

City of Frostburg
Monthly Reports



For the month of March 2026
Reports from the Departments of:

Community Development
Finance
Parks and Recreation
Street
Water
Police

CITY OF FROSTBURG

Monthly Report: Community Development Department

For the Month of: March 2026

Submitted by: Jon Miller, Director of Community Development; Jamie Klink, Planner; Erica Beeman, Rental Housing Program Coordinator; Jay Hovatter, Code Enforcement Officer/Rental Housing Inspector

Permits

Please see attached permit report.

Rental Housing

- Started intake on third fee schedule rental registration renewals, 22 licenses remaining as of 4/20/2026.
- Provided additional copies of renewal documents for those who requested new copies.
- Mailing address and email address updates were made for property owners who needed them.
- Updating iWorQ and Rental Housing Spreadsheet to reflect new and/or updated information for rental owners/agents.
- Provided Rental Housing welcoming materials to new property owners and rental properties brought into the program.
- Owner and Agent list was provided to property owners searching for new management agencies.
- Continued providing inspection notices for B-1 cycle property owners and agents. 53 of 117 inspections have been completed as of 4/20/26. An additional 22 have been scheduled to take place between now and June 30, 2026.
- Continued working on proposal for Vacant and Blighted Property Registration Program with Code Enforcement and Director of Community Development.

Code Enforcement

- Detailed code enforcement action reports are attached. Please note that the Phone Call/Emails in the Activity Report reflect calls and emails from complainants, property owners, and/or tenants related to code enforcement matters.

Boards and Commissions

- *Historic District Commission* – The Historic District Commission met on March 9 to discuss updates to the City’s Historic District Guidelines, focused primarily on updates to demolition guidelines. The Commission members voted to review example guidelines from Cumberland, Hagerstown, and Frederick over the next month in preparation of potentially adopting updated guidelines.

Additionally, Layne Thompson of JMA Resources, Inc. was on-hand to give an overview and update of the 76Unboxed, the City’s new web-based Historic District management, promotion, and discussion platform. Mr. Thompson stated that staff members of JMA Resources came to Frostburg to take photos of approximately 200 properties in the Historic District and the system is now live in “Test Mode”.

- *Planning Commission* – The Frostburg Planning Commission did not meet in March due to a lack of applications received.
- *Board of Zoning Appeals* – The Board of Zoning Appeals did not meet in March due to a lack of applications received.
- *Green Team* – The Green Team met on Thursday, March 5 to discuss topics that included the Seed Swap/Garden Supply Swap event to be held on March 7, the Buy Nothing Event, social media postings, the upcoming Sustainable Maryland Recertification deadline of June 30, and the transition of Green Team Coordinator duties on a quarterly basis. An additional meeting was also held on Thursday, March 26 at the Frostburg Library to discuss planning for the Buy Nothing Event which will take place on May 16 and 17.

Director’s Report:

Meetings, Webinars, Conferences, and Trainings Attended:

- March 5th – Green Team
- March 6th – Comprehensive Plan Monthly Meeting
- March 10th – Staff Meeting
- March 10th – Work Session
- March 12th – Frostburg First Board Meeting
- March 17th – Staff meeting
- March 17th – Mayor Council Meeting
- March 19th – 76 Unboxed Staff Workshop

- March 20th – Hotel Motel Tax Funding Request Meeting – Frostburg Museum
- March 26th – Green Team Meeting for Sustainable MD Recertification
- March 27th – Comp Plan Meeting with New Staff from Wallace Montgomery
- March 30th – Hotel Motel Tax Funding Request Meeting – Frostburg First

Director’s Current Project Updates:

- **Comprehensive Plan Re-Write** – The Comp Plan Steering Committee held their regular monthly meeting on March 6th. Following items were discussed – environmental resources, soils steep slopes map, floodplain map, green infrastructure, hubs, corridors and gaps map, conservation map, ecological area.
- **Stabilization Grant Program** – Hocking House and Lucky Liquors have accepted, moving forward with that phase of project. Hocking House moving forward with work.
- **Town House Project** – Photos submitted to Maryland Historic Trust for review, once receive permission for demolition we will proceed. Maryland historical Trust will review and inform us of findings, then properties will need to be archived.
- **Record Retention** - Community Development Department record retention documentation for State of Maryland Review
- **76 Unboxed** – Working with staff from JMA Resources. Information sessions will be scheduled in the near future.
- **Sustainable Maryland Recertification** - Starting the process of Sustainable Maryland Recertification.



Permit Report

03/01/2026 - 03/31/2026

Permit Type	Permit Sub Type	Parcel Address	Description	Main Status
Building	Accessory Structure	131 W COLLEGE AVE	Construction of a 1,656 sf Garage - Phase I for Foundation ONLY	Open
Use & Occupancy		39 S BROADWAY	Commercial Use & Occupancy	Closed
Building	Renovation/Conversion	1 SCIENCE PARK	Commercial Renovation/Conversion to a Medical Facility	Pending
Building	Accessory Structure	7 BARNARD PL	8x10 Metal Storage Shed	Closed
Use & Occupancy		2 W MAIN ST	Commercial Use & Occupancy	Closed
Certificate of Appropriateness		2 W MAIN ST	In-kind Sign Replacement	Closed
Burning		38 W COLLEGE AVE	Burning Brush	Closed
Burning		100 MAPLEHURST ROAD	Burning Brush	Closed
Burning		282 ARMSTRONG AVE	Burning Brush	Closed

Total Records: 9

4/20/2026



Location Inspection Detail Report

03/01/2026 - 03/31/2026

Address	# Units	Date	Inspection Type	Description	Completed Date	Inspection Status
166 Bowery Street	6	4/2/2026	Rental Unit Inspection	166 Unit 1B	3/31/2026	Pass
166 Bowery Street	6	4/2/2026	Rental Unit Inspection	166 Unit 2A	3/31/2026	Fail
166 Bowery Street	6	4/2/2026	Rental Unit Inspection	166 Rental Unit 2B	3/31/2026	Pass
166 Bowery Street	6	4/2/2026	Rental Unit Inspection	166 Unit 3A	3/31/2026	Fail
166 Bowery Street	6	4/2/2026	Rental Unit Inspection	166 Unit 3B	3/31/2026	Fail
171 E. Main Street	7	4/2/2026	Rental Unit Inspection	171 Unit 3	3/31/2026	Pass
171 E. Main Street	7	4/2/2026	Rental Unit Inspection	171 E Main Unit 4	3/31/2026	Fail
171 E. Main Street	7	4/2/2026	Rental Unit Inspection	171 E Main Unit 5	3/31/2026	Fail
171 E. Main Street	7	4/2/2026	Rental Unit Inspection	171 E. Main Unit 6	3/31/2026	Fail
171 E. Main Street	7	4/2/2026	Rental Unit Inspection	171 E. Main Unit 7 (3rd floor)	3/31/2026	Fail
136 Wood Street	4	3/30/2026	Rental Unit Inspection	136 Wood Unit 1	3/30/2026	*Pending (Smoke Alarms)
136 Wood Street	4	3/30/2026	Rental Unit Inspection	136 Wood Unit 2	3/30/2026	*Pending (Smoke Alarms)
136 Wood Street	4	3/30/2026	Rental Unit Inspection	136 Wood Unit 4	3/30/2026	*Pending (Smoke Alarms)
232 W. Main Street	8	3/26/2026	Rental Unit Inspection	232 Unit 7 Re-inspection	3/25/2026	*Pending (Smoke Alarms)
232 W. Main Street	8	3/26/2026	Rental Unit Inspection	232 Unit 4 Re-inspection	3/25/2026	*Pending (Smoke Alarms)

Address	# Units	Date	Inspection Type	Description	Completed Date	Inspection Status
232 W. Main Street	8	3/25/2026	Rental Unit Inspection	232 unit 3	3/25/2026	Fail
232 W. Main Street	8	3/25/2026	Rental Unit Inspection	232 unit 4	3/25/2026	*Pending (Smoke Alarms)
232 W. Main Street	8	3/25/2026	Rental Unit Inspection	232 unit 5 rear	3/25/2026	Fail
232 W. Main Street	8	3/25/2026	Rental Unit Inspection	232 unit 6	3/25/2026	Fail
232 W. Main Street	8	3/25/2026	Rental Unit Inspection	232 unit 7	3/25/2026	Fail
232 W. Main Street	8	3/25/2026	Rental Unit Inspection	232 unit 2	3/25/2026	*Pending (Smoke Alarms)
61 Broadway	8	3/24/2026	Rental Unit Inspection	61 unit 6	3/24/2026	*Pending (Smoke Alarms)
61 Broadway	8	3/24/2026	Rental Unit Inspection	61 Unit 5	3/24/2026	*Pending (Smoke Alarms)
61 Broadway	8	3/24/2026	Rental Unit Inspection	61 Unit 4	3/24/2026	*Pending (Smoke Alarms)
61 Broadway	8	3/24/2026	Rental Unit Inspection	61 Unit 8	3/24/2026	*Pending (Smoke Alarms)
61 Broadway	8	3/24/2026	Rental Unit Inspection	61 Unit 7	3/24/2026	*Pending (Smoke Alarms)
61 Broadway	8	3/24/2026	Rental Unit Inspection	61 Unit 1	3/24/2026	*Pending (Smoke Alarms)
16 Broadway	3	3/24/2026	Rental Unit Inspection	16 Unit C	3/24/2026	*Pending (Smoke Alarms)
16 Broadway	3	3/24/2026	Rental Unit Inspection	16 Unit B	3/24/2026	*Pending (Smoke Alarms)
32 Stoyer Street	1	3/23/2026	Rental Unit Inspection	Re inspection 32 Stoyer	3/24/2026	*Pending (Smoke Alarms)
32 Stoyer Street	1	3/20/2026	Rental Unit Inspection	Rental Unit Inspection 32 Stoyer Street	3/23/2026	Fail

Address	# Units	Date	Inspection Type	Description	Completed Date	Inspection Status
77 W. College Ave.	1	3/20/2026	Rental Unit Inspection	Re-inspection 77 W. College Avenue	3/20/2026	Pass
232 W. Main Street	8	3/20/2026	Rental Unit Inspection	Rental Unit Inspection 232 W. Main Unit 8	3/25/2026	Fail
62 S. Broadway	1	3/20/2026	Rental Unit Inspection	Rental Unit Inspection 62 S. Broadway	3/25/2026	Fail
64 S. Broadway	1	3/20/2026	Rental Unit Inspection	Rental Unit Inspection 64 S. Broadway	3/25/2026	Fail
171 E. Main Street	7	3/20/2026	Rental Unit Inspection	Rental Unit Inspection 171 W. Main Street Unit 1	3/31/2026	Fail
166 Bowery Street	6	3/20/2026	Rental Unit Inspection	Rental Unit Inspection 166 Bowery Unit 1A	3/31/2026	Fail
293 E. Main Street	6	3/19/2026	Rental Unit Inspection	Re-inspection Unit 6	3/18/2026	*Pending (Smoke Alarms)
293 E. Main Street	6	3/19/2026	Rental Unit Inspection	291 E. Main Unit 1 Re-Inspection	3/16/2026	*Pending (Smoke Alarms)
10 Centennial St. Apt. 1	1	3/19/2026	Rental Unit Inspection	Re Inspection 10 Centennial Street Apt 1	3/23/2026	*Pending (Smoke Alarms)
293 E. Main Street	6	3/17/2026	Rental Unit Inspection	Re Inspection 293 Unit 9	3/16/2026	Pass
293 E. Main Street	6	3/17/2026	Rental Unit Inspection	293 Unit 10 Re-inspection	3/17/2026	*Pending (Smoke Alarms)
136 Wood Street	4	3/17/2026	Rental Unit Inspection	136 Wood St Inspection Unit 3	3/30/2026	Fail
289 1/2 E. Main Street	2	3/16/2026	Rental Unit Inspection	Re-Inspection 289 1/2 Unit 3	3/16/2026	Pass
61 Broadway	8	3/16/2026	Rental Unit Inspection	Rental Unit Inspection 61 Unit 3	3/24/2026	*Pending (Smoke Alarms)

Address	# Units	Date	Inspection Type	Description	Completed Date	Inspection Status
16 Broadway	3	3/16/2026	Rental Unit Inspection	Rental Unit Inspection 16 Unit A	3/24/2026	*Pending (Smoke Alarms)
291 E. Main Street	2	3/13/2026	Rental Unit Inspection	Re Inspection 291 #2	3/13/2026	*Pending (Smoke Alarms)
293 E. Main Street	6	3/13/2026	Rental Unit Inspection	Re-Inspection 293 Unit 5	3/13/2026	Pass
123 S. Water Street	1	3/13/2026	Rental Unit Inspection	Rental Unit Inspection 123 S Water Street	3/19/2026	Fail
76 Bowery Street	1	3/13/2026	Rental Unit Inspection	Rental Unit Inspection	3/16/2026	Fail
289 1/2 E. Main Street	2	3/11/2026	Rental Unit Inspection	289 1/2 unit 4	3/11/2026	Pass
293 E. Main Street	6	3/11/2026	Rental Unit Inspection	293 unit 6	3/11/2026	*Pending (Smoke Alarms)
293 E. Main Street	6	3/11/2026	Rental Unit Inspection	293 unit 7	3/11/2026	Pass
293 E. Main Street	6	3/11/2026	Rental Unit Inspection	293 unit 8	3/11/2026	Fail
293 E. Main Street	6	3/11/2026	Rental Unit Inspection	293 Unit 9	3/11/2026	Fail
293 E. Main Street	6	3/11/2026	Rental Unit Inspection	293 Unit 10	3/11/2026	Fail
20 W. College Ave.	2	3/10/2026	Rental Unit Inspection	Rental unit 20 West College Unit A lower	3/10/2026	Fail
169 Spring Street	2	3/10/2026	Rental Unit Inspection	Rental unit inspection 169 lower Apt. B	3/10/2026	Fail
20 W. College Ave.	2	3/9/2026	Rental Unit Inspection	Rental Unit Inspection 20 W. College Unit B upstairs	3/10/2026	Fail
169 Spring Street	2	3/9/2026	Rental Unit Inspection	Rental Unit Inspection upstairs 169	3/10/2026	Fail
291 E. Main Street	2	3/9/2026	Rental Unit Inspection	Rental Unit Inspection 291 Apt 2	3/11/2026	Fail

Address	# Units	Date	Inspection Type	Description	Completed Date	Inspection Status
293 E. Main Street	6	3/9/2026	Rental Unit Inspection	Rental Unit Inspection 293 Unit 5	3/11/2026	Fail
289 1/2 E. Main Street	2	3/9/2026	Rental Unit Inspection	Rental Unit Inspection 288 1/2 Unit 3	3/11/2026	Fail
151 Bowery Street	2	3/6/2026	Rental Unit Inspection	Re - inspection lower unit	3/6/2026	Pass
151 Bowery Street	2	3/6/2026	Rental Unit Inspection	Re inspection upper unit 151B	3/6/2026	Pass
150 E. Main Street	3	3/3/2026	Rental Unit Inspection	Re Inspection Unit A	3/24/2026	*Pending (Smoke Alarms)
150 E. Main Street	3	3/3/2026	Rental Unit Inspection	Re Inspection Unit B	3/24/2026	*Pending (Smoke Alarms)
150 E. Main Street	3	3/3/2026	Rental Unit Inspection	Re Inspection Unit C	3/24/2026	*Pending (Smoke Alarms)
131 Hill Street	1	3/2/2026	Rental Unit Inspection	Rental Unit Inspection	3/2/2026	*Pending (Smoke Alarms)
159 E. College Ave.	1	2/27/2026	Rental Unit Inspection	Rental Unit Inspection 159 E. College Ave	3/9/2026	Pass
110 R S. Broadway	1	2/25/2026	Rental Unit Inspection	Rental Unit Inspection R	3/4/2026	Pass
110 U S. Broadway	1	2/25/2026	Rental Unit Inspection	Rental Unit U Inspection	3/4/2026	Pass
15 S. Broadway	2	2/24/2026	Rental Unit Inspection	Rental Unit Inspection Apt 2	3/3/2026	Fail
10 Centennial St. Apt. 1	1	2/23/2026	Rental Unit Inspection	Rental Unit Inspection 10 centennial Apt.1	3/19/2026	Fail
131 Hill Street	1	2/23/2026	Rental Unit Inspection	Rental Unit Inspection	3/2/2026	Fail
50 E. College Avenue	1	2/23/2026	Rental Unit Inspection	Rental Unit Inspection	3/2/2026	Fail

Address	# Units	Date	Inspection Type	Description	Completed Date	Inspection Status
36 Stoyer Street	1	2/23/2026	Rental Unit Inspection	Rental Unit Inspection	3/2/2026	Fail

Total Records: 77

4/6/2026



Case Activity Report

03/01/2026 - 03/31/2026

Completed Date	Compliance Deadline	Parcel Address	Description	Activity Type	Main Status
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Group: Abatement

3/23/2026	04/06/2026	48 S BROADWAY	Unregistered SUV	Abatement	First Warning

Group Total: 1

Group: Inspection

3/24/2026		10701 NEW GEORGES CREEK ROAD SW	standing water drainage issue	Inspection	First Warning
3/25/2026		11 W. Main Street	Dumpster over flowing trash on ground	Inspection	Investigation
3/26/2026		10601 NEW GEORGES CREEK RD	Illegal Occupancy	Inspection	Monitoring
3/8/2026		146 BOWERY ST	Tampering with water Valve/Meter Theft	Inspection	On Hold
3/10/2026	03/15/2026	154 CENTER ST	Furniture	Inspection	Resolved
3/10/2026	Referred to FPD	133 WOOD ST	Unregistered Ford Pick up in front of 129 Wood Street	Inspection	Referred to FPD
3/10/2026	03/15/2026	151 CENTER ST	Furniture	Inspection	Resolved

Group Total: 7

Completed Date	Compliance Deadline	Parcel Address	Description	Activity Type	Main Status
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Group: Phone Call/Email

3/30/2026	04/08/2026	109 BOWERY ST	Playground equipment, lawn equipment and trash on neighboring property.	Phone Call/Email	First Warning
3/26/2026		57 MOUNT PLEASANT ST	Disabled vehicle	Phone Call/Email	Referred to FPD
3/26/2026		10701 NEW GEORGES CREEK ROAD SW	standing water drainage issue	Phone Call/Email	First Warning
3/25/2026		11 W. Main Street	Dumpster over flowing trash on ground	Phone Call/Email	Investigation
3/24/2026		10701 NEW GEORGES CREEK ROAD SW	standing water drainage issue	Phone Call/Email	First Warning
3/25/2026	03/22/2026	206 WELSH HILL ROAD		Phone Call/Email	Monitoring
3/23/2026	03/22/2026	76 SPRING ST	Debris	Phone Call/Email	Resolved
3/23/2026		135 HILL ST	Mold issue	Phone Call/Email	Monitoring
3/16/2026		73 BOWERY ST	Dogs at large	Phone Call/Email	Investigation
3/16/2026		153 SPRING ST		Phone Call/Email	Monitoring
3/13/2026		130 CENTER ST	Appliance	Phone Call/Email	Resolved
3/9/2026		140 BOWERY ST	Loose debris and construction materials	Phone Call/Email	Resolved
3/4/2026	N/A	217 MAIN ST	Phone call concerned citizen	Phone Call/Email	Monitoring
3/2/2026	03/09/2026	170 MAPLE ST	Loose trash	Phone Call/Email	Resolved

Group Total: 14

Completed Date	Compliance Deadline	Parcel Address	Description	Activity Type	Main Status
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Group: Re-Inspection

3/26/2026	03/22/2026	76 SPRING ST	Debris	Re-Inspection	Resolved
3/20/2026		130 CENTER ST	Appliance	Re-Inspection	Resolved
3/20/2026	03/23/2026	125 Bowery Street	Furniture	Re-Inspection	First Warning
3/20/2026	03/15/2026	154 CENTER ST	Furniture	Re-Inspection	Resolved
3/10/2026	03/09/2026	164 BOWERY ST	Loose trash and furniture	Re-Inspection	Resolved
3/11/2026	03/09/2026	170 MAPLE ST	Loose trash	Re-Inspection	Resolved
3/9/2026	03/11/2026	88 PARK LANE	Loose trash around dumpster	Re-Inspection	Resolved
3/9/2026	03/09/2026	146 W MAIN ST	dog feces in yard along Mechanic Street	Re-Inspection	Resolved
3/2/2026	Immediately	191 PARK AVE	Obstructed Fire Dept. Connection obstructed by dumpster and furniture. Life Safety Violation	Re-Inspection	Resolved
3/2/2026	Immediately	179 PARK AVE	Obstructed Fire Department Connection	Re-Inspection	Resolved

Group Total: 10

Group: Walk-In

3/20/2026	03/22/2026	76 SPRING ST	Debris	Walk-In	Resolved
3/11/2026	03/11/2026	53 BOWERY ST	Unregistered/disabled vehicle at rear of property.	Walk-In	Monitoring

Completed Date	Compliance Deadline	Parcel Address	Description	Activity Type	Main Status
3/4/2026	03/09/2026	146 W MAIN ST	dog feces in yard along Mechanic Street	Walk-In	Resolved

Group Total: 3

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Total Records: 35

4/6/2026



Case Detail Report

03/01/2026 - 03/31/2026

Case Date	Compliance Deadline	Parcel Address	Description	Main Status
3/30/2026		108 S BROADWAY	Trash and debris	Resolved
3/27/2026	04/08/2026	109 BOWERY ST	Playground equipment, lawn equipment and trash on neighboring property.	First Warning
3/27/2026	04/06/2026	11 FEDERAL ST	Furniture, debris and ashes	First Warning
3/26/2026		57 MOUNT PLEASANT ST	Disabled vehicle	Referred to FPD
3/26/2026		10601 NEW GEORGES CREEK RD	Illegal Occupancy	Monitoring
3/26/2026		11 W. Main Street	Dumpster over flowing trash on ground	Investigation
3/26/2026		10701 NEW GEORGES CREEK ROAD SW	standing water drainage issue	First Warning
3/23/2026	04/06/2026	48 S BROADWAY	Unregistered SUV	First Warning
3/23/2026		135 HILL ST	Mold issue	Monitoring
3/20/2026	03/30/2026	144 WOOD ST	Furniture	First Warning
3/16/2026		73 BOWERY ST	Dogs at large	Investigation
3/13/2026	03/23/2026	125 Bowery Street	Furniture	First Warning
3/13/2026		130 CENTER ST	Appliance	Resolved

Case Date	Compliance Deadline	Parcel Address	Description	Main Status
3/13/2026	03/27/2026	142 SPRING ST	Unregistered/ disabled vehicles	First Warning
3/13/2026		153 SPRING ST		Monitoring
3/13/2026	03/23/2026	139 SPRING ST	Furniture	First Warning
3/13/2026		33 HILL ST	Trash and debris	First Warning
3/12/2026	03/22/2026	206 WELSH HILL ROAD		Monitoring
3/12/2026	03/22/2026	89 HILL ST	Loose trash, debris and clutter	First Warning
3/12/2026	03/22/2026	76 SPRING ST	Debris	Resolved
3/10/2026	Referred to FPD	133 WOOD ST	Unregistered Ford Pick up in front of 129 Wood Street	Referred to FPD
3/10/2026	03/17/2026	164 MAPLE ST	Loose trash	First Warning
3/10/2026	03/15/2026	154 CENTER ST	Furniture	Resolved
3/10/2026	03/15/2026	151 CENTER ST	Furniture	Resolved
3/10/2026	03/17/2026	88 BOWERY ST	Trash set out to early.	Resolved
3/4/2026	03/11/2026	88 PARK LANE	Loose trash around dumpster	Resolved
3/4/2026	N/A	217 MAIN ST	Phone call concerned citizen	Monitoring
3/2/2026	03/09/2026	146 W MAIN ST	dog feces in yard along Mechanic Street	Resolved
3/2/2026	03/09/2026	170 MAPLE ST	Loose trash	Resolved
3/2/2026	03/09/2026	164 BOWERY ST	Loose trash and furniture	Resolved

THE FROSTBURG GREEN TEAM & ALLEGANY COUNTY LIBRARY SYSTEM
INVITE YOU TO THE 4TH ANNUAL

"BUY NOTHING, GIVE FREELY" EVENT

WHETHER YOU'RE GIVING, GETTING, OR SWAPPING,
EVERYTHING IS FREE!

Accepted Items

- Appliances (Handheld or countertop only)
- Household Items
- Bicycles
- Clothing & Shoes (no ripped or stained items!)
- Pet Supplies
- Sporting Goods
- Nonperishable food items
- Most other items that are reusable, non-toxic, non-hazardous, & clean
- NO MATTRESSES!

Keep your unwanted items out of the waste stream! Instead, offer it up to your neighbors. Bring your stuff, or simply come pick up some new-to-you items - for free!

City Place

14 S. Water Street
Frostburg, MD 21532



Saturday, May 16

7:00 AM - 5:00 PM

Sunday, May 17

10:00 AM - 4:00 PM



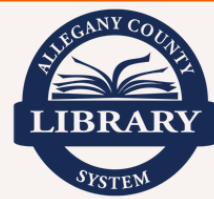
Donation Drop-Offs

Thurs., May 14 + Fri., May 15
4:00 - 7:00 PM at City Place

Donations also accepted all weekend until noon on Sunday.



For more information & full list of
accepted items, please visit
www.frostburgcity.org
or call 301-689-6000, ext. 110





HELP US CLEAN UP
DOWNTOWN FROSTBURG
BEFORE ARTS WALK!

EARTH DAY DOWNTOWN CLEANUP EVENT

HOW IT WORKS (NO SIGN-UP NEEDED!)

1. STOP BY THE FROSTBURG POLICE DEPARTMENT LOBBY TO GRAB GLOVES, TRASH BAGS, AND A TRASH PICKER.
2. HIT THE STREETS & PICK UP LITTER ANYWHERE IN DOWNTOWN AT YOUR OWN PACE.
3. DROP FILLED BAGS & LEFTOVER SUPPLIES NEAR THE AFTER-HOURS DROPBOX OUTSIDE FPD WHEN YOU'RE DONE.

WEDNESDAY, APRIL 22, 2026

3PM - 6PM

PICK UP SUPPLIES IN THE FROSTBURG POLICE DEPT. LOBBY

GLOVES & GARBAGE BAGS WILL BE PROVIDED

COORDINATED BY THE
FROSTBURG GREEN TEAM

2026

Assets

01-000-1000	CASH	0.00
01-000-1001	OPERATING CASH - POLICE DEPT	100.00
01-000-1002	CASH SWEEP ACCOUNT	0.00
01-000-1003	OPERATING CASH - TAX CLERK	200.00
01-000-1004	CASH - CORPORATE (STC)	8,707,995.08
01-000-1005	PETTY CASH	0.00
01-000-1006	RESTRICTED CASH CD - PLAYGROUND FUN	0.00
01-000-1007	RESTRICTED CASH CD - SANDSPRING	0.00
01-000-1008	RESTRICTED CASH-HEALTH INSUR COLLATERAL	20,519.00
01-000-1009	RESTRICTED CASH - RMC GRANT-HYDRO STUDY	25.00
01-000-1010	CASH - PAYROLL	0.00
01-000-1050	INVESTMENTS - CDS	0.00
01-000-1100	ACCOUNTS RECEIVABLE	382,463.48
01-000-1101	ACCTS REC - POLICE TICKETS/CIT	10,440.00
01-000-1140	TAXES RECEIVABLE - REAL ESTATE	411,980.42
01-000-1141	TAXES RECEIVABLE - PERSONAL PROPERTY	3,541.71
01-000-1142	TAXES RECEIVABLE - PUBLIC UTILITY	110,242.80
01-000-1143	TAXES RECEIVABLE - CORPORATION	39,437.34
01-000-1150	TAXES RECEIVABLE 10/11 - do not use acct	0.00
01-000-1151	TAXES RECEIVABLE 11/12 - do not use acct	0.00
01-000-1152	TAXES RECEIVABLE 12/13 - do not use acct	0.00
01-000-1153	TAXES RECEIVABLE 13/14 - do not use acct	0.00
01-000-1154	TAXES RECEIVABLE 14/15 - do not use acct	0.00
01-000-1155	TAXES RECEIVABLE 15/16 - do not use acct	0.00
01-000-1156	TAXES RECEIVABLE 16/17 - do not use acct	0.00
01-000-1157	TAXES RECEIVABLE 17/18 - do not use acct	0.00
01-000-1158	TAXES RECEIVABLE 18/19 - no not use acct	0.00
01-000-1200	PREPAID EXPENSE	37,351.86
01-000-1201	PREPAID INSURANCE	133,474.10
01-000-1220	LEASE RECEIVABLE	716,605.93
01-000-1230	ACCRUED INTEREST RECEIVABLE	13,858.33
01-000-1250	RECEIVABLE FROM BOND ISSUANCE	0.00
01-000-1260	NOTE RECEIVABLE - GUTHRIE	110,574.45
01-000-1301	DUE TO/FROM WATER FUND	0.00
01-000-1302	DUE TO/FROM CD SPECIAL PROJECTS FUND	0.00
01-000-1303	DUE TO/FROM GARBAGE FUND	748.76-
01-000-1304	DUE TO/FROM SAFE HAVEN GRANT- do not use	0.00
01-000-1305	DUE TO/FROM SEWER FUND	252,613.16
01-000-1306	DUE TO/FROM WATER SURCHARGE FUND	187,694.48-
01-000-1307	DUE TO/FROM OPIOID SETTLEMENT FUND	0.00
01-000-1500	FIXED ASSETS	28,015,752.33
01-000-1501	WIP - ARMORY GYM FLOOR - do not use acct	0.00
01-000-1502	WIP - BRADDOCK RD IMPROV-do not use acct	0.00
01-000-1503	WIP-COLLEGE/BROADWAY SAFE RT-do not use	0.00
01-000-1504	WIP - CHILDCARE CENTER	0.00
01-000-1505	WIP - 37 BROADWAY	0.00
01-000-1506	WIP - GATEWAY IMPROVEMENT	863,548.90
01-000-1507	WORK IN PROCESS - MISC PROJECTS	139,751.14
01-000-1508	WORK IN PROCESS - 82-84 E MAIN	10,783.09
01-000-1570	RIGHT OF USE ASSETS	668,521.84
01-000-1571	RIGHT OF USE ASSETS - INTANGIBLE	196,633.48
01-000-1580	INTANGIBLE ASSETS	206,323.69
01-000-1600	RESERVE FOR DEPRECIATION	10,341,394.36-
01-000-1605	ACCUMULATED DEPRECIATION-ROU	391,113.52-
01-000-1650	RESERVE FOR AMORTIZATION	103,161.80-

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01-000-1900	DEFERRED FINANCING OUTFLOW	536,692.00
01-000-1910	DEFERRED FINANCING OUTFLOW - OPEB	140,952.00
01-999-9999	ESTIMATED REVENUE	0.00
	Total Assets	<u>30,706,268.21</u>

Liabilities & Fund Balance

01-000-1655	ACCUMULATED AMORTIZATION - ROU	90,514.80
01-000-2000	ACCOUNTS PAYABLE	92,934.92
01-000-2005	CUSTOMER REFUND	437.81-
01-000-2010	PRICHARD FARMS RETSA PAYABLE	11,121.69
01-000-2080	INTEREST PAYABLE	23,912.02
01-000-2100	ACCRUED PAYROLL	0.00
01-000-2200	FEDERAL INCOME TAX PAYABLE	42.62
01-000-2201	FICA WITHHELD	0.00
01-000-2202	MARYLAND INCOME TAX WITHHELD	23.70
01-000-2203	MD INCOME TAX REPAYMENT-do not use acct	0.00
01-000-2204	PENSION PLAN WITHHELD	0.00
01-000-2205	STATE RETIREMENT WITHHELD	0.00
01-000-2206	WAGE ATTACHMENT	0.00
01-000-2207	HEALTH INSURANCE WITHHELD	60,664.05-
01-000-2208	AFLAC INSURANCE WITHHELD	0.00
01-000-2209	MUTUAL OF OMAHA WITHHOLDING	2,579.60-
01-000-2210	HSA CONTRIBUTIONS WITHHELD	0.00
01-000-2220	LEASE LIABILITY	292,074.99
01-000-2225	SUBSCRIPTION LIABILITY - ROU	59,160.65
01-000-2250	UNEARNED REVENUE	178,015.06
01-000-2251	UNEARNED REV - PLAYGROUND	0.00
01-000-2252	PERFORMANCE BOND LIABILITY	0.00
01-000-2253	UNEARNED REVENUE - ARPA	1,289,246.52
01-000-2450	DEFERRED FINANCING INFLOW	36,472.00
01-000-2451	DEFERRED FINANCING INFLOW - OPEB	164,769.00
01-000-2452	DEFERRED FINANCING INFLOW-LEASES	671,863.84
01-000-2700	COMPENSATED ABSENCES	397,717.09
01-000-2855	OPEB OBLIGATION	513,989.00
01-000-2860	NET PENSION LIABILITY	1,442,806.00
01-000-2870	OTHER LIABILITIES	0.00
01-000-2900	NOTES PAYABLE	0.00
01-000-2901	BONDS PAYABLE	2,288,000.00
01-000-2905	BOND PREMIUM	245,923.49
01-999-2000	APPROPRIATED BUDGET	0.00
	Total Liabilities	<u>7,734,905.93</u>

01-000-3000	INVESTED IN FIXED ASSETS	16,100,333.70
01-000-3200	FUND BALANCE	5,980,452.65
	Total	<u>22,080,786.35</u>

Revenue	5,756,218.43
Less Expenses	<u>4,865,642.50</u>
Net	<u>890,575.93</u>
Total Fund Balance	<u>22,971,362.28</u>
Total Liabilities & Fund Balance	<u>30,706,268.21</u>

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Assets

02-000-1000	CASH	993,570.88
02-000-1003	OPERATING CASH - TAX CLERK	0.00
02-000-1030	RESTRICTED CASH - WATERSHED IMPROVE	55,431.28
02-000-1031	TIMBER CUTTING ESCROW CASH	0.00
02-000-1100	ACCOUNTS RECEIVABLE	2,584.37
02-000-1102	WATER ACCOUNTS RECEIVABLE	68,576.70
02-000-1115	SERVLIN FEES RECEIVABLE	2,823.15
02-000-1140	INTEREST RECEIVABLE - WATER	228.25
02-000-1201	PREPAID INSURANCE	53,937.85
02-000-1303	DUE TO/FROM GARBAGE FUND	0.00
02-000-1305	DUE TO/FROM SEWER FUND	0.00
02-000-1310	DUE TO/FROM PINEY SURC FUND	0.00
02-000-1500	FIXED ASSETS	4,375,989.32
02-000-1520	WORK IN PROGRESS	0.00
02-000-1570	RIGHT OF USE ASSETS	140,277.91
02-000-1600	RESERVE FOR DEPRECIATION	3,085,462.06-
02-000-1605	ACCUMULATED DEPRECIATION-ROU	82,657.87-
02-000-1900	DEFERRED FINANCING OUTFLOW	157,746.00
02-000-1910	DEFERRED FINANCING OUTFLOW - OPEB	22,859.00
02-000-2810	DUE TO/FROM CORPORATE FUND	0.00
02-000-2811	DUE TO/FROM SURCHARGE FUND	0.00
02-999-9999	ESTIMATED REVENUE	0.00
	Total Assets	<u><u>2,705,904.78</u></u>

Liabilities & Fund Balance

02-000-1150	SERVLIN FEES PAYABLE	0.00
02-000-2000	ACCOUNTS PAYABLE	10,473.44
02-000-2005	CUSTOMER REFUND	0.00
02-000-2100	PAYROLL PAYABLE	0.00
02-000-2207	HEALTH INSURANCE WITHHELD	11,718.55-
02-000-2208	AFLAC INSURANCE WITHHELD	0.00
02-000-2220	LEASE LIABILITY	61,604.65
02-000-2260	UNEARNED REVENUE - TIMBER SALE	0.00
02-000-2450	DEFERRED FINANCING INFLOW	10,720.00
02-000-2451	DEFERRED FINANCING INFLOW - OPEB	26,720.00
02-000-2700	COMPENSATED ABSENCES	110,817.38
02-000-2855	OPEB OBLIGATION	83,352.00
02-000-2860	NET PENSION LIABILITY	425,254.00
02-999-2000	APPROPRIATED BUDGET	0.00
	Total Liabilities	<u>717,222.92</u>

02-000-3000	INVESTED IN FIXED ASSETS	1,286,542.25
02-000-3010	ACCUMULATED AMORTIZ-do not use account	0.00
02-000-3015	CONTRIBUTED CAPITAL	0.00
02-000-3210	RESERVE FOR OPERATING SURPLUS 2009	0.00
02-000-3250	FUND BALANCE	673,558.49
	Total	<u>1,960,100.74</u>

Revenue	1,236,425.90
Less Expenses	<u>1,207,844.78</u>
Net	<u>28,581.12</u>
Total Fund Balance	<u>1,988,681.86</u>
Total Liabilities & Fund Balance	<u><u>2,705,904.78</u></u>

2026

Assets

03-000-1000	CASH	1,017,657.32
03-000-1003	OPERATING CASH - TAX CLERK	0.00
03-000-1040	BAY RESTORATION FUND CASH	41,394.11
03-000-1041	CSO CASH	1,037,372.41
03-000-1100	ACCOUNTS RECEIVABLE	649,732.50
03-000-1103	SEWER ACCOUNTS RECEIVABLE	117,795.66
03-000-1120	BAY RESTORATION FUND RECEIVABLE	13,717.95
03-000-1121	CSO SURCHARGE RECEIVABLE	32,276.54
03-000-1141	INTEREST REC - CSO SURCHARGE	2,491.23
03-000-1142	INTEREST RECEIVABLE - SEWER	469.51
03-000-1201	PREPAID INSURANCE	40,020.68
03-000-1301	DUE TO/FROM WATER FUND	0.00
03-000-1302	DUE TO/FROM WATER SURCHARGE FUND	0.00
03-000-1500	FIXED ASSETS	28,294,006.47
03-000-1529	WIP - CENTENNIAL PUMP STATION	0.00
03-000-1530	WIP - GENERAL CSO WORK - do not use acct	0.00
03-000-1531	WIP - PHASE DESIGN - do not use account	0.00
03-000-1532	WIP - PHASE IX-A - do not use account	0.00
03-000-1533	WIP - PHASE VIIB-2 - do not use account	0.00
03-000-1534	WIP - PHASE VIII-A - do not use account	0.00
03-000-1535	WIP - PHASE VIII-B - do not use account	0.00
03-000-1536	WIP - PHASE IX-B - do not use account	0.00
03-000-1537	WIP - PHASE IX-C	0.00
03-000-1538	WIP - PHASE X-A	1,773,525.95
03-000-1539	WIP - PHASE X-B	147,583.99
03-000-1540	WIP - PHASE X-C	160,000.56
03-000-1541	WIP - PHASE IX-D	448,518.40
03-000-1542	WIP - PHASE VIII-C	439,577.74
03-000-1570	RIGHT OF USE ASSETS	86,933.24
03-000-1600	RESERVE FOR DEPRECIATION	11,222,519.79-
03-000-1605	ACCUMULATED DEPRECIATION-ROU	40,568.85-
03-000-1900	DEFERRED FINANCING OUTFLOW	118,089.00
03-000-1910	DEFERRED FINANCING OUTFLOW - OPEB	19,048.00
03-000-2820	DUE TO/FROM CORPORATE FUND	251,864.40-
03-000-2821	DUE TO/FROM GARBAGE FUND	0.00
03-999-9999	ESTIMATED REVENUE	0.00
	Total Assets	<u>22,925,258.22</u>

Liabilities & Fund Balance

03-000-2000	ACCOUNTS PAYABLE	329,473.76
03-000-2005	CUSTOMER REFUND	0.00
03-000-2030	BAY RESTORATION FUND PAYABLE	0.00
03-000-2080	INTEREST PAYABLE	1,753.48
03-000-2100	PAYROLL PAYABLE	0.00
03-000-2207	HEALTH INSURANCE WITHHELD	11,435.93-
03-000-2208	AFLAC INSURANCE WITHHELD	0.00
03-000-2220	LEASE LIABILITY	50,239.98
03-000-2270	UNEARNED REVENUE - CSO	0.00
03-000-2271	UNEARNED REVENUE - BRF	0.00
03-000-2450	DEFERRED FINANCING INFLOW	8,025.00
03-000-2451	DEFERRED FINANCING INFLOW - OPEB	22,266.00
03-000-2700	COMPENSATED ABSENCES	105,127.59
03-000-2855	OPEB OBLIGATION	69,459.00
03-000-2860	NET PENSION LIABILITY	317,623.00
03-000-2900	NOTES PAYABLE	169,127.81

City of Frostburg
SEWER FUND
BALANCE SHEET
AS OF: 03/31/26

2026

03-999-2000	APPROPRIATED BUDGET	0.00
	Total Liabilities	<u>1,061,659.69</u>
03-000-3000	INVESTED IN FIXED ASSETS	19,081,378.32
03-000-3200	FUND BALANCE	1,688,092.65
03-000-3230	CONTRIBUTED CAPITAL	0.00
	Total	<u>20,769,470.97</u>
	Revenue	2,445,731.21
	Less Expenses	<u>1,351,603.65</u>
	Net	<u>1,094,127.56</u>
	Total Fund Balance	<u>21,863,598.53</u>
	Total Liabilities & Fund Balance	<u><u>22,925,258.22</u></u>

2026

Assets

04-000-1000	CASH	1,432,427.56
04-000-1003	OPERATING CASH - TAX CLERK	0.00
04-000-1100	ACCOUNTS RECEIVABLE	0.00
04-000-1130	SURCHARGE INTEREST RECEIVABLE	3,810.41
04-000-1131	WATER SURCHARGE RECEIVABLE	41,722.35
04-000-1303	DUE TO/FROM GARBAGE FUND	0.00
04-000-1305	DUE TO/FROM SEWER FUND	0.00
04-000-1500	FIXED ASSETS	28,467,670.69
04-000-1540	LAND	164,021.96
04-000-1541	SAVAGE SPRINGS PROJ PHASE II -do not use	0.00
04-000-1542	SUPPLY DAM RELINING PROJ-do not use acct	0.00
04-000-1543	WIP - 16" MAIN MAPPING & DB-do not use	0.00
04-000-1544	GENERATOR PROJECT - do not use account	0.00
04-000-1600	RESERVE FOR DEPRECIATION	21,036,024.41-
04-000-2830	DUE TO/FROM WATER FUND	0.00
04-000-2831	DUE TO/FROM CORPORATE FUND	187,694.48
04-999-9999	ESTIMATED REVENUE	0.00
	Total Assets	<u>9,261,323.04</u>

Liabilities & Fund Balance

04-000-2000	ACCOUNTS PAYABLE	0.00
04-000-2005	CUSTOMER REFUND	0.00
04-000-2080	INTEREST PAYABLE	5,877.57
04-000-2100	PAYROLL PAYABLE	0.00
04-000-2250	UNEARNED REVENUE	10,983.78
04-000-2900	NOTES PAYABLE	2,011,380.17
04-999-2000	APPROPRIATED BUDGET	0.00
	Total Liabilities	<u>2,028,241.52</u>

04-000-3000	INVESTED IN FIXED ASSETS	5,552,179.51
04-000-3010	ACCUMULATED AMORT - CAP GRANT	0.00
04-000-3020	CONTRIBUTED CAPITAL - GRANT	0.00
04-000-3250	FUND BALANCE	<u>1,157,032.92</u>
	Total	<u>6,709,212.43</u>

Revenue	627,921.27
Less Expenses	<u>104,052.18</u>
Net	<u>523,869.09</u>
Total Fund Balance	<u>7,233,081.52</u>
Total Liabilities & Fund Balance	<u>9,261,323.04</u>

2026

Assets

05-000-1000	CASH	204,203.90
05-000-1003	OPERATING CASH - TAX CLERK	0.00
05-000-1100	ACCOUNTS RECEIVABLE	0.00
05-000-1135	TRASH & GARBAGE RECEIVABLE	47,188.35
05-000-1140	INTEREST RECEIVABLE - TRASH	4,641.76
05-000-1201	PREPAID INSURANCE	9,994.82
05-000-1301	DUE TO/FROM WATER FUND	0.00
05-000-1302	DUE TO/FROM WATER SURCHARGE FUND	0.00
05-000-1320	DUE TO/FROM CORPORATE FUND	0.00
05-000-1321	DUE TO/FROM SEWER FUND	0.00
05-000-1500	FIXED ASSETS	596,937.03
05-000-1600	RESERVE FOR DEPRECIATION	414,555.70-
05-000-1900	DEFERRED FINANCING OUTFLOW	68,739.00
05-000-1910	DEFERRED FINANCING OUTFLOW - OPEB	11,428.00
05-000-2840	DUE TO/FROM CORPORATE FUND-do not use	0.00
05-999-9999	ESTIMATED REVENUE	0.00
	Total Assets	<u>528,577.16</u>

Liabilities & Fund Balance

05-000-2000	ACCOUNTS PAYABLE	2,150.28
05-000-2005	CUSTOMER REFUND	0.00
05-000-2100	PAYROLL PAYABLE	0.00
05-000-2207	HEALTH INSURANCE WITHHELD	2,948.18-
05-000-2208	AFLAC INSURANCE WITHHELD	0.00
05-000-2290	UNEARNED REVENUE - TRASH & GARBAGE	0.00
05-000-2450	DEFERRED FINANCING INFLOW	4,671.00
05-000-2451	DEFERRED FINANCING INFLOW - OPEB	13,359.00
05-000-2700	COMPENSATED ABSENCES	29,318.47
05-000-2855	OPEB OBLIGATION	41,672.00
05-000-2860	NET PENSION LIABILITY	185,103.00
05-999-2000	APPROPRIATED BUDGET	0.00
	Total Liabilities	<u>273,325.57</u>

05-000-3000	INVESTED IN FIXED ASSETS	182,380.20
05-000-3200	FUND BALANCE	67,485.08-
05-000-3230	CONTRIBUTED CAPITAL	0.00
	Total	<u>114,895.12</u>

Revenue	421,111.58
Less Expenses	<u>280,755.11</u>
Net	<u>140,356.47</u>
Total Fund Balance	<u>255,251.59</u>
Total Liabilities & Fund Balance	<u>528,577.16</u>

City of Frostburg
COMM DEVELOPMENT SPECIAL PROJECTS FUND
BALANCE SHEET
AS OF: 03/31/26

2026

Assets		
07-000-1000	CASH	31,737.27
07-000-1100	ACCOUNTS RECEIVABLE	0.00
07-000-1340	DUE TO/FROM CORPORATE FUND	0.00
07-000-2850	DUE TO/FROM CORPORATE FUND	0.00
07-999-9999	ESTIMATED REVENUE	0.00
	Total Assets	<u>31,737.27</u>
Liabilities & Fund Balance		
07-000-2000	ACCOUNTS PAYABLE	0.00
07-000-2070	GRANTS PAYABLE	0.00
07-999-2000	APPROPRIATED BUDGET	0.00
	Total Liabilities	<u>0.00</u>
07-000-3200	FUND BALANCE	<u>31,712.34</u>
	Total	<u>31,712.34</u>
	Revenue	24.93
	Less Expenses	<u>0.00</u>
	Net	<u>24.93</u>
	Total Fund Balance	<u>31,737.27</u>
	Total Liabilities & Fund Balance	<u>31,737.27</u>

City of Frostburg
OPIOID SETTLEMENT FUND
BALANCE SHEET
AS OF: 03/31/26

2026

Assets		
08-000-1000	CASH	35,731.79
08-000-2850	DUE TO/FROM CORPORATE FUND	0.00
08-999-9999	ESTIMATED REVENUES	0.00
	Total Assets	<u>35,731.79</u>
Liabilities & Fund Balance		
08-000-2000	ACCOUNTS PAYABLE	0.00
08-000-2250	UNEARNED REVENUE	0.00
08-999-2000	APPROPRIATED BUDGET	0.00
	Total Liabilities	<u>0.00</u>
08-000-3200	FUND BALANCE	<u>31,639.54</u>
	Total	<u>31,639.54</u>
	Revenue	4,092.25
	Less Expenses	<u>0.00</u>
	Net	<u>4,092.25</u>
	Total Fund Balance	<u>35,731.79</u>
	Total Liabilities & Fund Balance	<u>35,731.79</u>

CITY OF FROSTBURG
MARCH 2026 BUDGET REPORT

Account Id	Account Description	Budget	March 2026 Rev/Exp	YTD Rev/Expd	% of Budget Earned/Incurred
01-000-4000	TAXES-REAL ESTATE	3,080,000.00	0	3,113,668.98	101.1
01-000-4001	PERSONAL PROPERTY TAXES	6,000.00	0	3,590.23	59.8
01-000-4002	PUBLIC UTILITY TAXES	220,000.00	0	210,990.60	95.9
01-000-4003	CORPORATION TAXES	85,000.00	0	78,639.94	92.5
01-000-4004	PRIOR YEAR TAXES	1,000.00	0	0	0.0
01-000-4005	TRAILER TAX	1,600.00	0	840.00	52.5
01-000-4010	INTEREST ON TAXES	35,000.00	4,360.61	23,096.39	66.0
01-000-4011	TAX CREDITS	-30,000.00	0	0	0.0
01-000-4012	TAX ABATEMENTS	-3,000.00	0	0	0.0
01-000-4013	ENTERPRISE ZONE CREDIT REIMBURS	16,000.00	0	0	0.0
01-000-4020	MARYLAND INCOME TAXES	700,000.00	15,031.84	502,590.58	71.8
01-000-4021	ADMISSION TAXES	18,000.00	0	4,788.09	26.6
01-000-4022	HOTEL MOTEL TAX	150,000.00	5,284.06	159,168.40	106.1
01-000-4023	HIGHWAY USE TAX	550,000.00	88,960.10	453,736.07	82.5
01-000-4024	COAL TAX	2,600.00	0	2,426.59	93.3
01-000-4025	HOUSING AUTHORITY	12,000.00	15,026.25	15,026.25	125.2
01-000-4027	PAYMENT IN LIEU OF TAXES	390.00	0	0	0.0
01-000-4031	LIQUOR LICENSES	10,000.00	9.50	2,080.50	20.8
01-000-4032	TRADERS LICENSES	10,000.00	81.51	1,023.27	10.2
01-000-4040	POLICE GRANTS	40,000.00	352.16	30,278.42	75.7
01-000-4041	PARKING REVENUE	700.00	0	0	0.0
01-000-4043	POLICE PROTECTION GRANTS	120,000.00	26,644.00	80,517.70	67.1
01-000-4045	FINES & FORFEITURES	4,500.00	1,670.00	6,010.00	133.6
01-000-4047	FROSTBURG STATE UNIV - MOU	10,000.00	0	20,000.00	200.0
01-000-4049	SCHOOL RESOURCE REIMBURSEMENT	30,000.00	0	0	0.0
01-000-4050	PERMITS, PLANNING, ETC	2,500.00	4,775.00	5,885.00	235.4
01-000-4051	BUILDING PERMITS	3,000.00	10.00	2,155.00	71.8
01-000-4052	RENTAL REGISTRATION	75,000.00	12,320.00	65,230.00	87.0
01-000-4054	CONSTRUCTION INSPECTIONS	28,000.00	-2,557.00	16,218.00	57.9
01-000-4055	CODE ENFORCEMENT CITATIONS	1,250.00	0	2,305.00	184.4
01-000-4056	COMM DEV GRANT REVENUE	110,000.00	0	36,753.82	33.4
01-000-4060	SWIMMING POOL	65,000.00	0	34,385.45	52.9
01-000-4062	DAY CAMP REGISTRATIONS	18,000.00	0	9,728.50	54.1
01-000-4063	RECREATION ACTIVITIES	22,000.00	3,445.00	24,760.00	112.6
01-000-4200	OPERATING TRANSFER - WATER FUND	126,300.00	10,525.00	94,725.00	75.0
01-000-4201	OPERATING TRANSFER - SEWER FUND	242,300.00	20,192.00	181,728.00	75.0
01-000-4202	OPERATING TRANSFER - GARBAGE FUND	24,500.00	2,042.00	18,378.00	75.0
01-000-4250	NSF FEES	0.00	140.00	1,515.00	0.0
01-000-4301	RENTS	111,000.00	9,249.86	90,248.60	81.3
01-000-4302	HRD APPROPRIATION	10,700.00	901.00	5,406.00	50.5
01-000-4303	FRANCHISES - GAS, TV, ETC	68,000.00	0	51,989.44	76.5
01-000-4304	MISCELLANEOUS REVENUE	4,000.00	240.00	7,712.64	192.8
01-000-4306	PROJECT REIMBURSEMENT	2,169,000.00	0	53,022.26	2.4
01-000-4307	INSURANCE REIMBURSEMENTS	0.00	0	53,669.65	0.0
01-000-4315	PROCEEDS FROM FUND BALANCE	268,425.00	0	0	0.0
01-000-4317	SPECIAL REVENUE	666,000.00	0	0	0.0
01-000-4600	INTEREST INCOME	475,000.00	6,778.19	291,931.06	61.5
CORPORATE FUND Revenue Totals		9,559,765.00	225,481.08	5,756,218.43	
EXECUTIVE					
01-100-5000	SALARIES	22,200.00	1,850.00	16,650.00	75.0
01-100-5010	SOCIAL SECURITY	1,700.00	141.55	1,273.95	74.9
01-100-5012	WORKERS COMP	175.00	0	3.49	2.0
01-100-5050	LEGISLATIVE CONTINGENCIES	6,000.00	0	447.74	7.5
01-100-5104	INSURANCE - PUBLIC OFFICIALS	9,700.00	816.75	7,350.75	75.8
01-100-5150	TRAINING	2,800.00	0	2,100.74	75.0
01-100-5160	TRAVEL	5,700.00	83.72	972.76	17.1
01-100-5185	PROFESSIONAL FEES	30,000.00	218.00	22,997.00	76.7
100 Executive		78,275.00	3,110.02	51,796.43	
ADMINISTRATIVE					
01-110-5000	SALARIES	175,800.00	12,309.70	117,049.55	66.6
01-110-5001	SALARIES - BONUS	0.00	0	20,262.15	0.0
01-110-5010	SOCIAL SECURITY	13,400.00	927.78	10,348.24	77.2
01-110-5011	PENSION	21,100.00	0	20,347.00	96.4
01-110-5012	WORKERS COMP	600.00	0	11.95	2.0
01-110-5013	INSURANCE - HEALTH	34,600.00	249.62	4,572.49	13.2
01-110-5014	INSURANCE - HEALTH RETIREE	30,600.00	1,855.30	8,132.31	26.6
01-110-5015	CONTRIBUTION - 457	2,000.00	121.80	1,233.62	61.7
01-110-5030	EMPLOYEE WELLNESS	7,500.00	40.21	6,495.41	86.6
01-110-5050	RESERVE FOR CONTINGENCIES	10,000.00	1,900.00	6,669.00	66.7

**CITY OF FROSTBURG
MARCH 2026 BUDGET REPORT**

Account Id	Account Description	Budget	March 2026 Rev/Exp	YTD Rev/Expd	% of Budget Earned/Incurred
01-110-5102	INSURANCE - GEN LIAB	150.00	14.50	130.50	87.0
01-110-5105	INSURANCE - PROPERTY	12,000.00	779.00	7,011.00	58.4
01-110-5106	INSURANCE - AD&D AND LIFE	4,500.00	0	0	0.0
01-110-5111	CONTRIBUTIONS - TOURISM	120,000.00	0	64,959.00	54.1
01-110-5150	TRAINING	1,200.00	0	1,618.58	134.9
01-110-5160	TRAVEL	1,800.00	-20.28	4,054.30	225.2
01-110-5185	PROFESSIONAL FEES	1,100.00	2,083.00	2,607.13	237.0
01-110-5191	COMMUNICATIONS	12,000.00	427.91	8,618.91	71.8
01-110-5200	ADVERTISING	6,400.00	76.90	608.02	9.5
01-110-5205	LEGAL	42,500.00	2,127.50	15,380.00	36.2
01-110-5207	PENSION ADMINISTRATIVE FEE	7,800.00	0	0	0.0
01-110-5210	OFFICE SUPPLIES	11,000.00	1,169.45	10,968.03	99.7
01-110-5220	POSTAGE	28,000.00	307.32	21,940.04	78.4
01-110-5230	COMPUTER EXPENSE	14,000.00	2,297.50	11,297.62	80.7
01-110-5232	IT LICENSING AND FEES	40,500.00	2,614.57	27,569.84	68.1
01-110-5235	DIGITAL ENGAGEMENT	29,000.00	1,137.19	21,203.32	73.1
01-110-5301	ELECTION	12,000.00	0	0	0.0
01-110-5391	PRINCIPAL AND INTEREST ON DEBT SERVICE	154,700.00	0	48,086.80	31.1
01-110-5500	BUILDING - ARMORY	12,000.00	82,573.17	90,726.67	756.1
01-110-5502	BUILDING MAINTENANCE	26,000.00	12,187.41	26,450.86	101.7
01-110-5550	UTILITIES - BUILDING	18,712.51	2,035.46	14,593.65	78.0
01-110-5700	BANK FEES	300.00	0	119.06	39.7
01-110-5807	CAPITAL OUTLAY	2,270,000.00	0	5,801.89	0.3
110 Administrative		3,121,262.51	127,215.01	578,866.94	
FINANCE					
01-120-5000	SALARIES	82,000.00	6,125.92	53,651.92	65.4
01-120-5010	SOCIAL SECURITY	6,200.00	445.50	3,860.89	62.3
01-120-5011	PENSION	9,700.00	0	9,491.00	97.9
01-120-5012	WORKERS COMP	200.00	0	4.98	2.5
01-120-5013	INSURANCE - HEALTH	13,000.00	4,453.34	98,151.64	755.0
01-120-5015	CONTRIBUTION - 457	625.00	44.76	486.25	77.8
01-120-5102	INSURANCE - GEN LIAB	150.00	14.50	130.50	87.0
01-120-5105	INSURANCE - PROPERTY	4,500.00	292.10	2,628.90	58.4
01-120-5150	TRAINING	1,000.00	0	195.00	19.5
01-120-5160	TRAVEL	0.00	0	1,375.25	0.0
01-120-5185	PROFESSIONAL FEES	1,000.00	0	0	0.0
01-120-5310	AUDITING	85,000.00	18,425.00	36,850.00	43.4
01-120-5311	ACTUARIAL STUDY	6,500.00	0	0	0.0
01-120-5313	TAX COLLECTION	1,300.00	137.61	956.59	73.6
01-120-5810	RETSA OBLIGATION	16,000.00	0	29,647.80	185.3
120 Finance		227,175.00	29,938.73	237,430.72	
COMMUNITY DEV					
01-130-5000	SALARIES	128,500.00	8,908.80	82,488.01	64.2
01-130-5010	SOCIAL SECURITY	9,800.00	660.76	6,062.68	61.9
01-130-5011	PENSION	15,400.00	0	14,872.00	96.6
01-130-5012	WORKERS COMP	350.00	0	6.97	2.0
01-130-5013	INSURANCE - HEALTH	26,700.00	214.89	1,812.92	6.8
01-130-5015	CONTRIBUTION - 457	1,500.00	40.00	381.27	25.4
01-130-5102	INSURANCE - GEN LIAB	150.00	14.50	130.50	87.0
01-130-5105	INSURANCE - PROPERTY	4,500.00	389.46	3,505.14	77.9
01-130-5150	TRAINING	750.00	0	0	0.0
01-130-5160	TRAVEL	900.00	0	2.90	0.3
01-130-5185	PROFESSIONAL FEES	750.00	458.75	458.75	61.2
01-130-5320	ECONOMIC DEVELOPMENT	8,000.00	0	3,760.00	47.0
01-130-5322	PLANNING	15,000.00	0	106,649.00	711.0
01-130-5323	PUBLIC ART	2,000.00	0	199.78	10.0
01-130-5401	AUTO EXPENSE	0.00	0	106.25	0.0
01-130-5822	SPECIAL PROJECTS	20,000.00	0	13,144.25	65.7
130 Community Dev		234,300.00	10,687.16	233,580.42	
CODE ENFORCEMENT					
01-140-5000	SALARIES	81,000.00	6,640.00	54,240.19	67.0
01-140-5010	SOCIAL SECURITY	6,200.00	499.42	4,027.42	65.0
01-140-5011	PENSION	9,800.00	0	9,375.00	95.7
01-140-5012	WORKERS COMP	2,400.00	0	3.98	0.2
01-140-5013	INSURANCE - HEALTH	26,700.00	88.23	4,440.74	16.6
01-140-5015	CONTRIBUTION - 457	750.00	35.20	443.00	59.1
01-140-5100	INSURANCE - AUTO	850.00	65.24	587.14	69.1
01-140-5102	INSURANCE - GEN LIAB	150.00	14.50	130.50	87.0

**CITY OF FROSTBURG
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Account Id	Account Description	Budget	March 2026 Rev/Exp	YTD Rev/Expd	% of Budget Earned/Incurred
01-140-5105	INSURANCE - PROPERTY	4,500.00	292.10	2,628.90	58.4
01-140-5150	TRAINING	500.00	0	379.00	75.8
01-140-5160	TRAVEL	500.00	0	0	0.0
01-140-5185	PROFESSIONAL FEES	400.00	50.00	80.00	20.0
01-140-5231	SOFTWARE AND SUBSCRIPTIONS	13,700.00	1,125.00	6,750.00	49.3
01-140-5330	CODE ENFORCEMENT	5,000.00	255.00	1,872.30	37.5
01-140-5331	CONSTRUCTION INSPECT	20,000.00	375.00	14,075.00	70.4
01-140-5332	RENTAL INSPECTION	1,000.00	0	3,150.00	315.0
01-140-5401	AUTO EXPENSE	500.00	0	30.00	6.0
	140 Code Enforcement	173,950.00	9,439.69	102,213.17	
	PUBLIC WORKS ADMIN				
01-150-5000	SALARIES	82,500.00	7,009.84	64,171.10	77.8
01-150-5010	SOCIAL SECURITY	6,600.00	510.92	4,700.12	71.2
01-150-5011	PENSION	9,800.00	0	9,548.00	97.4
01-150-5012	WORKERS COMP	1,800.00	0	31.87	1.8
01-150-5013	INSURANCE - HEALTH	20,600.00	357.72	2,169.30	10.5
01-150-5015	CONTRIBUTION - 457	800.00	70.08	660.48	82.6
01-150-5100	INSURANCE - AUTO	850.00	64.96	584.64	68.8
01-150-5102	INSURANCE - GEN LIAB	150.00	14.50	130.50	87.0
01-150-5105	INSURANCE - PROPERTY	3,000.00	194.73	1,752.56	58.4
01-150-5150	TRAINING	1,750.00	0	957.16	54.7
01-150-5160	TRAVEL	1,000.00	-20.28	2,486.49	248.7
01-150-5185	PROFESSIONAL FEES	2,100.00	640.00	1,040.00	49.5
01-150-5193	ONE CALL CONCEPTS	2,200.00	42.70	772.26	35.1
01-150-5340	ENGINEERING EQUIPMENT	3,000.00	0	2,605.99	86.9
01-150-5341	MAPPING SUPPLIES	8,000.00	0	4,419.12	55.2
01-150-5342	PUBLIC WORKS	7,400.00	299.99	4,311.75	58.3
01-150-5400	GAS, OIL, GREASE	3,000.00	0	2,540.53	84.7
01-150-5420	FLEET LEASE	11,000.00	842.93	8,596.77	78.2
	150 Public Works Admin	165,550.00	10,028.09	111,478.64	
	PUBLIC SAFETY				
01-160-5000	SALARIES	1,152,300.00	80,318.71	887,388.49	77.0
01-160-5002	SALARIES - POLICE GRANTS	40,000.00	3,027.89	20,348.99	50.9
01-160-5003	COURT TIME	13,000.00	1,516.38	11,732.95	90.3
01-160-5010	SOCIAL SECURITY	91,000.00	6,219.99	67,666.01	74.4
01-160-5011	PENSION	347,000.00	0	249,722.00	72.0
01-160-5012	WORKERS COMP	72,000.00	0	1,434.06	2.0
01-160-5013	INSURANCE - HEALTH	259,700.00	31,758.12	160,433.23	61.8
01-160-5015	CONTRIBUTION - 457	7,500.00	601.98	5,767.68	76.9
01-160-5100	INSURANCE - AUTO	9,600.00	603.42	6,096.78	63.5
01-160-5102	INSURANCE - GEN LIAB	1,300.00	130.25	1,172.25	90.2
01-160-5103	INSURANCE - POLICE PROFESSIONAL	12,000.00	886.50	7,978.50	66.5
01-160-5105	INSURANCE - PROPERTY	6,900.00	445.38	3,904.42	56.6
01-160-5150	TRAINING	35,000.00	21.47	12,480.73	35.7
01-160-5170	UNIFORMS	13,000.00	1,108.53	9,811.37	75.5
01-160-5180	SAFETY EQUIPMENT	1,200.00	227.54	857.54	71.5
01-160-5181	LAW ENFORCEMENT EQUIPMENT	18,500.00	0	2,315.30	12.5
01-160-5191	COMMUNICATIONS	30,500.00	2,214.62	21,209.03	69.5
01-160-5206	C3I CLERICAL SUPPORT	6,000.00	0	0	0.0
01-160-5210	OFFICE SUPPLIES	5,000.00	214.65	2,998.31	60.0
01-160-5230	COMPUTER EXPENSE	8,500.00	150.00	10,704.98	125.9
01-160-5350	FSU MOU	10,000.00	0	20,000.00	200.0
01-160-5380	POLICE REFORM	31,000.00	0	0	0.0
01-160-5390	MISCELLANEOUS EXPENSE	4,000.00	132.11	5,489.28	137.2
01-160-5400	GAS, OIL, GREASE	30,000.00	1,902.23	15,679.35	52.3
01-160-5401	AUTO EXPENSE	18,000.00	301.98	16,921.97	94.0
01-160-5420	FLEET LEASE	61,000.00	5,064.20	44,282.89	72.6
01-160-5502	JAIL AND OFFICE MAINTENANCE	4,000.00	214.91	3,307.03	82.7
01-160-5550	UTILITIES - PUBLIC SAFETY	10,000.00	1,286.74	9,615.81	96.2
01-160-5851	FIRE DEPT APPROPRIATION	269,525.00	0	202,143.75	75.0
	160 Public Safety	2,567,525.00	138,347.60	1,801,462.70	
	PUBLIC WORKS - STREET				
01-170-5000	SALARIES	340,000.00	24,513.05	241,619.01	71.1
01-170-5010	SOCIAL SECURITY	26,000.00	1,794.83	17,686.79	68.0
01-170-5011	PENSION	40,800.00	0	39,351.00	96.5
01-170-5012	WORKERS COMP	18,000.00	0	398.35	2.2
01-170-5013	INSURANCE - HEALTH	99,300.00	541.35	3,943.35	4.0
01-170-5015	CONTRIBUTION - 457	1,500.00	97.44	972.40	64.8

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Account Id	Account Description	Budget	March 2026 Rev/Exp	YTD Rev/Expd	% of Budget Earned/Incurred
01-170-5018	UNEMPLOYMENT	200.00	0	0	0.0
01-170-5100	INSURANCE - AUTO	11,500.00	839.63	8,114.67	70.6
01-170-5102	INSURANCE - GEN LIAB	600.00	57.84	520.55	86.8
01-170-5105	INSURANCE - PROPERTY	12,900.00	836.25	7,558.22	58.6
01-170-5150	TRAINING	5,000.00	0	0	0.0
01-170-5170	UNIFORMS	8,000.00	0	3,438.71	43.0
01-170-5180	SAFETY EQUIPMENT	7,000.00	96.00	2,963.36	42.3
01-170-5191	COMMUNICATIONS	15,000.00	192.22	1,980.43	13.2
01-170-5210	OFFICE SUPPLIES	1,500.00	0	1,710.79	114.1
01-170-5400	GAS, OIL, GREASE	30,000.00	1,790.78	16,899.77	56.3
01-170-5420	FLEET LEASE	51,000.00	4,172.72	37,980.94	74.5
01-170-5550	UTILITIES - BUILDING	7,000.00	1,404.90	6,696.70	95.7
01-170-5710	LOADER RENTAL	0.00	0	73.45	0.0
01-170-5711	SALT & ABRASIVES	150,000.00	1,926.74	165,920.42	110.6
01-170-5712	SIGN MAINTENANCE	15,000.00	0	4,042.03	27.0
01-170-5713	STREET EQUIPMENT MAINTENANCE	120,000.00	16,517.49	92,242.56	76.9
01-170-5714	STREET LIGHTING	100,000.00	7,288.12	78,905.10	78.9
01-170-5715	STREET MAINTENANCE REPAIRS	136,000.00	3,815.15	37,483.43	27.6
01-170-5716	STREET SHOP EQUIPMENT	70,000.00	2,098.07	30,244.88	43.2
01-170-5717	STREET LIGHTING REPAIRS	48,500.00	0	37,536.00	77.4
01-170-5800	CAPITAL OUTLAY	596,000.00	0	230,929.77	38.8
01-170-5861	STREET PAVING	150,000.00	0	150,000.00	100.0
01-170-5865	PARKING LOT MAINTENANCE	42,500.00	0	7,350.00	17.3
170 Public Works - Street		2,103,300.00	67,982.58	1,226,562.68	
RECREATION					
01-180-5000	SALARIES	305,000.00	23,183.48	222,725.81	73.0
01-180-5010	SOCIAL SECURITY	23,200.00	1,696.03	16,287.68	70.2
01-180-5011	PENSION	33,100.00	0	35,300.00	106.7
01-180-5012	WORKERS COMP	16,100.00	0	362.50	2.3
01-180-5013	INSURANCE - HEALTH	91,700.00	1,247.95	12,376.04	13.5
01-180-5015	CONTRIBUTION - 457	1,750.00	119.12	1,008.59	57.6
01-180-5100	INSURANCE - AUTO	2,900.00	208.84	1,879.56	64.8
01-180-5102	INSURANCE - GEN LIAB	600.00	57.84	520.55	86.8
01-180-5105	INSURANCE - PROPERTY	17,600.00	1,150.12	10,266.08	58.3
01-180-5150	TRAINING	300.00	14.91	14.91	5.0
01-180-5160	TRAVEL	750.00	0	266.00	35.5
01-180-5170	UNIFORMS	5,000.00	970.67	4,132.08	82.6
01-180-5180	SAFETY EQUIPMENT	500.00	0	0	0.0
01-180-5400	GAS, OIL, GREASE	10,000.00	560.41	6,028.26	60.3
01-180-5420	FLEET LEASE	23,000.00	1,863.65	16,800.80	73.1
01-180-5503	ARMORY EXPENSE - GYM	9,000.00	1,404.90	6,696.76	74.4
01-180-5504	COMMUNITY CENTER	18,000.00	1,340.73	11,374.64	63.2
01-180-5510	CITY PLACE	13,000.00	2,226.33	12,387.79	95.3
01-180-5520	CHILDCARE CENTER	0.00	1,268.93	1,268.93	0.0
01-180-5550	UTILITIES	9,000.00	326.13	2,839.74	31.6
01-180-5720	BEAUTIFY THE BURG EXPENSE	1,500.00	0	0	0.0
01-180-5721	REC EQUIPMENT MAINTENANCE	13,000.00	560.44	5,034.83	38.7
01-180-5722	REC LEAGUE APPROPRIATIONS	5,000.00	0	0	0.0
01-180-5723	REC PARK MAINTENANCE EXPENSE	58,000.00	1,805.79	29,575.77	51.0
01-180-5724	STREET TREE MAINTENANCE	7,500.00	0	3,750.00	50.0
01-180-5725	TRAILHEAD MAINTENANCE EXPENSE	2,000.00	0	0	0.0
01-180-5726	RECREATIONAL PROGRAMS	11,500.00	1,115.81	7,795.38	67.8
01-180-5772	TRASH REMOVAL	12,000.00	0	5,721.81	47.7
01-180-5800	CAPITAL OUTLAY	55,000.00	1,367.31	17,379.31	31.6
180 Recreation		746,000.00	42,489.39	431,793.82	
RECREATION-POOL					
01-181-5000	SALARIES	72,000.00	0	47,019.46	65.3
01-181-5010	SOCIAL SECURITY	5,500.00	0	3,596.96	65.4
01-181-5012	WORKERS COMP	3,800.00	0	91.62	2.4
01-181-5018	UNEMPLOYMENT	200.00	0	0	0.0
01-181-5507	POOL OPERATING	39,000.00	2,649.35	23,785.90	61.0
181 Recreation-Pool		120,500.00	2,649.35	74,493.94	
RECREATION - DAY CAMP					
01-182-5000	SALARIES	24,000.00	0	14,079.95	58.7
01-182-5010	SOCIAL SECURITY	1,850.00	0	1,077.11	58.2
01-182-5012	WORKERS COMP	1,300.00	0	29.88	2.3
01-182-5018	UNEMPLOYMENT	200.00	0	0	0.0
01-182-5507	DAY CAMP OPERATIONS	800.00	0	764.15	95.5

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Account Id	Account Description	Budget	March 2026 Rev/Exp	YTD Rev/Expd	% of Budget Earned/Incurred
182 Recreation - Day Camp		28,150.00	0.00	15,951.09	
01-183-0000	RECREATION - SEASONAL	0	0	0	0.0
01-183-5012	WORKERS COMP	0.00	0	11.95	0.0
183 Recreation - Seasonal		0.00	0.00	11.95	
CORPORATE FUND Expenditure Totals		9,565,987.51	441,887.62	4,865,642.50	
02-000-4000	WATER SERVICE REVENUE	1,623,750.00	128,135.48	1,148,225.24	70.7
02-000-4001	INTEREST EARNED - WATER	3,600.00	168.98	1,171.16	32.5
02-000-4015	SERVLINE FEES BILLED	0.00	3,476.44	31,228.94	0.0
02-000-4315	PROCEEDS FROM FUND BALANCE	180,000.00	0	0	0.0
02-000-4317	SPECIAL REVENUE	0.00	0	0	0.0
02-000-4401	SALE OF BULK WATER	0.00	0	100.00	0.0
02-000-4402	SALE OF METERS	5,000.00	500.00	6,175.00	123.5
02-000-4403	TAPPING FEES	5,600.00	0	6,300.00	112.5
02-000-4404	SUNDRY SALES	2,500.00	2,594.00	8,992.00	359.7
02-000-4408	SUNDRY SALES - CASH BASIS	0.00	350.00	600.00	0.0
02-000-4600	INTEREST INCOME	24,000.00	9,695.26	33,633.56	140.1
WATER FUND Revenue Totals		1,844,450.00	144,920.16	1,236,425.90	
WATER - ADMIN					
02-190-5000	SALARIES	73,000.00	5,620.40	55,032.60	75.4
02-190-5010	SOCIAL SECURITY	5,500.00	402.04	4,036.59	73.4
02-190-5011	PENSION	8,700.00	0	8,449.00	97.1
02-190-5012	WORKERS COMP	1,300.00	0	4.48	0.3
02-190-5013	INSURANCE - HEALTH	15,300.00	-276.00	618.27	4.0
02-190-5015	CONTRIBUTION - 457	850.00	56.22	542.28	63.8
02-190-5313	COLLECTION EXPENSE	2,200.00	137.61	956.59	43.5
02-190-5320	SERVLINE FEES REMITTED	0.00	10,419.30	27,761.00	0.0
02-190-5370	FMHA BOND	900.00	0	0	0.0
02-190-5600	CORPORATE OVERHEAD	126,300.00	10,525.00	94,725.00	75.0
190 Water - Admin		234,050.00	26,884.57	192,125.81	
WATER - FILTRATION					
02-192-5102	INSURANCE - GEN LIAB	1,400.00	144.67	1,302.03	93.0
02-192-5105	INSURANCE - PROPERTY	25,400.00	2,740.78	24,008.18	94.5
02-192-5106	INSURANCE - BOILER & MACHINERY	10,800.00	0	658.83	6.1
02-192-5521	PUMPING SYSTEM EXPENSE	95,000.00	15,087.84	66,733.32	70.3
02-192-5522	PURIFICATION PLANT MAINTENANCE	50,000.00	11,716.00	12,380.33	24.8
02-192-5710	FILTRATION CONTRACT PAYMENT	620,000.00	78,761.79	378,090.17	61.0
192 Water - Filtration		802,600.00	108,451.08	483,172.86	
WATER - SUPPLY					
02-194-5000	SALARIES	34,500.00	2,676.80	25,337.76	73.4
02-194-5010	SOCIAL SECURITY	2,600.00	204.78	1,938.38	74.6
02-194-5011	PENSION	4,100.00	0	3,993.00	97.4
02-194-5012	WORKERS COMP	1,700.00	0	45.81	2.7
02-194-5015	CONTRIBUTION - 457	100.00	0	0	0.0
02-194-5506	HYDRO FACILITY EXPENSE	5,000.00	0	150.00	3.0
02-194-5550	UTILITIES / WATER SUPPLY	5,000.00	466.74	4,803.59	96.1
02-194-5730	WATER SUPPLY EXPENSE	50,000.00	545.92	7,301.98	14.6
194 Water - Supply		103,000.00	3,894.24	43,570.52	
WATER - DISTRIBUTION					
02-196-5000	SALARIES	273,000.00	17,237.60	225,290.24	82.5
02-196-5010	SOCIAL SECURITY	20,800.00	1,243.70	16,517.00	79.4
02-196-5011	PENSION	27,000.00	0	31,597.00	117.0
02-196-5012	WORKERS COMP	13,300.00	0	350.55	2.6
02-196-5013	INSURANCE - HEALTH	76,400.00	1,159.32	10,377.60	13.6
02-196-5015	CONTRIBUTION - 457	1,000.00	56.18	356.11	35.6
02-196-5100	INSURANCE - AUTO	4,600.00	349.82	3,148.38	68.4
02-196-5102	INSURANCE - GEN LIAB	1,400.00	144.67	1,302.03	93.0
02-196-5105	INSURANCE - PROPERTY	6,400.00	0	0	0.0
02-196-5150	TRAINING	2,000.00	0	0	0.0
02-196-5170	UNIFORMS	4,067.33	249.89	2,502.01	61.5
02-196-5180	SAFETY EQUIPMENT	6,600.00	96.00	1,499.75	22.7
02-196-5191	COMMUNICATIONS	13,000.00	1,153.94	8,668.70	66.7
02-196-5210	OFFICE SUPPLIES	1,000.00	108.55	1,673.45	167.4
02-196-5390	MISCELLANEOUS EXPENSE	1,000.00	0	261.22	26.1
02-196-5400	GAS, OIL, GREASE	17,000.00	561.09	7,821.62	46.0
02-196-5420	FLEET LEASE	33,000.00	2,560.71	23,409.10	70.9

**CITY OF FROSTBURG
MARCH 2026 BUDGET REPORT**

Account Id	Account Description	Budget	March 2026 Rev/Exp	YTD Rev/Expd	% of Budget Earned/Incurred
02-196-5505	CRESTVIEW PUMPING STATION EXPENSE	12,500.00	565.32	20,016.14	160.1
02-196-5550	UTILITIES - WATER DISTRIBUTION	5,000.00	688.89	4,293.44	85.9
02-196-5700	DISTRIBUTION EXPENSE	61,800.00	2,817.89	45,883.92	74.3
02-196-5701	DISTRIBUTION PIPE EXPENSE	11,000.00	0	2,459.50	22.4
02-196-5702	EQUIPMENT MAINTENANCE	8,000.00	110.72	10,212.84	127.7
02-196-5703	FIRE HYDRANTS EXPENSE	5,000.00	0	1,680.02	33.6
02-196-5704	TRANSMISSION MAINS EXPENSE	80,000.00	0	47,220.11	59.0
02-196-5740	METERS EXPENSE	20,000.00	358.33	22,434.86	112.2
	196 Water - Distribution	704,867.33	29,462.62	488,975.59	
	WATER FUND Expenditure Totals	1,844,517.33	168,692.51	1,207,844.78	
03-000-4000	SEWER CHARGES	1,799,000.00	148,331.87	1,328,358.16	73.8
03-000-4001	INTEREST EARNED - SEWER	4,275.00	326.48	2,396.99	56.1
03-000-4404	SUNDRY SALES	1,500.00	0	2,168.28	144.6
03-000-4501	BAY RESTORATION FUND REVENUE	0.00	14,969.30	139,563.70	0.0
03-000-4503	SEWER TAP FEES	5,500.00	0	7,000.00	127.3
03-000-4600	INTEREST INCOME	44,000.00	8,613.40	30,238.78	68.7
	Sewer Operations Total	1,854,275.00	172,241.05	1,509,725.91	
03-220-4317	SPECIAL REVENUE	150,000.00	0	0	0.0
03-220-4520	CSO SURCHARGE REVENUE	401,000.00	33,573.53	314,199.93	78.4
03-220-4521	INTEREST EARNED - CSO SURCHARGE	1,800.00	158.55	1,342.88	74.6
03-220-4530	PROJECT REIMBURSEMENTS	1,489,000.00	0	620,462.49	41.7
03-220-4540	PROCEEDS OF DEBT	952,000.00	0	0	0.0
	CSO Total	2,993,800.00	33,732.08	936,005.30	
	SEWER FUND Revenue Totals	4,848,075.00	205,973.13	2,445,731.21	
	SEWER - ADMIN				
03-210-5000	SALARIES	73,000.00	5,620.40	55,032.60	75.4
03-210-5010	SOCIAL SECURITY	5,500.00	402.04	3,951.96	71.9
03-210-5011	PENSION	8,700.00	0	8,449.00	97.1
03-210-5012	WORKERS COMP	1,300.00	0	4.48	0.3
03-210-5013	INSURANCE - HEALTH	15,300.00	-276.00	518.27	3.4
03-210-5015	CONTRIBUTION - 457	850.00	56.22	542.28	63.8
03-210-5313	COLLECTION EXPENSE	2,700.00	137.61	956.59	35.4
	210 Sewer - Admin	107,350.00	5,940.27	69,455.18	
	SEWER - OPERATING				
03-211-5000	SALARIES	202,000.00	16,889.96	202,151.61	100.1
03-211-5010	SOCIAL SECURITY	15,300.00	1,211.25	14,618.77	95.6
03-211-5011	PENSION	28,400.00	0	28,215.00	99.4
03-211-5012	WORKERS COMP	11,000.00	0	219.09	2.0
03-211-5013	INSURANCE - HEALTH	53,500.00	413.43	8,306.58	15.5
03-211-5015	CONTRIBUTION - 457	1,800.00	110.96	1,175.58	65.3
03-211-5100	INSURANCE - AUTO	1,700.00	129.93	1,169.37	68.8
03-211-5102	INSURANCE - GEN LIAB	750.00	72.33	650.98	86.8
03-211-5105	INSURANCE - PROPERTY	9,000.00	580.53	5,224.77	58.1
03-211-5150	TRAINING	1,000.00	0	79.85	8.0
03-211-5170	UNIFORMS	3,000.00	0	1,117.92	37.3
03-211-5180	SAFETY EQUIPMENT	1,000.00	0	1,085.57	108.6
03-211-5191	COMMUNICATIONS	2,400.00	76.19	1,299.53	54.2
03-211-5396	BAY RESTORATION FUND EXPENSE	0.00	0	76,495.62	0.0
03-211-5400	GAS, OIL, GREASE	10,000.00	1,161.96	7,424.93	74.3
03-211-5420	FLEET LEASE	21,000.00	1,701.50	15,339.02	73.0
03-211-5520	PUMPING STATION MAINTENANCE	6,000.00	0	1,295.00	21.6
03-211-5600	CORPORATE OVERHEAD	242,300.00	20,192.00	181,728.00	75.0
03-211-5761	SANITARY COMMISSION CHARGES	1,216,000.00	248,036.67	678,162.20	55.8
03-211-5762	SANITARY COMM-TRANSMISSION PROJECTS	11,800.00	0	8,787.15	74.5
03-211-5763	SEWER OPERATING EXPENSE	50,000.00	543.91	29,440.73	58.9
03-211-5764	SEWER PUMPING EXPENSE	9,000.00	327.28	6,977.60	77.5
03-211-5800	CAPITAL OUTLAY - SEWER PROJECTS	50,000.00	0	2,459.50	4.9
	211 Sewer - Operating	1,946,950.00	291,447.90	1,273,424.37	
	CSO				
03-220-5391	INTEREST EXPENSE	3,025.00	0	8,724.10	288.4
03-220-5392	DEBT REDEMPTION	23,750.00	0	0	0.0
03-220-5800	CAPITAL OUTLAY	2,767,000.00	0	0	0.0
	220 CSO	2,793,775.00	0.00	8,724.10	
	SEWER FUND Expenditure Totals	4,848,075.00	297,388.17	1,351,603.65	
04-000-4000	WATER TAP SURCHARGE	652,000.00	55,882.56	583,739.54	89.5
04-000-4001	INTEREST EARNED SURCHARGE	3,000.00	219.00	1,775.57	59.2

**CITY OF FROSTBURG
MARCH 2026 BUDGET REPORT**

Account Id	Account Description	Budget	March 2026 Rev/Exp	YTD Rev/Expd	% of Budget Earned/Incurred
04-000-4315	PROCEEDS FROM FUND BALANCE	120,000.00	0	0	0.0
04-000-4600	INTEREST INCOME	40,000.00	15,010.12	42,406.16	106.0
PINEY SURCHARGE FUND Revenue Totals		815,000.00	71,111.68	627,921.27	
WATER SURCHARGE					
04-200-5313	COLLECTION EXPENSE	2,200.00	110.09	765.26	34.8
04-200-5391	INTEREST EXPENSE	42,425.00	3,996.84	26,899.60	63.4
04-200-5392	DEBT REDEMPTION	421,675.00	0	0	0.0
04-200-5800	CAPITAL OUTLAY	172,000.00	0	0	0.0
04-200-5802	CAPITAL REPAIRS	45,000.00	5,136.17	76,387.32	169.8
PINEY SURCHARGE FUND Expenditure Totals		683,300.00	9,243.10	104,052.18	
05-000-4000	TRASH & GARBAGE CHARGES	534,600.00	44,982.49	412,441.41	77.2
05-000-4001	INTEREST EARNED - TRASH	3,000.00	303.87	2,471.74	82.4
05-000-4404	SUNDRY SALES	1,950.00	525.00	2,175.00	111.5
05-000-4600	INTEREST INCOME	3,500.00	1,697.35	4,023.43	115.0
GARBAGE FUND Revenue Totals		543,050.00	47,508.71	421,111.58	
GARBAGE ADMIN.					
05-230-5000	SALARIES	55,000.00	4,215.44	43,283.19	78.7
05-230-5010	SOCIAL SECURITY	4,100.00	302.12	3,111.98	75.9
05-230-5011	PENSION	6,400.00	0	6,366.00	99.5
05-230-5012	WORKERS COMP	800.00	0	4.48	0.6
05-230-5013	INSURANCE - HEALTH	12,200.00	-212.66	403.18	3.3
05-230-5015	CONTRIBUTION - 457	850.00	42.16	424.67	50.0
05-230-5313	COLLECTION EXPENSE	750.00	27.52	191.32	25.5
230 Garbage Admin.		80,100.00	4,374.58	53,784.82	
GARBAGE OPERATING					
05-232-5000	SALARIES	91,000.00	7,068.34	61,044.79	67.1
05-232-5010	SOCIAL SECURITY	6,900.00	531.71	4,561.03	66.1
05-232-5011	PENSION	10,900.00	0	10,532.00	96.6
05-232-5012	WORKERS COMP	4,400.00	0	119.51	2.7
05-232-5013	INSURANCE - HEALTH	34,400.00	391.89	1,052.03	3.1
05-232-5015	CONTRIBUTION - 457	750.00	25.14	87.99	11.7
05-232-5100	INSURANCE - AUTO	2,600.00	196.24	1,766.16	67.9
05-232-5102	INSURANCE - GEN LIAB	400.00	43.08	387.73	96.9
05-232-5105	INSURANCE - PROPERTY	5,900.00	382.68	3,444.12	58.4
05-232-5170	UNIFORMS	3,000.00	0	906.77	30.2
05-232-5180	SAFETY EQUIPMENT	1,000.00	0	542.46	54.3
05-232-5210	OFFICE SUPPLIES	1,000.00	108.56	897.12	89.7
05-232-5400	GAS, OIL, GREASE	14,000.00	839.57	8,293.94	59.2
05-232-5600	CORPORATE OVERHEAD	24,500.00	2,042.00	18,378.00	75.0
05-232-5770	ASH DUMPSTER	8,500.00	0	0	0.0
05-232-5771	BULK CLEANUP EXPENSE	10,000.00	0	0	0.0
05-232-5772	LANDFILL CHARGES	130,000.00	11,436.90	98,886.07	76.1
05-232-5773	SANITATION OPERATING EXPENSE	60,000.00	6,445.35	16,070.57	26.8
05-232-5774	YARD WASTE COMPOSTING	1,500.00	0	0	0.0
232 Garbage Operating		410,750.00	29,511.46	226,970.29	
GARBAGE FUND Expenditure Totals		490,850.00	33,886.04	280,755.11	
07-000-4600	INTEREST INCOME	0.00	2.96	24.93	0.0
COMM DEVELOPMENT SPECIAL PROJECTS FUND		0.00	2.96	24.93	
08-000-4600	INTEREST INCOME	0.00	3.34	29.01	0.0
08-000-4800	OPIOID SETTLEMENT RECEIPTS	0.00	0	4,063.24	0.0
OPIOID SETTLEMENT FUND Revenue Totals		0.00	3.34	4,092.25	

**CITY OF FROSTBURG
MONTHLY REPORT - TAXES
FOR THE MONTH ENDING MARCH 31, 2026**

Tax Type - Year	Principal Receivable at 02/28/26	Billings	Receipts		Abatements/ Adjustments	Principal Receivable at 03/31/26
			Principal	Interest		
Real Estate - 20/21	\$ 237.32	\$ -	\$ -	\$ -	\$ -	\$ 237.32
Real Estate - 21/22	244.30	-	-	-	-	244.30
Real Estate - 22/23	244.30	-	-	-	-	244.30
Real Estate - 23/24	26,544.95	-	3,514.19	1,431.29	-	23,030.76
Real Estate - 24/25	90,941.29	-	3,095.34	812.55	-	87,845.95
Real Estate - 25/26	329,873.93	-	24,436.62	1,369.79	-	305,437.31
Real Estate - overpayments	(5,096.95)	-	0.01	-	-	(5,096.96)
Real Estate Total	<u>\$ 442,989.14</u>	<u>\$ -</u>	<u>\$ 31,046.16</u>	<u>\$ 3,613.63</u>	<u>\$ -</u>	<u>\$ 411,942.98</u>
Personal Prop - 23/24	\$ 1,402.28	\$ -	\$ -	\$ -	\$ -	\$ 1,402.28
Personal Prop - 24/25	1,651.05	-	-	-	-	1,651.05
Personal Prop - 25/26	642.30	-	-	-	-	642.30
Personal Property	<u>\$ 3,695.63</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,695.63</u>
Public Utility - 25/26	<u>\$ 110,242.80</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,242.80</u>
Corporation - 21/22	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporation - 22/23	3,489.06	-	-	-	-	3,489.06
Corporation - 23/24	7,933.80	-	-	-	-	7,933.80
Corporation - 24/25	9,883.42	-	-	-	-	9,883.42
Corporation - 25/26	28,935.03	-	10,800.75	746.98	-	18,134.28
Corporation - overpayments	(1.76)	-	-	-	-	(1.76)
Corporation Total	<u>\$ 50,239.55</u>	<u>\$ -</u>	<u>\$ 10,800.75</u>	<u>\$ 746.98</u>	<u>\$ -</u>	<u>\$ 39,438.80</u>
Total	<u><u>\$ 607,167.12</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 41,846.91</u></u>	<u><u>\$ 4,360.61</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 565,320.21</u></u>

CITY OF FROSTBURG, MARYLAND

**Single Audit Together with
Reports of Independent Public Accountants**

For the Year Ended June 30, 2025

CITY OF FROSTBURG, MARYLAND

**Single Audit Together with
Reports of Independent Public Accountants**

JUNE 30, 2025

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE FINANCIAL STATEMENTS

Mayor and City Council
City of Frostburg, Maryland

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Frostburg, Maryland (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the City, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the City 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

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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, the schedule of revenues, expenditures, and changes in fund balance- budget and actual- general fund, the schedule of proportionate share of the net pension liability of the Maryland State Retirement and Pension System, schedule of contributions to the Maryland State Retirement and Pension System, and the schedule of changes in total OPEB liability and related ratios 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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 14, 2026, on our consideration of the City'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 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 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 the City's internal control over financial reporting and compliance.

Owings Mills, Maryland
April 14, 2026





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

Mayor and City Council
City of Frostburg, Maryland

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Frostburg, Maryland (the City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 14, 2026.

Report on Internal Controls over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal controls over financial reporting (internal controls) as a basis for designing procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal controls. Accordingly, we do not express an opinion on the effectiveness of the City's internal controls.

A deficiency in internal controls 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 controls, such that there is a reasonable possibility that a material misstatement of the City'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 controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



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Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 controls and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal controls 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 controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Owings Mills, Maryland
April 14, 2026

SBC + Company, LLC



REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROLS OVER COMPLIANCE IN ACCORDANCE WITH THE UNIFORM GUIDANCE

Mayor and City Council
City of Frostburg, Maryland

Opinion on Each Major Federal Program

We have audited the City of Frostburg, Maryland's (the City's) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended June 30, 2025. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2025.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The City's management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal controls over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal controls over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal controls over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal controls over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal controls over compliance that we identified during the audit.

Report on Internal Controls Over Compliance

A deficiency in internal controls over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal controls over compliance* is a deficiency, or a combination of deficiencies, in internal controls over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal controls over compliance* is a deficiency, or a

combination of deficiencies, in internal controls over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal controls over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal controls over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal controls over compliance that might be material weaknesses or significant deficiencies in internal controls over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal controls over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal controls over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal controls over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal controls over compliance is solely to describe the scope of our testing of internal controls over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Owings Mills, Maryland
April 14, 2026



CITY OF FROSTBURG, MARYLAND

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2025**

PROGRAM NAME	FEDERAL ASSISTANCE LISTING NUMBER	GRANTOR OR PASS-THROUGH IDENTIFYING NUMBER	ORIGINAL GRANT	TOTAL FEDERAL EXPENDITURES	PASSED THROUGH TO SUBRECIPIENTS
UNITED STATES DEPARTMENT OF AGRICULTURE					
Community Facilities Loans and Grants	10.766	N/A	\$ 531,718	\$ 162,545	\$ -
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
PASSED THROUGH MD DEPT OF HOUSING AND COMMUNITY DEVELOPMENT					
Community Development Block Grant	14.228	MD-25-CD-26	780,000	155,129	-
DEPARTMENT OF INTERIOR					
PASSED THROUGH MD DEPT OF ENVIRONMENT					
Abandoned Mine Land Reclamation	15.252	U00P4600864	150,000	140,327	-
DEPARTMENT OF INTERIOR					
PASSED THROUGH APPALACHIAN FOREST NATIONAL HERITAGE AREA					
NPS Conservation, Protection, Outreach, and Education	15.954	Unknown	16,250	1,925	-
DEPARTMENT OF TRANSPORTATION					
PASSED THROUGH MD DEPT OF TRANSPORTATION					
State and Community Highway Safety	20.600	2024-197	800	168	-
State and Community Highway Safety	20.600	2025-086	1,000	798	-
State and Community Highway Safety	20.600	2025-087	1,000	396	-
State and Community Highway Safety	20.600	2025-088	800	398	-
Total Highway Safety Cluster			<u>3,600</u>	<u>1,760</u>	-
Total Department of Transportation			<u>3,600</u>	<u>1,760</u>	-
DEPARTMENT OF THE TREASURY					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	N/A	8,379,632	2,452,609	-
APPALACHIAN REGIONAL COMMISSION					
PASSED THROUGH STATE HIGHWAY ADMINISTRATION					
Appalachian Development Highway System	23.003	MD-19820-201-20	<u>1,500,000</u>	<u>54,521</u>	-
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 11,361,200</u>	<u>\$ 2,968,816</u>	<u>\$ -</u>

CITY OF FROSTBURG, MARYLAND

Notes to the Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All federal grant operations of the City of Frostburg (the City) are included in the scope of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Single Audit). The Single Audit was performed in accordance with the provisions of the Office of Management and Budget (OMB) Compliance Supplement (the Compliance Supplement). Compliance testing of all requirements, as described in the Compliance Supplement, was performed for the major grant program noted below. The programs on the Schedule of Expenditures of Federal Awards (the Schedule) represent all federal award programs and other grants with fiscal year 2025 cash or non-cash expenditure activities. For our single audit testing, we tested the federal award program below with fiscal year 2025 cash and non-cash expenditures to ensure coverage of at least 40% of federally granted funds. Our actual coverage was 83%.

Expenditures are recognized following the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (the Uniform Guidance), wherein certain types of expenditures are not allowable or are limited as to reimbursement. The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

<u>Major Program</u>	<u>Federal Assistance Listing Number</u>	<u>Federal Expenditures</u>
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	<u>\$ 2,452,609</u>

2. BASIS OF PRESENTATION

The accompanying Schedule includes the federal award activity of the City under programs of the federal government for the year ended June 30, 2025, and is reported on the accrual basis of accounting. The information in the Schedule is presented in accordance with Uniform Guidance. Because the Schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the City.

3. REVENUE RECONCILIATION

Revenues recognized from federal sources per the Schedule are included in four different funds in the City's financial statements. Federal grant revenues of \$2,604,620 are included in grant income – federal within the general fund column on the statement of revenues, expenditures and changes in fund balances – governmental funds. Federal grant revenues included in project reimbursements on the statement of revenues, expenditures, and changes in fund balances – proprietary funds are as follows: \$82,845 in the water fund and \$281,351 in the sewer fund.

CITY OF FROSTBURG, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025**

Section I - Summary of Independent Public Accountants' Results

Financial Statements

Type of Independent Public Accountants' report issued	Unmodified
Internal controls over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Noncompliance material to the financial statements noted?	No

Federal Awards

Type of Independent Public Accountants' report issued on compliance for major Federal program:	Unmodified
Internal controls over major Federal program:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified?	None Reported
Audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	No

Identification of Major Program:

Major Program	Federal Assistance Listing Number	Federal Expenditures
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	21.027	\$ 2,452,609
Threshold for distinguishing between Type A and B programs		\$ 750,000
Did the City qualify as a low risk auditee?		No

CITY OF FROSTBURG, MARYLAND

**Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2025**

Section II – Financial Statement Findings

None noted.

Section III – Federal Award Findings

None noted.

CITY OF FROSTBURG, MARYLAND

**Schedule of Prior Year Audit Findings and Questioned Costs
For the Year Ended June 30, 2025**

Internal Control and Compliance Finding

Significant Deficiency

2024-001 Inaccurate Reimbursement Request

Condition:

During our testing of grant revenue for Program Open Space funding, we noted certain expenses included on the reimbursement request that should not have been and others that were not on the reimbursement request that should have been. The reimbursement request used was the same form that was used for another Program Open Space project reimbursement request. All amounts were not removed so the request mistakenly included the amount of salary and wage costs that were incurred on another Program Open Space project. The total expenses on the reimbursement request did not agree to the individual expenses listed on the request. The reimbursement request also did not include some of the other expenses that were eligible for reimbursement. The City was going to include these expenses on the final reimbursement request when the project was completed. The net effect of the errors was an understatement of \$247.

2025 status:

Finding has been corrected for the 2025 fiscal year.

CITY OF FROSTBURG, MARYLAND
FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025

CITY OF FROSTBURG, MARYLAND

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CITY OF FROSTBURG, MARYLAND

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS

Mayor and City Council
City of Frostburg, Maryland

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, and each major fund of the City of Frostburg, Maryland (the City), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and each major fund of the City, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 City 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

The City's 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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 GAAS 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 controls. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, 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 controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City'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, the schedule of revenues, expenditures, and changes in fund balance- budget and actual- general fund, the schedule of proportionate share of the net pension liability of the Maryland State Retirement and Pension System, schedule of contributions to the Maryland State Retirement and Pension System, and the schedule of changes in total OPEB liability and related ratios 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



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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.

Owings Mills, Maryland
April 14, 2026

SB + Company, LLC

Management Discussion and Analysis City of Frostburg

City of Frostburg Management's Discussion and Analysis

The following discussion and analysis provide an overview of the financial activities of the City of Frostburg for the fiscal year ended June 30, 2025. This information is designed to focus on the current year activities, resulting changes, and currently known facts. The discussion and analysis should be read in conjunction with the financial statements which follow this narrative.

Financial Highlights

- The assets of the City of Frostburg exceeded its liabilities at the close of the fiscal year by \$51,865,524.
- The government's total net position increased by \$1,668,344. This increase is partially attributed to operating and capital grant revenues to support governmental and business-type activities. The American Rescue Plan Act continued to provide a significant source of funding for governmental and business-type activities. Interest earnings continued to be favorable.
- As of the close of the current fiscal year, the governmental funds of the City of Frostburg reported combined ending fund balances of \$7,885,355 which is an increase of \$142,245 compared with the prior year. Approximately 98 percent of the total fund balance, or \$7,755,327, is available for spending at the government's discretion.
- At the end of the current fiscal year, unrestricted fund balance for the General Fund was \$7,755,327 or approximately 88 percent of total general fund expenditures for the fiscal year.
- The long-term leases, subscriptions, bonds, and notes payable of the City of Frostburg decreased by \$623,971 during the current fiscal year. The portion of the outstanding liability that will be due within one year is \$689,772.

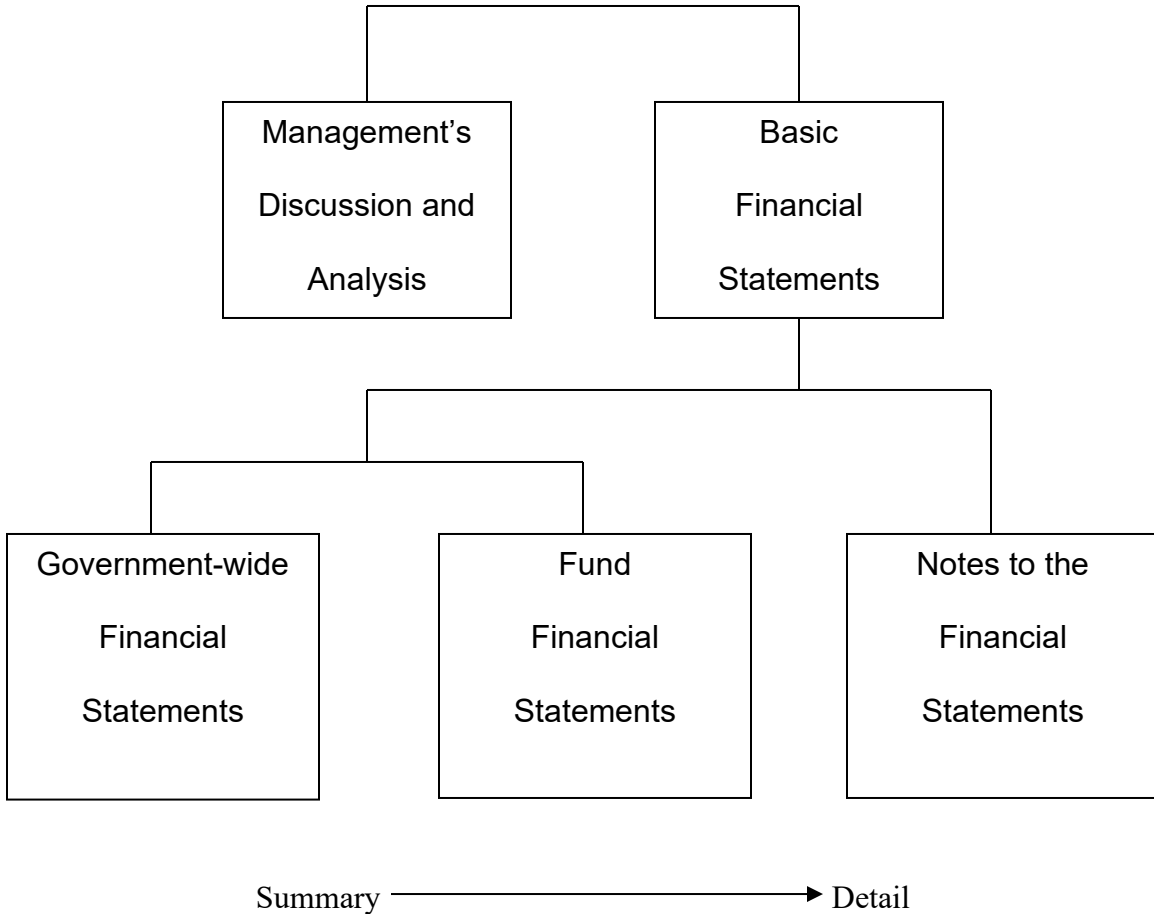
Overview of the Financial Statements

This discussion and analysis introduce the basic financial statements of the City of Frostburg. The basic financial statements consist of three components; 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). The basic financial statements present two different views of the city using government-wide statements and fund financial statements. In addition to the basic financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the City of Frostburg.

**Management Discussion and Analysis
City of Frostburg**

Required Components of Annual Financial Report

Figure 1



Basic Financial Statements

The first two statements (pages 16 - 17) in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the financial status of the City of Frostburg.

The **Fund Financial Statements** (pages 18 - 24) focus on the activities of the individual parts of the city government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental fund statements; 2) the budgetary comparison statements; and 3) the proprietary fund statements.

The next section of the basic financial statements is the **Notes to the Financial Statements** (pages 25 – 50). The notes explain, in detail, some of the data contained in the financial statements. After the notes, supplemental information is provided to show details about

Management Discussion and Analysis

City of Frostburg

the city's individual funds. Budgetary information, required by the General Statutes, is also included in this section of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide the reader with a broad overview of the city finances in a similar format to a financial statement of a private-sector business. The government-wide statements provide short and long-term information about the city's financial status.

The two government-wide statements report the city's net position and how they have changed. Net position is the difference between the city's total assets, deferred outflows of resources, total liabilities, and deferred inflows of resources. Measuring net position is one way to gauge the city's financial condition.

The government-wide statements are divided into two categories: governmental activities and business-type activities. The governmental activities include most of the city's basic services such as public safety, street maintenance, parks and recreation, and general administration. Taxes and state and federal grant funds finance most of these activities. The business-type activities of the city are financed by user fees and include water, sewer and refuse service.

The government-wide financial statements are on pages 16 and 17 of this report.

Fund Financial Statements

The fund financial statements provide a more detailed look at the city's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Frostburg, like all other governmental entities in Maryland, uses fund accounting to ensure and reflect compliance or non-compliance with finance-related legal requirements such as the General Statutes or the city's budget ordinance. All the funds of the City of Frostburg can be divided into two categories: governmental funds and proprietary funds.

Governmental Funds – Governmental funds are used to account for functions which are reported as governmental activities in the government-wide financial statements. Most of the city's basic services are accounted for in governmental funds. These funds focus on how readily assets can be converted into cash and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using modified accrual accounting that provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view to determine if there are more, or less, financial resources available to finance the city's programs. The relationship between governmental activities, reported in the Statement of Net Position and the Statement of Activities, and governmental funds is described in a reconciliation that is a part of the fund financial statements.

Management Discussion and Analysis

City of Frostburg

The City of Frostburg adopts an annual budget for its General Fund, as required by the charter. The budget is a legally adopted document that incorporates input from the citizens of the city, the management of the city, and the decisions of the Mayor and Council about which services to provide and how to pay for them. The budget also authorizes the city to obtain funds from identified sources to finance current period activities. The budgetary statement for the General Fund demonstrates how well the city complied with the budget ordinance and whether the city succeeded in providing the services as planned when the budget was adopted. The budgetary comparison statement uses the budgetary basis of accounting and is presented using the same format, language, and classifications as the legal budget document. The statement shows four columns: 1) the original budget as adopted by the Mayor and Council; 2) the final budget as amended by the Mayor and Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the variance between the final budget and the actual resources and charges. A reconciliation is presented at the end of the budgetary statement to account for the difference between the budgetary basis of accounting and the modified accrual basis.

Proprietary Funds – The City of Frostburg has two different kinds of proprietary funds. Enterprise Funds report the same functions which are presented as business-type activities in the government-wide financial statements. The City of Frostburg uses enterprise funds to account for water, water surcharge, sewer and garbage activity. These funds are the same as those functions shown in the business-type activities in the Statement of Net Position and the Statement of Activities.

Special Revenue Funds are an accounting device used to accumulate and allocate costs internally among the functions of the City of Frostburg. The city uses special revenue funds to account for its Community Development Special Project activity and Opioid Settlement receipts. Because these activities benefit predominantly governmental rather than business-type activities, the special revenue funds have been included within the governmental activities in the government-wide financial statements.

Notes to the 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. The notes to the financial statements are on pages 25 - 50 of this report.

Government-Wide Financial Analysis

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. The Statement of Net Position presents information on all the assets of the City of Frostburg plus deferred outflows of resources compared to the liabilities of the City plus deferred inflows of resources. The difference between the two subtotals is reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. The Statement of Activities focuses on how the government's assets changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash

Management Discussion and Analysis

City of Frostburg

flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods. Examples of items that result in future cash flows are uncollected taxes and unused vacation leave. The Statement of Net Position and the Statement of Activities are on pages 16 - 17 of this report. A summary of this statement is provided below.

City of Frostburg – Net Position
Figure 2

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	\$ 10,397,440	\$ 13,595,506	\$ 5,652,808	\$ 4,880,716	\$ 16,050,248	\$ 18,476,222
Capital assets	19,032,104	17,740,366	28,257,813	28,937,337	47,289,917	46,677,703
Total assets	29,429,544	31,335,872	33,910,621	33,818,053	63,340,165	65,153,925
Deferred outflows of resources	677,644	696,342	397,909	279,683	1,075,553	976,025
Long-term liabilities	5,028,536	5,258,969	3,228,068	3,414,972	8,256,604	8,673,941
Other liabilities	1,893,702	5,176,074	1,441,022	986,057	3,334,724	6,162,131
Total liabilities	6,922,238	10,435,043	4,669,090	4,401,029	11,591,328	14,836,072
Deferred inflows of resources	873,105	998,137	85,761	98,561	958,866	1,096,698
Net position:						
Invested in capital assets, net of related debt	16,100,334	14,712,903	26,102,480	26,107,427	42,202,814	40,820,330
Restricted	63,351	55,170	-	-	63,351	55,170
Unrestricted	6,148,160	5,830,961	3,451,199	3,490,719	9,599,359	9,321,680
Total net position	\$ 22,311,845	\$ 20,599,034	\$ 29,553,679	\$ 29,598,146	\$ 51,865,524	\$ 50,197,180

As noted earlier, net position may serve over time as one useful indicator of a government's financial condition. The assets and deferred outflows of the City of Frostburg exceeded liabilities and deferred inflows by \$51,865,524 as of June 30, 2025. Most of the net position is invested in capital assets. Capital assets are used to provide services to citizens, but they are not available for future spending. Although the City of Frostburg's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources since the capital assets cannot be used to liquidate these liabilities. An additional portion of the net position of the City of Frostburg, less than 1%, represents resources that are subject to external restrictions on how they may be used.

The city's total net position increased by \$1,668,344 for the fiscal year ending June 30, 2025. Several aspects of the City financial operations positively influenced the total governmental net position including, but not limited to, the following:

Management Discussion and Analysis
City of Frostburg

- An increase in tax revenues
- An increase in net revenue from sewer activities
- Use of Coronavirus State and Local Fiscal Recovery Funds

City of Frostburg - Changes in Net Position
Figure 3

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	\$ 309,904	\$ 335,159	\$ 4,934,379	\$ 5,342,806	\$ 5,244,283	\$ 5,677,965
Operating grants and contributions	291,131	435,920	16,295	262,473	307,426	698,393
Capital grants and contributions	497,541	1,427,274	1,194,453	1,360,576	1,691,994	2,787,850
General revenues:						
Property taxes	3,273,636	3,192,375	-	-	3,273,636	3,192,375
Other taxes	1,464,840	1,527,535	-	-	1,464,840	1,527,535
Other	2,751,414	1,407,731	165,166	120,845	2,916,580	1,528,576
Total revenues	8,588,466	8,325,994	6,310,293	7,086,700	14,898,759	15,412,694
Expenses:						
General government	1,871,871	1,321,683	-	-	1,871,871	1,321,683
Public safety	1,778,221	2,053,016	-	-	1,778,221	2,053,016
Public works	2,014,107	1,702,411	-	-	2,014,107	1,702,411
Recreation and parks	970,072	900,566	-	-	970,072	900,566
Community development	419,512	274,125	-	-	419,512	274,125
Code enforcement	177,408	109,342	-	-	177,408	109,342
Water, sewer and garbage	-	-	5,999,224	5,858,757	5,999,224	5,858,757
Total expenses	7,231,191	6,361,143	5,999,224	5,858,757	13,230,415	12,219,900
Change in net position before transfers and donations	1,357,275	1,964,851	311,069	1,227,943	1,668,344	3,192,794
Transfers	355,536	352,350	(355,536)	(352,350)	-	-
Change in net position	1,712,811	2,317,201	(44,467)	875,593	1,668,344	3,192,794
Net position, July 1	20,599,034	18,281,833	29,598,146	28,722,553	50,197,180	47,004,386
Net position, June 30	\$ 22,311,845	\$ 20,599,034	\$ 29,553,679	\$ 29,598,146	\$ 51,865,524	\$ 50,197,180

Governmental Activities: The Statement of Activities is significantly different than a typical Statement of Revenues, Expenses and Changes in Fund Balance. Expenses are listed in the first column on the left side with revenues for that program reported to the right. The result is Net Revenue/(Expense). This format highlights the relative financial burden of each function on the City’s taxpayers. This presentation also identifies whether the function draws from the general revenues or if it is self-financing through fees and grants.

Governmental activities increased the city’s net position by \$1,712,811. The key elements of this increase are as follows:

Management Discussion and Analysis

City of Frostburg

- Coronavirus State and Local Fiscal Recovery Funds (SLFRF) that were unrestricted for general government activities.
- Increases in property, income, highway use, and hotel motel tax revenue.

Business-type Activities: Business-type activities decreased the net position of the City of Frostburg by \$44,467. The key elements of this change are as follows:

- Reduction in the use of SLFRF for water and sewer fund projects.
- Increase in the cost of water filtration and sewage treatment costs.
- Increased repairs to the water infrastructure.

Financial Analysis of the City Funds

As noted earlier, the City of Frostburg uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The focus of the City of Frostburg's governmental funds is to provide information on near-term inflows, outflows, and balances of usable resources. Such information is useful in assessing the financing requirements of the City of Frostburg. Specifically, unassigned fund balance can be a useful measure of a government's net resources available for spending at the end of the fiscal year.

The general fund is the chief operating fund of the City of Frostburg. At the end of the current fiscal year, the unassigned fund balance of the General Fund was \$7,755,327 while the total fund balance was \$7,822,004. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures.

At June 30, 2025, the governmental funds of the City of Frostburg reported a combined fund balance of \$7,885,355, an increase of approximately 2 percent over last year. Included in this change in fund balance is an increase in fund balance in the General Fund primarily due to tax revenues compared to the prior year.

General Fund Budgetary Highlights: The Mayor and City Council publicly approved the budget for the year ending June 30, 2025 as Ordinance 2025-01. The budget was amended through Resolution 2025-02 and Resolution 2025-25. Of note, among the amendments in the Corporate Fund was an increase in public utility taxes because of increased certified assessments and a decrease in project reimbursements due to changes to the project schedule for an Appalachian Regional Commission funded project. An increase in budgeted special revenue from the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) was included in the budget amendments and the previously budgeted use of fund balance was eliminated. Administrative capital outlays and contributions were amended due to changes in project timelines.

Management Discussion and Analysis

City of Frostburg

Health insurance expense in several departments including administration, finance, and public safety was reduced to reflect changes in enrollments and utilization. Pension expense for public safety was reduced to reflect actual billing for the fiscal year. In the street department, amendments included increases in salt and abrasives due to seasonal variances compared to the prior year and street equipment maintenance due to unexpected truck repairs and pollution control costs.

During the year, general fund revenues exceeded the budget by \$31,972. Key revenue sources including income tax and highway use tax revenue both exceeded budget estimates and the revenue projections that had previously been provided to the City by the State of Maryland. Net property tax revenue and grant income continue to provide significant revenue to support government operations.

General fund expenditures were less than the budgetary estimates by \$102,092 which is approximately 1% of the total budgeted expenditures. The accounting for capital assets acquired through leases and subscription arrangements differs for budgetary and financial reporting purposes which is part of the reported difference between actual expenses and budgetary estimates.

Proprietary Funds: The City's proprietary funds provide the same type of information found in the government-wide statements but in more detail. The unrestricted net position of the Water, Water Surcharge, Sewer, and Garbage Funds at the end of the fiscal year was \$3,451,199. Current year operations of the proprietary funds negatively affected net position in total by \$44,467. Sewer operations reflected a positive change in net position during the year. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

Capital Asset and Debt Administration

Capital assets: The City of Frostburg's investment in capital assets for its governmental and business-type activities as of June 30, 2025 totals \$47,289,917, net of accumulated depreciation. These assets include buildings, roads, land, machinery and equipment, park facilities, and vehicles.

Major capital asset transactions during the year include the following additions:

- Completion of a new downtown parking lot
- Completion of a childcare center
- Completion of a salt storage facility
- Completion of a storage building at the armory
- Significant paving projects
- Improvements at several City recreation facilities
- Completion of a water line replacement project
- Completion of the CSO Phase VIII-C and IX-D projects
- Work in progress on the CSO Phase X-A project

Management Discussion and Analysis
City of Frostburg

City of Frostburg - Capital Assets
Figure 4

	(net of depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land and construction in progress	\$ 5,328,010	\$ 6,850,400	\$ 2,177,788	\$ 1,213,456	\$ 7,505,798	\$ 8,063,856
Buildings and systems	7,346,627	5,061,615	732,583	1,002,608	8,079,210	6,064,223
Improvements other than buildings	1,340,870	569,028	3,500,211	3,878,428	4,841,081	4,447,456
Machinery and equipment	870,078	974,779	1,032,634	1,158,632	1,902,712	2,133,411
Intangible assets	103,162	113,478	-	-	103,162	113,478
Subscription assets	106,118	151,449	-	-	106,118	151,449
Right of use assets	277,408	324,664	103,983	149,425	381,391	474,089
Infrastructure	3,659,831	3,694,953	20,710,614	21,534,788	24,370,445	25,229,741
Total	\$ 19,032,104	\$ 17,740,366	\$ 28,257,813	\$ 28,937,337	\$ 47,289,917	\$ 46,677,703

Additional information on the City’s capital assets can be found in note 5 of the Basic Financial Statements.

Long-term Debt. As of June 30, 2025, the City of Frostburg had total bonded debt outstanding of \$4,770,323. Of this total bonded debt, \$4,410,377 is debt backed by the full faith and credit of the City. The remainder of the City’s debt represents bonds secured solely by specified revenue sources.

City of Frostburg - Outstanding Debt
General Obligation and Revenue Bonds
Figure 5

	Governmental Activities	
	2025	2024
	General obligation bonds	\$ 2,288,000
Bond premium	245,923	253,265
Revenue bonds	-	-
Total	\$ 2,533,923	\$ 2,597,265

Management Discussion and Analysis

City of Frostburg

The City of Frostburg's long-term total debt decreased by \$502,014 (approximately 9.5%) during the past fiscal year. Debt principal payments during the past fiscal year were \$494,673.

Additional information regarding the City of Frostburg's long-term debt can be found in note 8 beginning on page 37 of this report.

Economic Factors – 2025

Allegany County continues to lag behind Maryland and national metrics for measuring wealth, including median family income. The unemployment rate in Allegany County is in line with regional unemployment rates. Like most other local governments, the City received significant American Rescue Plan Act funds in FY 22-25. With this federal funding, the City has made long-term infrastructure investments that will have a positive long-term effect on the City's water and sewer utilities as well as general government operations.

The economy of the City is impacted by regional industry and business, including major manufacturers, healthcare, government services, education, correctional facilities, and natural resources. Many residents of Frostburg live within the City and commute elsewhere in the County or region to work. Frostburg is known for a high-quality of life and desirable schools.

The City is home to one of the county's larger employers, Frostburg State University. FSU is the primary contributor to the economy in Frostburg based on the number of full-time jobs, ongoing capital investments, and residents of the community that attend or work for the school. The pandemic and subsequent nationwide trends in higher education have also negatively affected enrollment at the University. At this point, stable or small modest increases in enrollment at the University are expected. Recently, FSU has faced very public fiscal challenges and an associated "Retrenchment Plan" which includes layoffs for various faculty and staff. The school's administration is confident that these actions position FSU to have a sustainable budget going forward through 2028.

In prior years, call centers made up another large employment sector within city limits. However, due to changing industry dynamics and the ability to telework, all three call centers have more or less ceased operations within the City, leaving underutilized office space. The City has two business parks, and investment and interest remains strong in the Frostburg Business Park near the I-68 and Route 36 interchange. A new light industrial building remains under construction and another facility is in the planning stages of an expansion to more than double their footprint – these will create jobs for the region and bolster the City's tax base. The Main Street commercial district remains relatively stable, but the market challenges of redeveloping the large vacant historic structures are becoming more challenging without government subsidy. Staff continue to work to find resources to ensure continued modest commercial investment in the coming year

Management Discussion and Analysis City of Frostburg

There is an opportunity for new commercial development near the interstate interchanges, but there have been no proposals for developing those properties at this time. In terms of residential development, two subdivisions are active with lots and new homes being sold. Real estate assessment occurred in a portion of Frostburg in 2022 which resulted in an increase in the City's tax base.

The overall economy in the City seems relatively stable; there is reason for optimism that the City will grow at a modest rate.

Budget Highlights for the Fiscal Year Ending June 30, 2026

Governmental Activities: Property tax revenue, the largest source of general government revenue, is budgeted to increase as real estate taxable assessments rose about \$26.8 million, or about 6%, compared to the prior year. The real estate tax rate for fiscal year 2026 is seventy cents per one hundred dollars of assessed value, consistent with the prior year tax rate. Maryland highway use tax is increased based on the funding notification provided by the State Highway Administration. Corporation taxes are budgeted to decrease based on a manufacturing equipment personal property tax exemption that was approved by Charter Amendment that was effective beginning in fiscal year 2025.

Original budgeted expenditures in the General Fund are expected to increase by about 13 percent compared to the amended prior year budget. Projects using SLFRF revenue comprise about \$700,000 of the Corporate Fund budgeted expenditures. SLFRF projects include purchase of a new plow truck and street sweeper and design work for the Roundabout project.

Salary enhancements for all full-time city employees in July 2025 increased budgeted salary expense in all funds compared to the prior year. Changes to the City's benefits package allowed for overall decreases in budgeted employee benefits. Participation in the Law Enforcement Officers' Pension System (LEOPS) of the Maryland State Retirement and Pension System for certified police officers of the City continues to require higher contributions as compared to contributions made when the officers participated in the

Business – type Activities: The water and sewer consumption rates as well as the CSO surcharge and garbage rates remain unchanged from the year ending June 30, 2025. The water rate for bulk water sales to Allegany County was due for update in FY24 per the triannual schedule however the rate was extended for one more year upon consensus with Allegany County. A second extension was also granted in FY25.

Capital projects included in the budget of the Sewer Fund are the continuation of the combined sewer overflow elimination projects with completion of North Grant and Center Street projects (Phase VIII-C and IX-D) which are funded primarily with CDBG grant funding. Final design of CSO Phase X-B and X-C should be completed in preparation for bidding and initial construction during the fiscal year.

Management Discussion and Analysis City of Frostburg

Budget amendments are anticipated in the year as staffing changes have resulted in cost savings in various departments. Additionally, health insurance costs which were projected to be lower than the prior year are proving to be even less than anticipated. The City will also reevaluate project priorities with the use of ARPA funding and assess CSO and administrative project timelines during the year and propose budget amendments as deemed appropriate.

Requests for Information

This report is designed to provide an overview of the City finances. Questions concerning any of the information found in this report or requests for additional information should be directed to the Director of Finance, Amy M. Phillips, CPA, PO Box 440, Frostburg, MD 21532, 301-689-6000 extension 103, or aphillips@frostburgcity.org.

CITY OF FROSTBURG, MARYLAND

STATEMENT OF NET POSITION

JUNE 30, 2025

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 8,967,204	\$ 4,550,922	\$ 13,518,126
Restricted cash	20,519	-	20,519
Accounts receivable	612,576	1,096,217	1,708,793
Prepaid expenses	66,677	5,669	72,346
Accrued interest receivable	13,858	-	13,858
Leases receivable	716,606	-	716,606
Capital Assets			
Non-depreciable	5,328,010	2,177,788	7,505,798
Depreciable, net of accumulated depreciation	13,704,094	26,080,025	39,784,119
TOTAL ASSETS	29,429,544	33,910,621	63,340,165
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows of resources related to pensions	536,692	344,574	881,266
Deferred outflows of resources related to OPEB	140,952	53,335	194,287
Total Deferred Outflows of Resources	677,644	397,909	1,075,553
LIABILITIES			
Current Liabilities:			
Accounts payable and accrued expenses	252,095	865,455	1,117,550
Salaries and benefits payable	130,918	37,655	168,573
Unearned revenue	1,299,555	50,010	1,349,565
Current portion of leases, subscriptions, bonds, and notes payable	211,134	487,902	699,036
Noncurrent Liabilities:			
Compensated absences	397,717	245,263	642,980
Net OPEB liability	513,989	194,483	708,472
Net pension liability	1,442,806	927,980	2,370,786
Leases and subscriptions payable (net of current portion)	198,600	69,382	267,982
Bonds and notes payable (net of current portion)	2,475,424	1,790,960	4,266,384
TOTAL LIABILITIES	6,922,238	4,669,090	11,591,328
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows of resources related to pensions	36,472	23,416	59,888
Deferred inflows of resources related to OPEB	164,769	62,345	227,114
Deferred inflows of resources related to leases	671,864	-	671,864
Total Deferred Inflows of Resources	873,105	85,761	958,866
NET POSITION			
Net investment in capital assets	16,100,334	26,102,480	42,202,814
Restricted	63,351	-	63,351
Unrestricted	6,148,160	3,451,199	9,599,359
TOTAL NET POSITION	\$ 22,311,845	\$ 29,553,679	\$ 51,865,524

The accompanying notes are an integral part of these financial statements.

CITY OF FROSTBURG, MARYLAND

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Function/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets Primary Government		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government							
Governmental Activities:							
General government	\$ 1,871,871	\$ 183,685	\$ 8,125	\$ 497,541	\$ (1,182,520)	\$ -	\$ (1,182,520)
Public safety	1,778,221	5,210	201,745	-	(1,571,266)	-	(1,571,266)
Public works	2,014,107	-	-	-	(2,014,107)	-	(2,014,107)
Recreation and parks	970,072	118,409	-	-	(851,663)	-	(851,663)
Community development	419,512	-	81,261	-	(338,251)	-	(338,251)
Code enforcement	177,408	2,600	-	-	(174,808)	-	(174,808)
Total Governmental Activities	7,231,191	309,904	291,131	497,541	(6,132,615)	-	(6,132,615)
Business-type Activities:							
Water	1,800,835	1,660,514	8,345	74,500	-	(57,476)	(57,476)
Sewer	2,685,228	2,090,472	7,950	1,119,953	-	533,147	533,147
Water Surcharge	1,001,248	752,632	-	-	-	(248,616)	(248,616)
Garbage	511,913	430,761	-	-	-	(81,152)	(81,152)
Total Business-type Activities	5,999,224	4,934,379	16,295	1,194,453	-	145,903	145,903
Total Primary Government	\$ 13,230,415	\$ 5,244,283	\$ 307,426	\$ 1,691,994	(6,132,615)	145,903	(5,986,712)
General Revenues:							
Taxes							
Net property taxes					3,273,636	-	3,273,636
Income taxes					773,162	-	773,162
Highway use tax					496,844	-	496,844
Hotel motel tax					184,402	-	184,402
Admission taxes					10,432	-	10,432
Rental income					99,420	-	99,420
Licenses and permits					32,563	-	32,563
Grants and contributions not restricted to specific programs					2,088,414	-	2,088,414
Interest earnings					515,201	165,166	680,367
Miscellaneous revenues					17,234	-	17,234
Gain (loss) on disposal of fixed assets					(1,418)	-	(1,418)
Transfers					355,536	(355,536)	-
Total General Revenues and Transfers					7,845,426	(190,370)	7,655,056
Change in Net Position					1,712,811	(44,467)	1,668,344
Net Position - July 1, 2024					20,599,034	29,598,146	50,197,180
Net Position - June 30, 2025					\$ 22,311,845	\$ 29,553,679	\$ 51,865,524

The accompanying notes are an integral part of these financial statements.

CITY OF FROSTBURG, MARYLAND

**BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025**

	<u>General Fund</u>	<u>Special Revenue Comm Dev Special Project</u>	<u>Special Revenue Opioid Settlement</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 8,903,853	\$ 31,712	\$ 31,639	\$ 8,967,204
Restricted cash	20,519	-	-	20,519
Accounts receivable	612,576	-	-	612,576
Prepaid expenses	66,677	-	-	66,677
Leases receivable	716,606	-	-	716,606
TOTAL ASSETS	<u>\$ 10,320,231</u>	<u>\$ 31,712</u>	<u>\$ 31,639</u>	<u>\$ 10,383,582</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued expenses	\$ 228,183	\$ -	\$ -	\$ 228,183
Salaries and benefits payable	130,918	-	-	130,918
Unearned revenue	1,299,555	-	-	1,299,555
TOTAL LIABILITIES	<u>1,658,656</u>	<u>-</u>	<u>-</u>	<u>1,658,656</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - Property taxes	167,707	-	-	167,707
Unavailable revenue - Leases	671,864	-	-	671,864
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>839,571</u>	<u>-</u>	<u>-</u>	<u>839,571</u>
FUND BALANCES				
Nonspendable - Prepaid expenses	66,677	-	-	66,677
Restricted - Community Development Block Grants	-	31,712	-	31,712
Restricted - Opioid Settlement Fund	-	-	31,639	31,639
Unassigned	7,755,327	-	-	7,755,327
TOTAL FUND BALANCE	<u>7,822,004</u>	<u>31,712</u>	<u>31,639</u>	<u>7,885,355</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	<u>\$ 10,320,231</u>	<u>\$ 31,712</u>	<u>\$ 31,639</u>	<u>\$ 10,383,582</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FROSTBURG, MARYLAND

**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025**

Total Fund Balances - Governmental Funds		\$ 7,885,355
 Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.		
Governmental capital assets, net of accumulated depreciation		19,032,104
Deferred outflows of resources related to pensions are not recognized in the fund statements.		536,692
Deferred outflows of resources related to OPEB are not recognized in the fund statements.		140,952
Accrued interest income is recorded on fund statements only when received		13,858
Accrued interest expense is recorded on fund statements only when due		(23,912)
Long-term liabilities are not due and payable in the current period, and therefore are not reported as liabilities in the funds.		
Bonds and notes payable	(2,288,000)	
Premium on bonds (to be amortized as interest expense)	(245,924)	
Leases and subscriptions payable	(351,234)	
Accrued post employment health insurance	(513,989)	
Net pension liability	(1,442,806)	
Compensated absences	(397,717)	
		(5,239,670)
Accounts receivable from taxes not collected within 60 days of year end are reported as deferred inflows of resources in the governmental funds.		167,707
Deferred inflows of resources related to pension plan actuarial assumptions and investment activity are not recognized in the governmental fund statements.		(36,472)
Deferred inflows of resources related to OPEB plan actuarial assumptions and investment activity are not recognized in the governmental fund statements.		(164,769)
 TOTAL NET POSITION - GOVERNMENTAL ACTIVITIES		 \$ 22,311,845

The accompanying notes are an integral part of these financial statements.

CITY OF FROSTBURG, MARYLAND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>General Fund</u>	<u>Special Revenue Comm Dev Special Project</u>	<u>Special Revenue Opioid Settlement</u>	<u>Total Governmental Funds</u>
REVENUES				
Taxes				
Property tax revenue	\$ 3,252,140	\$ -	\$ -	\$ 3,252,140
Income taxes	773,162	-	-	773,162
Hotel motel tax	184,402	-	-	184,402
Highway use tax	496,844	-	-	496,844
Other taxes	89,833	-	-	89,833
Police protection grant	122,540	-	-	122,540
Public safety revenue	6,699	-	-	6,699
Licenses and permits	53,073	-	-	53,073
Police grants	39,205	-	-	39,205
Rental program revenue	81,310	-	-	81,310
Rental income	99,420	-	-	99,420
Recreational activities	118,409	-	-	118,409
Grant income - federal	2,604,621	-	-	2,604,621
Grant income - other	102,595	-	-	102,595
Other income	20,809	-	8,125	28,934
Interest	512,124	25	31	512,180
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL REVENUES	8,557,186	25	8,156	8,565,367
EXPENDITURES				
Administration	2,062,858	-	-	2,062,858
Public safety	2,118,747	-	-	2,118,747
Street department	1,258,580	-	-	1,258,580
Recreation department	734,765	-	-	734,765
Debt service: Principal	214,483	-	-	214,483
Interest	126,786	-	-	126,786
Capital outlays	2,342,334	-	-	2,342,334
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL EXPENDITURES	8,858,553	-	-	8,858,553
EXCESS(DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(301,367)	25	8,156	(293,186)
OTHER FINANCING SOURCES (USES)				
Interfund transfers	355,536	-	-	355,536
Lease proceeds	79,520	-	-	79,520
Proceeds from sale of capital assets	375	-	-	375
	<hr/>	<hr/>	<hr/>	<hr/>
TOTAL OTHER FINANCING SOURCES (USES)	435,431	-	-	435,431
NET CHANGE IN FUND BALANCES	134,064	25	8,156	142,245
FUND BALANCE - JULY 1, 2024	7,687,940	31,687	23,483	7,743,110
FUND BALANCE - JUNE 30, 2025	\$ 7,822,004	\$ 31,712	\$ 31,639	\$ 7,885,355

The accompanying notes are an integral part of these financial statements.

CITY OF FROSTBURG, MARYLAND

**RECONCILIATION OF THE GOVERNMENTAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Total Net Change in Fund Balance - Governmental Funds \$ 142,245

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is depreciated over their estimated useful lives.

Expenditures for capital assets	2,343,084	
Less current year depreciation	<u>(1,049,554)</u>	1,293,530

Governmental funds report the proceeds from the sale of capital assets as income; however, in the statement of activities the sale of capital assets are reported net of the remaining book value of the assets as either gain or loss.

Net book value of disposed capital assets in the statement of activities		(1,793)
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Right-to-use assets under lease and subscription-based arrangements are shown as other financing sources in the year of issuance and as expenditures in the years of repayment in the governmental funds. These arrangements increase liabilities in the year of issuance and decrease liabilities in the years of repayment in the statement of net assets.

Other financing sources - lease proceeds	(79,520)	
Principal payments on leases	122,543	
Principal payments on subscriptions	<u>35,940</u>	78,963

Repayment of note proceeds is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

56,000

Some revenues reported in the statement of activities do not provide current financial resources and, therefore, are not reported as revenues in governmental funds.

Change in deferred inflows of resources from taxes		21,496
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Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Change in deferred outflows of resources related to pensions	31,419	
Change in deferred outflows of resources related to OPEB	(50,117)	
Change in accrued interest	3,599	
Change in accrued post employment health insurance	(7,266)	
Change in compensated absences	96,509	
Change in accrued pension liability	(8,343)	
Amortization of premium on debt	7,341	
Change in deferred inflows of resources related to OPEB	19,941	
Change in deferred inflows of resources related to pensions	<u>29,287</u>	

TOTAL CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 1,712,811

The accompanying notes are an integral part of these financial statements.

CITY OF FROSTBURG, MARYLAND

STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2025

	<u>Water</u>	<u>Sewer</u>	<u>Water Surcharge</u>	<u>Garbage</u>	<u>Total</u>
ASSETS					
Current Assets:					
Cash and cash equivalents	\$ 1,208,584	\$ 2,135,054	\$ 1,108,228	\$ 99,056	\$ 4,550,922
Accounts receivable	126,777	835,174	78,164	56,102	1,096,217
Prepaid expenses	2,734	2,063	-	872	5,669
Total Current Assets	<u>1,338,095</u>	<u>2,972,291</u>	<u>1,186,392</u>	<u>156,030</u>	<u>5,652,808</u>
Capital Assets					
Non-depreciable	-	2,013,766	164,022	-	2,177,788
Depreciable, net of accumulated depreciation	1,348,147	17,117,851	7,431,646	182,381	26,080,025
Total Capital Assets, net of accumulated depreciation	<u>1,348,147</u>	<u>19,131,617</u>	<u>7,595,668</u>	<u>182,381</u>	<u>28,257,813</u>
TOTAL ASSETS	<u>2,686,242</u>	<u>22,103,908</u>	<u>8,782,060</u>	<u>338,411</u>	<u>33,910,621</u>
Deferred Outflows of Resources					
Deferred outflows of resources related to pensions	157,746	118,089	-	68,739	344,574
Deferred outflows of resources related to OPEB	22,859	19,048	-	11,428	53,335
Total Deferred Outflows of Resources	<u>180,605</u>	<u>137,137</u>	<u>-</u>	<u>80,167</u>	<u>397,909</u>
LIABILITIES AND NET ASSETS					
Current Liabilities:					
Accounts payable and accrued expenses	171,690	678,533	6,352	8,880	865,455
Salaries and benefits payable	16,588	13,707	-	7,360	37,655
Unearned revenue	-	13,683	23,007	13,320	50,010
Current portion of leases, bonds, and notes payable	25,087	41,159	421,656	-	487,902
Total Current Liabilities	<u>213,365</u>	<u>747,082</u>	<u>451,015</u>	<u>29,560</u>	<u>1,441,022</u>
Noncurrent Liabilities					
Compensated absences	110,817	105,128	-	29,318	245,263
Net OPEB liability	83,352	69,459	-	41,672	194,483
Net pension liability	425,254	317,623	-	185,103	927,980
Leases payable, less current portion	36,518	32,864	-	-	69,382
Notes payable, less current portion	-	169,127	1,621,833	-	1,790,960
Total Noncurrent Liabilities	<u>655,941</u>	<u>694,201</u>	<u>1,621,833</u>	<u>256,093</u>	<u>3,228,068</u>
TOTAL LIABILITIES	<u>869,306</u>	<u>1,441,283</u>	<u>2,072,848</u>	<u>285,653</u>	<u>4,669,090</u>
Deferred Inflows of Resources					
Deferred inflows of resources related to pensions	10,720	8,025	-	4,671	23,416
Deferred inflows of resources related to OPEB	26,720	22,266	-	13,359	62,345
Total Deferred Inflows of Resources	<u>37,440</u>	<u>30,291</u>	<u>-</u>	<u>18,030</u>	<u>85,761</u>
Net Position					
Net investment in capital assets	1,286,542	19,081,378	5,552,180	182,380	26,102,480
Unrestricted	673,559	1,688,093	1,157,032	(67,485)	3,451,199
Total Net Position	<u>\$ 1,960,101</u>	<u>\$ 20,769,471</u>	<u>\$ 6,709,212</u>	<u>\$ 114,895</u>	<u>\$ 29,553,679</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FROSTBURG, MARYLAND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	<u>Water</u>	<u>Sewer</u>	<u>Water Surcharge</u>	<u>Garbage</u>	<u>Total</u>
OPERATING REVENUES	\$ 1,660,514	\$ 2,090,472	\$ 752,632	\$ 430,761	\$ 4,934,379
OPERATING EXPENSES					
Depreciation and amortization	129,492	939,840	813,977	41,333	1,924,642
Sewer operations	-	1,267,808	-	-	1,267,808
Salaries and wages	345,539	236,266	-	161,101	742,906
Filtration contract payments	686,977	-	-	-	686,977
Employee benefits	232,764	188,837	-	96,575	518,176
Other	152,072	26,859	136,241	25,935	341,107
Landfill charges	-	-	-	137,640	137,640
Distribution	65,023	-	-	-	65,023
Pumping system	109,988	-	-	-	109,988
Payroll taxes	26,839	18,046	-	11,945	56,830
Meters expense	47,428	-	-	-	47,428
Sanitation operations	-	-	-	37,384	37,384
Total Operating Expenses	<u>1,796,122</u>	<u>2,677,656</u>	<u>950,218</u>	<u>511,913</u>	<u>5,935,909</u>
Operating Income (Loss)	<u>(135,608)</u>	<u>(587,184)</u>	<u>(197,586)</u>	<u>(81,152)</u>	<u>(1,001,530)</u>
NON-OPERATING REVENUE (EXPENSES)					
Project reimbursements	82,845	1,127,903	-	-	1,210,748
Interest revenue	45,427	60,899	53,553	5,287	165,166
Interest expense	(4,713)	(7,572)	(51,030)	-	(63,315)
Total Non-operating Revenues (Expenses)	<u>123,559</u>	<u>1,181,230</u>	<u>2,523</u>	<u>5,287</u>	<u>1,312,599</u>
Income (Loss) Before Transfers	<u>(12,049)</u>	<u>594,046</u>	<u>(195,063)</u>	<u>(75,865)</u>	<u>311,069</u>
Transfers to general fund	(95,604)	(241,752)	-	(18,180)	(355,536)
Change in Net Position	<u>(107,653)</u>	<u>352,294</u>	<u>(195,063)</u>	<u>(94,045)</u>	<u>(44,467)</u>
TOTAL NET POSITION - JULY 1, 2024	<u>2,067,754</u>	<u>20,417,177</u>	<u>6,904,275</u>	<u>208,940</u>	<u>29,598,146</u>
TOTAL NET POSITION - JUNE 30, 2025	<u>\$ 1,960,101</u>	<u>\$ 20,769,471</u>	<u>\$ 6,709,212</u>	<u>\$ 114,895</u>	<u>\$ 29,553,679</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FROSTBURG

STATEMENT OF CASH FLOWS
 PROPRIETARY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

	Water	Sewer	Water Surcharge	Garbage	Total
CASH FLOWS FROM OPERATING ACTIVITIES:					
Receipts from customers and users	\$ 1,813,285	\$ 2,313,847	\$ 716,251	\$ 417,445	\$ 5,260,828
Payments to vendors	(1,148,253)	(1,125,372)	(136,689)	(268,429)	(2,678,743)
Payments to employees	(361,856)	(253,787)	-	(161,632)	(777,275)
Net Cash Provided By (Used In) Operating Activities	<u>303,176</u>	<u>934,688</u>	<u>579,562</u>	<u>(12,616)</u>	<u>1,804,810</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:					
Transfers out	(95,604)	(241,752)	-	(18,180)	(355,536)
Change in due to/from other funds	203,939	4,847	-	493	209,279
Net Cash Provided By (Used In) Noncapital Financing Activities	<u>108,335</u>	<u>(236,905)</u>	<u>-</u>	<u>(17,687)</u>	<u>(146,257)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:					
Purchase of capital assets	(74,500)	(1,170,618)	-	-	(1,245,118)
Principal paid on loans	-	(23,566)	(415,107)	-	(438,673)
Principal paid on leases	(26,871)	(16,123)	-	-	(42,994)
Project reimbursements	82,845	1,289,489	-	-	1,372,334
Interest paid on loans and leases	(4,713)	(7,662)	(52,537)	-	(64,912)
Net Cash Provided By (Used In) Capital and Related Financing Activities	<u>(23,239)</u>	<u>71,520</u>	<u>(467,644)</u>	<u>-</u>	<u>(419,363)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest earned	45,427	60,899	53,553	5,287	165,166
Net change in Cash and Cash Equivalents	433,699	830,202	165,471	(25,016)	1,404,356
Cash and cash equivalents, beginning of year	<u>774,885</u>	<u>1,304,852</u>	<u>942,757</u>	<u>124,072</u>	<u>3,146,566</u>
Cash and cash equivalents, end of year	<u>\$ 1,208,584</u>	<u>\$ 2,135,054</u>	<u>\$ 1,108,228</u>	<u>\$ 99,056</u>	<u>\$ 4,550,922</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES					
Operating Income (Loss)	\$ (135,608)	\$ (587,184)	\$ (197,586)	\$ (81,152)	\$ (1,001,530)
Adjustments Not Affecting Cash					
Depreciation	129,492	939,840	813,977	41,333	1,924,642
Change in assets, liabilities, and deferred outflows and inflows					
Accounts receivable	152,771	265,386	(3,654)	32,192	446,695
Prepaid expenses	16,442	4,859	-	2,894	24,195
Accounts payable and accrued expenses	52,068	301,914	(448)	577	354,111
Salaries and benefits payable	2,207	2,288	-	2,477	6,972
Unearned revenue	-	(42,012)	(32,727)	(45,508)	(120,247)
Accrued health insurance	(1,102)	(919)	-	(555)	(2,576)
Compensated absences	(18,524)	(19,809)	-	(3,008)	(41,341)
Deferred outflows of resources - pension contributions	(38,457)	(28,724)	-	(16,656)	(83,837)
Deferred outflows of resources - post employment health	8,986	7,489	-	4,494	20,969
Deferred inflows of resources - post employment health	(4,065)	(3,388)	-	(2,033)	(9,486)
Pension expense	138,966	94,948	-	52,329	286,243
Total Adjustments	<u>438,784</u>	<u>1,521,872</u>	<u>777,148</u>	<u>68,536</u>	<u>2,806,340</u>
Net Cash Provided By (Used In) Operating Activities	<u>\$ 303,176</u>	<u>\$ 934,688</u>	<u>\$ 579,562</u>	<u>\$ (12,616)</u>	<u>\$ 1,804,810</u>

The accompanying notes are an integral part of these financial statements.

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 **REPORTING ENTITY**

The City of Frostburg, Maryland (the "City") was incorporated in 1870 and adopted its first Charter in 1885. The City operates under a Council-Administrator form of government per Charter Revision Resolution No. 23 adopted July 1, 1981. The City of Frostburg adopted Charter Revision Resolution No. 2001-17 on December 21, 2001, effective February 2, 2002 which repealed the 1981 edition and also provides the following services as authorized by its Charter: public safety (police and fire), public works (maintenance, sewer, streets, and water), recreation, community development and general administrative services.

In evaluating how to define the City of Frostburg, Maryland, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in generally accepted accounting principles (GAAP). The basic, but not the only, criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, and the ability to significantly influence operations and accountability for fiscal matters. The other criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the City is able to exercise oversight responsibility. Based upon the application of these criteria, no potential component units were identified for inclusion in the reporting entity.

NOTE 2 **SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City have been prepared in conformity with GAAP as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Basis of Presentation

The City's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements The statement of net position and the statement of activities display information about the City as a whole. These statements include the financial activities of the primary government. The statements distinguish between those activities of the City that are governmental (primarily supported by taxes, County appropriations and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges).

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

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 **SIGNIFICANT ACCOUNTING POLICIES** - Continued

Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the City. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the City.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Fund Financial Statements During the year, the City segregates transactions related to certain City functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the City at this more detailed level. The focus of governmental and enterprise fund financial statements is on major funds. Each enterprise and governmental fund was a major fund and is presented in a separate column.

B. Fund Accounting

The accounts of the City are organized on the basis of funds that are each considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which include its assets, liabilities, deferred inflows of resources, fund equity, revenues and expenses or expenditures. The following funds are used by the City:

Governmental Fund Types

General Fund

The General Fund is the general operating fund of the City. All financial resources, except those required to be accounted for in another fund, are accounted for in this fund.

Special Revenue Funds

The Community Development Special Projects Fund is a special revenue fund used to account for the revenue from Community Development Block Grants received by the City of Frostburg. The Opioids Settlement Fund is a special revenue fund used to account for the proceeds the City receives from participating in a class action lawsuit with other governments against pharmaceutical companies over the opioid crisis across the country. In the event an expenditure is incurred for purposes for which both restricted and unrestricted net assets are available, restricted resources are used first.

Proprietary Fund Types

Water, Sewer, Water Surcharge, and Garbage Funds

The Water, Sewer, Water Surcharge, and Garbage Funds are enterprise funds used to account for the operations which are financed and operated in a manner similar to private businesses. The intent is that the cost of providing the services to the public is to be financed or recovered primarily through user charges.

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 **SIGNIFICANT ACCOUNTING POLICIES** – Continued

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the City are included on the statement of net position. The statement of activities presents increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include reconciliations with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, the enterprise fund is accounted for on a flow of economic resources measurement focus. All assets and all liabilities associated with the operation of this fund are included on the statement of net position. The statement of changes in net position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The statement of cash flows provides information about how the City finances and meets the cash flow needs of its enterprise funds.

D. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Proprietary funds also use the accrual basis of accounting. Differences in the accrual and modified accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue and in the presentation of expenses versus expenditures.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers property taxes as available if they are collected within 60 days after year-end. Penalties and interest and miscellaneous revenues are recorded when received in cash since they are generally not measurable until actually collected. Expenditures are recorded when the related fund liability is incurred.

The proprietary funds are accounted for on a flow of economic resources measurement focus. The accrual basis of accounting is utilized by the proprietary fund types. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. All GASB pronouncements are followed in the proprietary funds. FASB, APB Opinions and ARB's issued before November 30, 1989 are followed to the extent they do not contradict GASB. FASB

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 **SIGNIFICANT ACCOUNTING POLICIES** - Continued

pronouncements issued after November 30, 1989 that are developed for business entities are followed to the extent that they do not contradict GASB.

The City reports unearned revenue on its combined balance sheet. Unearned revenues arise when resources are billed or received by the City before it has a legal claim to them, such as when utility surcharges are billed for future periods or grant monies are received prior to qualifying expenditures being incurred. In subsequent periods, where both revenue recognition criteria are met and when the City has a legal claim to the resources, the liability for unearned revenue is removed from the combined balance sheet and revenue is recognized.

E. Budgets and Budgetary Accounting

Formal budgetary accounting, as set forth in the City Charter, is employed as a management control for the General Fund and the Water, Sewer, Water Surcharge, and Garbage enterprise funds. Annual operating budgets are adopted by the City each fiscal year through passage of an annual budget and amended as required for all funds. Budget amendments requiring a change between categories requires approval by the Mayor and City Council. The budget reconciliation has been provided to reflect the differences between budgetary inflows and outflows and GAAP revenues and expenses/expenditures. Budgets presented in the financial statements reflect all amendments.

The budget for the Enterprise Funds is adopted under the GAAP basis of accounting except that depreciation is not considered and fixed assets additions are treated as an expense. The City does not budget for the Special Revenue Funds since budgetary control is maintained on an individual grant basis.

F. Cash and Equivalents

For financial statement purposes, the City considers all short-term, highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

G. Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds.

General capital assets are reported in the governmental activities' column of the government-wide statement of net position but are not reported in the fund financial statements. Capital assets utilized by the enterprise funds are reported both in the business-type activities column of the government-wide statement of net position and in the fund statements.

All capital assets are capitalized at cost (or estimated historical cost). When a capital asset is disposed or retired, the cost and related accumulated depreciation are removed from the books with any gain or loss reflected as income. The City maintains a capitalization threshold of \$10,000 for machinery, equipment, buildings, and improvements and \$50,000 for infrastructure. Public domain ("infrastructure") general fixed assets including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems are capitalized along with other general fixed assets. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 **SIGNIFICANT ACCOUNTING POLICIES** - Continued

life are not capitalized. Intangible assets that lack physical substance, are nonfinancial in nature, and have an initial useful life extending beyond a year are capitalized.

All reported capital assets except land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Intangible assets are depreciated (amortized) over the estimated useful life of any asset or project it may be closely associated with. Depreciation is computed using the straight-line method over the following useful lives.

Land improvements	10-20 years
Building and improvements	25-40 years
Machinery and equipment	5-10 years
Infrastructure and utility systems	20-40 years
Intangible assets	10-40 years

H. Compensated Absences

The City has implemented the provisions of the Governmental Accounting Standards Board's Accounting for Compensated Absences. This statement requires the recording of accumulated unused sick leave, compensatory time, and vacation leave if such amounts will be paid as termination benefits. The liability is calculated by taking the total hours of time outstanding at June 30 times the current rate of pay for each employee. One paid sick day is accrued for each month of service after the probationary period. Upon termination of employment, the accumulated sick leave is lost. Upon reaching the age of 60 and retirement, the employee is paid for up to 90 days of unused sick leave at the employee's current rate of pay.

No current portion of compensated absences has been recorded as the City feels that absences used during the next year will not materially exceed the absences earned during the next year. Therefore, all compensated absences within the governmental and business-type activities are recorded as long-term. The long-term portion of this liability of \$642,980 has been recorded in the government-wide statement of net position, of which \$245,263 is from business-type activities. This represents a decrease of \$137,850 from the prior year total of \$780,830. The change in compensated absences for business-type activities was a decrease of \$41,341.

I. Interfund Activity

Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Interfund transfers for the year ended June 30, 2025 consisted of transfers of \$95,604 from the Water Fund, \$241,752 from the Sewer Fund, and \$18,180 from the Garbage Fund to the

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 **SIGNIFICANT ACCOUNTING POLICIES** - Continued
General Fund to help cover administrative overhead costs.

J. Interfund Balances

On fund financial statements, receivables and payables resulting from short-term interfund loans are classified as "interfund receivables/payables." These amounts are eliminated in the governmental and business-type activities columns of the statement of net position, except for the net residual amounts due between governmental and business-type activities, which are presented as internal balances. Interfund balances have no set repayment schedule and are generally not expected to be repaid within one year.

K. Deferred Outflows and Inflows of Resources

In addition to assets and liabilities, the statement of net position/balance sheet will sometimes report separate sections for deferred outflows and inflows of resources. These separate financial statement elements represent a consumption or acquisition of net position that applies to a future period and will not be recognized as an outflow of resources (expense) or inflow of resources (revenue) until that time. The City has multiple types of these items. Accordingly, unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenue from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. Deferred outflows and inflows relating to pensions are described in Note 10. Deferred inflows and outflows related to the post-employment benefit program are described in Note 11. Deferred inflows related to leases are described in Note 6.

L. Fund Balance

The City is required to report its fund balance within the following classifications on the governmental fund financial statements: nonspendable, restricted, committed, assigned, and unassigned. The City Council is the City's highest level of decision-making authority and a formal resolution by them at the City Council meeting is required to be taken to establish, modify, or rescind a fund balance commitment. The resolution must be approved or rescinded by them prior to the last day of the fiscal year for which the commitment is made. The amount subject to the restraint may be determined in the subsequent period.

The City Council has authorized the City's Finance Director to assign fund balance amounts to a specific purpose as approved by the City's fund balance policy.

In the event the City incurs expenditures where restricted and unrestricted resources can be used, the City will use restricted resources first. In the event an expenditure is made from multiple unrestricted resources, the City's order of spending will be committed, assigned, and unassigned.

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 **SIGNIFICANT ACCOUNTING POLICIES** – Continued

M. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the City, these revenues are for services primarily provided by the Water, Water Surcharge, Sewer, and Garbage Funds to the general public. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting this definition are reported as non-operating.

N. Property Taxes

The City bills and collects its own real property taxes. These taxes are levied each July 1 for all real property located within City boundaries which receives substantially all City services. Taxes are payable without interest until September 30 of the year billed. City property tax revenues are recognized when levied to the extent that they result in current receivables. The Maryland Department of Assessments and Taxation assesses property value based on estimates of fair market value. A revaluation of property values is completed every three years by the Department and any increase in assessed value is phased in over a three-year period. For the year ended June 30, 2025, the City had a real estate tax rate of \$0.70 per \$100 of assessed value.

O. Pensions

For the purpose of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to the pension, and pension expense, information about the fiduciary net position of the Maryland State Retirement and Pension System (“the System”) and additions to/deductions from the System’s fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

P. Credit Risk

As of June 30, 2025, the City has recorded receivables from various entities and individuals. As these receivables are believed to be completely collectable, an allowance for doubtful accounts is not recorded. If an account is determined to be uncollectible, the direct write-off method is used. This does not produce a result materially different from the allowance method of accounting.

Q. Estimates

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

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 2 **SIGNIFICANT ACCOUNTING POLICIES** – Continued

R. Related Organization

Organizations for which the primary government is accountable because it appoints a voting majority of the board, but is not financially accountable, are considered to be related organizations. The Frostburg Housing Authority is a related organization of the City. The City appoints the members of the board of directors and their executive director but has no further accountability. The City received \$15,304 from the Authority during the year ended June 30, 2025. The payment is based on dwelling rent charged by the Authority to its tenants and is paid to the City in lieu of real estate taxes on the properties owned by the Authority.

NOTE 3 **CASH AND INVESTMENTS**

The cash deposits of the City of Frostburg are governed by Maryland Article 95-22. The City may establish official depositories with any bank or savings and loan located in the state of Maryland. The City may also establish time deposits and certificates of deposit. As of June 30, 2025, the book balances of the City's deposits were \$13,538,647 and the bank balances were \$13,540,871. Of the bank balances, \$500,000 was covered by federal depository insurance and \$13,040,871 was covered by collateral held by the agent of the financial institution but not in the City's name.

The investment policy of the City is to invest public funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the City and conforming to all state and local statutes governing the investment of public funds. The primary objectives, in priority order, of the City's investment activities shall be safety, liquidity, and return on investment.

Interest Rate Risk – In accordance with its investment policy, the City manages its exposure to declines in fair values arising from interest rates by limiting the maturity date of securities to no more than one year from the date of purchase, unless it is matched to a specific cash flow requirement.

Credit Risk – The City's investment policy limits the investments of the portfolio to 5% commercial paper, 50% money market mutual funds, 40% bankers' acceptance, 40% collateralized certificates of deposit, 90% repurchase agreements, and 90% U.S. government agency and U.S. government sponsored instruments.

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 3 **CASH AND INVESTMENTS** – Continued

Custodial Credit Risk – Deposits and investments are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution’s trust department or agent but not in the depositor-city’s name. All of the City’s deposits are covered by depository insurance, collateralized with securities held by the financial institution in the City’s name, and collateralized with securities held by the financial institution’s agent, but not in the City’s name, therefore mitigating custodial credit risk.

NOTE 4 **ACCOUNTS RECEIVABLE**

The City's accounts receivable as of June 30, 2025 consisted of the following:

	Governmental	Water	Sewer	Water Surcharge	Garbage	Total
Taxes	\$ 212,701	\$ -	\$ -	\$ -	\$ -	\$ 212,701
Intergovernmental	379,118	-	649,733	-	-	1,028,851
Charge for services	-	123,564	164,699	74,262	51,270	413,795
Interest	-	632	3,231	3,902	4,741	12,506
Other	20,757	2,581	17,511	-	91	40,940
Total	\$ 612,576	\$ 126,777	\$ 835,174	\$ 78,164	\$ 56,102	\$ 1,708,793

At the end of the current fiscal year, \$50,010 of unearned revenues were recognized for billings done prior to June 30, 2025 that were for services after June 30, 2025 in the proprietary funds. In addition, \$167,707 of deferred inflows of resources were recognized as a result of unavailable revenue from property taxes in the governmental fund statements.

NOTE 5 **CAPITAL ASSETS**

Depreciation and amortization expense for governmental capital assets was charged to the following accounts as follows for the year ended June 30, 2025:

General Government	\$ 332,567
Public Safety	104,816
Public Works	489,441
Recreation & Parks	122,730
Total	<u>\$ 1,049,554</u>

Depreciation and amortization expense for proprietary capital assets was charged to the following accounts as follows for the year ended June 30, 2025:

Water	\$ 129,492
Sewer	939,840
Water Surcharge	813,977
Garbage	41,332
Total	<u>\$ 1,924,641</u>

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5 **CAPITAL ASSETS** – Continued

The following is a summary of the changes in the fixed asset accounts for the year ended June 30, 2025:

	Beginning Balance	Additions	Disposals	Transfers	Ending Balance
Governmental Activities (General)					
Non-depreciable Assets					
Land	\$ 4,456,955	\$ -	\$ -	\$ -	\$ 4,456,955
Construction-in-progress	2,393,445	1,950,941	-	(3,473,331)	871,055
Total Non-depreciable Assets	6,850,400	1,950,941	-	(3,473,331)	5,328,010
Depreciable Assets					
Land Improvements	1,688,429	-	-	910,140	2,598,569
Buildings and Improvements	7,928,520	-	-	2,563,191	10,491,711
Infrastructure	7,494,683	219,774	-	-	7,714,457
Machinery & equipment	2,679,890	92,100	(17,926)	-	2,754,064
Right of use asset	588,251	80,270	-	-	668,521
Subscription assets	196,633	-	-	-	196,633
Intangible assets	206,323	-	-	-	206,323
Total Depreciable Assets	20,782,729	392,144	(17,926)	3,473,331	24,630,278
Less, Accumulated Depreciation for:					
Land Improvements	1,119,401	138,298	-	-	1,257,699
Buildings and Improvements	2,866,905	278,179	-	-	3,145,084
Infrastructure	3,799,730	254,896	-	-	4,054,626
Machinery & equipment	1,705,111	195,008	(16,133)	-	1,883,986
Right of use asset	263,587	127,526	-	-	391,113
Subscription assets	45,184	45,331	-	-	90,515
Intangible assets	92,845	10,316	-	-	103,161
Total Accumulated Depreciation	9,892,763	1,049,554	(16,133)	-	10,926,184
Depreciable Assets, net of accumulated depreciation	10,889,966	(657,410)	(1,793)	3,473,331	13,704,094
Total Governmental Capital Assets, net of accumulated depreciation	\$17,740,366	\$ 1,293,531	\$ (1,793)	\$ -	\$ 19,032,104
Business-type Activities (Water, Water Surcharge, Sewer, and Garbage)					
Non-depreciable Assets					
Land	\$ 164,022	\$ -	\$ -	\$ -	\$ 164,022
Construction-in-progress	1,049,434	1,170,618	-	(206,286)	2,013,766
Total Non-depreciable Assets	1,213,456	1,170,618	-	(206,286)	2,177,788
Depreciable Assets					
Land Improvements	15,353,284	-	-	-	15,353,284
Buildings and Improvements	8,433,460	-	-	-	8,433,460
Infrastructure	35,353,527	74,500	-	206,286	35,634,313
Machinery & equipment	2,313,552	-	-	-	2,313,552
Right of use asset	227,211	-	-	-	227,211
Total Depreciable Assets	61,681,034	74,500	-	206,286	61,961,820
Less, Accumulated Depreciation for:					
Land Improvements	11,474,856	378,217	-	-	11,853,073
Buildings and Improvements	7,430,852	270,025	-	-	7,700,877
Infrastructure	13,818,739	1,104,960	-	-	14,923,699
Machinery & equipment	1,154,920	125,998	-	-	1,280,918
Right of use asset	77,786	45,442	-	-	123,228
Total Accumulated Depreciation	33,957,153	1,924,642	-	-	35,881,795
Depreciable Assets, net of accumulated depreciation	27,723,881	(1,643,856)	-	-	26,080,025
Total Business-type Capital Assets, net of accumulated depreciation	\$28,937,337	\$ (473,238)	\$ -	\$ -	\$ 28,257,813

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 **LEASES**

Leases receivable - The City is a lessor for noncancellable leases of building space and easements. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements. At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgements include (1) the discount rate used to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the estimated incremental borrowing rate of the lessee as the discount rate for leases.
- The lease term includes the noncancellable periods of the lease. Rights to extend are considered to be exercised if it is reasonably probable that they will be. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lease.

Rental income related to these leases for the year ended June 30, 2025 was \$87,534. Interest income related to these leases for the year ended June 30, 2025 was \$37,111.

The City monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Leases payable - The City is a lessee of nineteen vehicles under a noncancellable master lease agreement. The City is also a lessee of three copiers under one noncancellable lease agreement and mailing equipment under two noncancellable lease agreements. At the commencement of the leases, the City initially measures the lease liability at the present value of the payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The right of use asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date. Subsequently, the right of use asset is amortized on a straight-line basis over the life of the lease term.

Key estimates and judgements related to leases include (1) the discount rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses its estimated incremental borrowing rate as the discount rate for leases if a rate is not provided by the lessor.
- The lease term includes the noncancellable period of the lease. Rights to extend are considered to be exercised if it is reasonably probable that they will be. Lease payments included in the measurement of the lease liability are composed of fixed payments to the lessor.

The vehicle leases include a provision for a residual value guarantee based on mileage and estimated book value of each vehicle at the conclusion of the lease. As the City cannot

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 6 LEASES – Continued

reasonably estimate the residual value guarantee, no amount is included in the calculation of the lease liability. The copier lease provides for variable payments per black and white copies if usage exceeds a stated annual usage amount, and for color copies. As the City cannot reasonably estimate this usage, no amount is included in the calculation of the lease liability.

The total right of use assets and related accumulated amortization of the underlying leased assets by fund as of June 30, 2025 are as follows:

Right of Use Lease Assets	Governmental Activities			Business-type Activities		
	Amount	Accumulated Amortization	Net Value	Amount	Accumulated Amortization	Net Value
Vehicles	\$ 602,511	\$ 353,450	\$ 249,061	\$ 227,211	\$ 123,227	\$ 103,984
Office equipment	66,010	37,663	28,347	-	-	-
Total	<u>\$ 668,521</u>	<u>\$ 391,113</u>	<u>\$ 277,408</u>	<u>\$ 227,211</u>	<u>\$ 123,227</u>	<u>\$ 103,984</u>

NOTE 7 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

The City has adopted GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs) to account for its subscription-based agreements exceeding one year. Under this statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset.

The City entered into four subscription-based information technology arrangements as of June 30, 2025, with initial terms ranging from 29 to 60 months. Some of the arrangements include automatic annual renewal periods. The City did not include the renewal periods in the SBITA terms as it is not reasonably certain it will exercise the renewal option. The City utilized its incremental borrowing rate in its calculations since an interest rate was not indicated in the terms of the agreement.

The right of use assets and related accumulated amortization under the subscription-based arrangement in the governmental fund as of June 30, 2025 is as follows:

Right of Use Subscription-Based Assets:	Governmental Activities
Information Technology	\$ 196,633
Less, Accumulated Amortization	(90,515)
	<u>\$ 106,118</u>

The annual payment requirements for the SBITAs are included within Note 8 Long Term Debt.

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 LONG TERM DEBT

The following is a summary of the changes in direct placement long-term debt for the year ended June 30, 2025:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
General obligation bond	\$2,344,000	\$ -	\$ (56,000)	\$ 2,288,000	\$ 58,500
Bond premium	253,265	-	(7,341)	245,924	-
Leases payable	335,097	79,520	(122,543)	292,074	121,725
Subscriptions payable	95,100	-	(35,940)	59,160	30,909
Compensated absences	494,226	-	(96,509)	397,717	-
Net OPEB liability	506,723	7,266	-	513,989	-
Net pension liability	1,434,461	8,345	-	1,442,806	-
Total Governmental Activities	<u>\$5,462,872</u>	<u>\$ 95,131</u>	<u>\$ (318,333)</u>	<u>\$ 5,239,670</u>	<u>\$ 211,134</u>
Business-type Activities					
Bonds & Notes Payable					
USDA – Raw Water Line/Hydro					
Electric	\$ 717,979	-	\$ (19,365)	\$ 698,614	\$ 19,755
MDE - CSO Phase VIIA	122,843	-	(14,878)	107,965	15,012
Suntrust - Piney Dam Project	1,555,839	-	(378,000)	1,177,839	384,000
MDE – CSO Phase VIIB	39,559	-	(4,013)	35,546	4,049
MDE – Savage Raw Water	184,778	-	(17,741)	167,037	17,901
MDE – CSO Phase VIIB-2	54,074	-	(4,675)	49,399	4,722
Leases payable	154,838	-	(42,992)	111,846	42,463
Compensated absences	286,604	-	(41,341)	245,263	-
Net OPEB liability	197,059	-	(2,576)	194,483	-
Net pension liability	583,065	344,915	-	927,980	-
Total Business-type Activities	<u>\$3,896,638</u>	<u>\$ 344,915</u>	<u>\$ (525,581)</u>	<u>\$ 3,715,972</u>	<u>\$ 487,902</u>

In November 2019, the City issued Local Government Infrastructure Bonds through the Community Development Administration in the amount of \$2,576,814 with an average interest rate of 3.39% for the construction of a new municipal center. The bond is payable in variable annual installments of principal plus semi-annual installments of interest and issuance fees. The issuance fees paid semi-annually range from \$611 to \$1,059 per payment. The bond is payable over a 30-year term and has 24 payments of principal, interest, and issuance costs and an additional 24 payments of interest and issuance costs only remaining.

The loan payable to the United States Department of Agriculture is for the water transmission hydro-electric project. There are 108 quarterly installments of \$8,395 representing principal and interest remaining. The loan carries an interest rate of 2%.

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 **LONG TERM DEBT** - Continued

On January 12, 2012, the City was notified by Maryland Department of the Environment that revolving loan funds in the amount of \$279,000 were available to the City for Phase VII-A, Taylor Street CSO Elimination Project. The loan is payable in variable annual installments of principal and issuance fees plus semi-annual installments of interest at 0.90% on the outstanding balance. The issuance fees paid annually are fixed in the amount of \$760. The loan has 7 installments of principal, interest, and issuance costs and an additional 7 installments of interest only remaining.

The loan payable to Suntrust Bank for the Piney Dam project is payable in variable annual installments of principal and semi-annual installments of interest at 2.30% on the balance outstanding. The loan has 3 installments of principal and interest and an additional 3 installments of interest only remaining.

Maryland Department of the Environment provided forgivable loan funding of \$460,301 and loan funding in the amount of \$77,768 to the City for Phase VIIB, Paul Street CSO Elimination Project. The loan is payable in variable annual installments of principal and issuance fees plus semi-annual installments of interest only at 0.90% on the outstanding balance. The issuance fees paid annually are fixed in the amount of \$203. The loan has 9 installments of principal, interest and issuance fees plus 9 semi-annual installments of interest only remaining. The City did not accrue a liability for repayment of the forgivable portion of the project since the City intended to meet all the requirements for the loan to be forgiven. MDE forgave the debt on April 25, 2023.

On October 24, 2014, Maryland Department of the Environment provided forgivable loan funding of \$112,500 and loan funding in the amount of \$337,500 to the City for the Savage Raw Water and Energy Conservation Project. The loan is payable in variable annual installments of principal and issuance fees plus semi-annual installments of interest only at 0.90% on the outstanding balance. The issuance fees paid annually are fixed in the amount of \$922. The loan has 9 installments of principal, interest and issuance fees plus 9 semi-annual installments of interest only remaining. The City has not accrued a liability for repayment of the forgivable portion of the project. MDE forgave the debt on October 24, 2024.

On May 30, 2014. Maryland Department of the Environment provided loan funding of \$94,120 to the City for the Phase VIIB-2, Paul Street CSO Elimination Project. The loan is payable in annual installments of principal, interest, and issuance fees of \$5,216 plus semi-annual installments of interest only at 1.00% on the outstanding balance. The issuance fees paid annually are fixed in the amount of \$261. The loan has 10 installments of principal, interest and issuance fees plus 10 semi-annual installments of interest only remaining.

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 **LONG TERM DEBT** - Continued

The annual requirements to amortize all direct placement debt, as of June 30, 2025 are as follows:

Year	Governmental Activities		Business-type Activities		Total		
	Principal	Interest & Fees	Principal	Interest & Fees	Principal	Interest & Fees	Total
2026	\$ 58,500	\$ 96,174	\$ 445,438	\$ 41,932	\$ 503,938	\$ 138,106	\$ 642,044
2027	61,000	93,764	456,217	32,208	517,217	125,972	643,189
2028	63,000	91,233	462,811	22,326	525,811	113,559	639,370
2029	66,000	88,618	63,807	17,651	129,807	106,269	236,076
2030	68,500	85,996	64,619	16,079	133,119	102,075	235,194
2031-2035	385,000	385,220	261,281	64,849	646,281	450,069	1,096,350
2036-2040	469,000	229,929	125,487	42,413	594,487	272,342	866,829
2041-2045	572,500	196,680	138,683	29,217	711,183	225,897	937,080
2046-2050	544,500	66,077	153,237	818,242	697,737	884,319	1,582,056
2051-2055	-	-	64,820	1,453	64,820	1,453	66,273
2056-2066	-	-	-	-	-	-	-
	<u>\$ 2,288,000</u>	<u>\$ 1,333,691</u>	<u>\$ 2,236,400</u>	<u>\$ 1,086,370</u>	<u>\$ 4,524,400</u>	<u>\$ 2,420,061</u>	<u>\$ 6,944,461</u>

The source of funds for debt retirement is as follows:

	Debt Amount
General revenue	\$ 2,288,000
Sewer charges	192,910
Water surcharges	2,043,490
	<u>\$ 4,524,400</u>

Principal and interest requirements for each fund to maturity for leases payable are presented below:

Year	Governmental Activities		Business-type Activities		Total		
	Principal	Interest & Fees	Principal	Interest & Fees	Principal	Interest & Fees	Total
2026	\$ 121,725	\$ 16,628	\$ 42,465	\$ 6,423	\$ 164,190	\$ 23,051	\$ 187,241
2027	75,577	10,369	37,377	3,740	112,954	14,109	127,063
2028	60,694	5,125	24,062	1,419	84,756	6,544	91,300
2029	28,065	1,645	7,942	248	36,007	1,893	37,900
2030	6,013	162	-	-	6,013	162	6,175
2031-2035	-	-	-	-	-	-	-
	<u>\$ 292,074</u>	<u>\$ 33,929</u>	<u>\$ 111,846</u>	<u>\$ 11,830</u>	<u>\$ 403,920</u>	<u>\$ 45,759</u>	<u>\$ 449,679</u>

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 8 **LONG TERM DEBT** - Continued

Principal and interest requirements for the governmental fund to maturity for the subscriptions payable are presented below:

Fiscal Year	Governmental Activities	
	Principal	Interest
2026	\$ 30,909	\$ 4,796
2027	28,251	2,290
	<u>\$ 59,160</u>	<u>\$ 7,086</u>

All compensated absences in the governmental activities will be paid out of the general fund. All compensated absences in the proprietary funds will be paid out of the funds where the liability was incurred. The City feels the employee absences in both the governmental funds and proprietary funds for the next year will not exceed the leave accrued by the employees during the year, thus the entire balance of compensated absences is considered to be long-term for these funds.

The City incurred interest of \$118,867 in the General Fund and \$63,315 in the Proprietary Funds, which includes interest on leases recognized in accordance with GASB 87 and interest on subscriptions in accordance with GASB 96.

NOTE 9 **RESTRICTED ASSETS - WATER SURCHARGE FUND**

The Water Surcharge Fund is a restricted fund to be used for the improvements, construction, debt service, and other capital projects of the Piney Dam and the Water Treatment Plant. Fund income is derived from a surcharge to water service customers.

NOTE 10 **PENSION PLAN**

Plan Description - The City contributes to the Maryland State Retirement and Pension System (SRPS), a cost sharing multiple-employer defined benefit pension plan administered by the State of Maryland for all employees working more than 500 hours in a year. The SRPS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Article 73B of the Annotated Code of the State of Maryland assigns the authority to establish and amend benefit provisions to the SRPS Board of Trustees. The State of Maryland issues a publicly available financial report that includes financial statements and required supplementary information for SRPS. That report may be obtained by writing to Maryland State Retirement and Pension System, 120 East Baltimore Street, Baltimore, Maryland 21202 or at www.sra.state.md.us.

Benefits Provided - For all individuals who are members, pension allowances are computed using both the highest three-consecutive year's Average Final Compensation (AFC) and the actual number of years of accumulated creditable service. Various pension options are available under the SRPS which ultimately determines how a retiree's benefit allowance will be computed. Some of these options require actuarial reductions based on the retiree's and/or designated beneficiary's attained age and similar actuarial factors.

An individual who is a member of the SRPS is eligible for full pension benefits upon the earlier of attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. Members who attain age 55 with at least 15 years of service eligibility are also eligible for early service pension benefits. The early service benefit is at a reduced rate based on the number of months the retirement dates precedes the date on which the member reaches age 62.

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 **PENSION PLAN** - Continued

Members employed before July 1, 2011 who terminate employment before attaining age 62 must have accumulated 5 years of eligible service to be eligible for a vested pension allowance. Members employed on or after July 1, 2011 who terminate employment before attaining age 62 must have 10 years of eligible service to be eligible for a vested pension allowance. Members who terminate employment before attaining age 55 with at least 15 years of eligibility service are eligible for a reduced vested pension allowance if they elect to receive benefits prior to attaining retirement age 62.

Employees who are permanently and totally disabled as the result of an accident occurring in the line of duty are eligible for disability regardless of length of service. Five years of service is required for non-service related disability eligibility. Accidental disability benefits are determined as a percentage of AFC. Non-service related disability payments are calculated as though members had accrued service credits up until attaining age 62.

All members who have accumulated at least one year of service eligibility prior to date of death or died in the line of duty are eligible for death benefits. Death benefits are generally equal to the member's annual salary as of the date of death plus accumulated contributions. Under certain circumstances, additional death benefit options are available.

All member benefits are adjusted each year on July 1 based on the Consumer Price Index (CPI). The increase is limited to 3% for an individual who is a member of the SRPS prior to July 1, 2011. The increase is capped at the lessor of 2.5% or the increase in CPI if the most recent calendar year market rate of return was greater than or equal to the assumed rate. Retirement allowances will not be adjusted in years when there is a decline in CPI.

Contributions - Members of the contributory pension systems are required to make contributions of 2% of earnable compensation. The City is required to contribute annually at an actuarially determined rate. The contribution rate for the year ending June 30, 2025 was 8.44% plus a 2.42% surcharge totaling 10.86% of covered payroll. The contribution requirements of plan members and the City are established and may be amended by the SRPS Board of Trustees. The City contribution to SRPS was \$214,404 for the year ended June 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows and Inflows of Resources Related to Pensions - At June 30, 2025, the City reported a liability of \$2,370,786 for its proportionate share of the System's liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions to the pension plan relative to the total contributions made by all participating employers to the plan for the year ended June 30, 2024, actuarially determined. At June 30, 2024, the City's proportion was 0.009 percent, and was 0.009 percent at June 30, 2023.

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 **PENSION PLAN** – Continued

For the year ended June 30, 2025, the City recognized pension expense of \$402,251. At June 30, 2025, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Net difference between projected and actual earnings on pension investments	\$ 164,858	\$ -
Changes in assumptions	159,854	-
Difference between actual and expected experience	243,285	59,888
Change in proportionate share	98,865	-
City contributions subsequent to the measurement date	<u>214,404</u>	<u>-</u>
Totals	<u>\$ 881,266</u>	<u>\$ 59,888</u>

The City reported \$214,404, as deferred outflows of resources related to pensions resulting from City contributions made subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2025.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>For the year ending June 30,</u>	<u>Total</u>
2026	\$ 123,701
2027	261,871
2028	114,120
2029	75,808
2030	<u>31,474</u>
Total	<u>\$ 609,974</u>

Actuarial Assumptions - The total pension liability in the June 30, 2024 actuarial valuation, based on results of a prior actuarial experience study for the period July 1, 2018 to June 30, 2023, was determined using the following key actuarial assumptions, applied to all periods included in the measurement:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Inflation	2.50% General, 3.00% Wage
Salary Increases	3.00% to 22.50%, including inflation
Discount Rate	6.80%
Investment Rate of Return	6.80%
Mortality	Various versions of the Pub-2010 Mortality Tables for males and females with projected generational mortality improvements based on the MP-2021 fully generational mortality improvements scale.

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 **PENSION PLAN** - Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	34.00%	6.00%
Private Equity	16.00%	8.50%
Rate Sensitive	20.00%	2.40%
Credit Opportunity	9.00%	5.40%
Real Assets	15.00%	5.50%
Absolute Return	6.00%	3.90%
TOTAL	100.00%	

Discount Rate - The discount rate used to measure the total pension liability was 6.80%, which is based on the expected rate of return on pension plan investments. 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, employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate, and contributions from the State will be made at current statutorily required rates. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments to determine the total pension liability.

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate- The following presents the City’s proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the City’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is a percentage point lower (5.80%) or a percentage point higher (7.80%) than the current rate:

	1% Decrease 5.80%	Current Discount Rate 6.80%	1% Increase 7.80%
City’s proportionate share of the net pension liability	\$ 3,445,570	\$ 2,370,786	\$ 1,474,878

Pension Plan Fiduciary Net Position - Detailed information about the pension plan’s fiduciary net position is available in the separately issued System financial report. Prior to the City’s enrollment in the Maryland State Retirement and Pension System (SRPS), the City participated in a money purchase pension plan through ICMA that covered substantially all of its employees. The plan allowed employees to contribute up to 10% of their annual compensation with the

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 **PENSION PLAN** - Continued

City also contributing 9% of total compensation. Upon enrollment in the SRPS, the City discontinued contributions to the ICMA plan but allowed employees to continue their voluntary contributions. On July 21, 2016 the City approved the Frostburg Police Officers Pension Enhancement Plan. The City has increased its contributions rates for certified police officers who complete their enrollment in the plan. The contributions are based on the officers' base salary. For years ending after June 30, 2021, the City's contribution is 4% of the officer's base salary. On June 16, 2022, the City amended the plan to include all full-time City employees. Any full-time employee, including police officers, who contributes at least 1% of their base salary towards the plan will receive a City matching contribution of 1%. The City contributed \$16,514 towards the plan during the fiscal year ending June 30, 2025.

Effective July 1, 2023, certified police officers (Officers) actively employed by the City of Frostburg are participants of the Law Enforcement Officers Pension System (LEOPS) within the Maryland State Retirement System. Accordingly, the City elected to withdraw and transfer eligible Officers from the Employees Pension System (EPS) to the LEOPS as of July 1, 2023. The preliminary actuarial estimate of the market value of assets of the EPS attributable to the eligible Officers who are expected to transfer to the LEOPS is \$467,238. The final determination of the assets attributable to the transferring Officers shall be based on final review of the Officers employed through Frostburg's payroll period as of June 30, 2023, and actual demographic, employment, and asset information as of June 30, 2023. The actuary has made a preliminary estimate of the special accrued liability credit on account of the eligible Officers who are expected to transfer to the LEOPS effective July 1, 2023, using the actuarial assumptions and applicable benefit provisions as of June 30, 2023. The actuary has preliminarily estimated that the special accrued liability credit amounts to \$381,852 as of July 1, 2024, based on the demographics of the Officers who are expected to transfer to LEOPS, and after applying the \$467,238 in assets from the preliminary withdrawal valuation that will be transferred to LEOPS. The amounts reported in these financial statements reflect the officers still being a part of the EPS since the most recent actuarial valuation was based on information as of June 30, 2023.

NOTE 11 **OTHER POST-EMPLOYMENT BENEFITS ("OPEB")**

Plan Description – The City sponsors a defined benefit single-employer post-retirement medical plan. The OPEB provides medical and prescription benefits to eligible retirees and their spouses. The plan does not issue stand-alone financial statements.

Benefits Provided – Coverage is available for active employees and their dependents who retire at age 60 until they are eligible for Medicare benefits. Also included are employees who retire on Accidental Disability with the State Pension System between the age of 58 ½ and age 60. Plan members contribute 20% of the premium for medical and prescription benefits and the City contributes 80% of the premium until such time as the member qualifies for Medicare benefits. Once a member or spouse qualifies for Medicare benefits, the medical and prescription benefit through the City expires. As of July 1, 2024, the City switched to a self-funded health insurance plan and no longer pays any of the deductibles for plan participants. These changes have been reflected in the actuarial valuation report performed as of June 30, 2025.

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) - Continued

As of June 30, 2025, the following employees were covered by the benefit terms:

Number of Active Employees	34
Number of Retirees	<u>2</u>
Total Number	<u><u>36</u></u>

Contributions – The plan is funded on a pay as you go basis and is expected to continue on this basis. The contribution requirements of plan members and the City are established and may be amended by the Mayor and City Council. The City pays all benefits from its general fund. The City paid \$23,947 in benefits during the year ended June 30, 2025.

OPEB Liabilities, Expense, and Deferred Outflows and Inflows of Resources - At June 30, 2025, the City reported a liability of \$708,472. The net OPEB liability was measured as of June 30, 2025 using employee data as of June 30, 2025.

For the year ended June 30, 2025, the City recognized OPEB expense of \$70,292. At June 30, 2025, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 16,361	\$ 54,781
Difference between expected and actual experience	<u>177,926</u>	<u>172,333</u>
	<u>\$ 194,287</u>	<u>\$ 227,114</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>For the year ended June 30,</u>	<u>Total</u>
2026	\$ 4,937
2027	2,908
2028	3,281
2029	(12,426)
2030	(28,893)
Thereafter	<u>(2,634)</u>
	<u>\$ (32,827)</u>

Actuarial Assumptions - The total OPEB liability in the June 30, 2025 actuarial valuation was determined using plan provisions as of that date, employee data as of June 30, 2025, and the following key actuarial assumptions, applied to all periods included in the measurement:

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS (“OPEB”) – Continued

Actuarial cost method	Entry Age Normal
Discount rate	4.81%, changed from 4.21% in the prior study.
Mortality	Pub-2010 General Headcount-weighted with fully generational MP-2021 scale. The Pub-2010 table represents the most recent mortality tables developed specifically for governmental employees by the Society of Actuaries which were released late in 2018.
Turnover	SOA Small Plan Age Table based on professional judgement.
Salary scale	3.00%
Core inflation assumption	2.00%
Retirement age	100% at Age 62 based on assumed rates of retirement.
Utilization	75% based on current medical election rates. Those active employees not currently enrolled were assumed to never enter the plan.
Per capita claims	Claims were developed by adjusting the underlying medical premiums for the ages of retirees compared to the underlying active populations. The adjustment was done using actual ages of enrolled participants and aging factors. The retiree pre-65 premium was \$914.00 for medical per month, consistent with the \$914.00 per month used in the prior year.
Trend	Premiums are assumed to increase initially at a rate of 7.50% per year, declining 25 basis points per year to an ultimate annual rate of increase of 4.5%.
Marriage assumption	60% married with husbands assumed to be 3 years older than wives. For current retirees actual spousal information and coverage was used.
Cost sharing	The plan's current cost sharing percentages are 80% paid by the employer and 20% paid by the employee.

Due to the relatively small number of plan participants, certain demographic assumptions are set based on the professional judgement of the Plan’s independent actuary as opposed to being based on a formal actuarial experience study. The assumptions are reviewed by the actuary on a biannual basis.

The City funds the OPEB using a pay as you go method. The City has no assets accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4. As such, there is no asset class target allocation or expected long-term expected real rate of return.

Discount Rate - The discount rate used to measure the total OPEB liability was 4.81%. As the OPEB is unfunded, the discount rate is based on a twenty-year municipal bond index. The S&P Municipal Bond 20 Year Rate Index was used to approximate those yields as of June 30, 2025.

Sensitivity of the City’s Net OPEB Liability to Changes in the Discount Rate - The following presents the City’s net OPEB liability calculated using the discount rate of 4.81% as well as what the City’s net OPEB liability would be if it were calculated using a discount rate that is a percentage point lower (3.81%) or a percentage point higher (5.81%) than the current rate.

	1% Decrease 3.81%	Current Discount Rate 4.81%	1% Increase 5.81%
City’s net OPEB liability	\$ 754,735	\$ 708,472	\$ 668,439

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 11 **OTHER POST-EMPLOYMENT BENEFITS (“OPEB”)** – Continued

Sensitivity of the City’s Net OPEB Liability to Changes in the Healthcare Cost Trend Rate - The following presents the City’s net OPEB liability calculated using the healthcare cost trend rate of 7.50% to 4.5%, as well as what the City’s net OPEB liability would be if it were calculated using a healthcare cost trend rate that is a percentage point lower (6.50% to 3.5%) or a percentage point higher (8.50% to 5.5%) than the current rate:

	1% Decrease 6.50% to 3.5%	Current Discount Trend Rate 7.50% to 4.5%	1% Increase 8.50% to 5.5%
City’s net OPEB liability	\$ 659,319	\$ 708,472	\$ 766,632

Changes in Net OPEB Liability

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at July 1, 2024	\$ 703,782	-	\$ 703,782
Changes for the year			
Service Cost	23,178	-	23,178
Interest	29,130	-	29,130
Changes in benefit terms	-	-	-
Difference between expected & Actual experience	-	-	-
Assumption changes	(23,671)	-	(23,671)
Contributions - employer	-	23,947	(23,947)
Contributions - employee	-	-	-
Net investment income	-	-	-
Benefit payments	(23,947)	(23,947)	-
Administrative expense	-	-	-
Other changes	-	-	-
Net changes	4,690	-	4,690
City’s net OPEB liability at June 30, 2025	\$ 708,472	\$ -	\$ 708,472

NOTE 12 **COMMUNITY DEVELOPMENT SPECIAL PROJECTS FUND - INDIRECT COSTS**

The City does not charge indirect costs against Community Development Block Grant Funds, and accordingly, no Statement of Indirect Costs has been prepared.

NOTE 13 **TAX ABATEMENTS**

The City has one program through which tax abatements are provided:

Enterprise Zone Tax Credit Program – Maryland’s Enterprise Zone (EZ) Tax Credit Program is a joint effort between the State and local governments to provide tax incentives to businesses and property owners located in some of the State’s most economically distressed communities. The Secretary of the Maryland Department of Business and Economic Development approved application by the City of Frostburg for designation of the Frostburg Enterprise Zone for a ten-year term which expired December 14, 2024.

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13 **TAX ABATEMENTS** - Continued

Eligible businesses in an EZ may claim a ten-year credit against local real property taxes on a portion of real property improvements. The credit is 80% of the eligible assessment increase during the first five years. The credit then decreases 10% annually thereafter to 30% in the tenth year. In order to claim the credit, the business must be certified by the local enterprise zone administrator as eligible for the credit. The City of Frostburg certifies the properties eligible for the property tax credit under the State of Maryland's Enterprise Zone program by Resolution each year. The local office of the Maryland Department of Assessments and Taxations provides the annual report to the City of the approved EZ properties, the eligible assessment increase, and the applicable credit percentage.

Enterprise Zone tax credits are reflected as an adjustment to the original real estate tax bills issued to the property owners if the credit exceeds \$1,000. For credits less than \$1,000, the property owner receives a refund of the tax credit after their original real estate tax bill has been paid. The City requests annual reimbursement from the Maryland Department of Assessments and Taxation for 50% of the approved EZ tax credits during the fiscal year. For the fiscal year ending June 30, 2025, the City recorded EZ tax credits in the amount of \$33,876 and received \$16,938 from the State of Maryland.

NOTE 14 **RISK OF LOSS**

The City utilizes commercial insurance for employee health, workers' compensation, and property and liability insurance. Life and disability benefits are provided through participation in the Maryland State Retirement System. The City retains the risk of loss for Maryland Unemployment Compensation. The City feels that the commercial insurance provides adequate coverage and that the potential loss from Maryland Unemployment Compensation is immaterial to the City's overall financial position.

NOTE 15 **INSURANCE RECOVERIES**

The City may receive insurance recoveries during the year as a result of various accidents involving City property. This amount is included in miscellaneous revenues in the government-wide statements and as other income in the governmental fund financial statements. The City received no insurance recoveries during the current year.

NOTE 16 **COMMITMENTS**

As of June 30, 2025, the CSO Elimination Project, Phase X-A, Georges Creek Corridor, was under construction. The total project cost is expected to be \$1,816,775 including the construction contract of \$1,587,822. The City has the following funding commitments for this project: Maryland Department of the Environment, Bay Restoration Fund Grant, \$981,312 and City cash \$835,463. Of the City cash contribution, \$606,500 is designated to come from American Rescue Plan Act (ARPA) funding. As of June 30, 2025, the City had incurred expenses of \$1,454,458.

Bids for CSO Elimination Phases VIII-C, North Grant Street, and IX-D, Center Street Extended, were opened in September 2024 and construction contracts were awarded in October 2024. The projects are expected to cost a combined total of \$912,720. The City has the following funding commitments for these projects: The Maryland Department of Housing and Community Development's Community Development Block Grant \$780,000 and City Cash \$132,720. As

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16 **COMMITMENTS** – Continued

of June 30, 2025, the City had incurred expenses of \$181,249 toward Phase VIII-C and \$96,168 toward Phase IX-D.

As of June 30, 2024, design was underway for the Frostburg Gateway Improvement Project which includes a full-sized roundabout at the intersection of Braddock Road, Center Street, Bowery Street, and Welsh Hill Road. Funding for the project is provided by three Appalachian Regional Commission (ARC) grants, including Phase I (\$450,000), Phase II (\$1,500,000), and Phase III (\$2,000,000, as amended). The City is under contract for \$108,621 to pay for final design expenses and this contract expense will be provided with ARPA funding. It is expected that the project will go to construction around 2027. The Maryland Department of Transportation State Highway Administration is administering the ARC grants directly on behalf of the City. As of June 30, 2025, design expenses totaled \$833,078.

On July 23, 2020, Allegany County Commissioners approved forgiveness of the \$80,000 liability of the City recorded in the Special Revenue Fund for the Center Street Redevelopment Project. The City, in consultation with regional Economic Development partners, is seeking a viable developer for the property.

On July 28, 2021, the City of Frostburg received the first disbursement of American Rescue Plan Act of 2021 (ARPA) Coronavirus State and Local Fiscal Recovery Funds (SLFRF) in the amount of \$4,189,816. The final disbursement of funds in the amount of \$4,192,952 was received August 4, 2022. Fiscal Recovery Funds may only be used to cover eligible costs incurred during the period beginning March 3, 2021 and ending December 31, 2026. Any funds not obligated by December 31, 2024, and any funds not expended to cover such obligations by December 31, 2026, must be returned.

The City has entered contracts for the following projects that may use ARPA funds for a portion of the project expense:

- Comprehensive Plan - \$193,022
- Leak detection services – not to exceed \$14,000
- Lighting control box - \$28,425

As of June 30, 2025, updating the City's comprehensive plan was underway. The total project cost is expected to be \$193,022, with funding designated to come from American Rescue Plan Act resources. Total project expenses as of June 30, 2025 were \$51,825.

Amounts received or receivable from grantor agencies are subject to audit and adjustments by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF FROSTBURG

NOTES TO THE FINANCIAL STATEMENTS

NOTE 16 **COMMITMENTS AND SUBSEQUENT EVENTS** - Continued

The City contracts with Maryland Environmental Service for the operation of the Frostburg Water Filtration Plant. In December 2020, the City signed a continuation of the contract with an estimated budget for 2022 and provisional cost proposals through 2026 as follows:

<u>Fiscal Year</u>	
2023	\$ 563,721
2024	567,399
2025	583,993
2026	600,703

NOTE 17 **NEW PRONOUNCEMENTS**

GASB has issued Statement No. 101, *Compensated Absences* and Statement No. 102, *Certain Risk Disclosures*, which became effective during the year ended June 30, 2025. The City implemented these statements and they had no material impact of the financial statements.

GASB has also issued Statement No. 103, *Financial Reporting Model Improvements* and Statement No. 104, *Disclosure of Certain Capital Assets*, and Statement No. 105, *Subsequent Events*. These pronouncements are effective for fiscal years beginning after June 15, 2025. The City has not currently determined what, if any, impact implementation of these statements may have on its financial statements.

CITY OF FROSTBURG, MARYLAND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 GENERAL FUND
 FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes				
Net property tax revenue	\$ 3,217,200	\$ 3,244,200	\$ 3,252,140	\$ 7,940
Income taxes	640,000	725,000	773,162	48,162
Hotel motel tax	155,000	155,000	184,402	29,402
Highway use tax	510,000	475,000	496,844	21,844
Other taxes	102,500	92,500	89,833	(2,667)
Police protection grant	135,000	121,000	122,540	1,540
Public safety revenue	15,000	7,950	6,699	(1,251)
Licenses and permits	41,250	47,000	53,073	6,073
Police grants	40,000	40,000	39,205	(795)
Rental program revenue	74,750	79,550	81,310	1,760
Recreational activities	100,000	100,000	118,409	18,409
Grant income - other	2,038,000	667,000	618,802	(48,198)
Transfers from other funds	355,525	355,525	355,536	11
Other income	1,860,650	2,261,400	2,209,018	(52,382)
Interest	400,000	510,000	512,124	2,124
Fund balance	173,870	-	-	-
TOTAL GENERAL FUND REVENUE	9,858,745	8,881,125	8,913,097	31,972
EXPENDITURES				
Administration	4,738,525	3,299,920	3,130,866	169,054
Public safety	2,362,470	2,274,070	2,202,509	71,561
Street department	1,867,625	2,111,625	2,287,788	(176,163)
Recreation department	890,125	1,195,510	1,157,870	37,640
TOTAL EXPENDITURES	9,858,745	8,881,125	8,779,033	102,092
EXCESS OF RESOURCES OVER CHARGES TO APPROPRIATIONS	\$ -	\$ -	\$ 134,064	\$ 134,064
Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures				
Sources/inflows of resources				
Actual budgetary basis "general fund revenue" from the budgetary comparison schedule			\$ 8,913,097	
Differences - budget to GAAP:				
Transfers from other funds are inflows from budgetary resources but are not revenues for financial reporting purposes				(355,536)
Proceeds from the sale of capital assets is income from budgetary resources but is not revenue for financial reporting purposes				(375)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds			\$ 8,557,186	
Uses/outflows of resources				
Actual budgetary basis "general fund revenue" from the budgetary comparison schedule			\$ 8,779,033	
Differences - budget to GAAP:				
Capital assets acquired through leases and subscription arrangements are not included as expenditures for budgetary purposes but are for financial reporting purposes				79,520
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balance - governmental funds			\$ 8,858,553	

The accompanying notes are an integral part of these financial statements.

CITY OF FROSTBURG, MARYLAND
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION

NOTE 1 **BUDGET TO ACTUAL VARIANCES**

Street Department expenses exceeded the amended budget due to unanticipated repairs to trucks and other heavy equipment and sidewalk repairs.

CITY OF FROSTBURG, MARYLAND

REQUIRED SUPPLEMENTAL INFORMATION (UNAUDITED)

SCHEDULE OF CITY OF FROSTBURG, MARYLAND'S PROPORTIONATE SHARE OF NET PENSION LIABILITY - MARYLAND STATE RETIREMENT AND PENSION SYSTEM

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
City's proportion of the net pension liability	0.0090%	0.0090%	0.0090%	0.0090%	0.0080%	0.0070%	0.0070%	0.0060%	0.0070%	0.0080%
City's proportionate share of the net pension liability	\$ 2,370,786	\$ 2,017,526	\$ 1,751,659	\$ 1,350,533	\$ 1,778,926	\$ 1,529,269	\$ 1,512,990	\$ 1,369,796	\$ 1,647,046	\$ 1,671,968
City's covered payroll - Employee Retirement System	\$ 2,311,318	\$ 2,175,732	\$ 2,112,110	\$ 2,172,676	\$ 2,040,588	\$ 1,929,720	\$ 1,930,114	\$ 1,826,242	\$ 1,832,753	\$ 1,967,223
City's proportionate share of the net pension liability as a percentage of its covered payroll	92.73%	92.73%	82.93%	62.16%	87.18%	79.25%	78.39%	75.01%	89.87%	84.99%
Plan fiduciary net position as a percentage of the total pension liability	72.08%	73.81%	76.27%	81.84%	70.72%	72.34%	71.18%	69.38%	65.79%	68.78%

The accompanying notes are an integral part of these financial statements.

CITY OF FROSTBURG, MARYLAND

REQUIRED SUPPLEMENTAL INFORMATION (UNAUDITED)

**SCHEDULE OF CITY OF FROSTBURG, MARYLAND'S CONTRIBUTIONS TO
MARYLAND STATE RETIREMENT AND PENSION SYSTEM**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution - Employee Retirement System	\$ 214,404	\$ 235,986	\$ 213,657	\$ 199,806	\$ 198,366	\$ 168,756	\$ 152,255	\$ 143,794	\$ 128,933	\$ 136,106
Contributions in relation to the contractually required contribution	\$ 214,404	\$ 235,986	\$ 213,657	\$ 199,806	\$ 198,366	\$ 168,756	\$ 152,255	\$ 143,794	\$ 128,933	\$ 136,106
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
City's covered employee payroll - Employee Retirement System	\$ 1,974,254	\$ 2,311,318	\$ 2,175,732	\$ 2,112,110	\$ 2,172,676	\$ 2,040,588	\$ 1,929,720	\$ 1,930,114	\$ 1,826,242	\$ 1,832,753
Contributions as a percentage of covered-employee payroll - Employee Retirement System	10.86%	10.21%	9.82%	9.46%	9.13%	8.27%	7.89%	7.45%	7.06%	7.43%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Changes in Benefit Terms - There were no benefit changes during the year.

Changes in Assumptions -
None

The accompanying notes are an integral part of these financial statements.

CITY OF FROSTBURG, MARYLAND

REQUIRED SUPPLEMENTAL INFORMATION (UNAUDITED)

**SCHEDULE OF CHANGES IN CITY OF FROSTBURG, MARYLAND'S TOTAL
OPEB LIABILITY AND RELATED RATIOS**

	6/30/2025	6/30/2024	6/30/2023	6/30/2022	6/30/2021	6/30/2020	6/30/2019	6/30/2018
Changes in OPEB Liability								
Service Cost	\$ 23,178	\$ 54,787	\$ 39,715	\$ 36,774	\$ 38,173	\$ 31,344	\$ 28,381	\$ 27,324
Interest	29,130	36,603	20,394	12,249	12,160	15,687	16,107	15,175
Changes in benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	-	(244,502)	310,230	22,118	-	(13,154)	-	-
Assumption changes	(23,671)	16,010	(35,962)	(38,086)	525	105,100	10,620	-
Contributions - employer	-	-	-	-	-	-	-	-
Contributions - employee	-	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-	-
Benefit payments	(23,947)	(28,426)	(20,107)	(28,035)	(39,863)	(33,947)	(12,449)	(24,295)
Administrative expense	-	-	-	-	-	-	-	-
Other changes	-	(31,029)	-	-	-	-	-	-
Net change in OPEB liability	4,690	(196,557)	314,270	5,020	10,995	105,030	42,659	18,204
Total OPEB liability, beginning of year	703,782	900,339	586,069	581,049	570,054	465,024	422,365	404,161
Total OPEB liability, end of year	<u>\$ 708,472</u>	<u>\$ 703,782</u>	<u>\$ 900,339</u>	<u>\$ 586,069</u>	<u>\$ 581,049</u>	<u>\$ 570,054</u>	<u>\$ 465,024</u>	<u>\$ 422,365</u>
City's covered employee payroll	\$ 2,189,948	\$ 1,979,748	\$ 1,899,442	\$ 1,744,969	\$ 1,532,693	\$ 1,391,124	\$ 1,185,691	\$ 1,151,156
Total OPEB liability as a percentage of covered employee payroll	32.35%	35.55%	47.40%	33.59%	37.91%	40.98%	39.22%	36.69%

This schedule is presented to illustrate the requirement to show information for 10 years. Until a full 10 year trend is completed, the City will present the information for the years that are available.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4, to pay related benefits.

Changes in Benefit Terms -

There were no changes in benefits terms during the plan year.

Changes in Assumptions -

The discount rate was changed from 4.21% in the prior study to 4.81%.

Healthcare cost trend assumption was updated to 7.5% for 2025 decreasing by 0.25% per year until it reaches 4.5%.

The accompanying notes are an integral part of these financial statements.

CITY OF FROSTBURG

Parks and Rec Monthly report

For the Month of March 2026

Submitted by: Gene Bittinger maintenance Supervisor

March 2 2026

Checked parks

Setup tables for Red Cross

Worked on the Food Pantry

March 3 2026

Salted parking lots and sidewalks

Checked the parks

Worked on the Food Pantry

Fixed a light switch in the Bureau of mines restroom

Replaced light bulbs in the Bureau of mines stairway

March 4 2026

Checked the parks

Worked on the Food Pantry

March 5 2026

Checked the parks

Worked on the food pantry

March 6 2026

Checked the parks

Put door stops on and fixed the floor tile at the Community Center

March 9 2026

Checked the parks

Poured the sidewalk and porch on the Food Pantry

Started cleaning out the sea container at the shop

Turned the invoices in

March 10 2026

Checked the parks

Went to the Staff meeting

Finished cleaning out upper shed

Hauled scrape

Brought a mower back to the shop

Fixed home plate on the Community field

March 11 2026

Checked the parks

Fixed the rear door and hand rail at the Community Center

Worked on the Food Pantry

March 12 2026

Checked the parks

Put kick plates on the rear Community Center door

Worked on the food pantry

March 13 2026

Checked the parks

Worked on the Food Pantry

March 16 2026

Checked the parks

Measured targets at the Rifle Range

Worked on the Food Pantry

March 17 2026

Checked the Parks

Replaced the furnace filter at the Day Care

Plowed and salted the parking lots and sidewalks

Worked on the Food Pantry

March 18 2026

Checked the parks

Worked on the Food Pantry

March 19 2026

Checked the Parks

Worked on the Rifle Range Targets

Fixed a door at the Day Care

March 20 2026

Checked the parks

Turned the invoices in

Worked on the Food Pantry

March 23 2026

Checked the parks

Started draining the pool

Took targets back to the Rifle Range

Worked on the Food Pantry

Started cleaning out the Food Pantry

March 24 2026

Checked the parks

Unloaded lumber for field 8 steps and put it away

Worked on the Food Pantry

Cleaned up around the Food Pantry

March 25 2026

Checked the parks

Helped the Water dept

Replaced the door on the L.L. concession stand window

Painted the restroom door at the Food Pantry

Received a load of crush and run for the Food Pantry

Took salt spreader off of truck 41

March 26 2026

Checked the parks

Spread cr 6 at the Food Pantry

Fixed a mower tire

Put new battery in 6 ft mower

Cleaned up after the food giveaway

Turned the water on at field 5 bathrooms

March 27 2026

Checked the parks

Worked on Lion's bathrooms

March 30 2026

Checked the parks

Turned the water on at the Pool, Lion's, Hoffman concession stand, Shaw ST. concession

March 31 2026

Checked the parks

Turned the water on at Hoffman, MT Pleasant, East End, Small pool pavilion and the Dog Park

Removed downed trees at the Day Care and Hoffman

CITY OF FROSTBURG
Monthly Report: Street Department
For the Month of: March 2026
Submitted by: Shane Elliott & Ryan Whitaker

March 1, 2026 – Sunday

March 2, 2026 – Monday

- Checked and emptied trash cans on Main Street
- Installed new street signs on College Avenue
- Removed broken concrete parking stops from city parking lot
- Picked up dead animal on Lee Street
- Checked all sewer pumping stations and ran weekly tests
- Picked up supplies from Lowes Home Center
- Marked miss utility tickets and checked them in on computer
- Checked on road complaint in Prichard Farms
- Removed dead animal off of Main Street
- Added degreaser to all pumping stations due to excessive build up
- Picked up parts from Carquest and O'Reilly Auto Parts
- Unloaded material for electrical service at food pantry
- Loaded up all plow trucks and filled fuel tanks

March 3, 2026 – Tuesday

- Called out early to salt streets and alleyways
- Picked up garbage route on west end of town
- Installed new sign post and handicap sign on Broadway
- Removed chunks of blacktop debris in roadway
- Checked all sewer pumping stations
- Took plow truck #4 to Ruby's for rear spring replacement
- Removed two dead animals in roadway
- Marked miss utility tickets and checked them in on computer
- Removed litter and debris off Main Street
- Emptied out all plow trucks and sprayed out beds
- Checked on signage complaint and made repairs
- Had a special garbage pick up on West College Avenue
- Dropped off work truck at Shoe's for repairs

P.2

March 4, 2026 – Wednesday

- Picked up garbage route on east end of town
- Used street saw to cut roadway in preparation of storm line repair
- Ran sewer camera in storm line in Braddock Heights
- Checked all sewer pumping stations
- Picked up truck #01 from Shoe's and reinstalled tool box and hand tools
- Checked on drainage issues on First Street
- Removed litter off Main Street
- Marked miss utility tickets and checked them in on computer
- Picked up litter on several other streets around town
- Investigated manhole complaint in Prichard Farms
- Had a special garbage pick up during garbage route
- Picked up Truck 4 from Rubys after repairs
- Straightened sign post on Redstone Terrace
- Patched sinkhole in roadway with concrete and cold patch on Linden St.
- Reinstalled snow plow on Truck 4
- Cleaned up litter on Water and Bowery St.

March 5, 2026 – Thursday

- Picked up garbage route in center section of town
- Checked all fluids on plow trucks and added where needed
- Used catch vac to clean out several catch basins on Center St. and Victoria Lane
- Checked all sewer pumping stations
- Emptied and cleaned out Truck 10 over at dump site
- Removed plow and chains from Truck 8
- Marked miss utility tickets and checked them in on computer
- Ran Street Sweeper on Linden and Pine St.
- Dropped off Truck 8 for mechanical repairs at Cober Cummins
- Removed litter on Main Street and Depot Street
- Emptied and cleaned out sweeper over at Dump Site
- Put away Lawson delivery that came in
- Greased Truck 11 and snow plow assembly
- Inspected and made a list of few catch basins in need of repair
- Blew grit off more sidewalks on College Ave.

P.3

March 6, 2026 – Friday

- Picked up any litter and debris on Main Street
- Filled a few potholes on Main St. per complaint
- Checked all sewer pumping stations
- Used backhoe to dig up sinkhole in blacktop parking area of garage lot
- Emptied all city trash cans on Main St. where needed
- Swept out all garage bays
- Cut up and disposed of broken tree top on Main St.
- Marked miss utility tickets and checked them in on computer
- Emptied out all shop trash cans
- Swept and mopped lunch room & rest room floors
- Hauled loads of millings from Rec. complex to sinkhole repair site
- Washed off work trucks and cleaned out the beds
- Made repairs to vibrating plate compactor
- Cleaned off catch basin grates where needed before the weekend

March 7, 2026 – Saturday – Checked CSO's and made a report

March 8, 2026 – Sunday

March 9, 2026 – Monday

- Used backhoe to dig up and repair broken storm line in Braddock Heights
- Removed chains and snow plow from Truck 4
- Hauled dirt away and brought in gravel to storm repair site
- Checked all sewer pumping stations - ran weekly electrical tests
- Worked on a battery issue on Truck 14
- Removed litter on Main Street
- Backfilled repair site and compacted gravel
- Marked miss utility tickets and checked them in on computer
- Ran Street Sweeper on several streets in the west end of Town
- Checked and emptied city trash cans on Main Street where needed
- Picked up supplies from Carquest
- Emptied and cleaned out sweeper over at Dump Site
- Repaired a busted hydraulic line on Backhoe
- Used blowers and brooms to clean off more sidewalks before sweeping
- Removed all traffic safety devices from work site after completion

P.4

March 10, 2026 – Tuesday

- Picked up garbage route on west end of town
- Communicated with homeowner about Miss Utility questions
- Investigated sewer odor complaint on Talcot Ave.
- Ran sewer camera in line on Braddock Rd. to locate taps
- Picked up Truck 8 after repairs at Cober Cummins
- Removed litter on Main Street
- Washed out beds of Dump Truck after use and refueled
- Checked all sewer pumping stations
- Swept College Ave. and surrounding streets in the center section of town
- Marked miss utility tickets and checked them in on computer
- Installed new fuel lift pump on street sweeper
- Picked up truck parts in Grantsville
- Investigated sewer complaint in Braddock Estates
- Marked an Emergency Miss Utility ticket for Gas Company
- Spread gravel with equipment in garage parking lot

March 11, 2026 – Wednesday

- Picked up garbage route on east end of town
- Installed new tailgate chains on Truck 8
- Marked miss utility tickets and checked them in on computer
- Picked up parts from Frostburg Carquest
- Replaced master electrical switch on Truck 8
- Removed litter on Main Street
- Began rebuilding catch basin in the bottom of garage parking lot
- Used catch vac to suck out debris from catch basin and storm line
- Ran street sweeper on streets in the center section of town
- Emptied and cleaned out catch vac over at dump site
- Used camera to inspect sewer line on Tea Berry per complaint
- Ran jetter in sewer line to break up blockage
- Emptied and cleaned out sweeper over at dump site
- Put away Napa delivery
- Filled jetter with fuel and water after use
- Picked up litter in city streets around town
- Used roller to compact gravel in lot area

P.5

March 12, 2026 – Thursday

- Picked up garbage route in center section of town
- Ran street sweeper on West End of town
- Picked up materials and supplies from Lowes and PVIS
- Investigated Miss Utility complaint for homeowner
- Checked all sewer pumping stations
- Worked on rebuilding catch basin in garage lot
- Called in an order of gravel from Allegany Aggregates
- Took invoices to be paid to city hall
- Picked up litter on Main Street
- Used mini excavator to dig up bad spot of ground next to salt barn
- Washed off excavator after use and greased fittings
- Marked miss utility tickets and checked them in on computer
- Emptied and cleaned out sweeper after use
- Repaired blind spot convex mirror on Mechanic St.
- Pushed up gravel deliveries as they arrived

March 13, 2026 – Friday

- Marked miss utility for new pole installation at food pantry
- Continued work on catch basin rebuild
- Removed litter off Main Street
- Checked and emptied all city trash cans on Main Street
- Marked miss utility tickets and checked them in on computer
- Organized tools in a few work trucks
- Checked all sewer pumping stations
- Emptied all trash cans in garage area and swept out garage bays
- Cleaned rest room and lunch room
- Took measurements for replacement truck sideboards
- Assisted homeowner with special pickup questions
- Removed litter around town in city streets before weekend
- Used Bobcat to repair concrete catch basin structure that was hit on Frost Ave.
- Cleaned off catch basin grates where necessary around town
- Repaired grass from damage on Frost Ave.

March 14, 2026 – Saturday – Called out due to sewer issue

P.6

March 15, 2026 – Sunday

March 16, 2026 - Monday

- Removed litter and debris in roadway on Main Street
- Checked all sewer pumping stations – ran weekly electrical test
- Installed new garden hose on hose reel in garage area
- Marked Miss Utility tickets and checked them in on computer
- Removed litter and broken glass off Center Street
- Cleaned off catch basin grates and culvert inlets where needed
- Removed dead animal off Main Street
- Checked and emptied all city trash cans on Main Street
- Used jetter truck to flush out several sewer lines
- Ran street sweeper on west end of town
- Used camera to locate a few sewer line locations
- Drained water from diesel safety tank
- Filled jetter with fuel and water after use
- Emptied and cleaned out sweeper over at Dump Site
- Contacted City Hall about a package delivery
- Refueled water and fuel in Street Sweeper
- Called out to plow and salt city streets throughout the evening

March 17, 2026 – Tuesday

- Picked up garbage route on west end of town
- Looked over water runoff complaints in a few locations
- Salted city streets and alleyways throughout the day
- Ran sewer camera to locate sewer service line
- Picked up invoices and mail from city hall
- Replaced missing plow pins on truck #8
- Checked drain issues in rest rooms at city hall
- Worked on electrical connections on sewer camera reel and camera head
- Repaired damaged tire chains on plow trucks where needed
- Marked miss utility tickets and checked them in on computer
- Reloaded plow trucks and filled fluids after use
- Checked all sewer pumping stations
- Washed off all sewer camera equipment after use

P.7

March 18, 2026 – Wednesday

- Picked up garbage route on east end of town
- Unloaded delivery from Beltway International
- Removed litter off Main Street
- Turned in invoices and bills to be paid to City Hall
- Marked miss utility tickets and checked them in on computer
- Picked up deliveries from over at MDE
- Checked all sewer pumping stations
- Installed two new mirrors on plow truck #14
- Removed dead animal in roadway
- Made repairs to wiper motor on Truck 350
- Had meeting to discuss several projects and Food Pantry electric service
- Emptied out a few dump trucks and washed after storm
- Installed plow and adjusted chains on Truck 4
- Posted several streets with No Parking signs for street sweeping
- Greased auger bearings on all plow trucks

March 19, 2026 – Thursday

- Picked up center section of town garbage route
- Installed flex pipe on plow truck #4
- Removed some debris from the Depot tunnel area
- Checked all sewer pumping stations
- Pushed up deliveries as they arrived into salt dome
- Used sewer camera to locate sewer line in Alleyway
- Ran street sweeper in center section of town
- Marked miss utility tickets and checked them in on computer
- Submitted miss utility ticket for food pantry electrical installation
- Checked sewer pump hole at Depot Tunnel for any issues
- Picked up supplies from Tractor Supply
- Removed litter off Main Street
- Checked on sewer complaint on Hill Street and ran sewer camera
- Washed off sewer camera equipment after use
- Emptied and cleaned out street sweeper over at dump site
- Put Napa delivery away

P.8

March 20, 2026 – Friday

- Called in an emergency miss utility ticket for sewer line repair
- Took garbage truck to water department to dispose of unwanted junk
- Emptied out all trash cans in shop area
- Removed litter on Main Street, Bowery, Center and College Avenue
- Swept out all the garage bays
- Used vactor truck to excavate work area to find sewer main
- Checked and emptied all city trash cans where needed on Main Street
- Marked miss utility tickets and checked them in on computer
- Cleaned lunch room & rest room
- Installed new sewer tap connection on sewer main on Mechanic Street
- Checked all sewer pumping stations before the weekend
- Used backhoe to haul gravel to dig site
- Set up safety devices around work site
- Ran street sweeper in center section of town
- Emptied and cleaned out sweeper over at dump site

March 21, 2026 – Saturday

March 22, 2026 – Sunday

March 23, 2026 – Monday

- Pushed up anti-skid deliveries as they arrived into salt dome
- Turned in all invoices and bills to be paid to City Hall
- Checked and emptied city trash cans on Main Street
- Had a few employees pick up workwear from Rural King
- Picked up litter and debris off Main Street
- Dropped off replacement fender to be repainted at Jenkins Collision
- Checked all sewer pumping stations - ran weekly electrical tests
- Transported mini excavator to food pantry to begin grading work
- Repaired damaged sod due to plow complaint
- Worked on grading area around food pantry
- Marked miss utility tickets and checked them in on computer
- Ran street sweeper in center section of town
- Emptied and cleaned out sweeper over at dump site

P.9

March 24, 2026 – Tuesday

- Picked up west end of town garbage route
- Filled fuel and water tanks on street sweeper
- Used street saw to cut roadway and sidewalk for electrical installation
- Ran street sweeper on west end of town all day
- Marked miss utility tickets and checked them in on computer
- Straightened bent meter post on Main Street
- Finished finalizing annual blacktop list for this year
- Unloaded truck parts delivery as they arrived
- Checked all sewer pumping stations
- Used mini excavator to finish up landscaping around food pantry
- Picked up deliveries from city hall
- Took down all posted signs on Ormand and Mechanic Street
- Emptied and cleaned out street sweeper over at dump site
- Called in last order for road salt for the season
- Worked on electrical issues on police dept. vehicle
- Removed debris in roadway that street sweeper left behind

March 25, 2026 – Wednesday

- Picked up east end of town garbage route
- Finished up repairs on the police dept. vehicle
- Removed litter and debris off Main Street
- Emptied out all salt trucks and cleaned out truck beds
- Checked all sewer pumping stations
- Marked miss utility tickets and checked them in on computer
- Checked all CSO locations for any issues before inspection
- Put away deliveries as they arrived
- Finished cutting roadway and sidewalk on Park Lane Street
- Set out posted signs and street cones for tomorrow project
- Ran street sweeper on west end of town
- Installed new grease fittings on tailgate latches on truck #14
- Picked up cardboard from around recycling area that had blown all over the place
- Handed out meal money to employees
- Emptied and clean out sweeper over at dump site – Greased all fittings after use

P.10

March 26, 2026 – Thursday

- Picked up center section of town garbage route
- Used vac truck to locate gas main in roadway
- Removed litter off Main Street
- Set out detour signs and stands before digging up roadway
- Checked all sewer pumping stations
- Marked miss utility tickets and checked them in on computer
- Used the mini excavator to dig up roadway for electrical conduit installation
- Pushed up salt deliveries as they arrived
- Had CSO inspection with MDE on all overflow locations
- Contacted Civil Defense about road closure
- Ran street sweeper on Park Lane St. after work completion
- Picked up parts and materials from Carquest and Bonds Home Improvement
- Repaired broken O-Ring seal on Truck 10
- Filled and replaced all fluids in Catch Vac after hydraulic leak

March 27, 2026 – Friday

- Checked and emptied city trash cans where needed
- Installed new main broom on street sweeper
- Checked all sewer pumping stations
- Took invoices to be paid to city hall and picked up mail
- Marked miss utility tickets and checked them in on computer
- Pushed up salt deliveries as they arrived
- Emptied out all shop trash cans
- Checked all CSO locations due to rain event
- Swept off garage floors
- Washed off wheel loader after use
- Cleaned breakroom, rest room and office area
- Picked up needed supplies from Lowes Home Center
- Removed dead animal in roadway
- Cleaned off catch basin grates around town where needed

March 28, 2026 – Saturday

March 29, 2026 – Sunday

P.11

March 30, 2026 – Monday

- Emptied all city trash cans where needed on Main Street
- Ran street sweeper in center section of town
- Checked on sewer complaint on Centennial Street
- Ran sewer camera in sewer main
- Pushed up salt deliveries as they arrived into salt dome
- Marked miss utility tickets and checked them in on computer
- Ran jetter in sewer main, then ran sewer camera to inspect for issues
- Checked all sewer pumping stations - ran weekly electrical tests on systems
- Removed litter on Main Street, College Avenue and Water Street
- Washed off wheel loader after use
- Removed two old street signs and posts from alleyway
- Refilled jetter truck water and fuel tanks after use
- Greased all the fitting on wheel loader
- Emptied and cleaned out sweeper over at dump site
- Washed off all sewer camera equipment after use
- Pressure washed vector truck and made repairs to hydraulic leak

March 31, 2026 – Tuesday

- Picked up west end of town garbage route
- Checked for any flow issues in a troublesome sewer main
- Swept off a few remaining sidewalks where needed
- Removed litter off Main Street
- Finished pushing up last deliveries of road salt into dome
- Ran street sweeper in center section of town
- Checked all sewer pumping stations
- Marked miss utility tickets and checked them in on computer
- Emptied and cleaned out sweeper over at dump site
- Washed off several work trucks
- Picked up sign order from Road Safe in Cumberland
- Made appointment for truck #7 recall repair
- Washed off wheel loader after use
- Swept gravel and debris off roadway on Park Lane Street
- Cleaned out cabs and washed interiors of work trucks
- Removed broken glass in roadway on Hill Street

City of Frostburg

Monthly Report: Water Department

For the Month of March, 2026

Submitted by: Ray Richards Jr., Supervisor

March 2, 2026

- Checked Pumps @ Crestview Pump Station
- Marked Miss Utility Tickets
- Organization of rear building

March 3, 2026

- Checked Pumps @ Crestview Pump Station
- Marked Miss Utility Tickets
- Cleaned the shop
- Hauled trash away
- Continue organization of rear building

March 4, 2026

- Checked Pumps @ Crestview Pump Station
- Marked Miss Utility Tickets
- Read monthly meter readings
- Final reading Grandview Drive
- Turn water on Bowery St. payment was made
- Repaired water meter Bowery St.

March 5, 2026

- Checked Pumps @ Crestview Pump Station
- Marked Miss Utility Tickets
- Read monthly meter readings
- Read monthly master meters
- Reinstalled meter clock St. John's Church

March 6, 2026

- Checked Pumps @ Crestview Pump Station
- Marked Miss Utility Tickets
- Put cold mix in hole W. Main St. from water leak
- Reread water meter Tarn Terrace possible leak
- Turn water off Tarn Terrace property is vacant
- Tried to retrieve a reading W. Main St. transmitting issue

March 9, 2026

- Checked Pumps @ Crestview Pump Station
- Marked Missed Utility Tickets
- Installed new curb box & rod Frost Ave.
- Hauled junk dirt away from shop from water leaks

March 10, 2026

- Marked Miss Utility Tickets
- Checked Pumps @ Crestview Pump Station
- Attended staff meeting
- Cleaned the shop
- Hauled the trash away
- Final readings Centennial St. & W. Mechanic St.
- Hauled junk dirt away from shop from water leaks

March 11, 2026

- Checked Pumps @ Crestview Pump Station
- Marked Miss Utility Tickets
- Turn water off W. Mechanic St. for nonpayment
- Dug up & installed new curb & rod W. Mechanic St.
- Turn water on W. Mechanic St. made payment
- Turn water back on Broadway was for busted pipes

March 12, 2026

- Checked Pumps @ Crestview Pump Station
- Marked Miss Utility Tickets
- Put new 2-inch trash pump on truck 69
- Removed obsolete material from left rear of shop
- Installed brackets for pipe organization

March 13, 2026

- Checked Pumps @ Crestview Pump Station
- Marked Miss Utility Tickets
- Spread out millings @ supply dam for Bob W.T.P
- Pushed up cold mix out back

March 16 ,2026

- Checked pumps @ Crestview Pumping Station
- Marked Miss Utility Tickets
- Emergency locate Wood St. contractor
- Removed some brush around building @ supply dam

March 17 ,2026

- Checked pumps @ Crestview Pumping Station
- Marked Miss Utility Tickets
- Cleaned the shop
- Hauled the trash away
- Final reading Spring Street

March 17 ,2026

- Checked pumps @ Crestview Pumping Station
- Marked Miss Utility Tickets
- Worked on cleaning & organization of shop

March 18 ,2026

- Checked pumps @ Crestview Pumping Station
- Marked Miss Utility Tickets
- Turn water back on W. Mechanic St. payment was made
- Worked on cleaning & organization of shop

March 19, 2026

- Checked pumps @ Crestview Pumping Station
- Marked Miss Utility Tickets
- Worked on cleaning & organization of shop

March 20, 2026

- Checked pumps @ Crestview Pumping Station
- Marked Miss Utility Tickets
- Final reading E. Main St.
- Emergency locate W. Mechanic St. Street Dept.
- Finished organization of rear building

March 23, 2026

- Checked pumps @ Crestview Pumping Station
- Marked Miss Utility Tickets
- Installed new water meter Bowery St.
- Started working on remodeling the bathroom
- Extensive line location for natural gas project

March 24, 2026

- Checked pumps @ Crestview Pumping Station
- Marked Miss Utility Tickets
- Working on remodeling the bathroom (painted)
- Met with homeowner regarding with water meter location & maintenance
- Installed new water meter Bowery St.
- Extensive line location for natural gas project

March 25, 2026

- Checked pumps @ Crestview Pumping Station
- Marked Miss Utility Tickets
- Installed new ceiling in bathroom
- Hauled millings from Glendening to shop
- Extensive line location for natural gas project

March 26, 2026

- Checked pumps @ Crestview Pumping Station
- Marked Miss Utility Tickets
- Hauled millings from Glendening to shop
- Continued working on remodeling the bathroom (ceiling)
- Relocate water line supply dam
- Reinstalled bricks on Frost Ave. from water leak

March 27, 2026

- Checked pumps @ Crestview Pumping Station
- Marked Miss Utility Tickets
- Extensive line location for natural gas project
- Continued working on remodeling the bathroom (flooring)
- Hauled millings from Glendening to shop

March 30, 2026

- Checked pumps @ Crestview Pumping Station
- Marked Miss Utility Tickets
- Continued working on remodeling the bathroom
- Assisted the Rec. Dept. with turning water on Swimming Pool
- Turn water on East End Playground

March 31, 2026

- Checked pumps @ Crestview Pumping Station
- Marked Miss Utility Tickets
- Shut offs (57 of them)
- Check dirty water Frost Ave.

CITY OF FROSTBURG

Monthly Report: Police Department

For the Month of: March 2026

Submitted by: PCO II Charon Clark & Chief Nicholas Costello

IDENTIFIED INCIDENTS & COMPLAINTS for the Month

2025	743	2026	611
ARRESTS	On-View/Citations		<u>7</u>
	Warrants Served/Obtained		<u>3</u>
	Summonses Served		<u>0</u>
	Juvenile Arrests & Citations		<u>0</u>
	TOTAL		<u>10</u>
C3I INVESTIGATIONS	Cases		<u>2</u>
COMMUNITY POLICING	Logged Activities		<u>0</u>
PARKING	Parking Violations		<u>4</u>
PUBLIC SERVICE	Well-Being Checks		<u>19</u>
	Emergency Petitions		<u>2</u>
	Assist Other Agency		<u>25</u>
	Request for Officer		<u>31</u>
	Follow-Ups		<u>6</u>
	Disturbance (Multiple Inc. Types)		<u>25</u>
TRAFFIC	M/V Crashes		<u>6</u>
	Traffic Details		<u>32</u>
	DWI/DUI Arrests		<u>1</u>
TRAFFIC STOPS	Total Number of Stops		<u>115</u>
	Citations		<u>19</u>
	Warnings		<u>98</u>
	SEROs		<u>0</u>
COLLECTIONS	Parking Meter Fines		<u>\$0.00</u>
	Other Parking Fines		<u>\$1,420.00</u>
	Parking Meter Collections		<u>\$0.00</u>
	Municipal Infractions Paid		<u>\$0.00</u>
	Parking Permits		<u>\$0.00</u>
	Miscellaneous		<u>\$20.00</u>
	TOTAL		<u>\$1,440.00</u>

Respectfully Submitted,

Nicholas J. Costello
Chief of Police