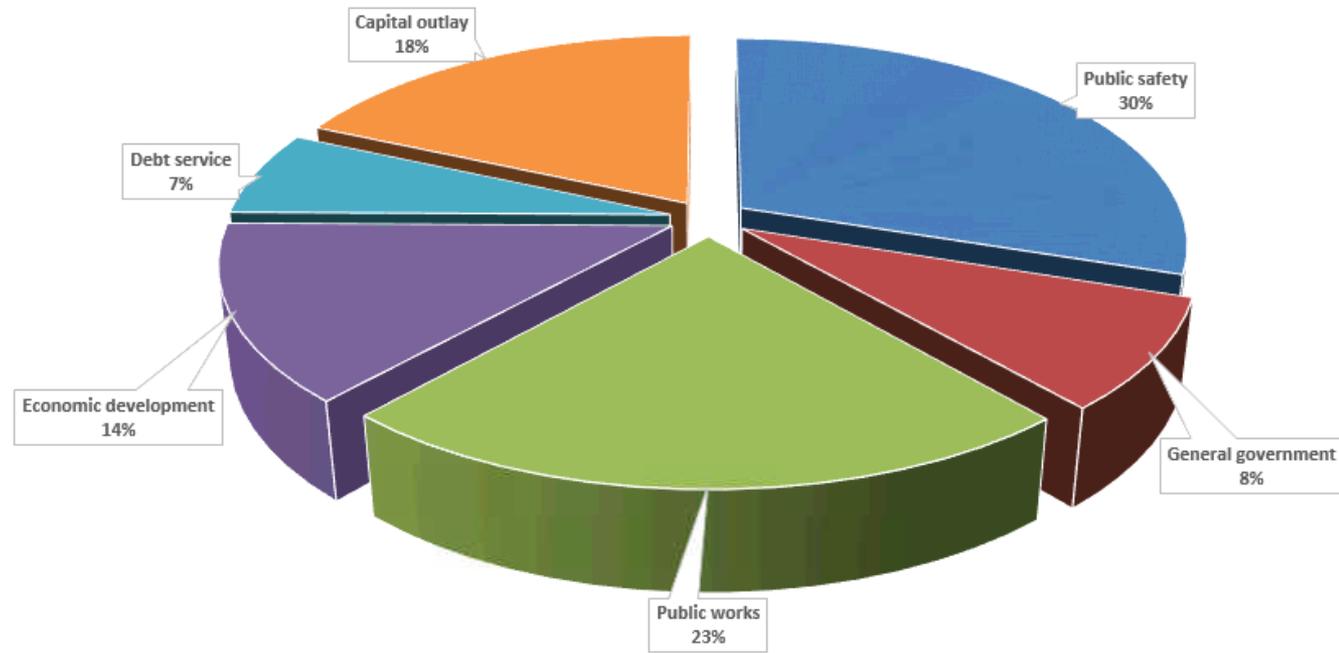


Taxes and utility fees
 Licenses and permits
 Intergovernmental
 Charges for services
 Fines and forfeitures
 Miscellaneous
 Totals

2024		
	\$	%
Taxes and utility fees	\$ 11,499,499	50.46%
Licenses and permits	1,201,438	5.27%
Intergovernmental	7,880,856	34.58%
Charges for services	1,207,371	5.30%
Fines and forfeitures	41,273	0.18%
Miscellaneous	960,902	4.22%
Totals	\$ 22,791,339	100.00%

2023		
	\$	%
Taxes and utility fees	\$ 10,243,349	50.93%
Licenses and permits	1,175,164	5.84%
Intergovernmental	7,218,579	35.89%
Charges for services	1,154,310	5.74%
Fines and forfeitures	10,282	0.05%
Miscellaneous	311,893	1.55%
Totals	\$ 20,113,577	100.00%

Where the money was spent

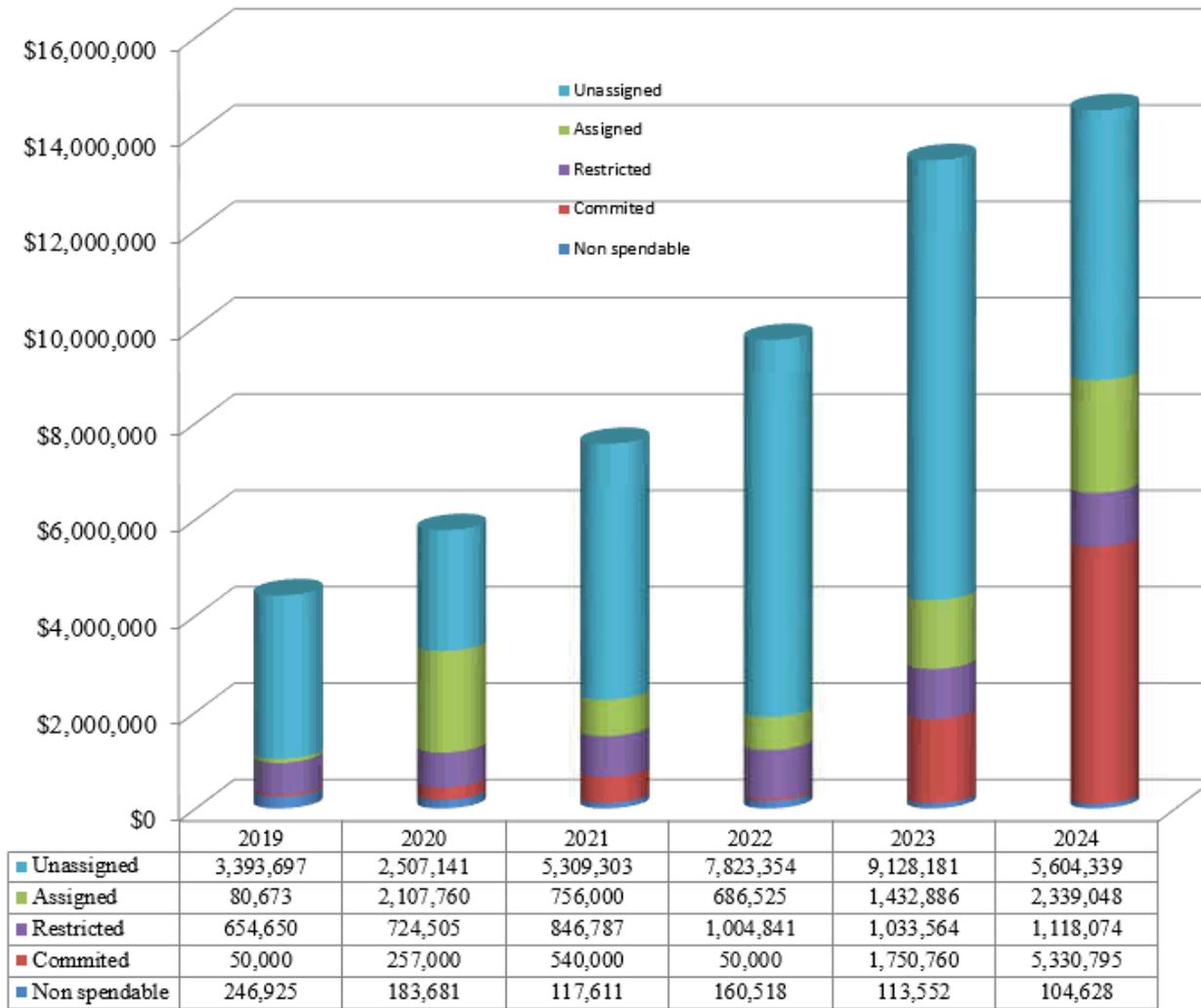


Public safety
 General government
 Public works
 Economic development
 Debt service
 Capital outlay
 Totals

2024	
\$	%
\$ 6,736,379	30.16%
1,910,946	8.56%
5,104,360	22.85%
3,043,297	13.63%
1,466,611	6.57%
4,074,364	18.24%
\$ 22,335,957	100.00%

2023	
\$	%
\$ 6,837,069	35.46%
1,169,973	6.07%
4,206,867	21.82%
2,259,050	11.71%
1,312,843	6.81%
3,497,916	18.14%
\$ 19,283,718	100.00%

Town of Cambridge, Maryland General and Special Revenue Fund Balances



Water Fund (Previously MUC)

Statement of Activities

	2024	2023
Operating revenues		
Charges for services	\$ 2,561,371	\$ 2,410,343
Operating expenses		
Salaries and related costs	1,094,844	1,249,442
Repairs and maintenance	463,934	338,172
Distribution and operating expenses	244,578	223,657
Depreciation	171,376	156,009
General and administrative	155,016	136,500
Total operating and distribution expense	2,129,748	2,103,780
Operating income	431,623	306,563
Non-operating revenues (expenses)		
Interest income	31,267	27,452
Interest expense	(5,833)	(6,050)
Total non-operating revenues	25,434	21,402
Change in net position	\$ 457,057	\$ 327,965

Sewer Fund

Statement of Activities

	2024	2023
Operating revenues		
Charges for services	\$ 5,379,092	\$ 5,022,093
Operational grants	264,384	294,839
Total operating revenues	5,643,476	5,316,932
Operating expenses		
Salaries and related costs	1,467,189	1,418,707
Repairs and maintenance	51,994	37,237
Distribution and operating expenses	2,766,967	2,334,234
Depreciation	1,184,112	1,178,149
Other general and administrative	98,482	76,156
Total operating expenses	5,568,744	5,044,483
Operating income	74,732	272,449
Non-operating revenues (expenses)		
Impact fees	6,900	
Interest income	22,717	13,296
Interest expense	(54,754)	(16,947)
Total non-operating expenses	(25,137)	(3,651)
Income before contributions	49,595	268,798
CONTRIBUTED CAPITAL		175,000
Change in net position	\$ 49,595	\$ 443,798

Marina Fund

Statement of Activities

	2024	2023
Operating revenues		
Charges for services	\$ 536,715	\$ 612,638
Operating expenses		
Salaries	98,956	
Repairs and maintenance	39,036	14,041
Operating expenses	167,892	176,030
Professional services	135,240	270,480
Depreciation	174,475	161,441
General and administrative	6,695	24,815
Total operating expenses	622,294	646,807
Operating loss	(85,579)	(34,169)
Non-operating revenues		
Capital grants	168,630	121,925
Change in net position	\$ 83,051	\$ 87,756

Enterprise Funds Net Position

For enterprise or business-type funds, we consider “net position”. Where fund balance (general fund) only considers short-term or spendable resources, net position includes the large, long-term items such as capital assets, long-term debt, and net pension obligations.

	Water Fund	Sewer Fund	Marina Fund	Total
NET POSITION				
Net investment in capital assets	2,446,896	26,026,025	3,880,174	32,353,095
Restricted, impact fees	54,518	112,128		166,646
Unrestricted (deficit)	1,397,432	4,974,170	(267,192)	6,104,410
Total net position	<u>\$ 3,898,846</u>	<u>\$ 31,112,323</u>	<u>\$ 3,612,982</u>	<u>38,624,151</u>

Enterprise Funds Working Capital

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Marina Fund</u>
Current assets	\$ 3,431,627	\$ 6,819,644	\$ 1,111,821
Current liabilities	335,553	1,176,398	136,136
Working capital	<u>\$ 3,096,074</u>	<u>\$ 5,643,246</u>	<u>\$ 975,685</u>
Annual operating expenses*	<u>\$ 1,958,372</u>	<u>\$ 4,384,632</u>	<u>\$ 447,819</u>
# of days of working capital	<u>577</u>	<u>470</u>	<u>795</u>

*Excludes depreciation expense.

In Conclusion ...

Questions?

