



Cecil County Maryland

**Comprehensive Annual Financial Report
For The Year Ended June 30, 2021**



Cecil County Maryland



Comprehensive Annual Financial Report For the Year Ended June 30, 2021

Prepared by the Cecil County Department of Finance

CECIL COUNTY, MARYLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	i
GFOA Certificate of Achievement for Excellence in Financial Reporting	viii
Principal Officials	ix
Cecil County Organizational Chart	xi

FINANCIAL SECTION

Report of Independent Public Accountants	1
Management's Discussion and Analysis	4
Basic Financial Statements	
Government-wide Financial Statements:	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements:	
Balance Sheet - Governmental Funds	20
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	21
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	23
Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - Major Funds	
General Fund	24
Housing Programs	25
Casino Local Impact	26
Other Grants	27
Statement of Net Position - Proprietary Funds	28
Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds	29
Statement of Cash Flows - Proprietary Funds	30

CECIL COUNTY, MARYLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS (Continued)

FINANCIAL SECTION (Continued)

	<u>Page</u>
Basic Financial Statements (Continued)	
Fund Financial Statements (Continued):	
Statement of Net Position - Fiduciary Funds	32
Statement of Changes in Net Position - Fiduciary Funds	33
Statement of Net Position - Discretely Presented Component Units	34
Statement of Activities - Discretely Presented Component Units	35
Notes to the Financial Statements	
1. Summary of Significant Accounting Policies	36
2. Stewardship, Compliance, and Accountability	46
3. Deposits and Investments	48
4. Receivables	51
5. Notes Receivable	52
6. Capital Assets	53
7. Inter-fund Balances and Transfers	57
8. Long-Term Debt	58
9. Leases	62
10. Landfill Closure and Post-Closure Care Costs	63
11. Unavailable Revenues	64
12. Fund Balance	65
13. Risk Management	66
14. Commitments and Contingencies	68
15. Employee Retirement Systems and Pension Plans	68
16. Other Post-Employment Benefits	77
17. Subsequent Events	81
Required Supplementary Information	
Cecil County Pension Plan for Public Safety Employees	
Schedule of Changes in the County's Net Pension Liability and Related Ratios	84
Schedule of County Contributions	85
Schedule of Investment Returns	85
Cecil County Volunteer Length of Service Award Program (LOSAP)	
Schedule of Changes in the County's Net LOSAP Liability and Related Ratios	86
Schedule of County Contributions	87
Maryland State Retirement and Pension System	
Schedule of County's Proportionate Share of the Net Pension Liability	88
Schedule of County Contributions	88
Cecil County Post Employment Benefit Trusts (OPEB)	
Schedule of Changes in the of County's Net OPEB Liability and Related Ratios	89
Schedule of County Contributions	90
Schedule of Investment Returns	90

CECIL COUNTY, MARYLAND
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS (Continued)

FINANCIAL SECTION (Continued)

	<u>Page</u>
Combining and Individual Fund Statements and Schedules:	
Schedule of Revenues, Expenditures, and Other Financing Sources (Uses) - Budget and Actual - General Fund	93
Combining Balance Sheet - Non-Major Governmental Funds	95
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Non-Major Governmental Funds	96
Combining Balance Sheet - Non-Major Governmental Funds - Special Revenue Funds	99
Combining Statement of Revenues, Expenditures and Change in Fund Balance - Non-Major Governmental Funds - Special Revenue Funds	100
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual Non-Major Governmental Funds - Special Revenue Funds	
Agricultural Land Preservation	101
Community Services	102
Economic Development Catalyst Loan Fund	103
Balance Sheet - Non-Major Governmental Funds - Debt Service Fund	106
Schedule of Revenues, Expenditures, and Change in Fund Balance - Budget and Actual Non-Major Governmental Fund - Debt Service Fund	107
Combining Statement of Net Position - Internal Service Funds	109
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds	110
Combining Statement of Cash Flows - Internal Service Funds	111
Combining Statement of Fiduciary Net Position - Pension Trust Funds	113
Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds	114
Combining Statement of Changes in Assets and Liabilities - All Custodial Funds	116

CECIL COUNTY, MARYLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED JUNE 30, 2021

TABLE OF CONTENTS (Continued)

STATISTICAL SECTION

	<u>Table</u>	<u>Page</u>
Government-wide Net Position Information:		
Net Position by Component	I	121
Changes in Net Position	II	122
Governmental Fund Information:		
Fund Balances of Governmental Funds	III	124
Changes in Fund Balances of Governmental Funds	IV	125
Assessed Value and Actual Value of Taxable Property	V	126
Direct and Overlapping Property Tax Rates	VI	127
Principal Property Taxpayers	VII	128
Property Tax Levies and Collections	VIII	129
Ratios of Outstanding Debt by Type	IX	130
Ratios of General Bonded Debt Outstanding	X	131
Direct and Overlapping Governmental Activities Debt	XI	132
Legal Debt Limitation Information	XII	132
Pledged-Revenues Coverage	XIII	133
Demographic and Economic Statistics	XIV	134
Principal Employers	XV	135
Full-Time Equivalent County Government Employees by Function	XVI	136
Operating Indicators by Function	XVII	137
Capital Asset Statistics by Function	XVIII	138

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- Department of Economic Development
- Cecil County Public Schools
- Cecil County Library

INTRODUCTORY
SECTION

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Danielle Hornberger
County Executive

Steven Overbay
Acting Director of Administration

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CECIL COUNTY MARYLAND GOVERNMENT

Department of Finance
200 Chesapeake Boulevard, Suite 1100, Elkton, MD 21921

October 27, 2021

To: County Executive Danielle Hornberger
Members of County Council
Citizens of Cecil County, Maryland

We are pleased to submit this Comprehensive Annual Financial Report for Cecil County, Maryland for the fiscal year ended June 30, 2021. Pursuant to the Cecil County Charter and Maryland state law, our local government is required to prepare a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America.

This report consists of the Administration's representations concerning Cecil County's financial position and results of operations; consequently, management of the County assumes responsibility for the complete and fair presentation, including all disclosures. To provide a reasonable basis for making these representations, management has established a comprehensive internal control framework designed to provide reasonable assurance that County assets are safe guarded from loss, theft, or misuse and to provide sufficient information for the preparation of the County's financial statements in conformity with GAAP.

SB & Company, LLC, a firm of licensed certified public accountants, audited the County's financial statements for Fiscal Year 2021. The objective of the independent audit is to provide a reasonable basis for the expression of an opinion regarding the financial statements taken as a whole. The audit involves examining, on a test basis, evidence supporting the amounts represented, disclosures in the financial statements; assessing the accounting principles used and significant estimates used by management; and evaluating the overall financial presentation. The independent public accountant concluded, based on the testing, that there is a reasonable basis for the expression of an unmodified opinion, and that the financial statements of Cecil County present fairly in all material aspects the financial position as of June 30, 2021, and for the year then ended. The independent public accountant's report is presented as the first component of the financial section of this report.

In addition, the independent audit of the financial statements of Cecil County is part of a broader, federally mandated, "Single Audit" designed to meet the special needs of federal

grantor agencies. The standards governing Single Audit engagements require the independent public accountant to report not only on the fair presentation of the financial statements, but also on the internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. The reports are available in the County's separately issued Single Audit report.

Finally, generally accepted accounting principles require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Letter of Transmittal is designed to complement the MD&A and should be read in conjunction with it. The County's MD&A immediately follows the report of the independent public accountants.

Profile of the Government

Incorporated in 1674, Cecil County is located in the northeast corner of the State of Maryland. Cecil County, Maryland is governed by a County Executive and County Council pursuant to the Charter of Cecil County, Maryland. The Charter provides, among other things, for the election of the County Executive and County Council members, the organization, powers, and duties of the executive, administrative branch, and the legislative branch, and fiscal and budgetary matters. The current Charter supersedes a Commissioner form of government that existed until December 2012. Other elected officials in Cecil County include the Sheriff, the State's Attorney, and three Circuit Court Judges, whom are all state office holders funded by the Cecil County.

Cecil County Government serves an estimated population of 102,855 over a land area of 352 square miles. The County is empowered to levy a property tax on real property and personal property used in connection with a business, an income tax on residents and non-residents working in the County, and to levy to collect various other taxes and charges for services. Cecil County provides a wide range of services to its citizens including emergency management services, the construction and maintenance of roads, bridges, and other infrastructure, recreational activities, public libraries, and cultural events.

Fire protection is provided by several volunteer fire departments located through the County and the County assists with the funding of these companies. The County maintains a landfill and provides wastewater services to certain areas. Cecil County is also financially accountable for and provides significant financial support to the legally separate Board of Education of Cecil County, Cecil College, the Cecil County Public Library, the Sheriff's Department, the Department of Corrections, the Department of Health, the Department of Social Services, and the Bainbridge Development Corporation. These entities are governed by State Law though mostly or entirely funded by Cecil County government are included in these financial statements and are further described in Note 1 to the financial statements.

In terms of public utilities, Cecil County is served by DeIMarVa Power and Choptank Electricity for gas and electric, by Artesian for water and by Cecil County Government for sewer (though, the Town of Elkton and others has their own waste water treatment plant).

The annual budget serves as the foundation of Cecil County's financial planning and control. Annually, the County Executive directs the Department of Finance to prepare a proposed

Budget including anticipated revenues and proposed expenditures which is submitted to County Council not later than April 1 of each year. The County Council may not change the revenue estimates though, they may decrease or delete proposed expenditures, (but they may not increase proposed expenditures). The County Council shall approve the budget by June 15 of each year. The County Executive may not veto the budget. If the Council does not approve the budget by June 15th, then the budget is enacted as presented. Activities of the General Fund, certain Special Revenue Funds, and the Debt Service Fund are included in the annual budget. The budget is presented by fund, function (e.g., public safety), and department (e.g., Sheriff's office). Within the approval system established by the County Executive, Department heads may transfer resources within a department and a fund. Any new revenue estimates that result in increased expenditure appropriations to a department and fund transfers between departments require a Budget Amendment approved by the County Council.

The County uses a six-year Capital Improvement Program to plan and budget for its capital projects. This plan is updated throughout the fiscal year and is used as a management tool for decisions involving the scheduling and funding of various capital projects. The Administration includes the current year of the Capital Improvement Plan as its annual Capital Budget. The County maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

Budget-to-actual comparisons are provided in this report for each individual government fund for which an appropriated annual operating budget has been adopted. For the General Fund and other major funds, this comparison is presented on page 24 as part of the basic financial statements for the governmental funds. For non-major governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report starting on page 101.

Economic Condition and Outlook

Looking Forward in County Government. As a newly elected administration took office in the beginning of December 2020, the County was still in the uncertainty of the COVID-19 pandemic as well as an unstable economy. With second quarter revenue projections lower than budget, the operating direction was to be prudent on spending and to save where possible without effecting essential County services. While revenue slightly increased in the third quarter, spending was below budget - giving the county confidence that a continued prudent approach would allow the County to fend off the 4th quarter and end the fiscal year in the black. Through the completion of the financial statements, we learned the end of year revenue outperformed projections and overall spending was below budget.

Because of the economic health of the previous year, and the lower spending, the Fiscal Year 2022 budget represented a modest 1.6% increase which did include a first time ever in charter government history property tax cut. This tax cut was made possible by the increase in economic activity and the decrease in spending. This budget reflects a balanced approach and was crafted by adhering to sound fiscal management policies and practices. The budget complies with Charter Section 601 as it relates to the Strategic Plan.

The fiscal year 2022 budget reflects the following:

- Establishes a balanced budget with no use of the unassigned Fund Balance.

- Supports the County Executive’s desire to attract and retain a high quality, trained workforce to staff all positions within Cecil County Government:
 - Non-union County employees received a 1.25% COLA that started the first pay period in the Fiscal Year as well as a step increase (average of 2%) on their anniversary date.
 - Unionized law enforcement officers have entered into a new four-year contract that includes a bonus step as well as annual anniversary step increase and a 3% COLA in FY22.
 - Unionized detention officers have entered into a new four-year contract that includes bringing the starting salary up to \$40,000, an annual anniversary step increase and yearly COLA's.
 - Unionized paramedics are in their final contract year and will begin negotiating with the County in FY22 for implementation in FY23.
- Provides an increase to the regular allocation to the Board of Education for managing the County’s public schools by \$1,653,877, or 1.9% to a total of \$88,527,026. This increase was mandated by State Law even though enrollment was down 3%.
- Provides for funding for a new entrance and facilities building at Cecil College.
- Continuing support of Volunteer Fire Companies in Cecil County with \$375,000 in Vehicle Replacement Matching funds.
- The Capital Budget supports the third year of construction funding for the new Chesapeake City Elementary School.
- Provides a fully funded new Domestic Violence Division, including a new ASA, within the Cecil County State’s Attorney’s Office as well as a Victim Witness Coordinator. In addition, the approved budget funds the creation of five additional State’s Attorney’s offices, which will allow the State’s Attorney’s Office to remain in the Courthouse for at least 5 additional years.
- Provides funding for the initial design work for a new school in North East.

Factors Affecting Financial Condition

Jobs. The labor force in Cecil County has been over 50,000 for the last seven years and despite the job losses due to the pandemic, was still estimated at 49,078 in June 2021. The growth in new businesses, recently locating to Cecil County, provided over 3,000 new jobs, is thought to have aided the County in holding unemployment down during the pandemic in comparison to other counties in Maryland. In the last few years, our stronghold on growth within the logistics management industry, and plentiful federal, state, and local government positions have also greatly contributed to the success of the County.

The weekly wage in Cecil County increased from \$764 in 2010 to \$994 in the 4th quarter of 2019. Approximately 50% of the County’s citizens find employment in nearby Baltimore or Wilmington metropolitan areas; this diversity continues to help mitigate the impact of specific economic events. Cecil County continues to be a strong regional employer featuring a skilled / educated workforce with 91% of County citizens over age 25 holding a high school diploma or higher education degree.

Local Economy. Cecil County has a diverse economy with rural northern and southern regions serving as home to our robust agribusiness industries while the central, more suburban region is well connected by interstate highways, rail, waterways, and airports supporting business growth and development. The County has adopted a Comprehensive

Plan for Land Use that encourages development in this central “Growth Corridor” between US Route 40 and Interstate 95. Much of the County’s non-agricultural economy focuses on manufacturing, research and development, defense / government contracting, health care, logistics management, leisure, and hospitality services.

Long Term Financial Planning and Major Initiatives

As Cecil County continues to look to the future, it is impossible to not ignore the continued negative economic and social impacts of COVID-19 on Cecil County - accordingly, County government will exercise budgetary caution as well as policies that seek to motivate people to return to work, children to in-person learning and businesses to fully re-open. The County will continue to partner with the State to assist County citizens and businesses effected by COVID-19.

In addition, the County plans continued improvement, and expansion of its infrastructure in order to attract businesses which will contribute to economic growth and an expansion of the County tax base. To support this growth, education and public safety remain top priorities.

The County’s infrastructure investments include a well-maintained system of County roads in addition to I-95 and state highways. The continued sewer system improvements will assure that residential and commercial growth can occur in designated growth areas to provide living and career opportunities to County families. The agricultural economy of the County is supported in many ways including education, good transportation, and agricultural land preservation programs.

In preparation for future economic growth, the County is investing now in its future work force by working closely with the Public Schools, the Public Libraries, Cecil College, and industry.

The County and Public Schools completed construction to replace Chesapeake City Elementary School and are now focusing on a new school in North East.

The County is expanding the Maryland Broadband Initiative to bring high speed internet capability to County businesses, the schools, the college, and the public libraries.

The County is annually expanding the Community Transit program by working with our bordering neighbor communities (Harford County, MD and New Castle County, DE), to allow commuting into Cecil County. Working with Maryland Transportation Authority, the County has been able to expand integration with nearby transportation networks, specifically with the mobile ticketing, and is in the second phase of locating a feasible site to construct a centrally located transit hub in an effort to make regional job opportunities available to our residents.

The County continues to expand sewer mains along the Route 40 growth corridor. The expansion is attracting business such as Northrup Grumman to connect to public County sewer. The access to public sewer in this area will provide permanent infrastructure solutions for businesses in an effort to protect their investments as well as the environment.

Cecil County Government takes seriously its responsibility to be good stewards of the environment. As part of that effort, the County recently completed a project to upgrade its Harbourview Wastewater Treatment Plant to an Enhanced Nutrient Removal, or ENR, level of treatment. A project to upgrade the County’s Port Deposit Wastewater Treatment Plant

to ENR level of treatment has been completed. The County's main wastewater treatment plant, the Northeast River Advanced Wastewater Treatment Plant, was upgraded to ENR level of treatment previously. ENR plants treat the wastewater to a much higher level than conventional plants, reducing the amount of nutrients discharged into the receiving body of water and helping to improve water quality in the Chesapeake Bay watershed.

To support the long-term financial planning and to support a longer-term perspective versus short term, the County has a six-year capital improvement program, uses landfill and wastewater rate studies, and uses an information technology internal service fund to manage the life-cycle costs of the County's information and communication assets.

Finally, to better account for the actual life cycle cost of an asset and to take advantage of the historically low interest rates, the County asked for and received permission from the County Council to refinance \$115 Million in CIP bonds. Fully enacted, it is estimated that the County will save at least \$6 million in debt service in just the first year.

Through actions and the budget, the County Executive has emphasized policies that will promote the current and future welfare of the County's citizens. These policies include the expansion of infrastructure for job creation, support for education, and building safer communities. Emergency Services' Maryland First Responder Radio System will continue to see improvements by enhancing coverage in County owned buildings, schools, Cecil College, and the hospital.

Cecil County was able to maintain services to its citizens throughout the most recent economic recession because it obtained and maintained a strong fund balance in its General Fund. The decision not to use unassigned fund balance in the FY2022 budget as well as proposed increase in Fund Balance Reserve for Emergency Contingencies is a strategic decision to hold funds to maintain quality services and to meet the needs of Cecil County under all economic conditions.

Relevant Financial Policies

Cecil County balances its budgets and practices prudent financial planning in order to provide and maintain the quality of life that our residents expect for their tax dollars.

The County Executive's main objective in managing the budget process was to ensure that every citizen had a role in developing and balancing the budget. This process starts in February with a forum for the exchange of meaningful information between the public and the County Executive in the early stages of the budget development process. The County Executive proposes a budget by April 1 and County Council should pass a final budget by June 15, the County Executive presents a Budget Message and proposed Budget to Council.

The County has adopted financial policies in its County Charter, County Code, and administrative policies. These policies include guidance on levels of long-term debt, allocation, and safety of investments, "rainy day" fund reserve levels, and the use of rate studies for enterprise funds.

Awards and Acknowledgements

Awards - The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Cecil County for its comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the 31st consecutive year that the County has received this award. This award recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized comprehensive annual financial report. This report satisfies generally accepted accounting principles as well as legal requirements.

A Certificate of Achievement is valid for only one year and we believe that the current comprehensive annual financial report will meet the Certificate of Achievement Program's requirements. We are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments - The preparation of the report would not have been possible without the tireless and dedicated service of the entire staff of the Cecil County Department of Finance, the support of various elected and appointed officials and County departments. We wish to express our sincere appreciation to everyone who assisted and contributed to the preparation of this report. A special thanks goes to Denise Roberts, Accounting Manager, for taking the lead in the preparation of the FY2021 comprehensive annual financial report.

We wish to acknowledge the County Executive and the County Council for their unfailing support for the County's efforts to maintain the highest standards of professionalism in the management of Cecil County Maryland for the good of its citizens.

Respectfully submitted,

/s/ James P. Appel

James P. Appel
Director of Finance

/s/ Rebecca L. Anderson

Rebecca L. Anderson
Deputy Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Cecil County
Maryland

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2020

Christopher P. Morill

Executive Director/CEO

Cecil County, Maryland

Principal Officials

June 30, 2021

Elected Officials

Executive

County Executive

Danielle Hornberger

County Council

District 1 & President

Bob Meffley

District 2

Bill Coutz

District 3

Al Miller

District 4

George Patchell

District 5 & Vice President

Jackie Gregory

Other Elected Officials

Sheriff

Scott Adams

State's Attorney

James A. Dellmyer

Circuit Court

Administrative Judge

Keith A. Baynes

Associate Judge

Jane Cairns Murray

Associate Judge

Brenda A. Sexton

Associate Judge

William W. Davis

Other Officials and Department Directors

Director of Administration

Daniel Schneckenburger

County Attorney

Lawrence Scott

Department Directors

Economic Development

Steven Overbay

Emergency Management

Wayne L. Tome Sr.

Finance

James Appel

Human Resources

Angie Lawson

Information Technology

Dave Warnick

Parks and Recreation

Clyde VanDyke

Land Use & Development Services

Stephen O'Connor

Public Works

W. Scott Flanigan

Community Services

David P. Trolie

District Court

Administrative Judge

Bonnie G. Schneider

Associate Judge

Clara E. Campbell

Cecil County, Maryland

County Executive

Cecil County has an Elected County Executive.



Danielle Hornberger

County Council

Cecil County has five Council members elected from different geographic districts, but are elected at-large by all voting citizens. Council elects its own President and Vice President.



District 1 & President
Bob Meffley



District 5 & Vice President
Jackie Gregory



District 2
Bill Coutz

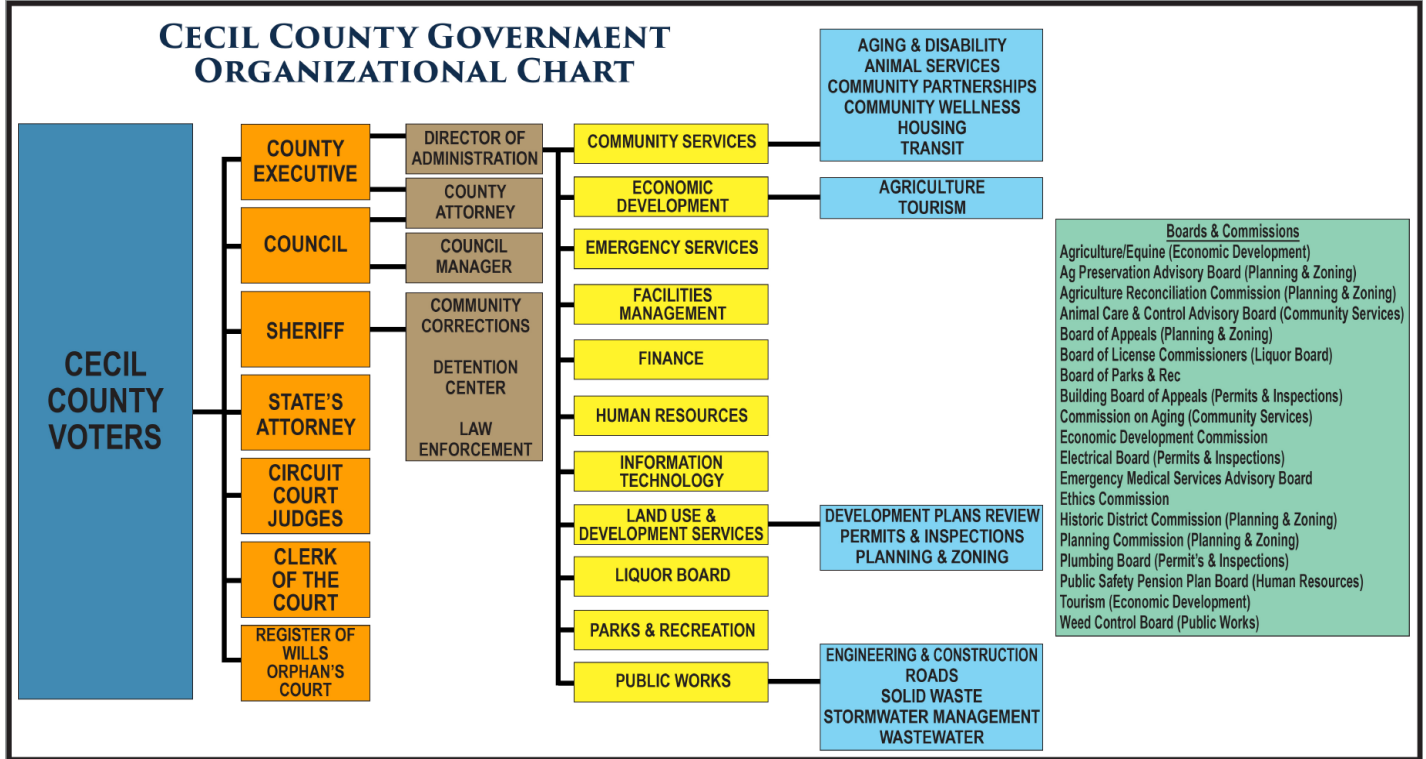


District 3
Al Miller



District 4
George Patchell

Cecil County, Maryland
County Organizational Chart



FINANCIAL
SECTION



S B & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Citizens of Cecil County, Maryland and
The County Executive and County Council of Cecil County

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Cecil County, Maryland (the County), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The County's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Board of Education of Cecil County, Cecil College, the Cecil County Public Library, and the Bainbridge Development Corporation. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the component units, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Opinions

In our opinion, based on our audit and the reports of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general, housing programs, casino local impact funds, and other grants funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the required supplementary Schedule of changes in the County's net pension liability and related ratios, the Schedule of County contributions, and the Schedule of investment returns for the Cecil County Pension Plan for Public Safety Employees, the Schedule of changes in the County's net LOSAP liability and related ratios and Schedule of County's contributions for the Cecil County Volunteer Length of Service Program, the Schedule of County's proportionate share of the net pension liability, and the Schedule of County contributions for the Maryland State Retirement and Pension System, the Schedule of changes in the County's net OPEB liability and the related ratios, the Schedule of County contributions, and the Schedule of investment returns for the Cecil County post-employment benefit trusts be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying introductory section, combining and individual fund statements, budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.



S B & COMPANY, LLC
KNOWLEDGE • QUALITY • CLIENT SERVICE

The accompanying combining and individual fund statements and budgetary comparison schedules are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 accompanying combining and individual fund statements and budgetary comparison schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Owings Mills, Maryland
October 27, 2021

SB & Company, LLC

CECIL COUNTY, MARYLAND MANAGEMENT'S DISCUSSION AND ANALYSIS June 30, 2021

The County Executive and County Council are pleased to present to the readers of the financial statements of the County this narrative overview and analysis of the financial activities of Cecil County for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information furnished in the letter of transmittal.

Financial Highlights

Government-wide

- The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of the fiscal year by \$200,809,494 (net position). Of this amount, \$238,090,285 was invested in capital assets, net of related debt. The County reported \$15,106,271 restricted for specific purposes and a negative \$52,387,062 unrestricted net position related primarily to debt of \$67.9 million associated with Board of Education construction projects and County net pension liabilities.
- Total net position of the County increased in fiscal year 2021 by \$35,488,647. The net position of governmental activities increased \$21,902,695 from the previous year; this was primarily caused by increases in the County's Income Taxes and Property Taxes revenue streams. The net position from business activities increased \$13,585,952; due to an increase in Capital Grants in the Waste Water Fund and increase in investment earnings within the Landfill Fund.
- Discretely presented component units reported net position of \$211,662,887 an increase of \$13,710,433 from the previous year. Unrestricted net position is reported at negative \$32,759,962.

Fund Level

- As of June 30, 2021, the County reported combined ending fund balances in governmental funds of \$79,423,511 a decrease of \$8,950,500 from the previous year.
- The combination of assigned and unassigned fund balance of the General Fund was \$69,337,636 or 33% of total General Fund expenditures and transfers out. Of this balance, \$21,095,051 has been assigned as the Emergency Reserve for Contingencies (Rainy Day Fund), \$6,328,515 for a Budget Stabilization Reserve, \$575,000 for Volunteer Fire Company Vehicle Replacements, \$2,800,000 for Funding various Capital Projects via PayGo Financing, \$3,000,000 for additional Roads Infrastructure Maintenance, \$1,000,000 for Facilities Upgrades, \$500,000 to provide new business incentives through the Office of Economic Development, \$1,000,000 funding towards enhancements to the Public Safety Pension System, \$500,000 allocation to the Workers Compensation Insurance Fund, \$7,000,000 Fiscal Year 2023-2024 Budget and \$14,000,000 to fund the CCPS/Kirwin Commission Blueprint for Maryland's Future. The unassigned fund balance of the General Fund was \$11,539,070.
- The Capital Projects Fund had a negative \$3,137,308 unassigned fund balance for County capital projects and Component Unit capital projects.
- The Other Governmental Funds had \$6,591,858 of restricted fund balance.

Long Term Debt

- The County's total net general obligation debt decreased by \$19,400,655 to \$244,773,633. The County has adopted biennial issuance of general obligation debt. The Enterprise Funds had a net decrease in debt of \$5,328,771 and governmental activities had a net decrease of \$14,071,884.

Overview of the Financial Statements

This discussion and analysis is an introduction to Cecil County's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of Cecil County's finances, in a manner similar to a private-sector business.

The Statement of Net Position (page 18) presents information on all of the County's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of Cecil County is improving or deteriorating.

The Statement of Activities (page 19) presents information showing how the County's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Cecil County that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The statements also present financial information for the County's component units.

- *Governmental Activities* – Most of the County's basic services are reported in this category. Taxes and intergovernmental revenues generally support these services. Services provided include general administration, public safety, public works, social services, parks, education, libraries, and economic development.
- *Business-type Activities* – The County charges fees to customers to help it cover all or most of the cost of the wastewater, landfill, and property management services it provides.
- *Discretely Presented Non-fiduciary Component Units (Component Units)* – Component units are legally separate organizations for which the County is financially accountable. The County includes in this report the Board of Education of Cecil County, Cecil College, Cecil County Public Library, and the Bainbridge Development Corporation.

Fund Financial Statements. The fund financial statements begin on page 20 and provide detailed information about the major individual funds. A fund is a grouping of related accounts designed to maintain control over specific resources that have been segregated for specific activities or objectives. Cecil County uses fund accounting to ensure and demonstrate compliance with finance-

related legal requirements. All of the funds of the County can be divided into three categories: governmental, proprietary, and fiduciary.

- *Governmental Funds* – Most of the County’s basic services are reported in the governmental funds, which are used to account for essentially the same functions reported as governmental activities in the government-wide statements. However, the fund statements focus on near-term inflows and outflows of spendable resources and the balances available for future spending at fiscal year end. This information may be useful in evaluating the County’s near-term financing requirements.

Since the fund statements do not encompass the long-term focus of the government-wide statements, reconciliations are provided (pages 21 and 23) to demonstrate the differences between the Governmental Funds Balance Sheet and the Statement of Net Position and between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Statement of Activities. Comparison of the two sets of statements for the governmental funds and the governmental activities may provide the reader with insight into the long-term impact of short-term financing decisions as the fund statements are from a short-term perspective and the activities statements show long-term information.

The County presents the following major governmental funds individually in the County’s basic financial statements: the General Fund, Housing Programs, the Casino Local Impact Fund, Other Grants Fund and the General Capital Projects Fund. The remaining non-major governmental funds have been combined and presented in one column. Combining statements for the non-major funds is presented beginning on page 95.

- *Proprietary Funds* – When the County charges for the services it provides, proprietary funds are generally used to report these activities. Cecil County uses two types of proprietary funds; enterprise funds which are used to report the same functions presented as business-type activities in the government-wide financial statements and internal service funds which are used to accumulate and allocate costs internally among the government funds. Proprietary funds (enterprise and internal service) utilize accrual accounting; the same method of accounting used by private sector businesses. Enterprise funds, the Wastewater, Landfill, and Property Management funds, report activities that provide supplies and services to the general public. Internal service funds, the Motor Vehicle, Information Technologies, Health Insurance, and Workers Compensation funds, report activities that provide supplies and services for the County’s other programs and activities.
- *Fiduciary Funds* – The County acts as a fiduciary to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County’s own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The County has custodial funds to collect and remit certain taxes and fees on behalf of the state and several local municipalities and these are presented beginning on page 116. The County reports three pension funds that are reported beginning on page 113. The Cecil County Pension Plan for Public Safety Employees is used to report resources held in trust for retirement, disability, and death benefits to participants. The Cecil County Maryland Non-Pension Post-Employment Benefits Trust Fund is used to report resources held in trust for post-employment healthcare and other non-pension benefits of participants. The Volunteer Length of Service Award Program is used for the deferred compensation plan of local fire/ rescue service volunteers of Cecil County.

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 can be found beginning on page 36 of this report.

Required Supplementary Information. In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the County’s progress in funding its obligation to provide pension benefits to its employees. The required supplementary information can be found beginning on page 84.

Other information. Other information includes combining financial statements for non-major governmental funds. These funds are added together, by fund type, and presented in single columns in the basic financial statements, but are not reported individually, as with major funds, on the governmental fund financial statements. Detailed General Fund budget information, as well as combining and individual non-major fund statements begins on page 93.

Statistical Section. The County also provides certain informational and statistical schedules that begin on page 121.

Financial Analysis of the Government as a Whole

Net Position. As noted earlier, Cecil County’s assets and deferred outflows of resources exceeded liabilities by \$200,809,494. Over time, changes in net position serves as a useful indicator of a government’s financial position. A year-to-year comparison of net position follows:

Cecil County’s Net Position as of June 30, 2020 and 2021

	Governmental Activities		Business-type Activities		Government-wide Total	
	2020	2021	2020	2021	2020	2021
Current and Other Assets	\$ 149,569,447	\$ 153,245,286	\$ 25,451,471	\$ 30,815,929	\$175,020,918	\$184,061,215
Capital Assets	246,683,167	253,869,621	128,920,995	131,013,705	375,604,162	384,883,326
Total Assets	396,252,614	407,114,907	154,372,466	161,829,634	550,625,080	568,944,541
Total Deferred Outflow of Resources	11,030,309	6,763,935	664,408	506,241	11,694,717	7,270,176
Other Liabilities	59,097,430	61,758,972	11,085,052	9,779,762	70,182,482	71,538,734
Long Term Liabilities	234,793,680	208,152,417	82,277,502	77,295,841	317,071,182	285,448,258
Total Liabilities	293,891,110	269,911,389	93,362,554	87,075,603	387,253,664	356,986,992
Total Deferred Inflow of Resources	9,745,286	18,418,231	-	-	9,745,286	18,418,231
Net Position:						
Net Investment in						
Capital Assets	186,718,203	178,409,879	52,088,388	59,680,406	238,806,591	238,090,285
Restricted	11,851,705	15,106,271	-	-	11,851,705	15,106,271
Unrestricted (Deficit)	(94,923,381)	(67,966,928)	9,585,932	15,579,866	(85,337,449)	(52,387,062)
Total Net Position	\$ 103,646,527	\$ 125,549,222	\$ 61,674,320	\$ 75,260,272	\$165,320,847	\$200,809,494

The largest component of the County’s net position, \$238,090,285, reflects its investment in capital assets (e.g., land, infrastructure, buildings, equipment, and others), less any related outstanding debt.

Although the County’s investment in capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources as the capital assets themselves cannot be liquidated to repay these liabilities. Additionally, it should be noted that while the County issues debt for the construction and renovation of the public schools and the college, the buildings are owned by the legally separate component units. Consequently, the County’s financial statements reflect debt incurred on behalf of the Board of Education and Cecil College, but do not show the related assets.

Another portion of the County’s net position, \$15,106,271, consists of resources subject to external restrictions such as state or county law provisions, or enabling legislation, on how these resources may be used. Restricted resources, all in governmental activities, increased by \$3,254,566.

The remaining portion of net position shows a negative unrestricted balance of \$52,387,062. Governmental activities’ negative unrestricted position is \$67,966,928. Business-type activities unrestricted position of \$15,579,866 is derived from Wastewater \$4,155,545, Landfill \$11,050,478, and Property Management Fund \$373,843; these positions are essentially limited to use by the operation from which the net positions derive.

Changes in Net Position. As shown in the following schedule, the County’s combined net position increased \$35,488,647 over the course of this fiscal year’s operations.

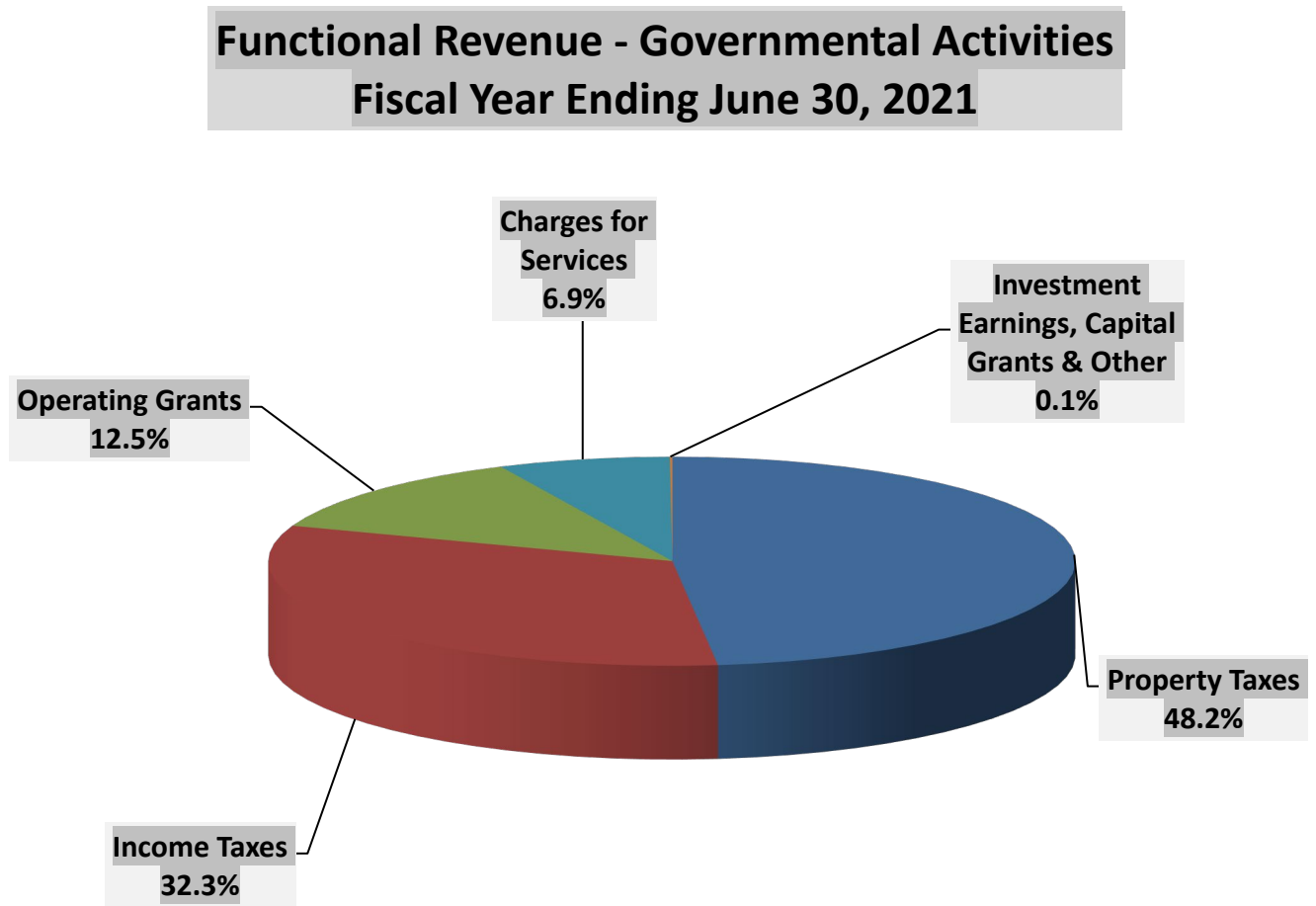
Cecil County's Changes in Net Position

	Governmental Activities		Business-type Activities		Government-wide Total	
	2020	2021	2020	2021	2020	2021
REVENUES						
Program Revenues:						
Charges for Services	\$ 15,904,841	\$ 18,070,645	\$ 18,073,477	\$ 19,648,862	\$ 33,978,318	\$ 37,719,507
Operating Grants & Contributions	23,668,531	32,952,511	-	-	23,668,531	32,952,511
Capital Grants & Contributions	8,227,583	926,225	7,412,144	9,253,500	15,639,727	10,179,725
General Revenues:						
Property Taxes	121,433,103	126,825,903	-	-	121,433,103	126,825,903
Income Taxes	75,391,465	84,943,880	-	-	75,391,465	84,943,880
Investment Earnings	1,547,817	163,273	258,344	3,139,360	1,806,161	3,302,633
Other Revenue & Gains/Losses	(3,702,497)	-	-	-	(3,702,497)	-
Total Revenues	242,470,843	263,882,437	25,743,965	32,041,722	268,214,808	295,924,159
EXPENSES						
General Government	13,065,581	14,008,947	-	-	13,065,581	14,008,947
Public Safety	50,059,790	56,882,838	-	-	50,059,790	56,882,838
Highways, Streets, & Bridges	19,712,812	18,138,965	-	-	19,712,812	18,138,965
Health and Welfare	23,047,432	23,764,717	-	-	23,047,432	23,764,717
Recreation and Culture	2,675,352	3,055,416	-	-	2,675,352	3,055,416
Education	102,174,873	110,336,931	-	-	102,174,873	110,336,931
Public Libraries	6,170,855	6,840,534	-	-	6,170,855	6,840,534
Economic Development	1,733,234	2,150,329	-	-	1,733,234	2,150,329
Agricultural Programs	636,345	693,130	-	-	636,345	693,130
Interest on Long Term Debt	5,275,494	5,157,935	-	-	5,275,494	5,157,935
Wastewater	-	-	10,636,091	10,858,273	10,636,091	10,858,273
Landfill	-	-	6,985,591	7,978,298	6,985,591	7,978,298
Property Management	-	-	527,942	569,199	527,942	569,199
Total Expenses	224,551,768	241,029,742	18,149,624	19,405,770	242,701,392	260,435,512
Increase in Net Position before Transfers	17,919,075	22,852,695	7,594,341	12,635,952	25,513,416	35,488,647
Transfers	(706,000)	(950,000)	706,000	950,000	-	-
Increase in Net Position	17,213,075	21,902,695	8,300,341	13,585,952	25,513,416	35,488,647
Net Position - Beginning	86,433,452	103,646,527	53,373,979	61,674,320	139,807,431	165,320,847
Net Position - Ending	\$103,646,527	\$125,549,222	\$61,674,320	\$75,260,272	\$165,320,847	\$200,809,494

Governmental Activities

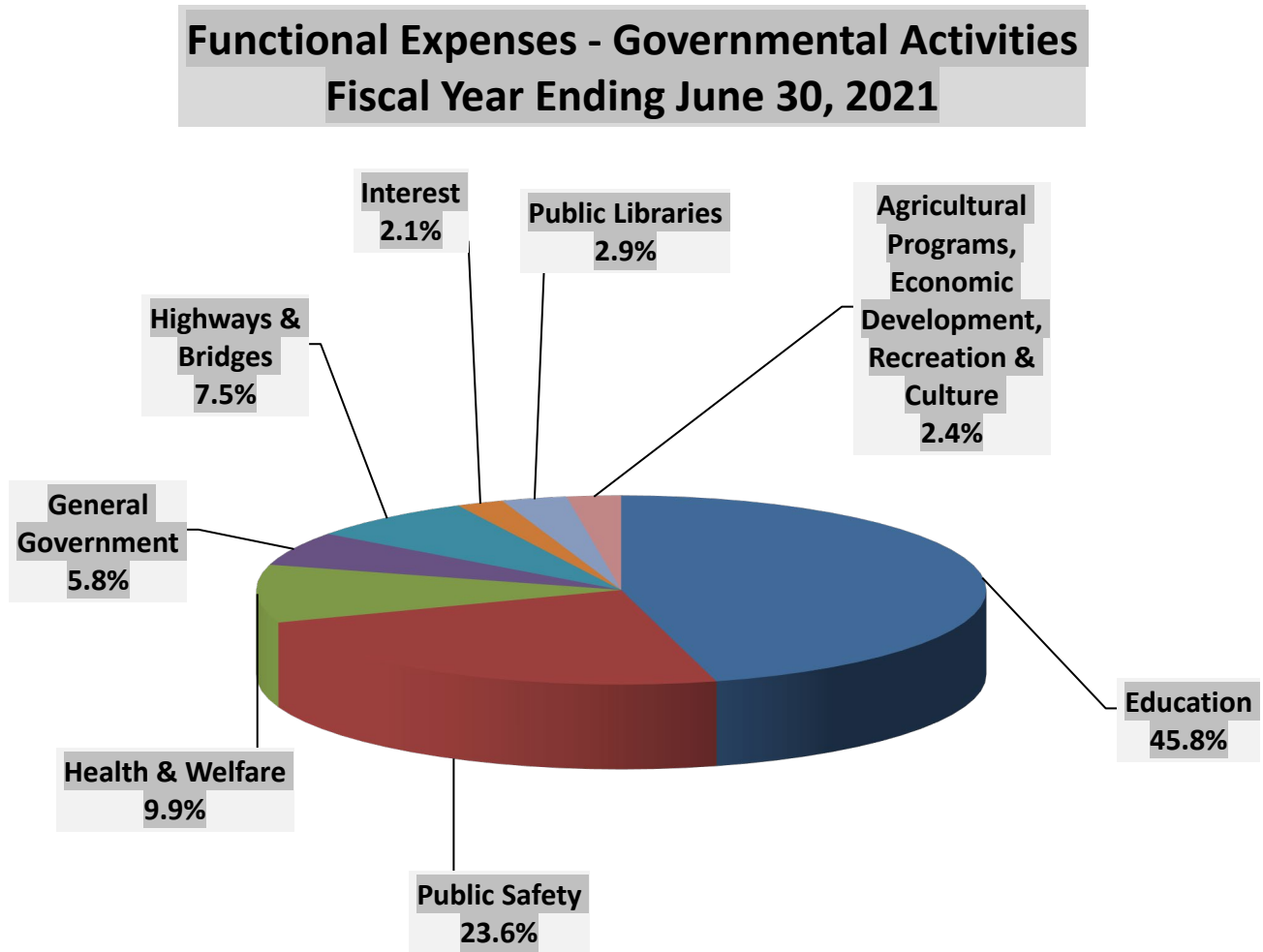
Revenues of governmental activities for fiscal year 2021 showed an increase of \$21,167,594 over fiscal year 2020.

The following graph illustrates the governmental activities functional revenues received by source for fiscal year 2021:



Expenses of governmental activities (operating and capital) resulted in an increase of \$16,477,974 over fiscal year 2020. Primarily components were spending increases for Public Safety of \$6,823,048, and Education of \$8,162,058.

The following graph illustrates the governmental activities functional expenses by source for the fiscal year 2021:



Business-type Activities

In 2021, the net position of business-type activities increased by \$13,585,952 from fiscal year 2020. The net positions of the Waste Water, Landfill, and Property Management Funds increased by \$8,301,034, \$4,984,582 and \$300,336 respectively. Detailed explanations of the variance are contained in the financial analysis of the County’s Funds - Proprietary Funds section starting on page 13.

Financial Analysis of the County’s Funds

As previously noted, Cecil County uses fund accounting as a means of ensuring and demonstrating compliance with finance-related legal requirements. Governmental funds provide useful information regarding near-term inflows, outflows, and balances of spendable resources. Unrestricted fund balance is particularly helpful in measuring the net resources available for spending at fiscal year end.

Governmental Funds

As the County completed the fiscal year, its governmental funds reported combined fund balances of \$79,423,511, a decrease of \$8,950,900 compared with 2020. Of the current ending fund balances, the following categories are recorded, and primary uses noted:

- \$6,348,832 is recorded as Nonspendable due to a \$2,775,429 advance to the Motor Vehicle Fund, a \$3,209,820 advance to the Information Technologies Fund, and \$363,583 related to inventories and prepaid items.
- \$6,591,858 is recorded as Restricted; \$1,045,636 for Housing Programs, \$2,268,096 for the Casino Impact Fund, \$808,815 for the Other Grants Fund, and \$2,469,311 for other (primarily debt service) activities.
- \$282,492 is recorded as Committed.
- \$57,798,566 is recorded as Assigned and consists of \$21,095,051 as the Emergency Reserve for Contingencies, \$6,328,515 for a Budget Stabilization Reserve, \$575,000 for Volunteer Fire Company Vehicle Replacements, \$2,800,000 for Funding various Capital Projects through PayGo Financing, \$3,000,000 for additional Roads Infrastructure Maintenance, \$1,000,000 for Facilities Upgrades, \$500,000 to provide new business incentives through the Office of Economic Development, \$1,000,000 funding towards enhancements to the Public Safety Pension System, \$500,000 allocation to the Workers Compensation Insurance Fund, \$7,000,000 Fiscal Year 2023-2024 Budget and \$14,000,000 to fund the CCPS/Kirwin Commission Blueprint for Maryland’s Future.
- \$8,401,762 is the remaining fund balance, thus this is classified as Unassigned. The unassigned fund balance is consistent with the 10-year average of the County’s unassigned fund balance and exceeds by 2% the current fund balance policy that requires 1% of the next years’ revenue budget to be allocated to a budget stabilization reserve.

General Fund – Comparison to Prior Year. The General Fund is the chief operating fund of the County. At the end of the fiscal year, the non-spendable fund balance was \$6,348,832, committed fund balance was \$282,492 and the assigned/unassigned fund balance was \$69,337,636. Unassigned funds of \$11,539,070 are down \$700,634 from 2020. The schedule on the following page presents General Fund revenues and expenditures for 2021 compared to budget and 2020 actuals.

The revenues and transfers in for fiscal year 2021 increased \$19,403,779 compared to the prior fiscal year. Primary factors in these results are:

- Property taxes were more than prior year by \$4,934,153 primarily due to increases to assessments and new businesses in the County.
- Income taxes exceeded prior year by \$13,356,003. The large increase is a result of the change in Maryland tax code as it pertains to PTE’s (pass-through entities) and the over-conservative distributions by the Comptroller’s Office during the COVID pandemic.

CECIL COUNTY, MARYLAND
GENERAL FUND ACTIVITY vs PRIOR YEAR AND BUDGET

	2020	2021	Variance	Final	2021	Variance
	Actual	Actual	Positive	Budget	Actual	Positive
			(Negative)			(Negative)
Revenues						
Property Taxes	\$ 121,515,271	\$ 126,449,424	\$ 4,934,153	\$ 126,974,657	\$126,449,424	\$ (525,233)
Income Taxes	67,934,905	81,290,908	13,356,003	63,962,320	81,290,908	17,328,588
Licenses and Permits	1,862,139	2,250,615	388,476	2,030,771	2,250,615	219,844
Intergovernmental	3,021,247	3,148,596	127,349	3,527,923	3,148,596	(379,327)
Charges for Services	13,157,236	15,019,391	1,862,155	9,660,402	15,019,391	5,358,989
Investment Earnings	1,138,480	128,715	(1,009,765)	719,821	128,715	(591,106)
Contributions & Other Revenues	60,661	81,294	20,633	64,000	81,294	17,294
Total Revenues	208,689,939	228,368,943	19,679,004	206,939,894	228,368,943	21,429,049
Expenditures						
General Government						
County Executive	190,250	184,298	5,952	192,368	184,298	8,070
County Council	401,905	408,690	(6,785)	444,358	408,690	35,668
Office of Administrator	449,953	419,724	30,229	447,606	419,724	27,882
County Attorney & Legal	322,933	350,176	(27,243)	355,221	350,176	5,045
Human Resources	1,311,990	1,334,967	(22,977)	1,387,679	1,334,967	52,712
Finance Department	2,710,977	2,667,130	43,847	2,892,365	2,667,130	225,235
Circuit Court	2,267,193	2,266,905	288	2,398,936	2,266,905	132,031
Orphans Court	44,160	50,394	(6,234)	52,674	50,394	2,280
Board of Elections	833,749	897,569	(63,820)	1,118,042	897,569	220,473
Liquor Board Licensing	180,404	205,006	(24,602)	217,915	205,006	12,909
Building Maintenance (Total)	3,836,751	3,686,186	150,565	4,372,309	3,686,186	686,123
Public Works Administration	2,497,739	2,539,977	(42,238)	2,768,225	2,539,977	228,248
Roads Administration & Maintenance	11,818,885	9,296,835	2,522,050	9,041,560	9,296,835	(255,275)
Board of Parks	1,634,471	1,697,202	(62,731)	2,039,522	1,697,202	342,320
State's Attorney's Office	2,522,020	2,801,024	(279,004)	2,750,202	2,801,024	(50,822)
Sheriff's - Law Enforcement & Special Assignments	14,004,492	13,814,275	190,217	13,909,971	13,814,275	95,696
Sheriff's - Detention Ctr & Work Release	10,553,230	11,234,667	(681,437)	11,432,853	11,234,667	198,186
Emergency Management	9,070,413	9,124,444	(54,031)	8,764,951	9,124,444	(359,493)
Volunteer Fire Departments	5,824,355	5,217,777	606,578	6,309,710	5,217,777	1,091,933
Land Use & Development Services	2,272,662	2,502,501	(229,839)	2,775,781	2,502,501	273,280
Animal Control	1,072,174	1,162,760	(90,586)	1,186,132	1,162,760	23,372
Health Department	3,765,473	3,841,590	(76,117)	3,823,475	3,841,590	(18,115)
Social Services	437,120	356,936	80,184	474,106	356,936	117,170
Non-Profit Agencies	51,325	76,364	(25,039)	109,889	76,364	33,525
Cecil County Board of Education	86,873,149	87,277,052	(403,903)	87,309,545	87,277,052	32,493
Cecil College	11,708,519	12,083,971	(375,452)	12,144,401	12,083,971	60,430
Public Libraries	6,010,417	6,406,619	(396,202)	6,406,619	6,406,619	-
Economic Development	1,110,055	1,430,926	(320,871)	1,596,999	1,430,926	166,073
Agriculture	657,772	685,321	(27,549)	683,944	685,321	(1,377)
Municipalities	710,314	733,260	(22,946)	733,263	733,260	3
Total Expenditures	185,144,850	184,754,546	390,304	188,140,621	184,754,546	3,386,075
Other Financing Sources (Uses)						
Transfers in	715,225	440,000	(275,225)	740,000	440,000	(300,000)
Transfers out	(20,949,004)	(22,610,317)	(1,661,313)	(21,722,016)	(22,610,317)	(888,301)
Proceeds from Capital Asset Disposal	-	-	-	-	-	-
Total Other Financing Sources (Uses)	(20,233,779)	(22,170,317)	(1,936,538)	(20,982,016)	(22,170,317)	(1,188,301)
Net Change in Fund Balance	3,311,310	21,444,080	\$ 18,132,770	(2,182,743)	21,444,080	\$ 23,626,823
Fund Balance - Beginning	51,213,570	54,524,880		54,524,880	54,524,880	
Fund Balance - Ending	\$ 54,524,880	\$ 75,968,960		\$ 52,342,137	\$ 75,968,960	

The current year's expenditures and transfers out increased by \$2,051,617 compared to fiscal year 2020 spending levels.

- Expenditures due to debt service payments increased by \$1,490,566. This increase was due to the first principal payments due on the new 2019 General Obligation Bond debt secured in fiscal year 2019.
- The Detention Center and Work Release Departments within the Sheriff's Office, saw expenditures increase by \$681,437 due to an increase in operating the jail due to an increase in the inmate population.
- Expenditures on behalf of the Board of Education increased by \$403,903. This change was due to an increase in operating allocation of \$1,462,192 but a was offset by a decrease capital construction cost related to small projects of \$1,058,289.

Other Major Funds – Comparison to Prior Year

The Housing Program Fund had a \$196,458 increase to fund balance. Revenues and transfers in increased by \$1,610,119 while expenditures increased \$1,536,171 from the previous year; the result is a positive net change in fund balance.

The Casino Local Impact Fund had a \$686,411 increase to fund balance due to the strong reopening after the pandemic shut down. Revenues increased by \$1,071,652, while expenditures and operating transfers out decreased \$56,519 from the previous year.

The Capital Projects Fund had a \$28,338,199 decrease to fund balance due to the biennial issuance of capital improvement bonds.

Proprietary Funds

Wastewater Services Fund. Operating revenues for fiscal year 2021 increased \$474,756 from last year to \$8,904,123, while operating expenses increased by \$209,633 to \$9,214,133, which resulted in an operating loss of \$310,010. After capital grants, capital contributions, and interest expense the Change in Net Position is \$8,301,034.

Landfill Fund. Operating revenues in the fund increased by \$1,061,673 from fiscal year 2020 primarily due to increased usage, while operating expenses increased by \$982,636, primarily due to the rise in the annual depletion and the increased materials and supplies needed to support the landfill during fiscal year 2021. Investment earnings for the fund increased by \$2,941,899 due to the rebound of the market post COVID shut down. The resulting change in Net Position is \$4,984,582.

Property Management Fund. Operating revenues in the fund were \$919,535 for the fiscal year, while operating expenses were \$349,342, and the fund made a \$50,000 transfer to the General Fund. Including interest expense and earnings, this resulted in a change in Net Position of \$300,336 for fiscal year 2021.

General Fund Budgetary Highlights

Cecil County adopted its fiscal year 2021 budget on May 19, 2020 and amended it to meet operational needs during the year. The legal level of budgetary control is at the departmental level and while department heads may make budget transfers within their own department, the County Executive

shall introduce, and County Council must approve any budget amendments that increase or decrease revenue or move appropriations between departments.

Budget changes during the year to expenditures and transfers increased spending authority by \$2,182,743 primarily due to a continuing allocation for Road Improvements of \$458,000, committing assignments of \$400,000 towards Capital Projects, and \$825,000 for Volunteer Fire Equipment purchases.

The final budget contained \$207,679,894 of revenues and other financing sources, \$209,862,637 of expenditures and transfers, and \$2,182,743 of appropriated fund balance. The actual revenues and other financing sources were \$21,129,049 greater than the final budget and actual expenditures and transfers were \$2,497,774 below the final budget.

- Property taxes were \$525,223 below budget due to the non-payment of personal property tax payments. Due to COVID-19, the US mail system suffered major delays throughout the fiscal year, and it was uncovered during the year end reconciliation that many personal property tax bills mailed in March, were never received.
- Income taxes were \$17,328,588 above budget due to the budget being approved at a reduced amount in anticipation of adverse fiscal impact of COVID-19 on tax receipts and changes in Maryland tax law. Maryland tax law changed as it pertains to PTE's (pass-through entities) thus creating an advantage for taxpayers to pay earlier than the previous law allowed. In addition to the changes in tax law, the Comptroller's Office was over conservative in calculating County distributions at the end of the previous fiscal year due to the onset of the COVID pandemic and once the State realized the actual receipts, the funds were distributed to the counties.
- Real estate recordation taxes were up compared to budget by \$3,776,384 as commercial real estate activity continued to exceed expectations. The COVID-19 pandemic did not slow down the County's ability to attract new businesses.
- Volunteer Fire Departments were under budget by \$1,091,933 primarily due to vehicle replacement matching funds that were budgeted but not spent to purchase new emergency vehicles. The \$575,000 of unused budget is part of the assigned funds and an additional \$250,000 is part of the committed fund balance as a resolution was passed during fiscal year 2021 for two additional ambulances. Due to COVID-19, the lead time on all emergency vehicles delayed receipt of the vehicles prior to the end of the fiscal year.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2021, Cecil County had invested \$384,883,326, net of accumulated depreciation, in a broad range of capital assets (table below). Depreciation charges for this fiscal year totaled \$26,437,887.

Major capital asset events during the current fiscal year included the following:

- Completion of the new North East Library;
- Expansion of County sewer with the completion of Elkton West Phase 3A;
- Completion of the new Port Deposit Waste Water Treatment Plant;
- Parks and Recreation completed Phase 3 of Calvert Regional Park.

The following table comprises the County’s capital assets net of accumulated depreciation and depletion:

Cecil County’s Capital Assets as of June 30, 2020 and 2021
(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
Land	\$ 16,644,242	\$ 16,670,242	\$ 3,341,327	\$ 3,341,327	\$ 19,985,569	\$ 20,011,569
Construction in Progress	17,024,828	8,694,259	13,114,165	8,234,899	30,138,993	16,929,158
Landfill & Land Improvements	14,285,815	19,324,342	15,410,985	13,642,002	29,696,800	32,966,344
Highways & Bridges	106,040,013	100,333,382	-	-	106,040,013	100,333,382
Utility Systems	-	-	47,758,935	51,617,956	47,758,935	51,617,956
Buildings	64,463,322	81,224,699	21,534,273	22,289,830	85,997,595	103,514,529
Machinery & Equipment	28,224,947	27,622,697	27,761,311	31,887,691	55,986,258	59,510,388
Total Capital Assets	\$ 246,683,167	\$ 253,869,621	\$ 128,920,996	\$ 131,013,705	\$ 375,604,163	\$ 384,883,326

Additional information on the County’s capital assets is contained in Note 6 to the financial statements.

Long Term Debt. At the end of the current fiscal year, the County had total general obligation debt of \$244,773,633. All debt is backed by the full faith and credit of the government. Governmental activities report \$174,758,399 and business-type activities report \$70,015,234 of general obligation bonds. Special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment consists of \$67,088. The Cecil County Charter restricts aggregate non-self-supporting indebtedness to 5% of the assessable real property of the County and 15% of the personal and operating real property. By County Code, sanitary district debt is limited to 15% of the assessed value of all property.

The County’s bond rating remained stable with a rating of Aa2 from Moody’s Investor’s Service and remained stable with Standard and Poor’s with a rating of AA+. Additional information on the County’s long-term debt can be found in Note 8 to the financial statements.

Cecil County’s Outstanding Debt
Long Term Debt

	Governmental Activities		Business-type Activities		Total	
	2020	2021	2020	2021	2020	2021
General						
Obligation Bonds	\$ 188,256,098	\$ 169,955,313	\$ 43,928,902	\$ 41,044,687	\$ 232,185,000	\$ 211,000,000
Notes From						
Direct Borrowings	5,574,185	4,803,086	31,415,103	28,970,547	36,989,288	33,773,633
Total Long Term Debt	\$ 193,830,283	\$ 174,758,399	\$ 75,344,005	\$ 70,015,234	\$ 269,174,288	\$ 244,773,633

Economic Factors and Next Year’s Budgets and Rates

Cecil County is expected to exceed expectations with continued explosive growth for the next several years, as the County continues to expand infrastructure that continues to attract new business and new residents. The COVID-19 pandemic has done little to impede the County’s economic growth but rather has accelerated interest in new business relocating to Cecil County, for the most part due to the County’s location. As our Country continues the demand for products to be on their doorsteps within 48 hours, Cecil County is strategically located in the center of the Boston-Atlanta corridor and

can provide a company overnight access to over 90 million people. The effects of COVID-19 were mild in comparison to other jurisdictions due in part to the County's diverse well-connected economy that includes agriculture, distribution, light manufacturing, research and development, health care, leisure and hospitality, and corporate offices. The unemployment rate decreased from to 7.2% as of June 2020 to 6.0% in June 2021 and continued to trend better than the State average of 6.7%, due largely to the diversity of our local economy.

In January 2021 a new 720,000 square foot building was constructed by Trammel Crow and within months after construction was complete, Alo Yoga and Bella+Canvas, a California based apparel company, signed a ten-year lease to use the building as their first distribution facility on the East Coast. This was an \$85 million dollar investment and is expected to bring 150 jobs to the County. Although COVID-19 delayed the start of construction, Great Wolf Lodge broke ground in July 2021 in the western end of the County near Perryville. The company has expanded their original concept of the facility and is now building the largest lodge in North America with 700 family suites and a 126,000 square foot water park. When complete it will also bring 850 new jobs and is already attracting interest in new development around Chesapeake Overlook.

The FY 2022 Approved Budget is the first budget for the Hornberger administration as a new County Executive was elected in November 2020. The County's budget was crafted with the looming effects of the COVID-19 pandemic and was still able to provide tax relief to County citizens by reducing the real property tax rate to the constant yield rate of 1.0279 from 1.0414 and reduce the personal property tax rate to 2.5697. The approved budget supports a pay increase for employees that had been removed in the fiscal year 2021 budget due to the unknowns due to COVID-19 as well as supports the new collective bargaining agreements for both law enforcement deputies and detention center correctional officers. The County remained cautious with expenses and kept departmental expenditure increases to a minimum. The proposed increases in revenue anticipate economic growth by increasing the budgets for both recordation and deed transfer. The County's conservative FY2022 approved budget provided a balanced budget without the use of unassigned fund balance to ensure the services expected by the citizens of Cecil County will continue onto the future. Prudent fiscal management will continue to aid the County as it recovers from the pandemic.

Requests for Information

This financial report is designed to provide a general overview of Cecil County's finances to the citizens of Cecil County and other users of such data. Requests for additional copies of this report, questions concerning any of the information in this report, and requests for additional financial information should be addressed to James Appel, Cecil County Director of Finance, 200 Chesapeake Boulevard, Suite 1100, Elkton, MD 21921.

The component units issue their own audited financial statements. These statements may be obtained directly from the component units. Their contact information can be found in Note 1A of the financial statements.

BASIC FINANCIAL STATEMENTS

CECIL COUNTY, MARYLAND
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents (Note 3)	\$ 10,167,688	\$ 3,008,422	\$ 13,176,110	\$ 27,944,630
Investments (Note 3)	65,095,514	9,200,014	74,295,528	23,840,906
Receivables, Net (Note 4)	4,094,830	5,432,839	9,527,669	1,917,981
Due from Primary Government	-	-	-	4,074,188
Due from Other Governments	38,590,703	1,828,394	40,419,097	11,408,313
Inventories	367,575	-	367,575	137,272
Prepaid Items & Other Assets	537,353	14,258	551,611	755,986
Restricted Assets:				
Cash and Investments (Note 3)	25,877,210	11,332,002	37,209,212	8,774,512
Net OPEB Asset	5,539,574	-	5,539,574	-
Net Pension Asset	2,974,839	-	2,974,839	-
Capital Assets, Net: (Note 6)				
Land	16,670,242	3,341,327	20,011,569	12,931,854
Construction in Progress	8,694,259	8,234,899	16,929,158	21,717,151
Landfill & Land Improvements	19,324,342	13,642,002	32,966,344	15,978,062
Highways & Bridges	100,333,382	-	100,333,382	-
Wastewater Systems	-	51,617,956	51,617,956	-
Buildings & Improvements	81,224,699	22,289,830	103,514,529	169,525,631
Machinery & Equipment	27,622,697	31,887,691	59,510,388	17,491,441
Total Assets	<u>407,114,907</u>	<u>161,829,634</u>	<u>568,944,541</u>	<u>316,497,927</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge of Refunding	1,813,841	506,241	2,320,082	-
Pension Deferrals	4,950,094	-	4,950,094	3,339,250
OPEB Deferrals	-	-	-	11,073,903
Total Deferred Outflows of Resources	<u>6,763,935</u>	<u>506,241</u>	<u>7,270,176</u>	<u>14,413,153</u>
LIABILITIES				
Accounts Payable	10,332,212	2,169,611	12,501,823	25,745,171
Salary and Benefits Payable	4,094,355	173,148	4,267,503	1,153,802
Due to Other Governments	308,448	-	308,448	-
Unearned Revenue (Note 11)	12,932,365	436,391	13,368,756	4,308,099
Other Liabilities	2,077,511	682,645	2,760,156	-
Liabilities Payable with Restricted Assets	5,351,491	-	5,351,491	-
Long Term Liabilities (Note 8)				
Due within one year:				
Bonds Payable	16,439,079	5,977,099	22,416,178	-
Capital Leases	1,876,516	203,131	2,079,647	294,613
Insurance Claims Payable	6,093,581	-	6,093,581	-
Compensated Absences	2,253,415	137,737	2,391,152	714,567
Due in more than one year:				
Bonds Payable	171,774,855	65,637,931	237,412,786	-
Capital Leases	3,814,814	646,566	4,461,380	301,131
Notes Payable	-	-	-	91,841
Compensated Absences	1,126,707	68,869	1,195,576	3,306,197
Accrued Landfill Closure/Postclosure	-	10,942,475	10,942,475	-
Net OPEB Liability	-	-	-	65,346,965
Net Pension Liability	31,436,040	-	31,436,040	12,820,023
Total Liabilities	<u>269,911,389</u>	<u>87,075,603</u>	<u>356,986,992</u>	<u>114,082,409</u>
DEFERRED INFLOWS OF RESOURCES				
Pension Deferrals	15,796,423	-	15,796,423	988,905
OPEB Deferrals	2,621,808	-	2,621,808	4,176,879
Total Deferred Inflows of Resources	<u>18,418,231</u>	<u>-</u>	<u>18,418,231</u>	<u>5,165,784</u>
NET POSITION				
Net Investment in Capital Assets	178,409,879	59,680,406	238,090,285	237,048,394
Restricted for:				
Capital Projects	-	-	-	32,260
Health and Welfare	1,045,636	-	1,045,636	-
Agriculture	734,933	-	734,933	-
Economic Development	2,689,876	-	2,689,876	-
Net OPEB Asset	5,539,574	-	5,539,574	-
Net PSPP Asset	2,974,839	-	2,974,839	-
Debt Service and Other	2,121,413	-	2,121,413	7,342,195
Unrestricted	(67,966,928)	15,579,866	(52,387,062)	(32,759,962)
Total Net Position	<u>\$ 125,549,222</u>	<u>\$ 75,260,272</u>	<u>\$ 200,809,494</u>	<u>\$ 211,662,887</u>

The Notes to the Financial Statements are an integral part of this statement.

CECIL COUNTY, MARYLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Grants and Contributions		Primary Government			Component Units
			Operating	Capital	Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 14,008,947	\$ 14,006,170	\$ 1,893,419	\$ -	\$ 1,890,642	\$ -	\$ 1,890,642	\$ -
Public Safety	56,882,838	2,508,166	1,960,965	6,099	(52,407,608)	-	(52,407,608)	-
Highways, Streets, and Bridges	18,138,965	97,746	4,467,366	230,266	(13,343,587)	-	(13,343,587)	-
Health and Welfare	23,764,716	840,029	21,822,686	133,071	(968,931)	-	(968,931)	-
Recreation and Culture	3,055,416	618,535	3,578	556,789	(1,876,515)	-	(1,876,515)	-
Education	110,336,931	-	-	-	(110,336,931)	-	(110,336,931)	-
Public Libraries	6,840,534	-	-	-	(6,840,534)	-	(6,840,534)	-
Economic Development	2,150,329	-	2,628,610	-	478,281	-	478,281	-
Agriculture	693,130	-	175,887	-	(517,243)	-	(517,243)	-
Interest on Long-Term Debt	5,157,935	-	-	-	(5,157,935)	-	(5,157,935)	-
Total Governmental Activities	<u>241,029,742</u>	<u>18,070,645</u>	<u>32,952,511</u>	<u>926,225</u>	<u>(189,080,361)</u>	<u>-</u>	<u>(189,080,361)</u>	<u>-</u>
Business-Type Activities:								
Wastewater	10,858,273	8,904,123	-	9,253,500	-	7,299,350	7,299,350	-
Landfill	7,978,298	9,825,204	-	-	-	1,846,906	1,846,906	-
Property Management	569,199	919,535	-	-	-	350,336	350,336	-
Total Business-Type Activities	<u>19,405,770</u>	<u>19,648,862</u>	<u>-</u>	<u>9,253,500</u>	<u>-</u>	<u>9,496,592</u>	<u>9,496,592</u>	<u>-</u>
Total Primary Government	<u>\$ 260,435,512</u>	<u>\$ 37,719,507</u>	<u>\$ 32,952,511</u>	<u>\$ 10,179,725</u>	<u>\$ (189,080,361)</u>	<u>\$ 9,496,592</u>	<u>\$ (179,583,769)</u>	<u>-</u>
Component Units:								
Board of Education	\$ 252,130,752	\$ 329,238	\$ 85,040,320	\$ 16,868,525	-	-	-	(149,892,669)
Cecil College	32,823,051	4,447,824	5,271,307	1,406,342	-	-	-	(21,697,578)
Cecil County Library	7,444,165	-	179,081	-	-	-	-	(7,265,084)
Bainbridge Development Corporation	1,622,143	391,432	1,357,108	-	-	-	-	126,397
Total Component Units	<u>\$ 294,020,111</u>	<u>\$ 5,168,494</u>	<u>\$ 91,847,816</u>	<u>\$ 18,274,867</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(178,728,934)</u>
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					126,825,903	-	126,825,903	-
Income Taxes					84,943,880	-	84,943,880	-
Investment Earnings					163,273	3,139,360	3,302,633	21,918
Other Revenues including Gains/(Loss) on Sale of Capital Assets					-	-	-	6,568,623
Payments From the Primary Government					-	-	-	107,101,860
Payments From the State Government					-	-	-	73,414,049
Entitlements, and Contributions not Restricted to Specific Programs					-	-	-	5,332,917
Transfers					(950,000)	950,000	-	-
Total General Revenues, Special Items, and Transfers					<u>210,983,056</u>	<u>4,089,360</u>	<u>215,072,416</u>	<u>192,439,367</u>
Change in Net Position					21,902,695	13,585,952	35,488,647	13,710,433
Net Position - Beginning					<u>103,646,527</u>	<u>61,674,320</u>	<u>165,320,847</u>	<u>196,296,410</u>
Change in Accounting Principles					<u>-</u>	<u>-</u>	<u>-</u>	<u>1,656,044</u>
Net Position - Beginning as restated					<u>103,646,527</u>	<u>61,674,320</u>	<u>165,320,847</u>	<u>197,952,454</u>
Net Position - Ending					<u>\$ 125,549,222</u>	<u>\$ 75,260,272</u>	<u>\$ 200,809,494</u>	<u>\$ 211,662,887</u>

The Notes to the Financial Statements are an integral part of this statement.

CECIL COUNTY, MARYLAND

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021

	General	Housing Programs	Casino Local Impact	Other Grants	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS							
Cash (Note 3)	\$ 7,154,140	\$ -	\$ -	\$ -	\$ -	\$ 1,312,505	\$ 8,466,645
Investments (Note 3)	52,541,935	-	-	-	-	-	52,541,935
Receivables, Net (Note 4)	3,328,632	-	-	105	-	66,820	3,395,557
Due from Other Funds	8,126,031	-	-	-	-	-	8,126,031
Due from Other Governments	33,527,776	1,486,283	418,974	1,210,180	441,468	1,376,830	38,461,511
Inventory	333,066	-	-	-	-	-	333,066
Other Assets	102,119	22,636	-	3,007	-	-	127,762
Advances to Other Funds	5,985,249	-	-	-	-	-	5,985,249
Restricted Assets:							
Cash and Investments (Note 3)	-	1,224,474	2,523,064	12,384,006	8,589,881	1,155,785	25,877,210
Total Assets	\$ 111,098,948	\$ 2,733,393	\$ 2,942,038	\$ 13,597,298	\$ 9,031,349	\$ 3,911,940	\$ 143,314,966
LIABILITIES:							
Accounts Payable	\$ 2,872,162	\$ 386,486	\$ 329,494	\$ 547,520	\$ -	\$ 341,175	\$ 4,476,836
Salaries and Benefits Payable	3,643,397	35,760	-	60,510	-	276,712	4,016,379
Due to Other Funds	-	939,632	-	-	6,601,173	585,226	8,126,031
Due to Other Governments	-	-	308,448	-	-	-	308,448
Other Liabilities	5,029,886	-	36,000	31,024	-	2,062	5,098,972
Unearned Revenue (Note 11)	-	226,898	-	12,149,429	314,974	237,454	12,928,755
Liabilities Payable from Restricted Funds	-	98,981	-	-	5,252,510	-	5,351,491
Total Liabilities	11,545,445	1,687,757	673,942	12,788,483	12,168,657	1,442,629	40,306,912
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Income Taxes	22,855,097	-	-	-	-	-	22,855,097
Unavailable Revenue - Property Taxes	729,446	-	-	-	-	-	729,446
Total Deferred Inflows of Resources	23,584,543	-	-	-	-	-	23,584,543
FUND BALANCES:							
Non-Spendable	6,348,832	-	-	-	-	-	6,348,832
Restricted	-	1,045,636	2,268,096	808,815	-	2,469,311	6,591,858
Committed	282,492	-	-	-	-	-	282,492
Assigned	57,798,566	-	-	-	-	-	57,798,566
Unassigned	11,539,070	-	-	-	(3,137,308)	-	8,401,762
Total Fund Balances	75,968,960	1,045,636	2,268,096	808,815	(3,137,308)	2,469,311	79,423,511
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 111,098,948	\$ 2,733,393	\$ 2,942,038	\$ 13,597,298	\$ 9,031,349	\$ 3,911,940	\$ 143,314,966

The Notes to the Financial Statements are an integral part of these statements.

CECIL COUNTY, MARYLAND
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021

Amounts reported for governmental activities in the statement of net position (page 18) are different because:

Total Fund Balances for Government Funds (Page 20)		\$ 79,423,511
Capital Assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. Capital assets net of accumulated depreciation, as detailed in Note 6, are included in the Statement of Net Position. Also excluded are \$15,798,665 of internal service fund capital assets accounted for in the following line.		238,070,957
Internal service funds are used by management to charge the costs of fleet management and health insurance costs to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position. The increase is equal to the internal service fund net position.		12,570,046
Some of the County's taxes and other revenues will be collected after year-end, but are not available soon enough to pay the current year's expenditures and, therefore, are reported as unavailable revenue in the funds.		
Income Taxes	\$ 22,927,891	
Property Taxes	<u>729,446</u>	23,657,337
Long-term liabilities applicable to the governmental activities including bonds payable are not due and payable in the current year and, accordingly, are not reported as fund liabilities.		
Net OPEB Asset	\$ 5,539,574	
Net PSPP Asset	2,974,839	
Compensated Absences	(3,305,261)	
Accrued interest on long-term debt	(2,077,511)	
Deferred - Bond Premium	(13,455,536)	
Deferred - Advance Refunding Difference	1,813,841	
Pension Deferred Outflows	4,950,094	
Pension Deferred Inflows	(15,796,423)	
OPEB Deferred Inflows	(2,621,808)	
OPEB Deferred Outflows	-	
Net Pension Liability	(31,436,040)	
Bonds and Notes Payable	<u>(174,758,398)</u>	<u>(228,172,629)</u>
Net Position of Governmental Activities (Page 18)		<u>\$ 125,549,222</u>

The Notes to the Financial Statements are an integral part of this statement.

CECIL COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General	Housing Programs	Casino Local Impact	Other Grants	General Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
REVENUES							
Property Taxes	\$126,449,424	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 126,449,424
Special Assessments - Current	-	-	-	-	-	6,099	6,099
Income Taxes	81,290,908	-	-	-	-	-	81,290,908
Licenses and Permits	2,250,615	-	-	-	-	-	2,250,615
Intergovernmental	3,148,596	6,648,819	3,186,098	14,640,027	622,442	5,350,650	33,596,632
Charges for Services	15,019,391	214,447	-	-	-	586,194	15,820,032
Investment Earnings	128,715	384	863	-	-	1,306	131,268
Contributions & Other Revenues	81,294	-	-	61,641	-	-	142,935
Total Revenues	<u>228,368,943</u>	<u>6,863,649</u>	<u>3,186,961</u>	<u>14,701,668</u>	<u>622,442</u>	<u>5,944,249</u>	<u>259,687,912</u>
EXPENDITURES							
Current:							
General Government	10,497,762	-	-	1,547,659	-	-	12,045,421
Public Safety	47,689,376	-	-	7,875,689	-	-	55,565,065
Highways, Streets, and Bridges	11,836,812	-	-	384,136	-	-	12,220,948
Health and Welfare	4,416,245	6,883,427	-	5,149,278	-	8,419,100	24,868,050
Recreation and Culture	1,697,202	-	-	3,578	-	-	1,700,780
Education	99,361,023	-	-	-	-	-	99,361,023
Public Libraries	6,406,619	-	-	-	-	-	6,406,619
Economic Development	1,430,926	-	635,550	80,178	-	-	2,146,654
Agriculture	685,321	-	-	-	-	-	685,321
Municipalities	733,260	-	-	-	-	-	733,260
Debt Service:							
Principal	-	-	-	-	-	14,071,884	14,071,884
Interest and Fiscal Charges	-	-	-	-	-	7,222,746	7,222,746
Capital Outlay	-	-	-	-	30,660,641	-	30,660,641
Total Expenditures	<u>184,754,546</u>	<u>6,883,427</u>	<u>635,550</u>	<u>15,040,518</u>	<u>30,660,641</u>	<u>29,713,730</u>	<u>267,688,412</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>43,614,397</u>	<u>(19,778)</u>	<u>2,551,411</u>	<u>(338,850)</u>	<u>(30,038,199)</u>	<u>(23,769,481)</u>	<u>(8,000,500)</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	440,000	216,237	-	354,806	1,700,000	20,814,274	23,525,317
Transfers Out	(22,610,317)	-	(1,865,000)	-	-	-	(24,475,317)
Total Other Financing Sources (Uses)	<u>(22,170,317)</u>	<u>216,237</u>	<u>(1,865,000)</u>	<u>354,806</u>	<u>1,700,000</u>	<u>20,814,274</u>	<u>(950,000)</u>
Net Change in Fund Balances	21,444,080	196,458	686,411	15,956	(28,338,199)	(2,955,207)	(8,950,500)
Fund Balances - Beginning	<u>54,524,880</u>	<u>849,178</u>	<u>1,581,685</u>	<u>792,859</u>	<u>25,200,891</u>	<u>5,424,518</u>	<u>88,374,011</u>
Fund Balances - Ending	<u>\$ 75,968,960</u>	<u>\$ 1,045,636</u>	<u>\$ 2,268,096</u>	<u>\$ 808,815</u>	<u>\$ (3,137,308)</u>	<u>\$ 2,469,311</u>	<u>\$ 79,423,511</u>

The Notes to the Financial Statements are an integral part of these statements.

CECIL COUNTY, MARYLAND

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Amounts reported for governmental activities in the Statement of Activities (Page 19) are different because:

Net Change in Fund Balances - Total Government Funds (Page 22) \$ (8,950,500)

Governmental funds report capital outlays as expenditures. However in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$15,147,560 is exceeded by capital outlay (\$22,145,755) in the current period. Depreciation excludes \$3,817,825 from the internal service fund. 6,998,195

In the Statement of Activities, only the gain or loss on the sale of capital assets is reported, whereas in governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital asset less accumulated depreciation. 229,839

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds. The following are the net changes in these non-current resources.

Property Taxes	\$	376,479	
Income Taxes		3,650,416	
		3,650,416	
Net Adjustment			4,026,895

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

<u>Repayments:</u>			
General Obligation bonds	\$	14,071,884	
Current Refunding		-	
Deferred Advanced Refunding		(605,604)	
Premium on Debt Issued		2,224,119	
		2,224,119	
Net Adjustment		\$ 15,690,399	15,690,399

Under the modified accrual basis of accounting used in governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The following are the impact of the net changes in balances.

Pension Expense	\$	2,728,466	
OPEB Expense		595,801	
Compensated Absences		(243,918)	
Accrued Interest on Long-term Debt		446,296	
		446,296	
Net Adjustment			3,526,645

The change in net assets of certain internal service funds are reported with governmental activities. 381,221

Change in Net Position of Governmental Activities (Page 19) \$ 21,902,695

The Notes to the Financial Statements are an integral part of this statement.

CECIL COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget -</u>
	<u>Original</u>	<u>Final</u>		<u>Positive</u> <u>(Negative)</u>
REVENUES				
Property Taxes	\$ 126,974,657	\$ 126,974,657	\$ 126,449,424	\$ (525,233)
Income Taxes	63,962,320	63,962,320	81,290,908	17,328,588
Licenses and Permits	2,030,771	2,030,771	2,250,615	219,844
Intergovernmental	3,527,923	3,527,923	3,148,596	(379,327)
Charges for Services	9,642,402	9,660,402	15,019,391	5,358,989
Investment Earnings	719,821	719,821	128,715	(591,106)
Contributions & Other Revenues	64,000	64,000	81,294	17,294
Total Revenues	<u>206,921,894</u>	<u>206,939,894</u>	<u>228,368,943</u>	<u>21,429,049</u>
EXPENDITURES				
Current:				
General Government	11,492,759	11,498,759	10,497,762	1,000,997
Highways, Streets, and Bridges	11,151,541	11,809,785	11,836,812	(27,027)
Recreation and Culture	2,056,922	2,039,522	1,697,202	342,320
Public Safety	48,144,486	49,285,618	47,689,376	1,596,242
Health and Welfare	4,642,166	4,632,166	4,416,245	215,921
Education	99,231,179	99,453,946	99,361,023	92,923
Public Libraries	6,406,619	6,406,619	6,406,619	-
Economic Development	1,596,999	1,596,999	1,430,926	166,073
Agriculture	683,944	683,944	685,321	(1,377)
Municipalities	733,263	733,263	733,260	3
Total Expenditures	<u>186,139,878</u>	<u>188,140,621</u>	<u>184,754,546</u>	<u>3,386,075</u>
Excess of Revenues Over Expenditures	<u>20,782,016</u>	<u>18,799,273</u>	<u>43,614,397</u>	<u>24,815,124</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	740,000	740,000	440,000	(300,000)
Transfers Out	(21,522,016)	(21,722,016)	(22,610,317)	(888,301)
Total Other Financing Sources (Uses)	<u>(20,782,016)</u>	<u>(20,982,016)</u>	<u>(22,170,317)</u>	<u>(1,188,301)</u>
Net Change in Fund Balance	-	(2,182,743)	21,444,080	23,626,823
Fund Balance - Beginning	<u>54,524,880</u>	<u>54,524,880</u>	<u>54,524,880</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 54,524,880</u>	<u>\$ 52,342,137</u>	<u>\$ 75,968,960</u>	<u>\$ 23,626,823</u>

The Notes to the Financial Statements are an integral part of this statement.

CECIL COUNTY, MARYLAND

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND**

**HOUSING PROGRAMS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget -</u> <u>Positive</u> <u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 5,308,227	\$ 10,492,247	\$ 6,648,819	\$ (3,843,429)
Other Program Revenue & Charges for Services	236,000	236,000	214,447	(21,553)
Investment Earnings	-	-	384	384
Total Revenues	<u>5,544,227</u>	<u>10,728,247</u>	<u>6,863,649</u>	<u>(3,864,598)</u>
EXPENDITURES				
Current:				
Health and Welfare	<u>5,804,796</u>	<u>10,988,816</u>	<u>6,883,427</u>	<u>4,105,389</u>
Total Expenditures	<u>5,804,796</u>	<u>10,988,816</u>	<u>6,883,427</u>	<u>4,105,389</u>
Deficiency of Revenues (Under) Expenditures	<u>(260,569)</u>	<u>(260,569)</u>	<u>(19,778)</u>	<u>240,791</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>221,107</u>	<u>221,107</u>	<u>216,237</u>	<u>(4,870)</u>
Total Other Financing Sources (Uses)	<u>221,107</u>	<u>221,107</u>	<u>216,237</u>	<u>(4,870)</u>
Net Change in Fund Balance	(39,462)	(39,462)	196,458	235,920
Fund Balance - Beginning	<u>797,348</u>	<u>797,348</u>	<u>849,178</u>	<u>51,830</u>
Fund Balance - Ending	<u>\$ 757,886</u>	<u>\$ 757,886</u>	<u>\$ 1,045,636</u>	<u>\$ 287,750</u>

The Notes to the Financial Statements are an integral part of this statement.

CECIL COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND

CASINO LOCAL IMPACT
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ 2,300,000	\$ 2,300,000	\$ 3,186,098	\$ 886,098
Investment Earnings	10,000	10,000	863	(9,137)
Total Revenues	<u>2,310,000</u>	<u>2,310,000</u>	<u>3,186,961</u>	<u>876,961</u>
EXPENDITURES				
Current:				
Economic Development	800,000	823,654	635,550	188,104
Total Expenditures	<u>800,000</u>	<u>823,654</u>	<u>635,550</u>	<u>188,104</u>
Excess of Revenues Over Expenditures	<u>1,510,000</u>	<u>1,486,346</u>	<u>2,551,411</u>	<u>1,065,065</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,865,000)	(1,865,000)	(1,865,000)	-
Total Other Financing Sources (Uses)	<u>(1,865,000)</u>	<u>(1,865,000)</u>	<u>(1,865,000)</u>	<u>-</u>
Net Change in Fund Balance	(355,000)	(378,654)	686,411	1,065,065
Fund Balance - Beginning	<u>1,581,685</u>	<u>1,581,685</u>	<u>1,581,685</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 1,226,685</u>	<u>\$ 1,203,031</u>	<u>\$ 2,268,096</u>	<u>\$ 1,065,065</u>

The Notes to the Financial Statements are an integral part of this statement.

CECIL COUNTY, MARYLAND

**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
MAJOR FUND**

**OTHER GRANTS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget -
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES				
Intergovernmental	\$ 23,152,193	\$ 26,177,902	\$ 14,640,027	\$ (11,537,875)
Contributions & Other Revenues	<u>187,931</u>	<u>187,931</u>	<u>61,641</u>	<u>(126,290)</u>
Total Revenues	<u>23,340,124</u>	<u>26,365,833</u>	<u>14,701,668</u>	<u>(11,664,165)</u>
EXPENDITURES				
Current:				
General Government	\$1,576,551	\$ 2,166,561	\$ 1,547,659	618,902
Highways, Streets, and Bridges	6,443,854	6,605,396	384,136	6,221,260
Recreation and Culture	621,065	626,065	3,578	622,487
Public Safety	14,961,048	11,783,725	7,875,689	3,908,036
Health and Welfare	864,451	6,248,573	5,149,278	1,099,295
Economic Development	<u>66,357</u>	<u>128,712</u>	<u>80,178</u>	<u>48,534</u>
Total Expenditures	<u>24,533,326</u>	<u>27,559,032</u>	<u>15,040,518</u>	<u>12,518,514</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,193,202)</u>	<u>(1,193,199)</u>	<u>(338,850)</u>	<u>854,349</u>
OTHER FINANCING SOURCES				
Transfers In	<u>1,035,231</u>	<u>1,035,231</u>	<u>354,806</u>	<u>(680,425)</u>
Total Other Financing Sources	<u>1,035,231</u>	<u>1,035,231</u>	<u>354,806</u>	<u>(680,425)</u>
Net Change in Fund Balance	(157,971)	(157,968)	15,956	173,924
Fund Balance - Beginning	<u>117,777</u>	<u>107,774</u>	<u>792,859</u>	<u>685,085</u>
Fund Balance - Ending	<u>\$ (40,194)</u>	<u>\$ (50,194)</u>	<u>\$ 808,815</u>	<u>\$ 859,009</u>

CECIL COUNTY, MARYLAND
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities -
	Wastewater	Landfill	Non-Major Property Management	Total	Internal Service Funds
ASSETS					
Current Assets:					
Cash and Cash Equivalents (Note 3)	\$ 472,760	\$ 2,002,300	\$ 533,362	\$ 3,008,422	\$ 1,701,043
Investments (Note 3)	-	9,200,014	-	9,200,014	12,553,579
Receivables, Net: (Note 4)					
Accounts	2,498,009	887,663	28,338	3,414,010	4,105
Other	-	21,495	38	21,533	695,168
Due from Other Governments	1,828,394	-	-	1,828,394	129,192
Inventory	-	-	-	-	34,509
Other Assets	57	14,201	-	14,258	409,591
Restricted Assets					
Cash & Investments (Note 3)	281,731	11,050,271	-	11,332,002	-
Total Current Assets	<u>5,080,951</u>	<u>23,175,944</u>	<u>561,738</u>	<u>28,818,633</u>	<u>15,527,186</u>
Non-Current Assets:					
Accounts Receivable - Non-Current	1,997,296	-	-	1,997,296	-
Capital Assets, Net:					
Land	2,269,988	580,739	490,600	3,341,327	-
Construction in Progress	5,757,154	2,477,745	-	8,234,899	23,285
Vehicles	-	-	-	-	9,872,671
Landfill and Land Improvements	5,076,348	8,565,654	-	13,642,002	-
Wastewater Lines	38,731,864	-	-	38,731,864	-
Wastewater Systems	12,886,092	-	-	12,886,092	-
Buildings	13,740,877	2,660,722	5,888,231	22,289,830	169,924
Machinery & Equipment	29,278,107	2,609,584	-	31,887,691	5,732,784
Total Non-Current Assets	<u>109,737,726</u>	<u>16,894,444</u>	<u>6,378,831</u>	<u>133,011,001</u>	<u>15,798,665</u>
Total Assets	<u>114,818,677</u>	<u>40,070,388</u>	<u>6,940,569</u>	<u>161,829,634</u>	<u>31,325,851</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge of Refunding	193,623	312,618	-	506,241	-
Total Deferred Outflows of Resources	<u>193,623</u>	<u>312,618</u>	<u>-</u>	<u>506,241</u>	<u>-</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,072,752	290,013	13,403	1,376,168	756,404
Construction Retainage Payable	793,443	-	-	793,443	-
Salary & Benefits Payable	80,311	92,837	-	173,148	77,976
Accrued Expenses & Other Liabilities	415,140	171,084	96,421	682,645	6,093,581
Unearned Revenue	358,320	-	78,071	436,391	76,404
Capital Leases Payable	-	203,131	-	203,131	1,876,516
Bonds Payable	4,331,652	1,344,679	300,768	5,977,099	-
Compensated Absences	76,419	61,319	-	137,737	49,908
Total Current Liabilities	<u>7,128,037</u>	<u>2,163,063</u>	<u>488,663</u>	<u>9,779,762</u>	<u>8,930,788</u>
Non-Current Liabilities:					
Bonds Payable					
(Net of Unamortized Discounts)	51,626,088	8,355,362	5,656,481	65,637,931	-
Capital Leases Payable	-	646,566	-	646,566	3,814,814
Advances From Other Funds	-	-	-	-	5,985,249
Compensated Absences	38,209	30,659	-	68,869	24,954
Accrued Landfill Closure and Postclosure Costs	-	10,942,475	-	10,942,475	-
Total Non-Current Liabilities	<u>51,664,297</u>	<u>19,975,062</u>	<u>5,656,481</u>	<u>77,295,841</u>	<u>9,825,017</u>
Total Liabilities	<u>58,792,334</u>	<u>22,138,125</u>	<u>6,145,144</u>	<u>87,075,603</u>	<u>18,755,805</u>
NET POSITION					
Net Investment in Capital Assets	52,064,421	7,194,403	421,582	59,680,406	10,107,334
Unrestricted	4,155,545	11,050,478	373,843	15,579,866	2,462,712
Total Net Position	<u>\$ 56,219,966</u>	<u>\$ 18,244,881</u>	<u>\$ 795,425</u>	<u>\$ 75,260,272</u>	<u>\$ 12,570,046</u>

The Notes to the Financial Statements are an integral part of this statement.

CECIL COUNTY, MARYLAND

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Business-Type Activities - Enterprise Funds			Governmental Activities -	
	Wastewater	Landfill	Non-Major Property Management	Total	Internal Service Funds
OPERATING REVENUES					
Charges for Services:					
Sales and User Fees	\$8,843,145	\$ 9,778,630	\$ 919,535	\$19,541,310	\$ 23,856,977
Miscellaneous Revenue	60,978	46,574	-	107,552	63,517
Total Operating Revenues	<u>8,904,123</u>	<u>9,825,204</u>	<u>919,535</u>	<u>19,648,862</u>	<u>23,920,494</u>
OPERATING EXPENSES					
Salaries and Related	1,475,784	1,693,283	898	3,169,965	1,264,284
Materials, Supplies, and Services	2,523,917	3,565,927	177,771	6,267,615	5,961,045
Benefit Payments	-	-	-	-	12,722,380
Depreciation	5,214,432	788,628	170,673	6,173,733	3,817,825
Depletion	-	1,315,191	-	1,315,191	-
Landfill Closure and Postclosure	-	338,033	-	338,033	-
Total Operating Expenses	<u>9,214,133</u>	<u>7,701,062</u>	<u>349,342</u>	<u>17,264,537</u>	<u>23,765,534</u>
Operating Income (Loss)	<u>(310,010)</u>	<u>2,124,142</u>	<u>570,193</u>	<u>2,384,325</u>	<u>154,960</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment Earnings	1,684	3,137,676	-	3,139,360	32,005
Interest Expense	(1,467,570)	(177,287)	(219,857)	(1,864,714)	(93,010)
Bond Issue Expense	(176,570)	(99,949)	-	(276,519)	(5,000)
Gain on Disposal of Capital Assets	-	-	-	-	217,133
Total Non-Operating Revenues (Expenses)	<u>(1,642,456)</u>	<u>2,860,440</u>	<u>(219,857)</u>	<u>998,127</u>	<u>151,128</u>
Income (Loss) before Contributions and Transfers	<u>(1,952,466)</u>	<u>4,984,582</u>	<u>350,336</u>	<u>3,382,452</u>	<u>306,088</u>
Capital Contributions and Transfers:					
Intergovernmental Capital Grant	7,826,354	-	-	7,826,354	133,071
Wastewater Connection Fees	1,427,146	-	-	1,427,146	-
Transfers In	1,000,000	-	-	1,000,000	-
Transfers Out	-	-	(50,000)	(50,000)	-
Change in Net Position	<u>8,301,034</u>	<u>4,984,582</u>	<u>300,336</u>	<u>13,585,952</u>	<u>439,159</u>
Net Position - Beginning	<u>47,918,932</u>	<u>13,260,299</u>	<u>495,089</u>	<u>61,674,320</u>	<u>12,130,887</u>
Net Position - Ending	<u>\$ 56,219,966</u>	<u>\$18,244,881</u>	<u>\$ 795,425</u>	<u>\$75,260,272</u>	<u>\$ 12,570,046</u>

The Notes to the Financial Statements are an integral part of this statement.

CECIL COUNTY, MARYLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds			Governmental Activities -	
	Wastewater	Landfill	Property Management	Internal Service Funds	
	Total		Total		
Cash Flows From Operating Activities:					
Receipts from Customers and Users	\$ 8,514,543	\$ 9,554,689	\$ 940,087	\$ 19,009,319	\$ 23,493,316
Payments to Suppliers	(4,432,921)	(3,569,798)	(171,865)	\$ (8,174,584)	(18,464,392)
Payments to Employees	(1,455,114)	(1,668,519)	-	(3,123,633)	(1,223,947)
Net Cash from Operating Activities	<u>2,626,508</u>	<u>4,316,372</u>	<u>768,222</u>	<u>7,711,102</u>	<u>3,804,977</u>
Cash Flows From Non-Capital Financing Activities:					
Advances from Other Funds	580,981	-	(50,000)	530,981	(87,525)
Net Cash from Non-Capital Financing Activities	<u>580,981</u>	<u>-</u>	<u>(50,000)</u>	<u>530,981</u>	<u>(87,525)</u>
Cash Flows From Capital and Related Financing Activities:					
Proceeds from Bond Issues	-	-	-	-	-
Proceeds from Capital Lease Received	-	1,078,234	-	1,078,234	1,999,198
Proceeds from Capital Grants Received	6,481,332	-	-	6,481,332	133,071
Proceeds from Sewage Connection Fees	1,427,146	-	-	1,427,146	-
Acquisition and Construction of Capital Assets	(6,022,146)	(2,214,468)	-	(8,236,614)	(3,803,453)
Principal Paid on Bonds/Leases Maturities	(4,085,743)	(1,182,071)	(289,553)	(5,557,367)	(1,586,357)
Interest Paid on Bonds/Leases	(1,721,863)	(349,109)	(219,856)	(2,290,828)	(93,010)
Proceeds from Sale of Capital Assets	-	-	-	-	936,285
Net Cash from Capital and Related Financing Activities	<u>(3,921,274)</u>	<u>(2,667,414)</u>	<u>(509,409)</u>	<u>(7,098,097)</u>	<u>(2,414,266)</u>
Cash Flows From Investing Activities:					
Purchases of Investments	-	(\$225,134)	-	(225,134)	-
Proceeds from Sales and Maturities of investments	-	39,720	-	39,720	-
Investment Income	-	(\$2,907,687)	-	(2,907,687)	-
Interest on Investments	1,684	3,137,676	-	3,139,360	32,005
Net Cash Provided by Investing Activities	<u>1,684</u>	<u>44,575</u>	<u>-</u>	<u>46,259</u>	<u>32,005</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(712,101)</u>	<u>1,693,533</u>	<u>208,813</u>	<u>1,190,245</u>	<u>1,335,190</u>
Cash and Cash Equivalents - June 30, 2020	<u>1,466,592</u>	<u>7,268,667</u>	<u>324,549</u>	<u>9,059,808</u>	<u>12,919,432</u>
<small>(including \$419,019 and \$532,094 respectively reported in restricted accounts)</small>					
Cash and Cash Equivalents - June 30, 2021	<u>\$ 754,491</u>	<u>\$ 8,962,200</u>	<u>\$ 533,362</u>	<u>\$ 10,250,053</u>	<u>\$ 14,254,622</u>
<small>(including \$281,731 and \$6,959,901 respectively reported in restricted accounts)</small>					

The Notes to the Financial Statements are an integral part of this statement.

CECIL COUNTY, MARYLAND
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

	Business-Type Activities - Enterprise Funds				Governmental Activities -
	Wastewater	Landfill	Property Management	Total	Internal Service Funds
Reconciliation of Operating Income to Net Cash from Operating Activities:					
Operating Income (Loss)	\$ (310,010)	\$ 2,124,142	\$ 570,193	\$ 2,384,325	\$ 154,960
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided from Operating Activities:					
Depreciation and Depletion	5,214,432	2,103,819	170,673	7,488,924	3,817,825
Decrease in Closure/Postclosure Liability	-	338,033	-	338,033	-
Effect of Changes in Non-Cash Operating Assets and Liabilities:					
Accounts Receivable	(394,791)	(256,314)	(1,998)	(653,103)	(349,741)
Other Assets	5,211	(14,201)	-	(8,990)	2,597
Accounts Payable	(1,848,489)	37,492	6,804	(1,804,193)	36,953
Salaries & Benefits Payable	7,196	9,053	-	16,249	17,092
Compensated Absences	13,474	15,713	-	29,187	23,245
Accrued Expenses	(60,515)	(41,365)	-	(101,880)	179,483
Deferred Revenue	-	-	22,550	22,550	(77,437)
Net Cash Provided from Operating Activities	<u>\$ 2,626,508</u>	<u>\$ 4,316,372</u>	<u>\$ 768,222</u>	<u>\$ 7,711,102</u>	<u>\$ 3,804,977</u>
Schedule of Non-Cash Capital and Related Financing Activities:					
Decrease in Non-current Special Assessment/Connection Fees receivable	\$ 75,360	\$ -	\$ -	\$ 75,360	\$ -
Increase in Non-cash Intergovernmental Capital Grant	1,345,022	-	-	1,345,022	-
Increase in Non-cash Developer Capital Contributions	-	-	22,550	22,550	-
Net Non-Cash Capital and Related Financing Activities	<u>\$ 1,420,382</u>	<u>\$ -</u>	<u>\$ 22,550</u>	<u>\$ 1,442,932</u>	<u>\$ -</u>

The Notes to the Financial Statements are an integral part of this statement.

CECIL COUNTY, MARYLAND
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2021

	<u>Total Pension, OPEB & LOSAP Funds</u>	<u>Custodial Funds State & Town Collections</u>
ASSETS		
Cash	\$ 564,851	\$ 512,971
Receivables, Net:		
Property Taxes & Fees	-	409,334
Investments, at fair value:		
Institutional Separate Accounts	70,529,139	-
Mutual Funds	14,675,143	-
Maryland Local Govt. Investment Pool	<u>1,241,198</u>	<u>-</u>
Total Investments	<u>86,445,480</u>	<u>-</u>
Total Assets	<u>87,010,331</u>	<u>922,305</u>
LIABILITIES		
Accounts Payable	9,171	-
Due to Other Governments	-	922,305
Due to Other Funds	<u>-</u>	<u>-</u>
Total Liabilities	<u>9,171</u>	<u>922,305</u>
NET POSITION		
Restricted for:		
Pension Employee Benefits	76,753,234	-
OPEB Employee Benefits	9,187,881	-
Vounteer Length of Service Award Program	<u>1,060,045</u>	<u>-</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 87,001,160</u>	<u>\$ -</u>

The Notes to the Financial Statements are an integral part of this statement.

CECIL COUNTY, MARYLAND
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Total</u>	<u>Custodial Funds</u>
	<u>Pension, OPEB & LOSAP Funds</u>	<u>State & Town Collections</u>
ADDITIONS		
Contributions		
Cecil County	\$ 2,869,079	\$ -
Participants	1,033,449	-
Property Tax Collections for Other Governments	-	155,923,939
	<u>3,902,528</u>	<u>155,923,939</u>
Total Contributions		
	<u>3,902,528</u>	<u>155,923,939</u>
INVESTMENT INCOME		
Investment Earnings:		
Net Appreciation (Depreciation)		
in Fair Value of Investments	19,532,271	-
Interest and Dividends	1,973,181	-
	<u>21,505,452</u>	<u>-</u>
Investment Earnings Total	21,505,452	-
Less: Investment Expense	<u>(460,120)</u>	<u>-</u>
Net Investment Income (Loss)	21,045,332	-
	<u>21,045,332</u>	<u>-</u>
Total Additions	<u>24,947,860</u>	<u>155,923,939</u>
	<u>24,947,860</u>	<u>155,923,939</u>
DEDUCTIONS		
Benefit Payments	3,362,983	-
Refunds of Contributions	158,698	-
Administrative Expense	76,800	-
Payments of Property Tax to Other Governments	-	155,923,939
	<u>3,598,481</u>	<u>155,923,939</u>
Total Deductions	<u>3,598,481</u>	<u>155,923,939</u>
	<u>3,598,481</u>	<u>155,923,939</u>
Change in Net Position	21,349,379	-
	<u>21,349,379</u>	<u>-</u>
Net Position - Beginning	65,651,781	-
	<u>65,651,781</u>	<u>-</u>
Net Position - Ending	\$ 87,001,160	\$ -
	<u>\$ 87,001,160</u>	<u>\$ -</u>

The Notes to the Financial Statements are an integral part of this statement.

CECIL COUNTY, MARYLAND
STATEMENT OF NET POSITION
DISCRETELY PRESENTED COMPONENT UNITS
JUNE 30, 2021

	<u>Board of Education</u>	<u>Cecil College</u>	<u>Cecil County Public Library</u>	<u>Bainbridge Development Corporation</u>	<u>Total</u>
ASSETS					
Cash	\$ 17,499,337	\$ 5,763,745	\$ 3,319,493	\$ 1,362,055	\$ 27,944,630
Investments	17,840,906	6,000,000	-	-	23,840,906
Receivables, Net	584,828	697,364	152,334	483,455	1,917,981
Due from Primary Government	2,437,254	39,738	1,597,196	-	4,074,188
Due from Other Governments	9,240,536	2,167,777	-	-	11,408,313
Inventories	137,272	-	-	-	137,272
Prepaid Expenses & Other Assets	301,201	328,112	126,673	-	755,986
Restricted Assets:					
Cash and Investments	-	8,774,512	-	-	8,774,512
Capital Assets, Net:					
Land	7,602,491	1,779,763	-	3,549,600	12,931,854
Construction in Progress	21,107,036	610,115	-	-	21,717,151
Land Improvements	8,018,705	7,927,361	-	31,996	15,978,062
Buildings & Leasehold Improvements	128,821,775	40,703,856	-	-	169,525,631
Machinery & Equipment	11,572,989	1,055,646	4,708,498	154,308	17,491,441
Total Assets	<u>225,164,330</u>	<u>75,847,989</u>	<u>9,904,194</u>	<u>5,581,414</u>	<u>316,497,927</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension Deferrals	3,233,095	-	106,155	-	3,339,250
OPEB Deferrals	11,073,903	-	-	-	11,073,903
Total Deferred Outflows	<u>14,306,998</u>	<u>-</u>	<u>106,155</u>	<u>-</u>	<u>14,413,153</u>
LIABILITIES					
Accounts Payable and Accrued Expenses	24,664,650	508,068	91,746	480,707	25,745,171
Accrued Salaries and Benefits	-	1,046,441	107,361	-	1,153,802
Unearned Revenue	2,561,459	1,343,465	-	403,175	4,308,099
Due within one year:					
Capital Leases	294,613	-	-	-	294,613
Compensated Absences	430,214	284,353	-	-	714,567
Due in more than one year:					
Notes Payable	-	-	-	91,841	91,841
Capital Leases	301,131	-	-	-	301,131
Compensated Absences	3,164,021	142,176	-	-	3,306,197
Net OPEB Liability	65,346,965	-	-	-	65,346,965
Net Pension Liability	12,311,543	-	508,480	-	12,820,023
Total Liabilities	<u>109,074,596</u>	<u>3,324,503</u>	<u>707,587</u>	<u>975,723</u>	<u>114,082,409</u>
DEFERRED INFLOWS OF RESOURCES					
Pension Deferrals	945,132	-	43,773	-	988,905
OPEB Deferrals	4,176,879	-	-	-	4,176,879
Total Deferred Inflows	<u>5,122,011</u>	<u>-</u>	<u>43,773</u>	<u>-</u>	<u>5,165,784</u>
NET POSITION					
Net Investment in Capital Assets	176,527,252	52,076,740	4,708,498	3,735,904	237,048,394
Restricted for:					
Capital Projects	32,260	-	-	-	32,260
Donor Restrictions	-	7,052,761	289,434	-	7,342,195
Unrestricted	(51,284,791)	13,393,985	4,261,057	869,787	(32,759,962)
Total Net Position	<u>\$125,274,721</u>	<u>\$ 72,523,486</u>	<u>\$ 9,258,989</u>	<u>\$ 4,605,691</u>	<u>\$ 211,662,887</u>

The Notes to the Financial Statements are an integral part of this statement.

CECIL COUNTY, MARYLAND
STATEMENT OF ACTIVITIES
DISCRETELY PRESENTED COMPONENT UNITS
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Grants and Contributions			Component Units				Total
		Charges for Services	Operating	Capital	Board of Education	Cecil College	Cecil County Public Library	Bainbridge Development Corporation	
Board of Education									
Instruction	\$ 246,730,834	\$ 312,373	\$ 77,371,377	\$ 16,868,525	\$ (152,178,559)	\$ -	\$ -	\$ -	\$ (152,178,559)
Student Services	5,399,918	16,865	7,668,943	-	2,285,890	-	-	-	2,285,890
Total Board of Education	<u>\$ 252,130,752</u>	<u>\$ 329,238</u>	<u>\$ 85,040,320</u>	<u>\$ 16,868,525</u>	<u>(149,892,669)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(149,892,669)</u>
Cecil College									
Instruction	\$ 32,261,370	\$ 3,918,528	\$ 5,271,307	\$ 1,406,342	-	(21,665,193)	-	-	(21,665,193)
Student Services	561,681	529,296	-	-	-	(32,385)	-	-	(32,385)
Total Cecil Community College	<u>\$ 32,823,051</u>	<u>\$ 4,447,824</u>	<u>\$ 5,271,307</u>	<u>\$ 1,406,342</u>	<u>-</u>	<u>(21,697,578)</u>	<u>-</u>	<u>-</u>	<u>(21,697,578)</u>
Cecil County Public Library									
Public Libraries	\$ 7,444,165	\$ -	\$ 179,081	\$ -	-	-	(7,265,084)	-	(7,265,084)
Bainbridge Development Corporation									
Economic Development	\$ 1,622,143	\$ 391,432	\$ 1,357,108	\$ -	-	-	-	126,397	126,397
General Revenues:									
Payments From the Primary Government					86,367,865	11,841,157	8,892,838	-	107,101,860
Payments From the State Government					65,736,430	6,358,190	1,319,429	-	73,414,049
Grants, Entitlements, and Contributions not Restricted to Specific Programs					-	5,182,917	-	150,000	5,332,917
Investment Earnings					14,360	5,426	863	1,269	21,918
Other Revenues including Capital Asset Gains					3,353,138	2,843,265	372,220	-	6,568,623
Total General Revenues, Special Items, and Transfers					<u>155,471,793</u>	<u>26,230,955</u>	<u>10,585,350</u>	<u>151,269</u>	<u>192,439,367</u>
Change in Net Position					5,579,124	4,533,377	3,320,266	277,666	13,710,433
Net Position - beginning					<u>118,039,553</u>	<u>67,990,109</u>	<u>5,938,723</u>	<u>4,328,025</u>	<u>196,296,410</u>
Cummulative effect of accounting change related to GASB 84					1,656,044	-	-	-	1,656,044
Net Position - Beginning					<u>119,695,597</u>	<u>67,990,109</u>	<u>5,938,723</u>	<u>4,328,025</u>	<u>197,952,454</u>
Net Position - Ending					<u>\$ 125,274,721</u>	<u>\$ 72,523,486</u>	<u>\$ 9,258,989</u>	<u>\$ 4,605,691</u>	<u>\$ 211,662,887</u>

The Notes to the Financial Statements are an integral part of this statement.

1. Summary of Significant Accounting Policies

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. During the year ending June 30, 2021 the County has adopted all applicable GASB Statements through No. 98 (other than those listed below); these statements did not have a material effect on the County's financial statements..

GASB has issued the following Statements which the County plans to adopt by their effective dates after evaluating the effects of these pronouncements.

- Statement No. 87 Leases.
- Statement No. 89 Accounting for Interest Cost Incurred before the End of a Construction Period.
- Statement No. 91 Conduit Debt Obligations.
- Statement No. 92 Omnibus 2020.
- Statement No. 93 Replacement of Interbank Offered Rates.
- Statement No. 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements.
- Statement No. 96 Subscription-Based Information Technology Arrangements.
- Statement No. 97 Certain Component Unit Criteria and Accounting and Financial Reporting for IRC Section 457 Deferred Compensation Plans.
- Statement No. 98 The Annual Comprehensive Financial Report.

The significant accounting policies of the County are described below.

A. Financial Reporting Entity

Cecil County (the County) was incorporated in 1674. Cecil County is governed by an elected County Executive and an elected County Council pursuant to the Charter of Cecil County, Maryland pursuant to a Charter that became effective in December 2012. The Charter provides, among other things, for the election of the County Executive and the organization, powers, and duties of the executive and administrative branches; the election, organization, powers, and duties of the legislative branch, and fiscal and budgetary matters. The Charter supersedes a Commissioner form of government where the five Commissioners (combined executive/legislative) exercised powers granted by the General Assembly of Maryland. The County principally provides general administrative services; public safety services; street, highway, and bridge repairs and maintenance; education; a correctional institution; and sanitation system maintenance.

The County is financially accountable for legally separate organizations if it appoints a voting majority of the organization's board and it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the County. The County may also be financially accountable if an organization is fiscally dependent on the County regardless of whether the organization has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

The accompanying financial statements include various agencies, departments, organizations, and offices which are legally part of Cecil County, Maryland (the primary government), and the County's blended and discretely presented component units; entities for which the government is considered

financially accountable. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the government.

The Cecil County Pension Plan for Public Safety Employees (the Plan) is a public employee retirement plan that covers certain public safety employees. The County appoints all members of the Plan's trustees, makes all employer contributions to the Plan, only County public safety employees can be members of the Plan, and the County is financially responsible for the Plan's pension obligations.

The Cecil County Maryland Non-Pension Employment Benefits Plan collects monies to assist retirees with payment of post-retirement health insurance premiums. Both Plans are fiduciary funds of the County.

Discretely Presented Component Units

The Board of Education of Cecil County is responsible for elementary and secondary education in the County and operates all public schools (grades K through 12). The County is financially accountable for the Board of Education because the County approves the Board's annual budget and provides a substantial portion of the Board's operating and capital funding.

Cecil College provides post-secondary and continuing education for residents of Cecil County and its surrounding counties. The County is financially accountable for the College because the County approves the annual budget and provides a substantial portion of the College's operating and capital budgets.

The Cecil County Public Library operates all public libraries within the County. The County is financially accountable for the Library because the County approves the annual budget and provides the majority of the Library's operating and capital budgets.

The Bainbridge Development Corporation was established to develop the closed Bainbridge Naval Training Center located outside Port Deposit. The Corporation received the property of the former Center from the U. S. Navy and may grant, sell, or conduct business activity to develop the property to the benefit of Cecil County. The County appoints all members of the Corporation's Board of Directors and the County is the recipient of net earnings in excess of the needs of the Corporation.

Each of the discretely presented component units has been audited by other independent auditors and these reports have been issued under separate covers. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

Board of Education of Cecil County
201 Booth Street
Elkton, MD 21921

Cecil College
One Seahawk Drive
North East, MD 21901

Cecil County Public Library
301 Newark Avenue
Elkton, MD 21921

Bainbridge Development Corporation
98 North Main Street, PO Box 2
Port Deposit, MD 21904

Related Organizations

Officials of Cecil County have been instrumental in the establishment of Cecil County Neighborhood Youth Panel, Inc., Community Services Foundation of Cecil County Inc., CASA, Friends of Cecil County Parks and Recreation, Inc. and Cecil County, Maryland Animal Services Foundation, Inc. Although the County appoints some of the governing board members, these members do not represent substantially the same governing body of the County. The County is not able to impose its will on the organizations and the organizations do not provide specific financial benefits or impose specific financial burdens to the County. Accordingly, the financial activities of Cecil County Neighborhood Youth Panel, Inc., Community Services Foundation of Cecil County Inc., CASA, Friends of Cecil County Parks and Recreation, Inc., and Cecil County, Maryland Animal Services Foundation, Inc. are not included in the County's financial statements.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the County (the primary government) and its component units. Eliminations of inter-fund activity have been made to minimize the double-counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as non-major funds. In addition, the fund financial statements present internal service funds and fiduciary funds by fund type.

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

Government-wide, Proprietary, and Fiduciary Fund Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund statements. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items (non-exchange transactions) are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied. Agency funds report only assets and liabilities as they do not have a measurement focus, but do use the accrual basis of accounting.

With limited exceptions, the effects of internal activity have been eliminated from the government-wide financial statements. Exceptions include charges by one government function to another where services have been provided. Elimination of these charges would distort the direct costs and program revenues reported for the various functions.

Government Fund Financial Statements

The government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they become both measurable and available. Revenues are considered to be available if they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For governmental fund types, the County considers all revenues to be available if they are collected within 60 days after fiscal year-end. Revenues considered susceptible to accrual include property taxes, income taxes, franchise taxes, licenses, interest and dividend income, and grants associated with the current fiscal year. Only the portion of the special assessments receivable due within the current fiscal year is considered to be susceptible to accrual and recognized as revenue in the current fiscal year. All other revenue items are considered measurable and available only when cash is received by the County.

Amounts recorded as program revenues include a) charges to customers or applicants for materials, services or privileges provided, b) operating grants and contributions, and c) capital grants and contributions. Internally dedicated resources including all taxes are reported as general revenues. Expenditures are recorded when the related fund liability is incurred (upon receipt of goods or services), except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Long-term debt issues and acquisitions under capital leases are reported as other financing sources.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the County's policy is to first apply the expense toward restricted resources and then toward unrestricted resources.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water, wastewater, and landfill enterprise funds and the garage and health insurance internal service funds are charges to internal and external customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The pension trust fund and other postemployment benefit trust fund are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for assets and liabilities.

The County reports the following major governmental funds:

The **General Fund** is the primary operating fund of the County. It accounts for all financial resources of the County except those resources required to be accounted for in another fund. The general tax revenues of the County, as well as other resources received and not designated for a specified purpose, are accounted for in the General Fund.

The **Housing Programs Fund**, a special revenue fund, accounts for state and federal grants legally restricted to assist low income families and individuals with paying their rent, utility, and other housing costs.

The **Casino Local Impact Fund**, a special revenue fund, was established to account for the County's share of the revenue generated at Penn National's Hollywood Casino in Perryville. The County has agreed to share 35% of the revenue with the Town of Perryville.

The **Other Grants Fund**, a special revenue fund, was established to account for grant funds legally restricted to specific purposes.

The **General Capital Projects – Construction Fund**, a capital projects fund, was established to account for the expenditures on buildings and other facilities intended for general use by the County and its component units. Bonds and other general County resources fund these expenditures.

The County reports the following major enterprise funds:

The **Wastewater Fund** accounts for the sewage and wastewater service operations and is intended to be self-supporting through user charges. The Wastewater Fund operates sewage collection and treatment systems.

The **Landfill Fund** accounts for the solid waste operations and is intended to be self-supporting through user charges. The Landfill Fund operates solid waste collection points, recycling programs, and a central landfill.

The **Property Management Fund** accounts for the County's landlord responsibilities. The Fund was established in 2016 based on the economics of ownership versus lease of a multi-tenant building where the County was a tenant. The Fund currently manages a multi-tenant office building located at 107 Chesapeake Blvd. in Elkton.

The County also reports the following fund types:

The **Internal Service Funds** are used to account for vehicle and information systems services and financing of workers compensation and health insurance provided by the County to other departments and component units of the County on a cost-reimbursement basis. In addition, employee contributions to the health insurance plan and related expenses are accounted for within these funds.

The **Pension Funds** are fiduciary funds of the County and are used to account for monies set aside by the County to pay for future post-retirement benefits. This group consists of The Cecil County Pension Plan for Public Safety Employees Trust Fund, which accumulates resources for pension benefit payments to qualified public safety employees or their beneficiaries, the Cecil County Maryland Non-Pension Post-Employment Benefits Trust Fund which collects monies to assist retirees with payment of post-retirement health insurance premiums and Length of Service Award Program which accumulates resources for a deferred compensation plan for the County's Department of Fire and Rescue Service volunteers.

The **Custodial Funds** account for assets held by the County in a custodial capacity (assets equal liabilities) and do not present results of operations or have a measurement focus. The State Tax

Collection Fund and the State Bay Restoration Fund are used to account for taxes and fees collected by the County on behalf of the State of Maryland. The Town Collection Funds are used to account for taxes and fees collected by the County on behalf of the towns of Cecilton, Charlestown, Chesapeake City, Elkton, North East, Perryville, Port Deposit and Rising Sun.

The preparation of the County's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent items at the date of the financial statements, and the reported amounts of revenues and expenditures/expenses during the fiscal year. Actual results could differ from those estimates.

D. Assets, Liabilities and Net Assets or Equity

i. Deposits and Investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments maturing within 90 days. Available funds are pooled in the General Fund and investment income is recorded in the General Fund unless required to do otherwise by statute, grant, or covenant.

Restricted Investments may occur in connection with various bond and trust agreements. Investments are deposited into restricted accounts for the purpose of constructing capital additions.

Investments of the pension plans are recorded at fair value. Securities traded on a national or international exchange are valued at the last reported sales price using current exchange rates.

ii. Receivables and Payables

Property taxes on real estate are recorded as receivables and attached as an enforceable lien on property on July 1, the date levied. Semi-annual installment payments are mandatory for qualified properties unless the taxpayer chooses to pay in one installment. Qualified property is defined as "an owner-occupied principal residence or certain commercial properties whose real estate tax amount is less than \$50,000." Under the semi-annual plan, one-half of the tax bill is due September 30 with the balance due on December 31. For all other properties, the bill is due in its entirety on September 30. After the due date, interest is charged on the delinquent portion at one percent per month. A three percent penalty is charged March 1 and thereafter. The County holds an annual on-line property tax lien certificate sale the first Monday of June to collect all unpaid property taxes as of that date.

Personal property taxes are imposed on certain machinery and equipment used in business. Personal property taxes are billed and recorded as receivables annually throughout the year. Payment is due in 30 days. The County charges one percent per month interest on all delinquent business taxes. The County bills and collects its own property taxes, and revenues are recognized in the government funds in the period in which they become susceptible to accrual, that is, when they become both measurable and available. Outstanding tax levies are offset on the government fund balance sheet by deferred revenues in the liabilities section. Annual, interim and delinquent property taxes as yet uncollected are included as unavailable revenue. The amounts collected within the first 60 days of the fiscal year ended June 30, 2021, are recorded as revenue.

Property taxes are set per the Cecil County Charter, after enacting the Annual Budget and Appropriations Ordinance, the County shall levy the amount of taxes required by the budget to ensure that the budget is balanced so that proposed revenues equal proposed expenditures. The property tax

rate for fiscal year 2021 was \$1.0414 per \$100 of assessed value. The personal property tax rate for fiscal year 2021 was \$2.6035 per \$100 of assessed value.

County property tax and personal property tax revenues in fiscal year 2021 were not reduced by a material amount due to agreements enacted by legislative resolutions for Payments in Lieu of Taxes (“PILOT”) as allowed by Maryland Code Annotated 7-512(a)(2) and 7-512(b).

Local income taxes are collected on behalf of the County by the State of Maryland and are remitted to the County monthly except for the months of April and December. In the event a taxpayer lives in an incorporated municipality, the County only receives 33 percent of the income tax, with the remainder going to the respective municipality. The tax rate may be changed annually at the recommendation of the County Executive and approval by the County Council. For the tax year ended December 31, 2020, the local income tax rate was 3.00 percent of Maryland taxable income. Income taxes collected by the State and remitted within the first 60 days of the next fiscal year, are recorded as due from other governments. In accordance with GASB Statement 33, income taxes are considered a derived revenue transaction and amounts due to the County from transactions prior to year-end but not collected within 60 days are recorded in the governmental fund balance sheet as a receivable and an equal amount as unavailable revenue.

Wastewater and Landfill customer charges are recorded when billed except that an amount is recorded for services rendered, but not yet billed, as of the close of the fiscal year. The accrued amount is based on actual billings made subsequent to year-end for wastewater customers that are billed quarterly based on consumption/use through the end of the quarter.

Revenues in the government-wide financial statements are susceptible to accrual in the period in which they become measurable unless accorded other treatment by GASB standards. All revenues and receivables in the government-wide and governmental fund statements are shown net of allowances for uncollectible accounts. Allowances are based on historic trends or specific account evaluation as necessary.

Due to/from Other Funds which are recorded in the fund financial statements, is the year-end outstanding balance of a variety of transactions between funds to finance operations, service debt and otherwise meet obligations as they become due. Interfund receivables that are unlikely to be paid within a year are considered to be Advances.

Due to/from Other Governments (or Component Units) primarily consist of amounts arising from transfer payments and amounts due from grantors or to grantees for specific programs and capital projects.

Internal Balances are the residual balances outstanding between governmental activities and business-type activities as reported in the government-wide financial statements.

iii. Inventories and Prepaid Items

All inventories are valued at cost using the first-in, first-out (FIFO) method. Inventories of the General Fund and Enterprise Funds consist of expendable supplies held for consumption, which are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

iv. Restricted Assets

Certain assets of the County are classified as restricted as their use is limited by third party restrictions and or enabling legislation.

v. Capital Assets

Capital assets including property, plant, and equipment are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County has defined capital assets as assets with a minimum cost of \$5,000 (\$25,000 to \$50,000 for land improvements, buildings, and infrastructure) and an estimated useful life in excess of one year. Capital assets may be purchased or constructed and are recorded at cost or estimated historical cost. Estimated historic costs are either based on similar assets of the same era or on deflated current values obtained from the Maryland Department of Assessments and Taxation. Donated capital assets are recorded at acquisition value. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset’s life are not capitalized.

Capital assets of the County and its components are depreciated using the straight-line method over the estimated useful lives of the related assets. The County records six months’ depreciation in the year the asset is acquired. Depletion of the landfill is based on usage of estimated capacity. The County and its components generally use the following estimated useful lives unless an asset’s life has been adjusted based on actual experience:

<u>Asset Class</u>	<u>Years</u>
Leasehold Improvements	15 – 30
Roads and Bridges	8 – 50
Buildings	20 – 50
Building Improvements	20 – 30
Vehicles, Computers, Equipment	5 – 15

vi. Liabilities

Compensated Absences

Compensated absences are those earned but unused vacation and personal time for which employees will be paid. Employees are granted vacation in varying amounts. It is the County’s policy to permit employees to accumulate all earned but unused vacation leave up to 35 days. Vacation pay is accrued as applicable in the government-wide and proprietary fund financial statements. A liability is reported in governmental funds only if it has matured, for example, as a result of employee resignations and retirements.

Long-Term Liabilities

In the government-wide financial statements and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts as well as issuance costs are expensed when incurred.

Self-Insurance

The County is exposed to various risks of losses relating to workers compensation and employee

health and accident claims. It is the policy of the County not to purchase commercial insurance to cover these risks because of its prohibitive cost. Instead the County covers these claims through Internal Service Funds. The County does maintain commercial insurance coverage for general liability and property losses. The County also maintains commercial insurance coverage to cap its exposure to one time and total annual loss amounts.

The claims liabilities included in the Workers Compensation and Health Insurance Funds are based on the results of actuarial studies and include amounts for claims previously incurred, including both reported and unreported claims. It is the County's practice to obtain actuarial studies no less than bi-annually. Costs are charged back to other funds by these internal service funds using various allocation methods.

vii. Deferred Outflows and Deferred Inflows of Resources

Deferred outflows of resources are reported in addition to assets. These represent the acquisition of net position that applies to future periods and will be recognized as an outflow of resources (expense or expenditure) in those future periods. A deferred charge on refunding is reported in the government-wide statement of net position. A deferred charge of refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources are reported in addition to liabilities. These represent the acquisition of net position that applies to future periods and will be recognized as an inflow of resources (revenue) in those future periods. The County's financial statement reports unavailable revenue in the governmental funds balance sheet. Unavailable revenue results primarily from property and income taxes but also various fees that are imposed but not paid within 60 days of year-end. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available (primarily through payment).

Deferred outflows / inflows of resources related to pensions are recognized and classified as either deferred outflows of resources or deferred inflows of resources accordingly, these are deferred, amortized, and recognized as outflows or inflows in future periods:

- Differences between expected and actual experience in the measurement of the total pension liability;
- Changes of assumptions or other inputs;
- Net difference between projected and actual earnings on pension plan investments;
- Changes in the employer's proportion and differences between the employer's contributions (other than those to separately finance specific liabilities of the individual employer to the pension plan) and the employer's proportionate share of contributions; and
- Contributions to the pension plan from the employer subsequent to the measurement date of the collective net pension liability and before the end of the employer's reporting period should be reported as a deferred outflow of resources related to pensions.

viii. Net Position Flow Assumption

The County may fund outlays from both restricted (e.g., bond or grant proceeds) and unrestricted resources. In order to calculate the amounts reported as restricted - net position, and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption is made as to the order in which resources are expected to be used or consumed. It is the County's policy to

consider restricted – net position to have been depleted before unrestricted – net position is applied.

ix. Fund Balance Flow Assumptions

The County may fund outlays from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts reported as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption is made as to the order in which resources are expected to be used or consumed. It is the County’s policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

x. Net Position and Fund Equity

The difference between assets, deferred inflows, liabilities, deferred outflows is “Net Position” on the government-wide, proprietary, and fiduciary fund statements and “Fund Balance” on governmental fund statements. Net Position includes items classified as Net Investment in Capital Assets, balances “Restricted” for a specific purpose or “Unrestricted” and available for appropriation for the general purposes.

In the governmental fund financial statements, the difference between assets, deferred inflows, liabilities, deferred outflows is “Fund Balance.” Non-spendable and restricted fund balance represent amounts that are legally restricted by outside parties for use for a specific purpose or are otherwise not available for appropriation. Committed fund balance represents amounts that are reserved for a particular purpose by the County Council and would require action by the council to release the fund balance from its commitment. Assigned fund balance represents tentative management plans that are subject to change. Further discussion of these items is in Note 12.

xi. Fair Value Measurements

Cecil County categorizes its fair value measurements with the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset.

- Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;
- Level 2 – Valuations based on quoted prices for similar assets or liabilities in active markets or identical assets or liabilities in less active markets, such as dealer or broker markets; and
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models and similar techniques not based on market, exchange, dealer or broker-traded transactions.

2. Stewardship, Compliance, and Accountability

A. Budgetary Accounting and Control

The County follows these procedures in establishing the budgetary data reflected in the basic financial statements:

- a. The County adopts legal annual budgets for the general fund, certain special revenue funds and the debt service fund. The County legally adopts project length budgets for its capital projects funds. Since project periods may differ from the County's fiscal year, a comparison of budgetary information for the combined capital projects funds would not be meaningful and has not been presented in the accompanying financial statements.
- b. In January of each year, County department heads are required to submit to the County Executive preliminary operating budgets for the fiscal year commencing the following July 1. The operating budgets submitted include proposed expenditures and the means of financing them as well as narrative justification for increases of operating expenditures (i.e. additional employees, capital expenditures).
- c. The County Executive reviews the departmental requests and prepares a Proposed Budget with the assistance of the Department of Finance and submits it to County Council not later than April 1. The Proposed budget consists of a Current Expense Budget, the Current Revenue Budget, the Capital Budget, and the Capital Improvement Program. The County Executive also proposes the tax and fee rates for the fiscal year. This review process includes meetings with the department heads, comparisons with prior years' spending patterns, and forecasts of future needs.
- d. The proposed budget is reviewed by County Council through a process that includes one or more public hearings. Council may decrease or delete expenditure items, but may not change revenue projections. The Budget is required to be adopted not later than June 15. After the budget adoption, County Council must levy the amount of taxes or fees required by the Budget to endure that the Budget is balanced so that proposed revenues equal proposed expenditures.
- e. Should supplemental budget appropriations be required, the County Executive shall propose and County Council shall consider such budget changes at the scheduled Council meetings and public hearings.
- f. The County's legal level of budgetary control is at the departmental level. With the approval of the County Executive, Department heads may make budget amendments within their respective departments, however all amendments above the departmental level, i.e., interdepartmental and inter-fund, require formal proposal by the County Executive and consideration and approval by the County Council. The original budget adopted for the fiscal year ended June 30, 2021, and the budget as revised for budget amendments approved by the County Council during the year are presented as part of the budget versus actual schedules presented in these financial statements.
- g. Expenditures may not legally exceed budgeted appropriations at the departmental level. Appropriations lapse at fiscal year-end for all funds except the capital projects funds. The County legally adopts project-length budgets for its capital projects funds and unexpended appropriations automatically carry forward to the next fiscal year.

B. Legally Adopted Budgets – General and Major Special Revenue Funds

Governmental funds, for which budgets have been legally adopted and included in the appropriate Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual for the year ended June 30, 2021, were the General Fund and certain Special Revenue Funds.

All budgets for the above funds are adopted on a basis consistent with generally accepted accounting principles. Budgeted deficiencies within each governmental fund are provided for by prior year designations of fund balance.

C. Expenditures Over Appropriations

During the year ended June 30, 2021, expenditures exceeded appropriations for the following departments.

<u>Fund</u>	<u>Budget Line Item</u>	<u>Over Budget</u>
General Fund	Public Works	\$ 27,027
	Health Department	18,115
	Agriculture	1,377

3. Deposits and Investments

The County maintains a cash and investment pool that is available for use by all funds except the trust funds, which are managed separately. Each fund type's portion of this pool is displayed on the combined balance sheet under the caption "Cash and Investments." Each component unit manages its cash and investments in a similar manner.

Custodial Risk In the case of deposits, this is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The County's investment policy requires at least 102% collateralization of deposits in excess of FDIC insurance.

The summary below identifies the investment type of the deposits and investments of the primary government and its component units.

	Primary Government	Fiduciary Funds	Discretely Presented Component Units
Cash			
Insured Deposits (FDIC)	\$ 1,015,388	\$ -	\$ 3,104,458
Money Market Mutual Funds	-	564,851	-
Uninsured Deposits - Collateral held by pledging bank's agent in the County or Unit's name	12,468,207	512,969	24,712,492
Certificates of Deposit due within 90 days - Collateral held by pledging bank's agent in the County or Unit's name	-	-	392,791
CDARS due within 90 days (FDIC Insured)	-	-	-
Total Cash	<u>\$ 13,483,595</u>	<u>\$ 1,077,820</u>	<u>\$ 28,209,741</u>
Investments			
Certificates of Deposit due greater than 90 days - Collateral held by pledging bank's agent in the County or Unit's name	\$ 7,090,515	\$ -	\$ -
CDARS due greater than 90 days (FDIC Insured)	-	-	-
Other governmental agencies	-	-	-
Investment in Maryland Local Government Investment Pool	90,791,975	1,241,198	23,840,906
Institutional Separate Accounts	-	70,529,139	-
Mutual Funds	13,290,384	14,675,143	8,500,148
Total Investments	<u>\$ 111,172,874</u>	<u>\$ 86,445,480</u>	<u>\$ 32,341,054</u>

The summary below identifies the fair value level of the investments of the primary government and fiduciary funds.

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2021
Investments by Fair Value Level:				
Federal Agencies	\$ -	\$ -	\$ -	\$ -
Other Post Employment Benefits and Pension Funds:				
Institutional Separate Accounts		70,529,139	-	70,529,139
Fixed Income Funds	6,231,809	-	-	6,231,809
Equity Mutual Funds	21,733,718	-	-	21,733,718
Total Investments at Fair Value	<u>\$ 27,965,527</u>	<u>\$ 70,529,139</u>	<u>\$ -</u>	<u>\$ 98,494,666</u>
Investments Carried at Amortized Cost:				
MLGIP				92,033,173
Collateralized Certificates of Deposit				7,090,515
Total Investments at Amortized Cost				<u>\$ 99,123,688</u>
Total Investments				<u>\$ 197,618,354</u>

Fair Value Levels Debt securities (Fixed Income funds) classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities relationship to benchmark quoted prices. Equity Mutual funds listed on a national market or exchange are valued at the last sales price, or , if there is no sale and the market is still considered active, at the mean of the last bid and asked prices on such exchange. Such securities are classified within Level 1 of the valuation hierarchy. Institutional Separate accounts classified in level 2 of the fair value hierarchy are valued based on quoted prices for similar assets in active markets or identical assets in less active markets, such as dealers or broker markets.

Credit Risk It is the County's policy to minimize credit risk by investing only in the highest quality investments including U.S. Treasury and U.S. Government Agency obligations; collateralized repurchase agreements and certificates of deposit; the Maryland Local Government Investment Pool; commercial paper and money market mutual funds of the highest rating; and bankers' acceptances guaranteed by a financial institution with the highest rating.

With regards to the Pension Plan, no rating was available for the money market fund. The Plan holds ten institutional separate accounts, which were rated by Morningstar, of which one received a 5 star rating, three received a 4 star rating, four received a 3 star rating and two received a 2 star, with 5 being the best and 1 being the worst.

The OPEB Trust holds 21 separate bond/stock funds of which two had a Morningstar rating of 5 stars (best rating is 5 stars). Six of the funds had a Morningstar rating of 5. Seven of the funds received a 4 star rating, seven of the funds received a 3 star rating and the remaining fund had a Morningstar rating of 2. No rating was available for the money market mutual fund.

The Maryland Local Government Investment Pool (the "MLGIP") is duly chartered, administered and subject to regulatory oversight by the State of Maryland. The MLGIP was established in 1982 under Article 95 Section 22G of the Annotated Code of Maryland. This pool is managed in a "Rule 2(a)-7" like manner and has an S&P rating of AAAM. All money market funds have a Moody's rating of Aaa. A bank sponsored collateral pool for governmental entities is 102% collateralized with U.S. Treasury and federal agency securities, securities of agencies of the U.S. government that have an implied and not explicit guarantee are classified as U.S. Agencies – Other.

Interest Rate Risk The County limits its interest rate risk by primarily investing in securities with maturity dates under five years. All U.S. Treasury, and U.S. Agencies investments are held by the general fund. It is the policy of the general fund to hold investments until maturity unless there is an economic reason to do otherwise

Concentration Risk. The County limits the investment in certain instruments to a certain percentage of its portfolio as follows: U.S Treasury Obligations and U.S. Government Agency or sponsored instrumentalities, 100%; Repurchase agreements, 100%; Maryland Local Government Investment Pool, 100%; collateralized, non-negotiable certificates of deposit, 80%; money market mutual funds, 60%, bankers acceptances, 40% and commercial paper, 5%. The County's portfolio was in compliance with this policy.

The Pension Plan's investment policy applies the prudent person rule to its investments. The Plan invests in Institutional Separate Accounts, which are essentially mutual funds. This sub-advised approach provides the Plan with access to some of the most respected investment professionals in the industry. The investment policy establishes an asset allocation by asset class where allowable ranges are identified by asset class. Rebalancing is performed on at least a quarterly basis, as appropriate,

such that the allocation for each asset class shall not exceed the bounds of the allowable ranges. During the years ended June 30, 2021, 2020, and 2019, the Plan complied with the Plan’s investment policy.

The OPEB Trust’s investment policy applies the prudent person rule to its investments as a whole and its Investment Consultants and/or Investment Managers. The investment policy requires that no more than 5% of any class of investments shall be in one corporation or affiliated group. Further, the policy requires that no more than 20% of any class of investments shall be in any one industry; investments in U.S. Treasury and U.S. Agency obligations are not limited.

In fiscal year 2017, following the enactment of the State of Maryland legislation, the County Council passed legislation creating a Landfill Closure Restricted Investment Account to accumulate funds to pay for the closure and post-closure costs of the County’s landfill. The Landfill Closure Account’s investment policy applies the prudent person rule to its investments as a whole and its Investment Consultants and/or Investment Managers. The investment policy requires that no more than 5% of any class of investments shall be in one corporation or affiliated group. Further, the policy requires that no more than 20% of any class of investments shall be in any one industry; investments in U.S. Treasury and U.S. Agency obligations are not limited.

Restricted Cash and Investments

As of June 30, 2021, the County had \$37,209,212 in temporarily restricted cash and investments. Of this, unspent proceeds of bond offerings consist of \$8,589,881 in Capital Projects. Restrictions related to the Landfill Closure and Postclosure Costs account for \$10,942,475. The remaining \$17,676,856 is funds restricted by various grants or state laws. The bond proceeds and other funds as required are invested, tracked and managed separately from operating cash. The funds are subject to the imposed expenditure restrictions.

The chart below provides reconciliation between the amounts disclosed in the chart below and the amounts presented in the Statement of Net Position:

	<u>Primary Government</u>	<u>Fiduciary Funds</u>	<u>Component Units</u>	<u>Total</u>
Cash	\$ 13,483,595	\$ 1,077,820	\$ 28,209,741	\$ 42,771,156
Investments	111,172,874	86,445,480	32,341,054	229,959,408
Petty Cash Amounts	24,380	-	9,253	33,633
Total	<u>\$ 124,680,849</u>	<u>\$ 87,523,300</u>	<u>\$ 60,560,048</u>	<u>\$ 272,764,197</u>
Unrestricted	\$ 87,471,637	\$ -	\$ 51,785,536	\$ 139,257,173
Restricted	37,209,212	-	8,774,512	45,983,724
Fiduciary Funds	-	87,523,300	-	87,523,300
Total Cash and Investments	<u>\$ 124,680,849</u>	<u>\$ 87,523,300</u>	<u>\$ 60,560,048</u>	<u>\$ 272,764,197</u>

4. Receivables

Primary Government

The following are receivables as of June 30, 2021, for the Government’s major and non-major funds including applicable allowances for uncollectible accounts. Receivables of the internal service funds in the amount of \$699,273 are included in the governmental activities of the government-wide statement.

	<u>Governmental Fund Financial Statements</u>					<u>Government-wide Statements</u>
	<u>General</u>	<u>Housing Programs</u>	<u>Special Revenue</u>	<u>Non-Major Funds</u>	<u>Total</u>	<u>Governmental Activities</u>
Receivables:						
Property Taxes	\$ 3,130,197	\$ -	\$ -	\$ -	\$ 3,130,197	\$ 3,130,197
Accounts	-	230,179	105	66,820	297,104	301,209
Notes	-	-	-	-	-	-
Interest and Other	<u>1,024,337</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,024,337</u>	<u>1,719,505</u>
Gross Receivables	4,154,534	230,179	105	66,820	4,451,638	5,150,911
Less: Allowances for Uncollectibles	<u>(825,902)</u>	<u>(230,179)</u>	<u>-</u>	<u>-</u>	<u>(1,056,081)</u>	<u>(1,056,081)</u>
Net Total Receivables	<u>\$ 3,328,632</u>	<u>\$ -</u>	<u>\$ 105</u>	<u>\$ 66,820</u>	<u>\$ 3,395,557</u>	<u>\$ 4,094,830</u>

Receivables as of June 30, 2021, for the Government’s enterprise funds and business-type activities including applicable allowances for uncollectible accounts were as follows:

	<u>Enterprise Fund Financial Statements</u>				<u>Government-wide Statements</u>	
	<u>Current</u>			<u>Non-Current</u>	<u>Business-type Activities</u>	
	<u>Wastewater Services</u>	<u>Landfill Services</u>	<u>Property Management</u>	<u>Total</u>		<u>Wastewater Services</u>
Receivables:						
Accounts	\$ 2,634,210	\$ 934,382	\$ 28,338	\$ 3,596,930	\$ -	\$ 3,596,930
Other	-	21,495	38	21,533	-	21,533
Non-Current	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,997,296</u>	<u>1,997,296</u>
Gross Receivables	2,634,210	955,877	28,376	3,618,463	1,997,296	5,615,759
Less: Allowances for Uncollectibles	<u>(136,201)</u>	<u>(46,719)</u>	<u>-</u>	<u>(182,920)</u>	<u>-</u>	<u>(182,920)</u>
Net Total Receivables	<u>\$ 2,498,009</u>	<u>\$ 909,158</u>	<u>\$ 28,376</u>	<u>\$ 3,435,543</u>	<u>\$ 1,997,296</u>	<u>\$ 5,432,839</u>

Component Units

Receivables as of June 30, 2021, for the Component Units were as follows:

	<u>Board of Education</u>	<u>Cecil College</u>	<u>Cecil County Library</u>	<u>Bainbridge Development Corporation</u>	<u>Total</u>
Receivables:					
Accounts	\$ 584,828	\$ -	\$ 152,334	\$ 483,455	\$ 1,220,617
Other	-	1,810,148	-	-	1,810,148
Gross Receivables	584,828	1,810,148	152,334	483,455	3,030,765
Less: Allow ances for					
Uncollectibles	-	(1,112,784)	-	-	(1,112,784)
Net Total Receivables	<u>\$ 584,828</u>	<u>\$ 697,364</u>	<u>\$ 152,334</u>	<u>\$ 483,455</u>	<u>\$ 1,917,981</u>

Tax Abatements

Cecil County, Maryland provides tax abatements through the Enterprise Zone Tax Credit Program. Maryland’s Enterprise Zone Tax Credit Program is a joint effort between the State and local governments to provide tax incentives to businesses and property owners within targeted areas in return for job creation and investments. Eligible businesses in an enterprise zone may claim a ten-year credit against local real property taxes on a portion of real property improvements. The credit is 80% of the assessment increase during the first five years. The credit then decreases 10% annually thereafter to 30% in the tenth year. The Tax - Property Article, Section 9-103 of the Maryland Annotated Code is the authorization for the Enterprise Zone program and corresponding tax credits. As provided by the State of Maryland budget, the State shall remit to the County an amount equal to one-half of the funds granted for enterprise zone tax credits annually. The County submits an annual request for this reimbursement. As of June 30, 2021, eleven properties participate in this program.

<u>Taxes Abated</u>
\$ 3,026,868
<u>\$ 3,026,868</u>

5. Notes Receivable

Economic Development Catalyst Loan Fund

The fund provides small loans, through a revolving loan fund, in conjunction with other lenders to enhance economic development within the County. As of June 30, 2021, there were four outstanding loans totaling \$66,400.

6. **Capital Assets**

A. **Primary Government**

The capital asset activity for Governmental Activities for the year ended June 30, 2021, was as follows:

	<u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 16,644,242	\$ 26,000	\$ -	\$ 16,670,242
Construction in Progress	<u>17,024,828</u>	<u>19,462,904</u>	<u>(27,793,473)</u>	<u>8,694,259</u>
Total Capital Assets Not Being Depreciated	<u>33,669,070</u>	<u>19,488,904</u>	<u>(27,793,473)</u>	<u>25,364,501</u>
Capital Assets Being Depreciated:				
Land Improvements	20,934,377	6,422,853	-	27,357,230
Highways & Bridges	267,195,254	1,122,537	(861,378)	267,456,413
Building & Improvements	94,694,632	19,425,750	-	114,120,382
Machinery & Equipment	<u>68,467,184</u>	<u>7,529,420</u>	<u>(1,216,774)</u>	<u>74,779,830</u>
Total Capital Assets Being Depreciated	<u>451,291,447</u>	<u>34,500,560</u>	<u>(2,078,152)</u>	<u>483,713,855</u>
Less Accumulated Depreciation for:				
Land Improvements	(6,648,562)	(1,384,326)	-	(8,032,888)
Highways & Bridges	(161,155,241)	(6,829,166)	861,378	(167,123,029)
Building & Improvements	(30,231,310)	(2,664,373)	-	(32,895,683)
Machinery & Equipment	<u>(40,242,237)</u>	<u>(8,087,520)</u>	<u>1,172,622</u>	<u>(47,157,135)</u>
Total Accumulated Depreciation	<u>(238,277,350)</u>	<u>(18,965,385)</u>	<u>2,034,000</u>	<u>(255,208,735)</u>
Total Capital Assets Being Depreciated, Net	<u>213,014,097</u>	<u>15,535,175</u>	<u>(44,152)</u>	<u>228,505,120</u>
Governmental Activities Capital Assets, Net	<u>\$246,683,167</u>	<u>\$ 35,024,079</u>	<u>\$ (27,837,625)</u>	<u>\$253,869,621</u>

The capital asset activity for Business-Type Activities for the year ended June 30, 2021, was as follows:

	<u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>
Business-Type Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 3,341,327	\$ -	\$ -	\$ 3,341,327
Construction in Progress	13,114,164	7,672,018	(12,551,283)	8,234,899
Total Capital Assets Not Being Depreciated	<u>16,455,491</u>	<u>7,672,018</u>	<u>(12,551,283)</u>	<u>11,576,226</u>
Capital Assets Being Depreciated:				
Landfill & Land Improvements	42,602,967	234,483	-	42,837,450
Wastewater Lines	70,302,438	5,891,349	-	76,193,787
Buildings & Improvements	33,599,559	1,704,051	-	35,303,610
Machinery & Equipment	47,653,278	6,631,019	(159,874)	54,124,423
Total Capital Assets Being Depreciated	<u>194,158,242</u>	<u>14,460,902</u>	<u>(159,874)</u>	<u>208,459,270</u>
Less Accumulated Depreciation for:				
Landfill & Land Improvements	(27,191,981)	(2,003,466)	-	(29,195,447)
Wastewater Lines	(22,543,504)	(2,032,327)	-	(24,575,831)
Building & Improvements	(12,065,286)	(948,493)	-	(13,013,781)
Machinery & Equipment	(19,891,967)	(2,504,637)	159,874	(22,236,732)
Total Accumulated Depreciation	<u>(81,692,738)</u>	<u>(7,488,923)</u>	<u>159,874</u>	<u>(89,021,791)</u>
Total Capital Assets Being Depreciated, Net	<u>112,465,504</u>	<u>6,971,979</u>	<u>-</u>	<u>119,437,479</u>
Business-Type Activities Capital Assets, Net	<u>\$ 128,920,995</u>	<u>\$ 14,643,997</u>	<u>\$ (12,551,283)</u>	<u>\$ 131,013,705</u>

Depreciation and depletion expense were charged to the following activities:

Governmental Activities:

General Government	\$ 1,885,411
Public Safety	6,577,813
Highways, Streets, and Bridges	7,949,798
Health and Welfare	511,932
Recreation and Culture	1,488,357
Public Libraries	545,955
Economic Development	6,119
	<u>\$ 18,965,385</u>

Business-type Activities:

Enterprise Funds:	
Wastewater	\$ 5,214,432
Landfill	2,103,818
Property Management	170,673
	<u>\$ 7,488,923</u>

Construction Commitments

Cecil County has active construction contracts as of June 30, 2021. The programs include upgrades to sewers and central yard upgrade. At year-end, the County’s commitments with contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Central Yard Fuel Tank	\$ 558,781	\$ 539,423
Elkton West Sanitary Sewer	869,897	1,418,907
Total	\$ 1,428,678	\$ 1,958,330

B. Discretely Presented Component Units

The following summarizes the capital asset activity of the County’s component units for the year ended June 30, 2021:

	<u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>
<u>Board of Education</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 5,743,759	\$ 1,858,732	\$ -	\$ 7,602,491
Construction in Progress	7,415,360	13,691,676	-	21,107,036
Total Capital Assets Not Being Depreciated	13,159,119	15,550,408	-	28,709,527
Capital Assets Being Depreciated:				
Building & Improvements	321,143,980	-	-	321,143,980
Land Improvements	18,709,556	106,726	-	18,816,282
Machinery & Equipment	26,541,465	605,952	(371,184)	26,776,233
Total Capital Assets Being Depreciated	366,395,001	712,678	(371,184)	366,736,495
Less Accumulated Depreciation for:				
Building & Improvements	(180,869,879)	(11,452,326)	-	(192,322,205)
Land Improvements	(9,932,077)	(865,500)	-	(10,797,577)
Machinery & Equipment	(14,122,663)	(1,411,437)	330,856	(15,203,244)
Total Accumulated Depreciation	(204,924,619)	(13,729,263)	330,856	(218,323,026)
Total Capital Assets Being Depreciated, Net	161,470,382	(13,016,585)	(40,328)	148,413,469
Board of Education Capital Assets, Net	<u>\$ 174,629,501</u>	<u>\$ 2,533,823</u>	<u>\$ (40,328)</u>	<u>\$ 177,122,996</u>

Capital assets of the County's component units (continued):

	<u>June 30, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2021</u>
<u>Cecil College</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 1,779,763	\$ -	\$ -	\$ 1,779,763
Construction in Progress	-	610,115	-	610,115
Total Capital Assets Not Being Depreciated	<u>1,779,763</u>	<u>610,115</u>	<u>-</u>	<u>2,389,878</u>
Capital Assets Being Depreciated:				
Leasehold & Other Improvements	28,904,253	488,120	-	29,392,373
Building and Improvements	59,287,745	-	-	59,287,745
Machinery & Equipment	8,407,708	121,397	(305,604)	8,223,501
Total Capital Assets Being Depreciated	<u>96,599,706</u>	<u>609,517</u>	<u>(305,604)</u>	<u>96,903,619</u>
Less Accumulated Depreciation for:				
Leasehold & Other Improvements	(19,734,961)	(1,730,051)	-	(21,465,012)
Building & Improvements	(18,013,259)	(570,630)	-	(18,583,889)
Machinery & Equipment	(7,084,115)	(389,344)	305,604	(7,167,855)
Total Accumulated Depreciation	<u>(44,832,335)</u>	<u>(2,690,025)</u>	<u>305,604</u>	<u>(47,216,756)</u>
Total Capital Assets Being Depreciated, Net	<u>51,767,371</u>	<u>(2,080,508)</u>	<u>-</u>	<u>49,686,863</u>
Cecil College Capital Assets, Net	<u>\$ 53,547,134</u>	<u>\$ (1,470,393)</u>	<u>\$ -</u>	<u>\$ 52,076,741</u>
<u>Public Library</u>				
Capital Assets Being Depreciated:				
Machinery & Equipment	\$ 4,947,473	\$ 3,233,210	\$ (638,711)	\$ 7,541,972
Less Accumulated Depreciation for:				
Machinery & Equipment	(2,674,328)	(797,857)	638,711	(2,833,474)
Total Accumulated Depreciation	<u>(2,674,328)</u>	<u>(797,857)</u>	<u>638,711</u>	<u>(2,833,474)</u>
Total Capital Assets Being Depreciated, Net	<u>2,273,145</u>	<u>2,435,353</u>	<u>-</u>	<u>4,708,498</u>
Public Library Capital Assets, Net	<u>\$ 2,273,145</u>	<u>\$ 2,435,353</u>	<u>\$ -</u>	<u>\$ 4,708,498</u>
<u>Bainbridge Development Corporation</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 3,549,600	\$ -	\$ -	\$ 3,549,600
Capital Assets Being Depreciated:				
Machinery & Equipment/Land Improvements	64,622	155,254	-	219,876
Less Accumulated Depreciation for:				
Machinery & Equipment/Land Improvements	(29,019)	(4,553)	-	(33,572)
Total Accumulated Depreciation	<u>(29,019)</u>	<u>(4,553)</u>	<u>-</u>	<u>(33,572)</u>
Total Capital Assets Being Depreciated, Net	<u>35,603</u>	<u>150,701</u>	<u>-</u>	<u>186,304</u>
Bainbridge Development Corporation Capital Assets, Net	<u>\$ 3,585,203</u>	<u>\$ 150,701</u>	<u>\$ -</u>	<u>\$ 3,735,904</u>

7. Interfund Balances and Transfers

Interfund balances arise primarily from the General Fund’s role as receiver, investor, and disbursing of cash. Transactions that are short-term in nature are classified as inter-fund receivables. The Motor Vehicle and Information Technology internal service fund hold depreciable assets; the receivables from these fund are considered an advance because the cash flow from service charges is insufficient to repay the balances in the short term. The inter-fund receivables as of June 30, 2021, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Funds	\$ 585,226
	Housing Programs Fund	939,632
	General Capital Projects Fund	6,601,173
	Advance to Information Technology Fund	3,209,820
	Advance to Motor Vehicle Fund	2,775,429
		<u>\$ 14,111,280</u>

Interfund transfers from the General Fund consist of operating transfers to finance debt service of \$17,831,131 and \$4,779,186 to provide additional support to several special revenue programs. The transfers for the year ended June 30, 2021, were as follows:

<u>Transfers Out</u>	<u>Transfers In</u>						<u>Total</u>
	<u>Housing Fund</u>	<u>General Capital Projects Fund</u>	<u>Other Grants Funds</u>	<u>Non-Major Governmental Funds</u>	<u>Waste Water Fund</u>	<u>General Fund</u>	
General Fund	\$ 66,237	\$ 1,700,000	\$ 354,806	\$ 20,489,274	\$ -	\$ -	\$ 22,610,317
Property Mgmt.	-	-	-	-	-	50,000	50,000
Casino Local Impact	150,000	-	-	325,000	1,000,000	390,000	1,865,000
Genl. Cap. Projects	-	-	-	-	-	-	-
Total	<u>\$ 216,237</u>	<u>\$ 1,700,000</u>	<u>\$ 354,806</u>	<u>\$ 20,814,274</u>	<u>\$ 1,000,000</u>	<u>\$ 440,000</u>	<u>\$ 24,525,317</u>

8. Long-Term Debt

A. Changes in Long-Term Liabilities

	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 183,256,098	\$ -	\$ (13,300,785)	\$ 169,955,313	\$ 13,049,015
Direct Borrowings/Placements	5,574,185	-	(771,099)	4,803,086	1,340,099
Premium on Debts Issued	15,679,654	-	(2,224,119)	13,455,535	2,049,965
Total Bonds Payable	204,509,937	-	(16,296,003)	188,213,934	16,439,079
Capital Leases	5,278,492	1,999,198	(1,586,360)	5,691,330	1,876,516
Insurance Claims Payable	5,902,689	12,913,271	(12,722,379)	6,093,581	6,093,581
Compensated Absences	3,112,959	3,070,376	(2,803,213)	3,380,122	2,253,415
Net Pension Liability	41,783,074	-	(10,347,034)	31,436,040	-
Governmental Activity Long-Term Liabilities	<u>\$ 260,587,151</u>	<u>\$ 17,982,845</u>	<u>\$ (43,754,989)</u>	<u>\$ 234,815,008</u>	<u>\$ 26,662,591</u>
	<u>Balance</u> <u>June 30, 2020</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2021</u>	<u>Due Within</u> <u>One Year</u>
Business-Type Activities:					
General Obligation Bonds	\$ 43,928,902	\$ -	\$ (2,884,215)	\$ 41,044,687	\$ 3,205,985
Direct Borrowings/Placements	31,415,103	-	(2,444,556)	28,970,547	2,485,271
Premium on Debt Issued	1,907,621	-	(307,825)	1,599,796	285,843
Total Bonds Payable	77,251,626	-	(5,636,596)	71,615,030	5,977,099
Capital Leases	-	1,078,234	(228,537)	849,697	203,131
Compensated Absences	177,419	281,467	(252,280)	206,606	137,737
Accrued Landfill Closure and Postclosure Costs	10,604,442	338,033	-	10,942,475	-
Business-Type Activity Long-Term Liabilities	<u>\$ 88,033,487</u>	<u>\$ 1,697,734</u>	<u>\$ (6,117,413)</u>	<u>\$ 83,613,808</u>	<u>\$ 6,317,967</u>
Component Units					
Board of Education	\$ 67,439,545	\$ 20,058,357	\$ (5,649,415)	\$ 81,848,487	\$ 724,827
Cecil College	437,100	-	(10,571)	426,529	284,353
Cecil County Public Library	469,613	38,867	-	508,480	-
Bainbridge Development	91,841	-	-	91,841	-
Component Units Long-Term Liabilities	<u>\$ 68,438,099</u>	<u>\$ 20,097,224</u>	<u>\$ (5,659,986)</u>	<u>\$ 82,875,337</u>	<u>\$ 1,009,180</u>

Compensated absences are reported as incurred in the government-wide and proprietary fund financial statements. A liability for those amounts is recorded in the governmental funds only if the liability has matured as a result of employee resignations or retirements. The General Fund normally pays compensated absence liabilities not recorded in internal service funds. Net pension liabilities are liquidated with General Fund resources.

B. General Obligation Bonds

Cecil County issues general obligation bonds to provide funds for the acquisition and construction of major capital assets. General obligation bonds have been issued for both governmental and business-type activities; they are direct obligations and pledge the full faith and credit of the government. These bonds are generally issued as 10 to 20 year serial bonds with varying amounts of principal due each year.

Cecil County has also issued special assessment debt to provide for the construction of shore erosion control projects. These funds will be repaid from amounts levied against the property owners benefited by the construction. In the event that a deficiency exists at the time a debt service payment is due, the government must provide resources to cover the deficiency until other resources are received.

Bond issues described as “Consolidated Public Improvement Bonds” are used to finance the design, planning, renovation, construction, and equipping of public facilities in Cecil County. Funding from Sanitary District Bonds is used to design, plan, renovate, construct or equip various wastewater facilities.

There are certain limitations and restrictions contained in the various bond indentures including call provisions. The County is in compliance with the limitations and restrictions.

A detailed list of bonds outstanding as of June 30, 2021, is contained on pages 60 and 61.

The annual debt service requirements to maturity for principal and interest for bonds payable as of June 30, 2021, were as follows:

Year Ending June 30	Governmental Activities				Business-Type			
	General		Notes From		General		Notes From	
	Obligation Bonds		Direct Borrowings		Obligation Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	\$ 13,049,015	\$ 6,276,133	\$ 1,340,099	\$ 116,216	\$ 3,205,985	\$ 1,570,699	\$ 2,485,271	\$ 539,676
2023	12,717,099	5,127,509	1,372,099	77,658	2,907,901	1,225,419	2,526,754	498,193
2024	13,165,276	5,191,928	1,401,099	38,229	2,994,724	1,320,828	1,916,715	456,180
2025	13,655,271	5,121,137	647,099	9,154	3,094,729	1,344,369	1,865,656	424,292
2026	14,129,343	4,041,962	6,099	-	3,195,657	1,032,781	1,493,911	393,097
2027-2031	50,081,119	13,417,630	30,492	-	15,373,881	3,261,192	6,954,082	1,557,163
2032-2036	37,856,479	5,132,756	6,099	-	8,863,520	929,694	6,071,279	847,499
2037-2041	15,301,711	753,887	-	-	1,408,290	66,191	1,384,545	440,195
2042-2046	-	-	-	-	-	-	1,284,859	268,862
2047-2051	-	-	-	-	-	-	1,003,107	173,133
2052-2056	-	-	-	-	-	-	1,074,362	101,878
2057-2060	-	-	-	-	-	-	910,008	26,717
Total	<u>\$ 169,955,313</u>	<u>\$ 45,062,943</u>	<u>\$ 4,803,086</u>	<u>\$ 241,258</u>	<u>\$ 41,044,687</u>	<u>\$ 10,751,173</u>	<u>\$ 28,970,547</u>	<u>\$ 5,726,885</u>

The following is a summary of general, special assessment, and revenue bonds outstanding as of June 30, 2021:

<u>Date of Issue/ Maturity</u>	<u>Amount of Original Issue</u>	<u>Description</u>	<u>Interest Rates</u>	<u>Balance Outstanding</u>		<u>Balance Outstanding June 30, 2021</u>
				<u>Govt. Activities</u>	<u>Business Type</u>	
2010/2021	\$ 25,160,000	Consolidated Public and Refunding Bonds 2010A New Money \$15,450,000 Refunding \$9,710,000	2.0%-3.0%	\$ 748,243	\$ 381,757	\$ 1,130,000
2012/2032	33,995,000	Consolidated Public Improvement and Refunding Bonds of 2012 New Money \$14,750,000 Refunding \$9,245,000	2.25%-5.0%	13,267,208	887,792	14,155,000
2013/2025	9,290,000	Refunding Bond 2013	2.0%-5.0%	4,290,000	-	4,290,000
2014/2034	48,000,000	Consolidated Public Improvement of 2014	3.0%-5.0%	23,439,708	12,460,292	35,900,000
2015/2027	34,975,000	Refunding Bond 2015	3.0%-4.0%	22,010,771	2,894,229	24,905,000
2016/2036	50,530,000	Consolidated Public Improvement and Refunding Bonds of 2016 New Money \$35,800,000 Refunding \$14,730,000	3.0%-4.0%	30,481,137	9,868,863	40,350,000
2018/2037	47,645,000	Consolidated Public Improvement and Refunding Bonds of 2017 New Money \$33,500,000 Refunding \$14,145,000	3.0%-5.0%	33,354,629	11,150,371	44,505,000
2020/2039	47,000,000	Consolidated Public Improvement New Money \$47,000,000	3.0%-5.0%	<u>42,363,614</u>	<u>3,401,386</u>	<u>45,765,000</u>
Total General Obligation Bonds				<u>\$ 169,955,313</u>	<u>\$ 41,044,687</u>	<u>\$211,000,000</u>

List of Bonds outstanding at June 30, 2021 (continued):

<u>Date of Issue/ Maturity</u>	<u>Amount of Original Issue</u>	<u>Description</u>	<u>Interest Rates</u>	<u>Balance Outstanding Govt. Activities</u>	<u>Business Type</u>	<u>Balance Outstanding June 30, 2021</u>
2002/2023	2,050,000	Maryland Water Quality Bond 2002A CherryHill WWPT	2.0%	-	243,416	243,416
2002/2024	6,279,112	Maryland Water Quality Bond 2002B 2002B North East River WWTP	1.9%	-	774,496	774,496
2003/2043	845,000	USDA Bond 2003A Cherry Hill WWTP	4.252%	-	631,621	631,621
2004/2023	2,616,645	Maryland Water Quality Bond 2003B Lakeside/Rt 272 Sewer Upgrades	1.2%	-	304,068	304,068
2004/2044	1,585,000	USDA Bond 2004A Carpenters Point Ph I collection system	4.577%	-	1,229,582	1,229,582
2004/2025	\$8,000,000	Maryland Water Quality Bond 2004B Meadowview WWTP	1.1%	-	1,759,685	1,759,685
2008/2027	2,702,000	Maryland Water Quality Bond 2008A Washington Street Pump Station, Carpenters Point Ph II collection system	1%	-	800,709	800,709
2009/2028	800,000	Maryland Water Quality Bond 2008B Septage Receiving Facility	None	-	280,000	280,000
2010/2030	1,257,000	Maryland Water Quality Bond 2010A Carpenters Point Ph III collection system	1%	-	624,574	624,574
2011/2024	6,615,000	Suntrust Refunding Bond 2011	2.35%	4,736,000	0	4,736,000
2014/2036	19,705,893	Maryland Water Quality Bond 2014 Northeast River WWTP ENR Upgrade	2%	-	15,234,003	15,234,003
2020/2060	7,225,000	USDA Bond 2020 Mill Run Sewer	1.375%	-	7,088,394	7,088,394
2004/2031	149,000	West View Shores II - Erosion Control Special Assessment Debt	None	67,088	-	73,185
Total Direct Borrowings				4,803,086	28,970,547	33,773,633
Total Debt Outstanding				<u>\$174,758,399</u>	<u>\$70,015,234</u>	<u>\$244,773,633</u>

C. Defeasance of Debt

Prior Year Defeasance of Debt. In prior years, Cecil County defeased general obligation bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the County's financial statements. As of June 30, 2021, \$0 of Cecil County Maryland bonds outstanding from this defeasement are considered defeased. The last retirement of \$15,420,000 was August 2020.

9. Leases

A. Operating Leases

The County no longer leases office facilities after the purchase of 107 Chesapeake Blvd in Elkton. The Board of Education leases office and warehouse space, and bus parking. Cecil College leases office space and office equipment. The future minimum lease payments for these leases were as of June 30, 2021:

Years Ending June 30	Board of Education	Cecil College
2022	\$ 119,546	\$ 39,731
2023	64,299	-
2024	64,299	-
Total Commitment under the Operating Lease	<u>\$ 248,144</u>	<u>\$ 39,731</u>

B. Capital Leases

The County has a Master Equipment Lease/Purchase Agreement with Banc of America Public Capital Corp. The agreements allow the County to purchase equipment at an adjustable market rate of interest. The Board of Education has entered into capital leases for maintenance vehicles and portable classrooms. As such, the present value of all future minimum lease payments has been recorded as a capital lease obligation on the statement of net position. As of June 30, 2021, future minimum payments under capital leases were as follows:

Years Ending June 30	Primary Government		Business Type	Board of Education
	Motor Vehicle	IT Equip		
2022	\$ 1,661,586	\$ 297,101	\$ 228,537	\$ 305,271
2023	1,339,022	136,815	228,537	305,272
2024	1,203,047	-	228,537	-
2025	817,752	-	228,536	-
2026	409,571	-	-	-
Total Payments	5,430,978	433,916	914,147	610,543
Less Interest	<u>(164,397)</u>	<u>(9,166)</u>	<u>(64,450)</u>	<u>(14,799)</u>
Capitalized lease obligations	<u>\$ 5,266,581</u>	<u>\$ 424,750</u>	<u>\$ 849,697</u>	<u>\$ 595,744</u>

Capitalized leases for the County at June 30, 2021, consist of the following assets shown at original cost as summarized below:

Type of Property	Primary Government		Business Type	Board of Education
	Motor Vehicle	IT Fund		
Vehicles	\$ 8,278,059	\$ -	\$ 1,078,234	\$ -
Buildings	-	-	-	9,399,961
IT Equipment and furnitue and fixtures	-	1,641,878	-	1,999,430
Total	8,278,059	1,641,878	1,078,234	11,399,391
Less Acumulated Depreciation	(3,426,585)	(1,282,857)	(35,941)	(6,530,807)
Net Assets Under Lease	<u>\$ 4,851,474</u>	<u>\$ 359,021</u>	<u>\$ 1,042,293</u>	<u>\$ 4,868,584</u>

10. Landfill Closure and Post-closure Care Costs

State and federal laws and regulations require the County to place a final cover on its central refuse landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure.

Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the County reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each statement of net assets date.

The landfill closure and post-closure care liability of \$10,942,475 as of June 30, 2021, represented the cumulative amount reported to date based on the use of approximately 90% of the estimated capacity of the currently constructed cells at the landfill. Based on the historical average disposal volume in the last 5 years, it is anticipated that the existing landfill has approximately 4.1 years of remaining disposal life. The remaining estimated cost of closure and post-closure care of \$1,274,990 will be recognized as the remaining estimated capacity is filled. The total closure and post-closure liability calculation is based on current 2021 costs. Actual cost may be different because of inflation, changes in technology, or changes in regulations.

The County is required by state and federal laws and regulations to meet certain financial assurance requirements relative to financing the expected cost of closure and post-closure care. The County is in compliance with these requirements.

11. Unavailable Revenues

Government Funds report unavailable revenues in connection with revenues that are not considered to be available to liquidate liabilities of the current period. In the government-wide statement, unavailable revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

	<u>Governmental Fund Financial Statements</u>	<u>Government-wide Financial Statements</u>
<u>Unavailable Revenues</u>		
General Fund		
Income Taxes	\$ 22,855,097	\$ -
Property Taxes	<u>729,446</u>	<u>-</u>
Total Governmental Activities	<u>\$ 23,584,543</u>	<u>\$ -</u>
<u>Unearned Revenues</u>		
Housing Programs Fund		
Unearned Grant Revenue	\$ 226,898	\$ 226,898
General Capital Project Fund		
Unearned Grant Revenue	314,974	314,974
Other Grants Fund		
Unearned Grant Revenue	12,149,429	12,149,429
Non-Major Funds		
Community Services	<u>237,454</u>	<u>237,454</u>
Internal Service Fund		
Motor Vehicle Fund	<u>-</u>	<u>3,610</u>
Total Governmental Activities	<u>\$ 12,928,755</u>	<u>\$ 12,932,365</u>

12. Fund Balance

The County has adopted GASB Statement No. 54 which redefined how fund balances are presented in fund financial statements. In the governmental fund financial statements, fund balances are classified as follows:

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of the County Charter, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed – Amounts that can be used only for specific purposes determined by formal County Council legislative action.

Assigned – Amounts that are allocated for a future use by the County Executive but are not spendable until a budget ordinance is passed by County Council.

Unassigned – All amounts not included in other spendable classifications.

The details of the fund balances are included in the Balance Sheet of Governmental Funds. Restricted funds are used first as appropriate. Assigned Funds are reduced to the extent that expenditure authority has been budgeted by Council or the Assignment has been changed by the County Executive. Decreases to fund balance first reduce Unassigned Fund Balance; in the event that Unassigned becomes zero, then Assigned and Committed Fund Balances are used in that order.

General Fund

The General Fund had Nonspendable fund balances of \$6,348,832 as of June 30, 2021. The Motor Vehicle internal service fund holds depreciable assets; the receivables from this fund is considered as Advances and classified as Nonspendable because the cash flow from service charges is insufficient to repay the balance in the short term (discussed in Note 7). The County’s Nonspendable fund balance detail is as follows:

Non-spendable	
Advance to Motor Vehicle Fund	\$ 2,775,429
Advance to Information Technologies Fund	3,209,820
Inventory and Other Assets	<u>363,583</u>
	<u>\$ 6,348,832</u>

The General Fund had Committed fund balances of \$282,492 as of June 30, 2021. The County did not utilize Fund Balance Appropriation in the fiscal year 2021 approved budget to attain a balanced budget. The County’s Committed fund balance detail is as follows:

Committed	
Volunteer Fire Companies Vehicle Equipment	\$ 250,000
CCPS Carryover portion of FY2020 small cap	<u>32,492</u>
	<u>\$ 282,492</u>

The General Fund had Assigned fund balances of \$57,798,566 as of June 30, 2021. The Reserve for Contingencies was legislated to set aside resources to cover unanticipated deficits or revenue reductions that may be caused by adverse economic conditions or public emergency. The Emergency Reserve is equal to 10% of \$210,950,150 - fiscal year 2022 revenues budgeted as of the end of June 30, 2021. The Assigned amount is also related to a Budget Stabilization Reserve (equal to 1% of the fiscal year 2022

revenue budget), the unfunded portion of the fiscal year 2022 vehicle budget request for Volunteer Fire Companies, and other items illustrated below.

The Assigned fund balance detail is as follows:

Assigned		
Emergency Reserve for Contingencies		\$ 21,095,051
Budget Stabilization		6,328,515
VFC - Carryover Portion of FY21 Vehicle Budget		575,000
Asphalt Overlay/Tar Chip (Roads Operating)		3,000,000
Belvidere Road - Gap Funding		750,000
Mid-County Transit HUB - Land Purchase		900,000
Sheriff's Office Phase 4 - Retrofit Exterior for Park		1,000,000
Facilities Upgrades		1,000,000
Office of Economic Development - New Business		500,000
CCPS-Kirwin Commission & the Blueprint for MD		14,000,000
Retaining Wall System @ 3148 Turkey Point Road		150,000
Public Safety Pension System Enhancements		1,000,000
Worker's Compensation Fund Allocation		500,000
Subsequent fiscal year 2023-2024 budgets		7,000,000
		\$ 57,798,566

The General Fund is the only governmental fund that can report a positive Unassigned fund balance; the Unassigned balance as of June 30, 2021 is \$11,539,070.

Other Funds

The restricted fund balances for all special revenue funds amounted to \$6,591,858 and are intended to be used for subsequent years' expenditures for various grants and activities. The negative \$3,137,308 unassigned funds for all capital projects represent the County front funding capital projects and will be reimbursed during the next borrowing during FY2022. The balances as of June 30, 2021 consist of the following:

Restricted		
Major Fund	Housing	\$ 1,045,636
Major Fund	Casino Local Impact	2,268,096
Major Fund	Other Grants	808,815
Non-Major Funds	Other Governmental	2,469,311
		\$ 6,591,858
Unassigned		
Major Fund	General Capital Projects	(3,137,308)
		\$ (3,137,308)

13. Risk Management

A. Health Insurance

The County is self-insured for health care benefits provided to employees. The County pays between 80-90% of the cost of providing benefits with employees contributing 10-20% of the cost. Benefits are provided through the Health Insurance Internal Service Fund. The Fund was established in fiscal year 1993 to provide health care benefits to employees of the County government, and two component units (Cecil College and Cecil County Public Library). Under the Plan, charges are made to employers on a formula basis. Inter-fund charges within the County are recorded as revenue in the Health Insurance Fund and as expenditure/expense to the benefiting department.

The County manages the Plan through retention of risk in the Internal Service Fund and the purchase of commercial insurance. The payment of health-related claims is processed through a third-party administrator. Excess insurance is purchased to cover individual claims that exceed \$200,000 per plan year. During the last 3 fiscal years, the County did not have any claims that exceeded the stop loss limit.

The liability for Health Insurance Fund claims of \$967,581 was based on standard insurance industry practices for estimating claims for insured losses incurred but not reported by June 30, 2021. Historical claims experience and other relevant reports are the basis for these estimates.

An analysis of claims liabilities recorded in the Health Insurance Fund is presented below:

	<u>Beginning Fiscal Year Liability</u>	<u>Claims and Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Fiscal Year Liability</u>
2019-2020	\$ 754,886	\$ 10,521,027	\$ (10,204,224)	\$ 1,071,689
2020-2021	1,071,689	10,023,292	(10,127,400)	967,581

B. Workers Compensation Insurance

Effective July 1, 2009, the County became self-insured for workers compensation benefits provided to employees. The County manages the Plan through retention of risk in the Internal Service Fund and the purchase of commercial insurance. The payment of workers compensation claims is processed through a third-party administrator. Excess insurance is purchased to cover individual claims that exceed \$650,000 per plan year.

The liability for Workers Compensation Fund claims of \$5,126,000 is based on standard insurance industry practices for estimating claims for insured losses incurred but not reported by June 30, 2021.

An analysis of claims liabilities recorded in the Workers' Compensation Fund is presented below:

	<u>Beginning Fiscal Year Liability</u>	<u>Claims and Claims Incurred</u>	<u>Claims Paid</u>	<u>Ending Fiscal Year Liability</u>
2019-2020	\$ 4,612,000	\$ 1,406,670	\$ (1,187,670)	\$ 4,831,000
2020-2021	4,831,000	1,693,521	(1,398,521)	5,126,000

C. Other Insurance

The County is exposed to various risks of loss related to torts, thefts or damage to assets, destruction of assets, errors and omissions, injuries to employees and other losses. The County participates in the Maryland Local Government Insurance Trust (LGIT). Coverage and deductibles under LGIT vary depending on type of incident.

The County insures its primary liability, property damage, and excess liability coverage through participation in LGIT, a public entity risk pool. For the pooled coverage, there is a total risk and cost sharing for all participants. Liabilities in excess of assets of the Trust may be assessed to participating members. Stop loss insurance is provided to protect against catastrophic losses. Premiums are paid by

the General Fund. The County does not have any claim liability in addition to premiums, unless an assessment is made by the Trust.

14. Commitments and Contingencies

A. Educational Funding Commitments

The Annotated Code of Maryland (the Code) requires that the County provide funding equal to at least 32% of the Cecil College current expenditures. The County has met the funding requirement for the year ended June 30, 2021. Funding for the year ending June 30, 2022, is estimated to be \$11,841,157. The Code also requires that the County maintain its funding level from year to year for the Board of Education. For the year ended June 30, 2021, such funding amounted to \$86,367,865 and is estimated to be \$88,527,026 for the year ending June 30, 2022.

B. Grant Compliance

The County receives Federal and State funding under a number of programs. Payments made by these sources under contractual agreements are provisional and subject to redetermination based on the filing of reports and audits of those reports. Final settlements due from or to these sources are recorded in the year in which the related services are performed. Any adjustment resulting from subsequent examinations is recognized in the year in which the results of such examinations become known. County officials do not expect any significant adjustment as a result of these examinations.

C. Litigation Compliance

The County is a party to numerous legal proceedings, many of which normally occur in governmental operations. The legal proceedings are not, in the opinion of the County's attorneys, likely to have a material adverse impact on the County's financial position.

15. Employee Retirement Systems and Pension Plans

A. Pension Plans – Primary Government

The County sponsors a single-employer, defined benefit pension plan, the Cecil County Pension Plan for Public Safety Employees (PPPSE), to provide benefits to certain law enforcement and public safety personnel. Except for employees of the Bainbridge Development Corporation, all other County employees and the employees of its component units are covered by the Maryland State Retirement and Pension System (MSRPS), a cost-sharing multiple employer public employee retirement system. The County also has established a Length of Service Award Program (LOSAP) for the County's Department of Fire and Rescue Service volunteers who meet certain age and service criteria. For the year ended June 30, 2021, the County recognized aggregated pension expense of \$2,168,426 for all three pension systems.

Cecil County Pension Plan for Public Safety Employees (PPPSE)

Plan description. Established by Cecil County on July 1, 2002, the Cecil County Pension Plan for Public Safety Employees (PPPSE) is a single-employer, defined benefit pension plan which provides retirement, disability and death benefits to Plan members and their beneficiaries. The Plan covers all full-time employees on the County's Public Safety Pay Scale hired after June 30, 2002, the Cecil County Sheriff,

and eligible public safety employees who have opted to convert from the Maryland State Retirement and Pension System Plan. As of June 30, 2021, there were 259 active Plan members, 108 retirees receiving benefits, 1 disabled beneficiary receiving benefits and 32 members entitled to but not yet receiving retirement benefits. Responsibility for the administration and operation of the Plan is vested with a 9-member Board of Trustees. The Plan issues publicly available financial statements, which are available from the Cecil County Department of Finance, 200 Chesapeake Blvd., Elkton, MD 21921 or www.ccgov.org/government/finance/financial-reports.

The Plan’s financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds of contributions are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. For fixed income securities, fair value may be based on quoted market prices.

Funding Policy. The contribution requirements of Plan members and the County are established by resolution of the former Board of County Commissioners and may be amended by resolution. Plan members are required to contribute 8% of the base compensation. Cecil County, as the employer, is required to make actuarially determined annual contribution amounts; the current rate is 13.01% of covered payroll.

Annual Pension Cost. For the fiscal year ended June 30, 2021, the County’s annual contribution to the PPPSE was \$1,787,079 which was equal to the actuarially determined contribution. The required contribution to the Public Safety Plan was determined as part of the July 1, 2020, actuarial valuation using the entry age normal. The total pension liability was determined by an actuarial valuation as of July 1, 2020 rolled forward to June 30, 2021. The actuarial assumptions included: (a) 7.0% investment rate of return compounded annually, net of investment expenses; (b) projected salary increases vary by years of service; (c) termination of service rates vary by years of service; (d) an inflation rate of 2.5% resulting in post-retirement benefit increases of the maximum 2%; (e) For healthy participants and beneficiaries, the RFP-2014 Combined Healthy tables with the Blue Collar adjustment and generational; projection by Scale MP-2015. For disabled participants, the table is set forward five years; (f) the remaining amortization ranges from 3 to 17 years; (g) the source of mortality assumptions is the RP-2014 combined healthy tables and (h) the actuarial assumptions are based largely on an experience study completed in July 2018.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation (2.5%). The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Domestic Equity	52%	7.1%
International	12%	8.0%
Emerging Markets	3%	8.6%
Fixed Income	32%	2.4%
Cash	1%	1.9%

Discount rate. The discount rate used to measure the total pension liability was 7.0 percent. The projection of cash flows used to determine the discount rate assumed the plan member contributions will be made at the current contribution rate and that the County contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability.

	Changes in the Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability(Asset)
	(a)	(b)	(a) - (b)
Balances at 6/30/20	\$ 70,149,882	\$ 57,569,685	\$ 12,580,197
Changes for the year:			
Service cost	2,260,915		2,260,915
Interest	4,819,941		4,819,941
Difference between Expected/Actual Experience	(865,170)		(865,170)
Changes of Assumptions	-		-
Contributions - Employer		1,787,079	(1,787,079)
Contributions - Member		1,033,449	(1,033,449)
Net Investment Income		18,984,893	(18,984,893)
Benefit Payments/ Refunds	(2,587,173)	(2,587,173)	-
Administrative Expense	-	(34,699)	34,699
Net Changes	<u>3,628,513</u>	<u>19,183,549</u>	<u>(15,555,036)</u>
Balances at 6/30/21	<u>\$ 73,778,395</u>	<u>\$ 76,753,234</u>	<u>\$ (2,974,839)</u>

Sensitivity of the net pension liability to changes in the discount rate. The following presents the net pension liability of the County, calculated using the discount rate of 7.0 percent, as well as what the County’s net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0 percent) or 1 percentage point higher (8.0 percent) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	6.00%	7.00%	8.00%
Net Pension Liability/(Asset)	\$ 8,135,641	\$ (2,974,839)	\$ (11,942,138)

Detailed information about the pension plan’s net position is available in the separately issued PSPP financial report.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2021, the County recognized pension expense of (\$885,061). As of June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 753,186	\$ 1,032,815
Changes in Assumptions	-	194,745
Net difference between projected and actual earnings on pension plan investments	-	-
	<u>-</u>	<u>8,409,533</u>
Total	<u>\$ 753,186</u>	<u>\$ 9,637,093</u>

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

<u>Years Ending June 30</u>	<u>Pension Expense</u>
2022	\$ (2,110,376)
2023	(1,554,510)
2024	(2,056,374)
2025	<u>(3,162,647)</u>
Total	<u>\$ (8,883,907)</u>

Maryland State Retirement and Pension System (MSRPS)

Plan description. Except for public safety personnel participating in the Pension Plan for Public Safety described previously and employees of Bainbridge Development Corporation, the employees of the County and its component units are covered by a plan within either the Employees’ Retirement and Pension System or the Teachers’ Retirement and Pension System. These plans are part of the Maryland State Retirement and Pension System (MSRPS), a cost-sharing multiple-employer public employee retirement system administered by the State Retirement Agency. The MSRPS was established by the State Personnel and Pensions Article of the Annotated Code of Maryland (State law) to provide retirement allowances and other benefits to state employees, teachers, police, judges, legislators and employees of participating governmental units. Responsibility for the administration and operation of the MSRPS is vested in a 14-member Board of Trustees. The MSRPS issues annual financial statements which are publicly available at www.sra.state.md.us or may be obtained by writing to the State Retirement and Pension System of Maryland, 301 West Preston Street, Baltimore, MD 21201, or by calling 1-800-492-5909.

Funding policy. The contribution requirements for plan members, the County and its component units are established by State law. Employees are required to contribute two percent to seven percent of their compensation, depending on the plan in which they are enrolled. Employers, including the County, are required to contribute at an actuarially determined rate based on annual actuarial valuations using the entry age normal cost method with projection and other actuarial assumptions adopted by the Board of Trustees. Current employer contribution rates to the Employees’ Retirement and Employees’ Pension

plans vary from 5% to 10% of covered payroll depending on the plan. The County’s contributions to the MSRPS for the years ending June 30, 2021, 2020, and 2019 were \$2,077,812, \$1,822,489 and \$1,655,900, respectively and equaled the required contribution for each year. Amounts contributed by the State on behalf of the component units can be found in their respective financial statements.

Summary of total pension costs. The total annual pension cost for the County and its component units to the MSRPS and the Pension Plan for Public Safety Employees for the year ended June 30, 2021, was equal to the required and actual contributions as follows:

	<u>MSRPS</u>	<u>Public Safety</u>	<u>Total</u>
Primary Government	\$ 2,077,812	\$ 1,787,079	\$ 3,864,891
Component Units			
Board of Education	13,100,597	-	13,100,597
Community College	643,357	-	643,357
Public Library	429,813	-	429,813
Total	<u>\$ 16,251,579</u>	<u>\$ 1,787,079</u>	<u>\$ 18,038,658</u>

Pension Liabilities. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of June 30, 2021, the County reported a liability of \$19,211,514 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County’s proportion of the net pension liability was based on a projection of the County’s long-term share of contributions to the pension plan relative to the projected contributions of all participants members, actuarially determined. As of June 30, 2021, the County’s proportion was .08500%.

For the year ended June 30, 2021, the County recognized pension expense of \$3,312,493. As of June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions Subsequent to Measurement Date	\$ 2,077,812	\$ -
Differences between expected and actual experience	-	554,061
Changes in Assumptions	65,582	293,265
Net difference between projected and actual earnings on pension plan investments	<u>1,337,077</u>	<u>178,918</u>
Total	<u>\$ 3,480,471</u>	<u>\$ 1,026,244</u>

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

<u>Years Ending June 30</u>	<u>Pension Expense</u>
2022	\$ (107,501)
2023	87,470
2024	196,153
2025	203,139
2026	<u>(2,845)</u>
Total	<u>\$ 376,416</u>

Actuarial Assumptions. The key actuarial assumptions used to perform the June 30, 2020 pension liability calculation are as follows:

Actuarial	Entry Age Normal
Amortization method	Level Percentage of Payroll
Inflation	2.60% General, 3.10% Wage
Salary Increases	3.10% to 11.6% Including Inflation
Investment Rate of Return	7.40%

Mortality rates were based on the Public Sector 2010 Mortality Tables calibrated to MSRPS experience with generational projections using MP-2018 (2-dimensional) mortality improvement scale.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Public Equity	37%	5.20%
Private Equity	13%	6.50%
Rate Sensitive	19%	-0.30%
Credit Opportunity	9%	2.80%
Real Assets	14%	4.30%
Absolute Return	8%	1.80%
Total	<u>100%</u>	

Discount rate. The discount rate used to measure the total pension liability was 7.40 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all future benefit payments of current active and inactive employees. Therefore, the long-term rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate. The following presents the County’s proportionate share of the net pension calculated using the discount rate of 7.40 percent, as well as what the County’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease 6.40%	Discount Rate 7.40%	1% Increase 8.40%
County’s Net Pension Liability	\$ 27,350,700	\$ 19,211,514	\$ 12,432,336

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in the separately issued System’s Comprehensive Annual Report for the fiscal year ended June 30, 2020. This can be found at:
<https://sra.maryland.gov/annual-financial-reports>

Length of Service Award Program (LOSAP)

Plan description. Under Section 7-209 of the Maryland Public Safety Code, the County has established a Length of Service Award Program (LOSAP) for the County’s Department of Fire and Rescue Service volunteers who meet certain age and service criteria. This program is a single-employer deferred compensation plan because the benefits are based on the age and years of service. Any local fire and rescue volunteer is eligible for this program if the volunteer is at least 16 years old and satisfies the following conditions: (a) was an active volunteer on or after January 1, 1979 or (b) on January 1, 1984, had completed 25 years as an active volunteer or (c) from and after July 1, 2008, any member who accumulates the proper number of points needed to qualify and certify for 25 years of service may receive benefits at the age of 55 years.

Benefit provisions for this program are established under Section 7-209 (4) of the County Code. The types of benefits included in this program are monthly award payments, disability benefits, survivor’s benefits, death benefits, and other benefits. Effective July 1, 2008 normal benefits are payable earlier of (a) 25 years of service and age 55, or (b) 10 years of service and age 70, The lifetime benefit equal to (a) \$12.00 per month for each year of service up to 25 years plus (b) \$6.00 per month for each year of service in excess of 25 years. The maximum total benefit is \$600 per month. There is a 50% survivor annuity for the spouse. A \$1,000 lump sum benefit paid to spouse for any member with a minimum of 25 years of service. Benefits continue to accrue for service earned after payments commence. There is no provision with respect to benefit change for automatic cost of living adjustment. The benefit terms are established by and may be amended by the County Council.

The credited service is based on the point system as described in the Cecil County By-Laws for the Volunteer Length of Service Program (VLOSAP). An active volunteer is one who accumulates at least 50 points in a calendar year under the point system. The points are not transferable to another year. An

individual must not receive points for any activity performed as a County employee.

Funding Policy. In August 2019, Bill No. 2019-07 was put into effect after being approved by County Council to authorize the establishment of the Cecil County, Maryland Volunteer Length of Service Award Program Trust Fund. The establishment of said trust allows the County to contribute on an annual basis (per an actuarial study) towards investments to provide future affordability of the pension plan and thus reducing the County’s LOSAP Net Pension Liability.

Pension Liabilities. The County's total pension liability of \$12,224,526 was measured as of June 30, 2021, and was determined by an actuarial valuation date as of January 1, 2021.

Actuarial Assumptions. The LOSAP pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	January 1, 2021
Actuarial Method	Entry Age Normal
Retirement Age	100 percent of members are assumed to commence benefits at Earliest eligibility of:
	1. Age 70 with 10 years of LOSAP Service
	2. Any age with 25 years of LOSAP Service

Mortality rates were based on the RP-2014 Blue Collar Mortality with fully generational projection using Scale MP2015 to the year of the valuation is assumed to be current mortality experience. Generational projection beyond the valuation date is assumed to account for future mortality improvements for all participants, using MP2015 as the projection scale.

Discount rate. For this valuation, a discount rate of 7.0% was used to measure the total pension liability as of June 30, 2021.

	Changes in the Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/20	\$ 13,431,206	\$ 860,413	\$ 12,570,793
Changes for the year:			
Service cost	215,283	-	215,283
Interest	911,668	-	911,668
Difference between Expected/Actual Experience	(458,845)	-	(458,845)
Contributions - Employer	-	1,032,000	(1,032,000)
Net Investment Income	-	592	(592)
Benefit Payments/ Refunds	(814,741)	(814,741)	-
Administrative Expense	-	(18,219)	18,219
Net Changes	(146,635)	199,632	(346,267)
Balances at 6/30/21	<u>\$ 13,284,571</u>	<u>\$ 1,060,045</u>	<u>\$ 12,224,526</u>

Sensitivity of the County’s proportionate share of the net pension liability to changes in the discount rate. The following presents the total pension liability calculated using the discount rate of 7.0%, as well as what the County’s total pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) discount rate:

	<u>1% Decrease 6.00%</u>	<u>Current Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
County’s Total Pension Liability	\$ 13,674,289	\$ 12,224,526	\$ 11,010,699

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2021, the County recognized pension expense of (\$259,006). As of June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 126,648	\$ 367,076
Changes in Assumptions	527,866	4,766,010
Net difference between projected and actual earnings on pension investments	61,923	-
Total	<u>\$ 716,437</u>	<u>\$ 5,133,086</u>

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

<u>Years Ending June 30</u>	<u>Pension Expense</u>
2022	\$ (1,336,981)
2023	(1,336,979)
2024	(1,664,239)
2025	(78,450)
Total	<u>\$ (4,416,649)</u>

Detailed information about the VLOSAP pension plan’s net position is available in the separately issued VLOSAP financial report.

B. Pension Plans – Component Units

Cecil County Public Schools: As of June 30, 2020, the Public Schools reported a liability of approximately \$12.3 million for its proportionate share of the Employees Retirement System of the State of Maryland (ERS) net pension liability. The ERS net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Public School’s proportion of the ERS net pension liability was based on a projection of the Board’s long-term share of contributions to the pension plan relative to the projected contributions of all participating government units, actuarially determined. As of June 30, 2020, the Board’s proportion for ERS was 0.0545%, which was substantially the same from its proportion measured as of June 30, 2019. For the year ended June 30, 2021, the Public Schools recognized pension expense for ERS of approximately \$1.3 million. Detailed retirement plan information for the Public Schools is available in

their current year audited financial statements.

Cecil County Library: As of June 30, 2021, the Library reported a liability of approximately \$509 thousand for its proportionate share of the Employees Retirement System of the State of Maryland (ERS) net pension liability. The ERS net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the ERS net pension liability was based on a projection of the Library's long-term share of contributions to the pension plan relative to the projected contributions of all participating government units, actuarially determined. As of June 30, 2020, the Library's proportion for ERS was 0.0022%, which was substantially the same from its proportion measured as of June 30, 2019. For the year ended June 30, 2021, the Library recognized pension expense for ERS of approximately \$57 thousand. Detailed retirement plan information for the Library is available in their current year audited financial statements.

C. Defined Contribution Plan

Employees of Cecil College are eligible to be covered under the Teachers' Insurance and Annuity Association - College Retirement Equity Fund (TIAA-CREF). TIAA-CREF, a private insurance company, is the optional retirement program chosen by the State Board of Community Colleges for professional staff only. The College has also chosen a TIAA-CREF plan to provide retirement benefits to certain employees not eligible to participate in any other plan. Covered payroll for employees participating in the TIAA-CREF Plan was \$7,102,689 in 2021.

16. Other Post-Employment Benefits

A. Plan Description

The Cecil County Maryland Non-Pension Post-Employment Benefits Trust (the "Plan") is a single employer defined benefit plan administered by the County. The Plan provides medical, prescription drug, dental and vision to all eligible retired employees of the County, Cecil County Public Library and Cecil College. The retiree must be continuously enrolled under the Cecil County Employee Benefit Plan for four years immediately preceding retirement date and must meet the eligibility requirements of the plan. In addition, eligible spouses and dependents desiring coverage through the eligible retiree's plan must be enrolled in the Plan immediately prior to the retiree's effective date of retirement depending on the employee's years of service, the County contributes \$75 to \$150 per month per participant to the Plan, and the participant is required to pay the balance of the Plan's insurance premiums, as well as any annual deductibles. As of December 1, 2018, the date of the last actuarial valuation, approximately 66 retirees and their beneficiaries were receiving benefits, and an estimated 706 active employees are potentially eligible to receive future benefits. The Plan issues publicly available financial statements, which are available from the Cecil County Department of Finance, 200 Chesapeake Blvd., Elkton, MD 21921 or ccgov.org/government/finance/financial-reports.

The Plan's financial statements are prepared using the accrual basis of accounting. Member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide the contributions. Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. For fixed income securities, fair value may be based on quoted market prices.

B. Funding Policy

The County pays a portion of retiree healthcare premiums based on years of service. The retiree pays the remaining premium, including the cost of eligible dependents. The County pays post-retirement medical benefits (normal cost) from the General Fund, not from the trust. The Cecil County Maryland, Non-Pension Post-Employment Benefits Trust was established by Cecil County to provide funding for post-retirement non-pension benefits for certain employees of the County, Cecil College and the Cecil County Library. The County funded \$50,000 which was \$50,000 over and above the Actuarially Determined Contribution (ADC) of \$0.

C. Net OPEB Liability of the County

The County’s net OPEB liability was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions: The total OPEB liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to June 30, 2021 using the following actuarial assumptions, applied to all periods included in the measurement:

Asset valuation method	Market Value of Assets
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	18 years (as of July 1, 2021)
Inflation	2.40%
Projected salary increase	2.5% per year
Discount rate	7.0%, net of investment expenses
Healthcare cost trend rate	The trend rate for 2021 is 5.3%. The ultimate trend is 3.9%
Employees Included	25% of active employees enrolled in health care 5% of terminated employees currently enrolled in Health care. The OPEB coverage is assumed to begin at age 65
Marital Status and Age of Spouse	Actual coverage election

The actuarial assumptions used in the June 30, 2021 valuation are based on a weighted average of the projected claims with retiree claims for each fiscal year weighted 10% each (a total of 30 percent), and age adjusted active and pre-Medicare claims for the 2015-2016 period and the 2016-2017 period weighted 35% each (a total of 70 percent). For the employee claims data, the resulting average claims were age adjusted. The source of mortality assumptions is the RP-2014 combined healthy tables and the actuarial assumptions are based largely on an experience study completed in July 2018.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual determined contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The long-term expected rate of return of OPEB investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of OPEB investment expense and inflation) are developed for each major asset class. These ranges are

combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation (2.4%).

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	49%	7.50%
International equity	15%	8.61%
Fixed income	35%	3.86%
Cash	1%	1.06%

Discount rate. The discount rate used to measure the OPEB liability was 7.0 percent. The included calculations assume that the members and the County will continue to make the current contribution levels. Based on that assumption, the plan’s fiduciary net position is expected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB investments was applied to all periods of the projected benefit payments to determine the Actuarially Determined Contribution.

	Changes in the Net OPEB Liability (Asset)		
	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
	(a)	(b)	(a) - (b)
Balances at 6/30/20	\$ 4,018,218	\$ 7,221,683	\$ (3,203,465)
Changes for the year:			
Service Cost	90,366	-	90,366
Interest	273,402	-	273,402
Changes of Benefit Terms	-	-	-
Experience Losses	(452,902)	-	(452,902)
Trust Contribution Employer	-	50,000	(50,000)
Net Investment Income	-	2,059,847	(2,059,847)
Changes in Assumptions	(161,010)	-	(161,010)
Benefit Payments	(119,767)	(119,767)	-
Administrative Expense	-	(23,882)	23,882
Net Changes	(369,911)	1,966,198	(2,336,109)
Balances at 6/30/21	\$ 3,648,307	\$ 9,187,881	\$ (5,539,574)
<i>Funded Status</i>		<i>251.84%</i>	

Sensitivity of Total and Net OPEB liability to changes in the discount rate and the trend rate. The following table presents the County’s Total and Net OPEB liability using the discount rate of 7.0 percent, as well as what it would be using a discount rate that is 1 percentage point lower or 1 percentage point higher.

	<u>1% Decrease</u> <u>6.00%</u>	<u>Discount Rate</u> <u>7.00%</u>	<u>1% Increase</u> <u>8.00%</u>
Net OPEB Liability/(Asset)	\$ (5,103,361)	\$ (5,539,574)	\$ (5,907,907)

The following table presents the County's Net OPEB liability using the health care trend rate, as well as what it would be using a trend rate that is 1 percentage point lower or 1 percentage point higher.

	<u>1% Decrease</u> <u>2.90%</u>	<u>Current</u> <u>Medical Rate</u> <u>3.90%</u>	<u>1% Increase</u> <u>4.90%</u>
Net OPEB Liability/(Asset)	\$ (5,599,783)	\$ (5,539,574)	\$ (5,470,934)

Detailed information about the OPEB plan's net position is available in the separately issued OPEB financial report.

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB.

For the year ended June 30, 2021, the County recognized OPEB expense of (\$545,802). As of June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows</u> <u>of Resources</u>	<u>Deferred Inflows</u> <u>of Resources</u>
Differences between expected and actual experience	\$ -	\$ 977,585
Changes in Assumptions	-	688,672
Net difference between projected and actual earnings on OPEB plan investments	-	955,551
Total	<u>\$ -</u>	<u>\$ 2,621,808</u>

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

<u>Years Ending</u> <u>June 30</u>	<u>Pension</u> <u>Expense</u>
2022	\$ (431,213)
2023	(425,042)
2024	(453,476)
2025	(533,424)
2026	(221,901)
Thereafter	<u>(556,752)</u>
Total	<u>\$ (2,621,808)</u>

Board of Education

The Board of Education (the Board) offers post-retirement health care benefits, in accordance with a Board-adopted plan, to all retired employees who have completed fourteen years or more of service and have been continuously covered by the Board's health care plan for one year prior to retirement. Currently, 754 retirees meet these requirements. The Board pays retirees' health care premiums up to a maximum of \$8,583 per year based on years of service and employee classification. Expenditures for post-retirement health care benefits are recognized as retirees report claims and include an accrual for the estimate of the amount payable at the end of the fiscal year.

The components of the net OPEB liability of the Board of Education for fiscal year 2021, were as follows:

Total OPEB liability	\$ 82,652,713
Plan fiduciary net position	<u>17,305,748</u>
Board of Education's net OPEB liability	<u>\$ 65,346,965</u>
 Plan fiduciary net position as a percentage of the total OPEB liability	 20.94%

17. Subsequent Events

As part of the fiscal year 2022 budget and related legislation passed in June 2021, the County was authorized to initiate a \$2,000,000 capital lease for purchasing vehicles and IT equipment.



Cecil County Public
LIBRARY



REQUIRED SUPPLEMENTARY INFORMATION

**THE CECIL COUNTY PENSION PLAN
FOR PUBLIC SAFETY EMPLOYEES
SCHEDULE OF CHANGES IN THE COUNTY'S
NET PENSION LIABILITY AND RELATED RATIOS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total Pension Liability								
Service cost	\$ 2,197,590	\$ 2,283,832	\$ 2,338,610	\$ 2,336,327	\$ 2,417,404	\$ 2,239,555	\$ 2,243,458	\$ 2,260,915
Interest	2,922,270	3,327,286	3,553,215	3,769,916	3,880,936	4,247,837	4,495,322	4,819,941
Differences between expected and actual experience	-	(1,214,713)	(736,331)	(1,268,373)	1,283,613	(323,218)	542,195	(865,170)
Changes of assumptions	2,298,433	674,511	-	(998,224)	-	(70,937)	-	-
Benefit payments, including refunds of member contributions	(1,455,709)	(1,808,984)	(1,877,716)	(2,241,817)	(2,265,496)	(2,415,526)	(2,699,946)	(2,587,173)
Net change in total pension liability	5,962,584	3,261,932	3,277,778	1,597,829	5,316,457	3,677,711	4,581,029	3,628,513
Total pension liability - beginning	42,474,563	48,437,146	51,699,078	54,976,856	56,574,685	61,891,142	65,568,853	70,149,882
Total pension liability - ending (a)	<u>\$ 48,437,147</u>	<u>\$ 51,699,078</u>	<u>\$ 54,976,856</u>	<u>\$ 56,574,685</u>	<u>\$ 61,891,142</u>	<u>\$ 65,568,853</u>	<u>\$ 70,149,882</u>	<u>\$ 73,778,395</u>
Plan Fiduciary net position								
Contributions - employer	\$ 2,267,679	\$ 2,199,663	\$ 2,288,108	\$ 2,102,732	\$ 1,676,936	\$ 1,898,390	\$ 1,615,251	\$ 1,787,079
Contributions - member	877,946	909,516	925,386	957,910	955,419	974,306	997,274	1,033,449
Net investment income	6,148,908	1,316,789	(1,304,390)	6,587,039	4,490,113	2,106,178	(892,149)	18,984,893
Benefit payments, including refunds of member contributions	(1,455,709)	(1,808,984)	(1,877,716)	(2,241,817)	(2,265,496)	(2,415,526)	(2,699,946)	(2,587,173)
Administrative expense	(33,352)	(50,396)	(66,571)	(56,331)	(54,940)	(36,279)	(46,275)	(34,699)
Net change in plan fiduciary net position	7,805,472	2,566,588	(35,183)	7,349,533	4,802,032	2,527,069	(1,025,845)	19,183,549
Plan fiduciary net position - beginning	33,580,020	41,385,491	43,952,079	43,916,896	51,266,429	56,068,461	58,595,530	57,569,685
Plan fiduciary net position - ending (b)	<u>\$ 41,385,492</u>	<u>\$ 43,952,079</u>	<u>\$ 43,916,896</u>	<u>\$ 51,266,429</u>	<u>\$ 56,068,461</u>	<u>\$ 58,595,530</u>	<u>\$ 57,569,685</u>	<u>\$ 76,753,234</u>
County's net pension liability - ending (a)-(b)	<u>\$ 7,051,655</u>	<u>\$ 7,746,999</u>	<u>\$ 11,059,960</u>	<u>\$ 5,308,256</u>	<u>\$ 5,822,681</u>	<u>\$ 6,973,323</u>	<u>\$ 12,580,197</u>	<u>\$ (2,974,839)</u>
Plan fiduciary net position as a percentage of the total pension liability	85.44%	85.02%	79.88%	90.62%	90.59%	89.36%	82.07%	104.03%
Covered payroll ¹	\$ 10,968,011	\$ 11,505,952	\$ 11,637,624	\$ 11,869,325	\$ 12,526,137	\$ 13,494,174	\$ 13,634,895	\$ 13,738,061
County's net pension liability as a percentage of covered payroll	64.29%	67.33%	95.04%	44.72%	46.48%	51.68%	92.26%	-21.65%
Expected average remaining service years of all participants	6	6	6	6	6	5	5	5

¹ Per GASB 82, the amount shown reflect pensionable earnings only

Notes to schedule:

Information for fiscal year 2013 and earlier is not available.
Benefit Changes: None
Change of Assumptions: Based on 2018 experience study, there were changes to retirement, termination and disability decrements.

Source: Cecil County Public Safety Pension Plan Actuarial Reports

THE CECIL COUNTY PENSION PLAN
FOR PUBLIC SAFETY EMPLOYEES
SCHEDULE OF COUNTY CONTRIBUTIONS

	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 2,267,679	\$ 2,199,663	\$ 2,171,030	\$ 2,102,732	\$ 1,676,936	\$ 1,898,390	\$ 1,615,251	\$ 1,787,079
Contributions in relation to the actuarially determined contribution	<u>2,267,679</u>	<u>2,199,663</u>	<u>2,288,108</u>	<u>2,102,732</u>	<u>1,676,936</u>	<u>1,898,390</u>	<u>1,615,251</u>	<u>1,787,079</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ (117,078)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 10,968,011	\$ 11,505,952	\$ 11,637,624	\$ 11,869,325	\$ 12,526,137	\$ 13,494,174	\$ 13,634,895	\$ 13,738,061
Contributions as a percentage of covered payroll	20.68%	19.12%	19.66%	17.72%	13.39%	14.07%	11.85%	13.01%

Notes to schedule:

Valuation date:

Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the year immediately following the fiscal year and the next following year. Actuarial valuations are performed every year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Cost
Amortization method	Level Percentage of Payroll
Remaining amortization period	Ranging from 4 to 18 years
Asset valuation method	5-year smoothed market
Inflation	2.5%
Salary increases	Rates vary by participant service
Investment rate of return	7.0%, net of pension plan investment expense, including inflation.
Retirement age	Rates vary by participant age and service
Mortality	For healthy participants and beneficiaries, the RFP-2014 Combined Healthy tables with the Blue Collar adjustment and generational projection by Scale MP-2015. For disabled participants, the table is set forward five years

Prior Year Information:

Information for fiscal year 2013 and earlier is not available

Source: Cecil County Public Safety Pension Plan Actuarial Reports

THE CECIL COUNTY PENSION PLAN
FOR PUBLIC SAFETY EMPLOYEES
SCHEDULE OF INVESTMENT RETURNS

	2014	2015	2016	2017	2018	2019	2020	2021
Annual money-weighted rate of return, net of investment expense	17.88%	3.10%	-2.93%	14.82%	8.79%	3.89%	-1.39%	32.66%

Notes to schedule:

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

**THE CECIL COUNTY, MARYLAND
VOLUNTEER LENGTH OF SERVICE AWARD PROGRAM (LOSAP)
SCHEDULE OF CHANGES IN THE COUNTY'S
NET LOSAP LIABILITY AND RELATED RATIOS**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total LOSAP Liability				
Service cost	\$ 424,251	\$ 497,636	\$ 244,207	\$ 215,283
Interest	658,480	566,006	1,404,182	911,668
Differences between expected and actual experience	-	316,617	-	(458,845)
Changes of assumptions	-	1,319,665	(7,943,350)	-
Benefit payments	<u>(750,814)</u>	<u>(779,739)</u>	<u>(667,148)</u>	<u>(814,741)</u>
Net change in LOSAP liability	331,917	1,920,185	(6,962,109)	(146,635)
Total LOSAP liability - beginning	<u>18,141,213</u>	<u>18,473,130</u>	<u>20,393,315</u>	<u>13,431,206</u>
Total LOSAP liability - ending (a)	<u>\$ 18,473,130</u>	<u>\$ 20,393,315</u>	<u>\$ 13,431,206</u>	<u>\$ 13,284,571</u>
Plan Fiduciary net position				
Contributions - employer	\$ -	\$ -	\$ 1,515,025	\$ 1,032,000
Net investment income	-	-	15,180	592
Benefit payments	-	-	(667,148)	(814,741)
Administrative expense	<u>-</u>	<u>-</u>	<u>(2,644)</u>	<u>(18,219)</u>
Net change in plan fiduciary net position	-	-	860,413	199,632
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>860,413</u>
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 860,413</u>	<u>\$ 1,060,045</u>
County's net pension liability - ending (a)-(b)	<u>\$ 18,473,130</u>	<u>\$ 20,393,315</u>	<u>\$ 12,570,793</u>	<u>\$ 12,224,526</u>
Fiduciary net position as a percentage of the total LOSAP liability	0.00%	0.00%	6.41%	7.98%
Covered payroll ¹	NA	NA	NA	NA
Net LOSAP liability as a percentage of payroll ¹	NA	NA	NA	NA
Expected average remaining service years of all participants	5	5	5	5

¹ Since the LOSAP plan does not depend on salary, the salary information is not shown.

Notes to schedule:

Information for fiscal year 2017 and earlier is not available.
Benefits changes: None
Changes in Assumptions: Discount rate changed from 3.13% to 7.00%

**THE CECIL COUNTY, MARYLAND
VOLUNTEER LENGTH OF SERVICE AWARD PROGRAM (LOSAP)
SCHEDULE OF COUNTY CONTRIBUTIONS**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contribution	\$ 1,461,990	\$ 779,739	\$ 1,461,000	\$ 1,461,000
Contributions in relation to the actuarially determined contribution	<u>750,814</u>	<u>779,739</u>	<u>1,515,025</u>	<u>1,032,000</u>
Contribution deficiency (excess)	<u>\$ 711,176</u>	<u>\$ -</u>	<u>\$ (54,025)</u>	<u>\$ 429,000</u>
Covered payroll ¹	NA	NA	NA	NA
Contributions as a percentage of payroll ¹	NA	NA	NA	NA

¹ Since the LOSAP plan does not depend on salary, the salary information is not shown.

Notes to schedule:

Valuation date:

Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the year immediately following the fiscal year and the next following year. Actuarial valuations are performed every year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Cost
Amortization method	Level Dollar
Remaining amortization period	Ranging from 15 to 20 years
Asset valuation method	Market Value of Assets
Inflation	2.5%
Salary increases	Not Applicable
Investment rate of return	7.0%, net of pension plan investment expense, including inflation.
Retirement age	Rates vary by participant age.
Mortality	SOA RP-2014 Blue Collar Mortality Table with fully generational projection using Scale MP-2015

Prior Year Information:

Information for fiscal year 2017 and earlier is not available

Source: Cecil County LOSAP Plan Actuarial Reports

MARYLAND STATE RETIREMENT AND PENSION SYSTEM
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

	2014	2015	2016	2017	2018	2019	2020	2021
County's portion of the net pension liability	0.0575%	0.0657%	0.0716%	0.0729%	0.0667%	0.0754%	0.0806%	0.0850%
County's proportionate share of the net pension liability	\$ 11,323,431	\$ 11,659,304	\$ 14,887,172	\$ 17,189,747	\$ 14,413,561	\$ 15,810,503	\$ 16,632,084	\$ 19,211,514
Covered payroll	25,567,660	25,576,863	26,603,993	26,852,179	27,669,211	30,061,458	32,821,401	33,970,280
County's Net Pension Liability as a percentage of covered payroll	44.29%	45.59%	55.96%	64.02%	52.09%	52.59%	50.67%	56.55%
Plan fiduciary net position as a percentage of the total pension liability	67.20%	71.87%	68.78%	65.79%	69.38%	71.18%	71.18%	70.72%

MARYLAND STATE RETIREMENT AND PENSION SYSTEM
SCHEDULE OF COUNTY CONTRIBUTIONS

	2014	2015	2016	2017	2018	2019	2020	2021
Actuarially determined contribution	\$ 1,531,008	\$ 1,509,892	\$ 1,419,302	\$ 1,356,684	\$ 1,502,619	\$ 1,655,900	\$ 1,822,489	\$ 2,077,812
Contributions in relation to the actuarially determined contribution	<u>1,531,008</u>	<u>1,509,892</u>	<u>1,419,302</u>	<u>1,356,684</u>	<u>1,502,619</u>	<u>1,655,900</u>	<u>1,822,489</u>	<u>2,077,812</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 25,576,863	\$ 26,603,993	\$ 26,852,179	\$ 27,669,211	\$ 30,061,458	\$ 32,821,401	\$ 33,970,280	\$ 34,958,494
Contributions as a percentage of covered payroll	5.99%	5.68%	5.29%	4.90%	5.00%	5.05%	5.36%	5.94%

Source: Maryland State Retirement and Pension System

Note: Information for fiscal year 2013 and earlier is not available

**THE CECIL COUNTY, MARYLAND NON-PENSION
POST EMPLOYMENT BENEFIT TRUSTS
SCHEDULE OF CHANGES IN THE COUNTY'S
NET OPEB LIABILITY AND RELATED RATIOS**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Total OPEB Liability					
Service cost	\$ 309,000	\$ 331,630	\$ 314,936	\$ 270,453	\$ 90,366
Interest	415,000	436,619	430,095	428,961	273,402
Changes of benefit terms	-	-	-	(2,338,643)	-
Differences between expected and actual experience	-	(590,415)	(145,405)	(143,180)	(452,902)
Changes of assumptions	-	-	(379,104)	(347,987)	(161,010)
Benefit payments	<u>(534,136)</u>	<u>(301,175)</u>	<u>(234,600)</u>	<u>(101,967)</u>	<u>(119,767)</u>
Net change in OPEB liability	189,864	(123,341)	(14,078)	(2,232,363)	(369,911)
Total OPEB liability - beginning	<u>6,198,136</u>	<u>6,388,000</u>	<u>6,264,658</u>	<u>6,250,581</u>	<u>4,018,218</u>
Total OPEB liability - ending (a)	<u>\$ 6,388,000</u>	<u>\$ 6,264,659</u>	<u>\$ 6,250,580</u>	<u>\$ 4,018,218</u>	<u>\$ 3,648,307</u>
Plan Fiduciary net position					
Contributions - employer	\$ 948,000	\$ 322,000	\$ 254,947	\$ 234,000	\$ 50,000
Net investment income	651,279	466,729	325,839	95,053	2,059,847
Benefit payments	(534,136)	(301,175)	(234,600)	(101,967)	(119,767)
Administrative expense	<u>(20,241)</u>	<u>(31,730)</u>	<u>(24,241)</u>	<u>(15,313)</u>	<u>(23,882)</u>
Net change in plan fiduciary net position	1,044,902	455,824	321,945	211,773	1,966,198
Plan fiduciary net position - beginning	<u>5,187,238</u>	<u>6,232,140</u>	<u>6,687,964</u>	<u>7,009,910</u>	<u>7,221,683</u>
Plan fiduciary net position - ending (b)	<u>\$ 6,232,140</u>	<u>\$ 6,687,964</u>	<u>\$ 7,009,909</u>	<u>\$ 7,221,683</u>	<u>\$ 9,187,881</u>
County's net pension liability (asset) - ending (a)-(b)	<u>\$ 155,860</u>	<u>\$ (423,305)</u>	<u>\$ (759,329)</u>	<u>\$ (3,203,465)</u>	<u>\$ (5,539,574)</u>
Fiduciary net position as a percentage of the total OPEB liability	97.56%	106.76%	112.15%	179.72%	251.84%
Covered-employee payroll ¹	NA	NA	NA	NA	NA
Net OPEB liability as a percentage of payroll ¹					
Expected average remaining service years of all participants	10	10	10	10	10

¹ Since the OPEB plan does not depend on salary, the salary information is not shown.

Notes to schedule:

Information for fiscal year 2016 and earlier is not available.

Benefit Changes: Effective January 1, 2020, the plan was changed to provide a health reimbursement plan (HRA) for participants.

The County provides a fixed dollar benefit for retirees based on their years of service.

Medical Trend was updated to the latest model released by the SOA

Claims assumptions was updated to include the most recent three years of plan experience

Source: Cecil County OPEB Plan Actuarial Reports

**THE CECIL COUNTY, MARYLAND NON-PENSION
POST EMPLOYMENT BENEFIT TRUSTS
SCHEDULE OF COUNTY CONTRIBUTIONS**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Actuarially determined contribution	\$ 331,000	\$ 233,000	\$ 155,000	\$ 155,000	\$ -
Contributions in relation to the actuarially determined contributio	<u>948,000</u>	<u>322,000</u>	<u>254,947</u>	<u>234,000</u>	<u>50,000</u>
Contribution deficiency (excess)	<u>\$ (617,000)</u>	<u>\$ (89,000)</u>	<u>\$ (99,947)</u>	<u>\$ (79,000)</u>	<u>\$ (50,000)</u>
Covered payroll ¹					
Contributions as a percentage of payroll ¹					

¹ Since the OPEB plan does not depend on salary, the salary information is not shown.

Notes to schedule:

Valuation date:

Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the year immediately following the fiscal year and the next following year. Actuarial valuations are performed every year.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Cost
Amortization method	Level Percentage of Payroll
Remaining amortization period	18 years (as of July 1, 2021)
Asset valuation method	Market Value of Assets
Inflation	2.40%
Salary increases	2.5% per year
Investment rate of return	7.0%, net of investment expense
Healthcare cost trend rate	Based on the SOA Model was released in October 2010 and updated in October 2018 (1.5% GDP) adjusted for the effects of the Cadillac Tax set to take effect in 2022
Employees Included	25% of active employees enrolled in health care 5% of terminated employees currently enrolled in health care The OPEB coverage is assumed to begin at age 65
Marital Status and Age of Spouse	Actual coverage election

Prior Year Information:

Information for fiscal year 2016 and earlier is not available

Source: Cecil County OPEB Plan Actuarial Reports

**THE CECIL COUNTY, MARYLAND NON-PENSION
POST EMPLOYMENT BENEFIT TRUSTS
SCHEDULE OF INVESTMENT RETURNS**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Annual money-weighted rate of return, net of investment expense	12.97%	7.67%	4.95%	1.36%	29.64%

Notes to schedule:

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



CECIL COUNTY, MARYLAND

Major Governmental Fund

General Fund

The General Fund is the general operating fund of the County. It is used to account for all financial resources except for those required to be accounted for in another fund.

The schedules on the following pages present General Fund budget and actual activity in its lowest level of legal budgetary control - the department.

Note that due to the size of the Department of Public Works and the Sheriff's Office, the divisions of those departments are shown and totaled. Also, the divisions of Building Maintenance are shown in the four primary functions that they serve to more closely disclose the costs of each function.

CECIL COUNTY, MARYLAND

SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER
FINANCING SOURCES (USES) - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget - Positive (Negative)
Revenues				
Property Taxes	\$ 126,974,657	\$ 126,974,657	\$ 126,449,424	\$ (525,233)
Income Taxes	63,962,320	63,962,320	81,290,908	17,328,588
Licenses and Permits	2,030,771	2,030,771	2,250,615	219,844
Intergovernmental	3,527,923	3,527,923	3,148,596	(379,327)
Charges for Services	9,642,402	9,660,402	15,019,391	5,358,989
Investment Earnings	719,821	719,821	128,715	(591,106)
Contributions & Other Revenues	64,000	64,000	81,294	17,294
Total Revenues	<u>206,921,894</u>	<u>206,939,894</u>	<u>228,368,943</u>	<u>21,429,049</u>
Other Financing Sources				
Transfers in from Other Funds	740,000	740,000	440,000	(300,000)
Total Other Financing Sources	<u>740,000</u>	<u>740,000</u>	<u>440,000</u>	<u>(300,000)</u>
Total Revenues and Other Financing Sources	<u>\$207,661,894</u>	<u>\$207,679,894</u>	<u>\$ 228,808,943</u>	<u>\$ 21,129,049</u>
Expenditures				
General Government				
County Executive	\$ 192,368	\$ 192,368	\$ 184,298	\$ 8,070
County Council	444,358	444,358	408,690	35,668
Office of Administrator	447,606	447,606	419,724	27,882
County Attorney & Legal	355,221	355,221	350,176	5,045
Human Resources	1,387,679	1,387,679	1,334,967	52,712
Finance Department	2,892,365	2,892,365	2,667,130	225,235
Circuit Court	2,398,936	2,398,936	2,266,905	132,031
Orphans Court	52,674	52,674	50,394	2,280
Board of Elections	1,118,042	1,118,042	897,569	220,473
Liquor Board Licensing	217,915	217,915	205,006	12,909
Building Maintenance	1,985,595	1,991,595	1,712,903	278,692
Total General Government	<u>11,492,759</u>	<u>11,498,759</u>	<u>10,497,762</u>	<u>1,000,997</u>
Highways, Streets, and Bridges				
Public Works - Administration	2,788,225	2,768,225	2,539,977	228,248
Public Works - Roads Administration	4,925,419	4,755,419	5,120,881	(365,462)
Public Works - Roads Maintenance	3,437,897	4,286,141	4,175,954	110,187
Total Highways, Streets, and Bridges	<u>11,151,541</u>	<u>11,809,785</u>	<u>11,836,812</u>	<u>(27,027)</u>
Recreation and Culture				
Board of Parks	1,913,017	1,913,017	1,636,790	276,227
Building Maintenance	143,905	126,505	60,412	66,093
Total Recreation and Culture	<u>\$ 2,056,922</u>	<u>\$ 2,039,522</u>	<u>\$ 1,697,202</u>	<u>\$ 342,320</u>

CECIL COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND OTHER
FINANCING SOURCES (USES) - BUDGET AND ACTUAL
GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget -
				Positive
				(Negative)
Expenditures (Continued)				
Public Safety				
Sheriff's Office - Law Enforcement	\$ 13,670,152	\$ 13,688,152	\$ 13,616,059	\$ 72,093
Sheriff's Office - Special Assignments	221,819	221,819	198,216	23,603
Sheriff's Office - Detention Center	8,723,420	8,723,420	8,886,296	(162,876)
Sheriff's Office - Work Release Program	<u>2,582,700</u>	<u>2,709,433</u>	<u>2,348,371</u>	<u>361,062</u>
Sheriff's Office - Department Total	25,198,091	25,342,824	25,048,942	293,882
State's Attorney's Office	2,750,202	2,750,202	2,801,024	(50,822)
Emergency Management	8,800,952	8,764,951	9,124,444	(359,493)
Volunteer Fire Departments	5,514,868	6,309,710	5,217,777	1,091,933
Land Use & Development Services	2,625,781	2,775,781	2,502,501	273,280
Animal Control	1,186,132	1,186,132	1,162,760	23,372
Building Maintenance	<u>2,068,460</u>	<u>2,156,018</u>	<u>1,831,928</u>	<u>324,090</u>
Total Public Safety	<u>48,144,486</u>	<u>49,285,618</u>	<u>47,689,376</u>	<u>1,596,242</u>
Health and Welfare				
Health Department	3,823,475	3,823,475	3,841,590	(18,115)
Social Services	474,106	474,106	356,936	117,170
Non-Profit Agencies	109,889	109,889	76,364	33,525
Building Maintenance	<u>234,696</u>	<u>224,696</u>	<u>141,355</u>	<u>83,341</u>
Total Health and Welfare	<u>4,642,166</u>	<u>4,632,166</u>	<u>4,416,245</u>	<u>215,921</u>
Education				
Cecil County Board of Education	87,171,778	87,309,545	87,277,052	32,493
Cecil Community College	<u>12,059,401</u>	<u>12,144,401</u>	<u>12,083,971</u>	<u>60,430</u>
Total Education	<u>99,231,179</u>	<u>99,453,946</u>	<u>99,361,023</u>	<u>92,923</u>
Public Libraries	<u>6,406,619</u>	<u>6,406,619</u>	<u>6,406,619</u>	<u>-</u>
Economic Development	<u>1,596,999</u>	<u>1,596,999</u>	<u>1,430,926</u>	<u>166,073</u>
Agriculture	<u>683,944</u>	<u>683,944</u>	<u>685,321</u>	<u>(1,377)</u>
Municipalities	<u>733,263</u>	<u>733,263</u>	<u>733,260</u>	<u>3</u>
Total Expenditures	<u>186,139,878</u>	<u>188,140,621</u>	<u>184,754,546</u>	<u>3,386,075</u>
Other Financing Uses				
Transfers to Special Revenue Funds	3,686,319	3,686,319	3,079,186	607,133
Transfers to Debt Service Fund	17,835,697	17,835,697	17,831,131	4,566
Transfers to Capital Projects Funds	<u>-</u>	<u>200,000</u>	<u>1,700,000</u>	<u>(1,500,000)</u>
Total Other Financing Uses	<u>21,522,016</u>	<u>21,722,016</u>	<u>22,610,317</u>	<u>(888,301)</u>
Total Expenditures and				
Other Financing Uses	<u>\$207,661,894</u>	<u>\$209,862,637</u>	<u>\$ 207,364,863</u>	<u>\$ 2,497,774</u>

CECIL COUNTY, MARYLAND
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
ASSETS			
Cash (Note 3)	\$ -	\$ 1,312,505	\$ 1,312,505
Receivables, Net (Note 4)	66,727	93	66,820
Due from Other Governments	1,376,830	-	1,376,830
Restricted Assets: Cash and Investments (Note 3)	<u>1,155,785</u>	<u>-</u>	<u>1,155,785</u>
Total Assets	<u>\$ 2,599,342</u>	<u>\$ 1,312,598</u>	<u>\$ 3,911,940</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 341,175	\$ -	\$ 341,175
Salaries and Benefits Payable	276,712	-	276,712
Due to Other Funds	585,226	-	585,226
Deferred Revenue	237,454	-	237,454
Other Liabilities	<u>2,062</u>	<u>-</u>	<u>2,062</u>
Total Liabilities	<u>1,442,629</u>	<u>-</u>	<u>1,442,629</u>
Fund Balances:			
Restricted	<u>1,156,713</u>	<u>1,312,598</u>	<u>2,469,311</u>
Total Fund Balances	<u>1,156,713</u>	<u>1,312,598</u>	<u>2,469,311</u>
Total Liabilities and Fund Balances	<u>\$ 2,599,342</u>	<u>\$ 1,312,598</u>	<u>\$ 3,911,940</u>

CECIL COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
REVENUES			
Special Assessments	\$ -	\$ 6,099	\$ 6,099
Intergovernmental	5,350,650	-	5,350,650
Charges for Services	586,194	-	586,194
Investment Earnings	<u>1,306</u>	<u>-</u>	<u>1,306</u>
Total Revenues	<u>5,938,150</u>	<u>6,099</u>	<u>5,944,249</u>
EXPENDITURES			
Current:			
Health and Welfare	8,419,100	-	8,419,100
Principal	-	14,071,884	14,071,884
Interest and Fiscal Charges	<u>-</u>	<u>7,222,746</u>	<u>7,222,746</u>
Total Expenditures	<u>8,419,100</u>	<u>21,294,630</u>	<u>29,713,730</u>
Deficiency of Revenues (Under) Expenditures	<u>(2,480,950)</u>	<u>(21,288,531)</u>	<u>(23,769,481)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>2,983,143</u>	<u>17,831,131</u>	<u>20,814,274</u>
Total Other Financing Sources	<u>2,983,143</u>	<u>17,831,131</u>	<u>20,814,274</u>
Net Change in Fund Balances	502,193	(3,457,400)	(2,955,207)
Fund Balances - Beginning	<u>654,520</u>	<u>4,769,998</u>	<u>5,424,518</u>
Fund Balances - Ending	<u>\$ 1,156,713</u>	<u>\$ 1,312,598</u>	<u>\$ 2,469,311</u>



MARYLAND
5 STARTM
AT FAIR HILL



Doug Payne and Vandiver competing at Maryland 5 Star at Fair Hill event.

CECIL COUNTY, MARYLAND

Non-Major Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for operating revenues that are restricted to finance particular functions or activities of government.

Agricultural Land Preservation Fund - This fund is used to account for federal, state (including the Maryland Agricultural Land Preservation Foundation programs), and County funding of agricultural land easement purchases and direct land purchases.

Community Services Fund - This fund is used to account for services, programs, and activities supported by legally restricted state and federal grants, and funds from County government resources.

Economic Development Catalyst Loan Fund - This fund is used to account for federal Community Development Block Grants and State revolving loan programs legally restricted to economic development programs within the County.

CECIL COUNTY, MARYLAND
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
JUNE 30, 2021

	Agricultural Land Preservation	Community Services	Economic Development Catalyst Loan Fund	Total
ASSETS				
Receivables, Net:				
Accounts	\$ -	\$ 327	\$ -	\$ 327
Notes	-	-	66,400	66,400
Due from Other Governments	-	1,376,830	-	1,376,830
Restricted Assets: Cash and Investments	<u>734,933</u>	<u>-</u>	<u>420,852</u>	<u>1,155,785</u>
Total Assets	<u>\$ 734,933</u>	<u>\$ 1,377,157</u>	<u>\$ 487,252</u>	<u>\$ 2,599,342</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 341,175	\$ -	\$ 341,175
Salaries and Benefits Payable	-	276,712	-	276,712
Due to Other Funds	-	519,754	65,472	585,226
Deferred Revenue	-	237,454	-	237,454
Other Liabilities	<u>-</u>	<u>2,062</u>	<u>-</u>	<u>2,062</u>
Total Liabilities	<u>-</u>	<u>1,377,157</u>	<u>65,472</u>	<u>1,442,629</u>
Fund Balances:				
Restricted	<u>734,933</u>	<u>-</u>	<u>421,780</u>	<u>1,156,713</u>
Total Fund Balances	<u>734,933</u>	<u>-</u>	<u>421,780</u>	<u>1,156,713</u>
Total Liabilities and Fund Balances	<u>\$ 734,933</u>	<u>\$ 1,377,157</u>	<u>\$ 487,252</u>	<u>\$ 2,599,342</u>

CECIL COUNTY, MARYLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	Agricultural Land Preservation	Community Services	Economic Development Catalyst Loan Fund	Total
REVENUES				
Intergovernmental	\$ 175,887	\$ 5,174,763	\$ -	\$ 5,350,650
Charges for Services	-	586,194	-	586,194
Investment Earnings	-	-	1,306	1,306
Total Revenues	<u>175,887</u>	<u>5,760,957</u>	<u>1,306</u>	<u>5,938,150</u>
EXPENDITURES				
Current:				
Health and Welfare	-	8,419,100	-	8,419,100
Total Expenditures	<u>-</u>	<u>8,419,100</u>	<u>-</u>	<u>8,419,100</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>175,887</u>	<u>(2,658,143)</u>	<u>1,306</u>	<u>(2,480,950)</u>
OTHER FINANCING SOURCES				
Transfers In	325,000	2,658,143	-	2,983,143
Total Other Financing Sources	<u>325,000</u>	<u>2,658,143</u>	<u>-</u>	<u>2,983,143</u>
Net Change in Fund Balances	500,887	-	1,306	502,193
Fund Balances - Beginning	<u>234,046</u>	<u>-</u>	<u>420,474</u>	<u>654,520</u>
Fund Balances - Ending	<u>\$ 734,933</u>	<u>\$ -</u>	<u>\$ 421,780</u>	<u>\$ 1,156,713</u>

CECIL COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

AGRICULTURAL LAND PRESERVATION
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget -
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES				
Intergovernmental	\$ 30,000	\$ 30,000	\$ 175,887	\$ 145,887
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>175,887</u>	<u>145,887</u>
EXPENDITURES				
Current:				
Agriculture	<u>172,915</u>	<u>172,915</u>	-	<u>172,915</u>
Total Expenditures	<u>172,915</u>	<u>172,915</u>	-	<u>172,915</u>
Deficiency of Revenues (Under) Expenditures	<u>(142,915)</u>	<u>(142,915)</u>	<u>175,887</u>	<u>318,802</u>
OTHER FINANCING SOURCES				
Transfers In	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>	-
Total Other Financing Sources	<u>325,000</u>	<u>325,000</u>	<u>325,000</u>	-
Net Change in Fund Balance	182,085	182,085	500,887	318,802
Fund Balance - Beginning	<u>234,046</u>	<u>234,046</u>	<u>234,046</u>	-
Fund Balance - Ending	<u>\$ 416,131</u>	<u>\$ 416,131</u>	<u>\$ 734,933</u>	<u>\$ 318,802</u>

CECIL COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

COMMUNITY SERVICES
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget -
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 4,631,196	\$ 7,269,121	\$ 5,174,763	\$ (2,094,358)
Charges for Services	<u>647,610</u>	<u>692,560</u>	<u>586,194</u>	<u>(106,366)</u>
Total Revenues	<u>5,278,806</u>	<u>7,961,681</u>	<u>5,760,957</u>	<u>(2,200,724)</u>
EXPENDITURES				
Current:				
Health and Welfare	<u>8,518,231</u>	<u>11,201,106</u>	<u>8,419,100</u>	<u>2,782,006</u>
Total Expenditures	<u>8,518,231</u>	<u>11,201,106</u>	<u>8,419,100</u>	<u>2,782,006</u>
Deficiency of Revenues				
(Under) Expenditures	<u>(3,239,425)</u>	<u>(3,239,425)</u>	<u>(2,658,143)</u>	<u>581,282</u>
OTHER FINANCING SOURCES				
Transfers In	<u>3,230,925</u>	<u>3,230,925</u>	<u>2,658,143</u>	<u>(572,782)</u>
Total Other Financing Sources	<u>3,230,925</u>	<u>3,230,925</u>	<u>2,658,143</u>	<u>(572,782)</u>
Net Change in Fund Balance	(8,500)	(8,500)	-	8,500
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ (8,500)</u>	<u>\$ (8,500)</u>	<u>\$ -</u>	<u>\$ 8,500</u>

CECIL COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
NON-MAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS

ECONOMIC DEVELOPMENT CATALYST LOAN FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget -
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	1,306	1,306
Total Revenues	-	-	1,306	1,306
EXPENDITURES				
Current:				
Economic Development	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues				
Over Expenditures	-	-	1,306	1,306
Net Change in Fund Balance	-	-	1,306	1,306
Fund Balance - Beginning	420,474	420,470	420,474	-
Fund Balance - Ending	<u>\$ 420,474</u>	<u>\$ 420,470</u>	<u>\$ 421,780</u>	<u>\$ 1,306</u>



Cecil County - Small Towns



CECIL COUNTY, MARYLAND

Non-Major Governmental Funds

Debt Service Fund

The Debt Service Fund is maintained to account for the issuance and payment of long-term general obligation bonds and other long-term debt.

CECIL COUNTY, MARYLAND
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUND
DEBT SERVICE FUND
JUNE 30, 2021

ASSETS	
Cash	\$ 1,312,505
Investments	-
Receivables, Net	<u>93</u>
Total Assets	<u>\$ 1,312,598</u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable	\$ <u>-</u>
Total Liabilities	<u>-</u>
 Fund Balance:	
Restricted	<u>1,312,598</u>
Total Fund Balances	<u>1,312,598</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,312,598</u>

CECIL COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL
NON-MAJOR GOVERNMENTAL FUND

DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget -
				Positive
				(Negative)
REVENUES				
Special Assessments	\$ 6,099	\$ 6,099	\$ 6,099	\$ -
Total Revenues	<u>6,099</u>	<u>6,099</u>	<u>6,099</u>	<u>-</u>
EXPENDITURES				
Debt Service:				
Principal	14,071,885	14,071,885	14,071,884	1
Interest & Fiscal Charges	<u>7,219,911</u>	<u>7,219,911</u>	<u>7,222,746</u>	<u>(2,835)</u>
Total Expenditures	<u>21,291,796</u>	<u>21,291,796</u>	<u>21,294,630</u>	<u>(2,834)</u>
Deficiency of Revenues				
(Under) Expenditures	<u>(21,285,697)</u>	<u>(21,285,697)</u>	<u>(21,288,531)</u>	<u>(2,834)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>21,291,796</u>	<u>21,291,796</u>	<u>17,831,131</u>	<u>(3,460,665)</u>
Total Other Financing Sources	<u>21,291,796</u>	<u>21,291,796</u>	<u>17,831,131</u>	<u>(3,460,665)</u>
Net Change in Fund Balance	6,099	6,099	(3,457,400)	(3,463,499)
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>4,769,998</u>	<u>4,769,998</u>
Fund Balance - Ending	<u>\$ 6,099</u>	<u>\$ 6,099</u>	<u>\$ 1,312,598</u>	<u>\$ 1,306,499</u>

CECIL COUNTY, MARYLAND

Internal Service Funds

Internal Service Funds are maintained to account for the financing of goods and/or services provided by one department to other departments or governmental units on a cost-reimbursement basis.

Health Insurance Fund - This fund is used to account for the expenditures and allocations of costs of the group health insurance plan. The Plan employer participants are Cecil County Government, Cecil College, and Cecil County Public Library.

Workers Compensation Fund - This fund is used to account for the expenditures and allocations of the costs of the self-insured workers compensation benefits. The expenditures consist of payments for work related injuries to employees. Stop loss insurance is provided to protect against catastrophic losses.

Motor Vehicle Fund - This fund is used to account for the expenditures and allocations of the costs of the County fleet of vehicles. The expenditures consist of depreciation and the operating costs of the County central garage including utilities and a contract maintenance services. In 2014, the County changed this fund from just a maintenance service cost allocation fund to a fund that owned and depreciated the vehicles as well as performed maintenance services. As part of this change, the County acquired vehicles from the General Fund and Enterprise Funds.

Information Technology Fund - This fund is used to account for the expenditures and allocations of the costs of the County's information technology department. The expenditures consist of depreciation and operating costs related to maintaining the County's computer and network infrastructure, communication and telephone infrastructure, and copier services. In 2014, the County created this fund and transferred in the budget and responsibilities from the General Fund.

CECIL COUNTY, MARYLAND
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2021

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Information Technology</u>	<u>Motor Vehicle</u>	<u>Total Internal Service Funds</u>
ASSETS					
Current Assets:					
Cash and Cash Equivalents (Note 3)	\$ 1,701,043	\$ -	\$ -	\$ -	\$ 1,701,043
Investments (Note 3)	3,835,046	8,718,533	-	-	12,553,579
Receivables, Net:					
Accounts	4,105	-	-	-	4,105
Other	543,546	-	-	151,622	695,168
Due from Other Governments	-	-	-	129,192	129,192
Inventory	-	-	-	34,509	34,509
Other Assets	185,400	90,000	49,529	84,662	409,591
Total Current Assets	<u>6,269,140</u>	<u>8,808,533</u>	<u>49,529</u>	<u>399,985</u>	<u>15,527,186</u>
Non-Current Assets:					
Capital Assets, Net:					
Construction In Progress	-	-	-	23,285	23,285
Vehicles	-	-	-	9,872,671	9,872,671
Buildings	-	-	-	169,924	169,924
Machinery & Equipment	-	-	5,730,882	1,902	5,732,784
Total Non-Current Assets	<u>-</u>	<u>-</u>	<u>5,730,882</u>	<u>10,067,782</u>	<u>15,798,665</u>
Total Assets	<u>6,269,140</u>	<u>8,808,533</u>	<u>5,780,411</u>	<u>10,467,767</u>	<u>31,325,851</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	54,957	38,101	65,627	597,719	756,404
Salary & Benefits Payable	-	-	77,976	-	77,976
Accrued Expenses	967,581	5,126,000	-	-	6,093,581
Unearned Revenue (Note 11)	-	-	-	76,404	76,404
Capital Lease	-	-	290,089	1,586,427	1,876,516
Compensated Absences	-	-	49,908	-	49,908
Total Current Liabilities	<u>1,022,538</u>	<u>5,164,101</u>	<u>483,599</u>	<u>2,260,550</u>	<u>8,930,788</u>
Non-Current Liabilities:					
Capital Lease	-	-	134,661	3,680,154	3,814,814
Advances from Other Funds (Note 7)	-	-	3,209,820	2,775,429	5,985,249
Compensated Absences	-	-	24,954	-	24,954
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>3,369,434</u>	<u>6,455,582</u>	<u>9,825,017</u>
Total Liabilities	<u>1,022,538</u>	<u>5,164,101</u>	<u>3,853,034</u>	<u>8,716,132</u>	<u>18,755,805</u>
NET POSITION					
Net Investment in Capital Assets	-	-	5,306,133	4,801,201	10,107,334
Unrestricted (Deficit)	5,246,602	3,644,433	(3,378,755)	(3,049,567)	2,462,712
Total Net Position	<u>\$ 5,246,602</u>	<u>\$ 3,644,432</u>	<u>\$ 1,927,378</u>	<u>\$ 1,751,634</u>	<u>\$ 12,570,046</u>

CECIL COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Information Technology</u>	<u>Motor Vehicle</u>	<u>Total Internal Service Funds</u>
Operating Revenues:					
Charges for Services	\$ 13,615,020	\$ 960,391	\$ 4,786,224	\$ 4,495,341	\$23,856,977
Miscellaneous Revenue	-	-	28,682	34,835	63,517
	<u>13,615,020</u>	<u>960,391</u>	<u>4,814,906</u>	<u>4,530,176</u>	<u>23,920,494</u>
Operating Expenses:					
Benefit Payments	11,323,858	1,398,521	-	-	12,722,380
Salaries and Related	-	-	1,264,284	-	1,264,284
Materials, Supplies, and Services	622,936	62,902	2,545,342	2,729,866	5,961,045
Depreciation	-	-	1,576,359	2,241,466	3,817,825
	<u>11,946,794</u>	<u>1,461,423</u>	<u>5,385,985</u>	<u>4,971,331</u>	<u>23,765,534</u>
Total Operating Expenses					
	<u>11,946,794</u>	<u>1,461,423</u>	<u>5,385,985</u>	<u>4,971,331</u>	<u>23,765,534</u>
Operating Income (Loss)	<u>1,668,226</u>	<u>(501,032)</u>	<u>(571,079)</u>	<u>(441,155)</u>	<u>154,960</u>
Non-Operating Revenues (Expenses)					
Investment Earnings	2,835	29,170	-	-	32,005
Interest Expense	-	-	(12,630)	(80,380)	(93,010)
Bond Issue Expense	-	-	-	(5,000)	(5,000)
Gain/Loss on Fixed Asset Disposals	-	-	-	217,133	217,133
	<u>2,835</u>	<u>29,170</u>	<u>(12,630)</u>	<u>131,753</u>	<u>151,128</u>
Total Non-Operating Revenues					
	<u>2,835</u>	<u>29,170</u>	<u>(12,630)</u>	<u>131,753</u>	<u>151,128</u>
Income (Loss) Before					
Contributions and Transfers	1,671,061	(471,862)	(583,708)	(309,402)	306,088
Capital Contributions and Transfers:					
Intergovernmental Grants	-	-	-	133,071	133,071
	<u>1,671,061</u>	<u>(471,862)</u>	<u>(583,708)</u>	<u>(176,331)</u>	<u>439,159</u>
Change in Net Position					
	<u>1,671,061</u>	<u>(471,862)</u>	<u>(583,708)</u>	<u>(176,331)</u>	<u>439,159</u>
Net Position - Beginning	<u>3,575,541</u>	<u>4,116,295</u>	<u>2,511,086</u>	<u>1,927,965</u>	<u>12,130,887</u>
Net Position - Ending	<u>\$ 5,246,602</u>	<u>\$ 3,644,433</u>	<u>\$ 1,927,378</u>	<u>\$ 1,751,634</u>	<u>\$ 12,570,046</u>

CECIL COUNTY, MARYLAND
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Health Insurance</u>	<u>Workers Compensation</u>	<u>Information Technology</u>	<u>Motor Vehicle</u>	<u>Total Internal Service Funds</u>
Cash Flows From Operating Activities:					
Receipts from Service Charges & Insured	\$ 13,537,647	\$ 960,391	\$ 4,814,906	\$ 4,180,371	\$23,493,316
Payments to Suppliers and Providers	(12,019,952)	(1,174,901)	(2,793,603)	(2,475,936)	(18,464,392)
Payments to Employees	-	-	(1,223,947)	-	(1,223,947)
Net Cash Provided by Operating Activities	<u>1,517,695</u>	<u>(214,510)</u>	<u>797,356</u>	<u>1,704,436</u>	<u>3,804,977</u>
Cash Flows From Non-Capital Financing Activities:					
Advances from Other Funds	-	-	94,495	(182,020)	(87,525)
Cash Flows From Non-Capital Financing Activities:	<u>-</u>	<u>-</u>	<u>94,495</u>	<u>(182,020)</u>	<u>(87,525)</u>
Cash Flows From Capital and Related Financing Activities:					
Proceeds from Capital Lease Received	-	-	-	1,999,198	1,999,198
Proceeds from Capital Grants Received	-	-	-	133,071	133,071
Acquisition of Capital Assets	-	-	(547,121)	(3,256,332)	(3,803,453)
Principal Paid on Debt Maturities	-	-	(332,100)	(1,254,257)	(1,586,357)
Interest Paid on Debt	-	-	(12,630)	(80,380)	(93,010)
Proceeds from Sale of Capital Assets	-	-	-	936,285	936,285
Net Cash Flows From Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(891,851)</u>	<u>(1,522,415)</u>	<u>(2,414,266)</u>
Cash Flows From Investing Activities:					
Interest on Investments	2,835	29,170	-	-	32,005
Net Cash Flows From Investment Activities	<u>2,835</u>	<u>29,170</u>	<u>-</u>	<u>-</u>	<u>32,005</u>
Net Increase in Cash and Cash Equivalents	1,520,530	(185,340)	-	-	1,335,190
Cash and Cash Equivalents - June 30, 2020	<u>4,015,559</u>	<u>8,903,873</u>	<u>-</u>	<u>-</u>	<u>12,919,432</u>
Cash and Cash Equivalents - June 30, 2021	<u>\$ 5,536,089</u>	<u>\$ 8,718,533</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,254,622</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 1,668,226	\$ (501,032)	\$ (571,079)	\$ (441,155)	\$ 154,960
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	-	-	1,576,359	2,241,466	3,817,825
Effect of changes in Assets and Liabilities:					
Accounts Receivable	(77,373)	-	-	(272,368)	(349,741)
Due to Other Funds	-	-	-	-	-
Inventory	-	-	-	-	-
Other Assets	-	-	(31,214)	33,811	2,597
Accounts Payable	30,950	(8,478)	(208,208)	222,689	36,953
Salary & Benefits Payable	-	-	17,092	-	17,092
Compensated Absences	-	-	23,245	-	23,245
Accrued Expenses	(104,108)	295,000	(8,839)	(2,570)	179,483
Unearned Revenue	-	-	-	(77,437)	(77,437)
Total Adjustments	<u>(150,531)</u>	<u>286,522</u>	<u>1,368,435</u>	<u>2,145,591</u>	<u>3,650,017</u>
Net Cash Provided by Operating Activities	<u>\$ 1,517,695</u>	<u>\$ (214,510)</u>	<u>\$ 797,356</u>	<u>\$ 1,704,436</u>	<u>\$ 3,804,977</u>

CECIL COUNTY, MARYLAND

Fiduciary Fund Type - Pension Funds

Public Safety Retirement Fund - This fund is used to account for the pension system of certain law enforcement and public safety employees of Cecil County.

Other Post Employment Benefits Fund - This fund is used to account for the County's other post-employment benefits; the trust fund will act as a funding mechanism for the employer's cost of retiree benefits.

Volunteer Length of Service Award Program Fund - This fund is used to account for the deferred compensation plan of certain local fire and rescue service volunteers of Cecil County.

CECIL COUNTY, MARYLAND
STATEMENT OF FIDUCIARY NET POSITION
PENSION TRUST FUNDS
JUNE 30, 2021

	<u>Public Safety Retirement Fund</u>	<u>Other Post Employment Benefits Fund</u>	<u>Volunteer Length of Service Award Program Fund</u>	<u>Total Pension Funds</u>
ASSETS				
Cash and Cash Equivalents	\$ 379,229	\$ 185,622	\$ -	\$ 564,851
Investments, at fair value:				
Institutional Separate Accounts	70,529,139	-	-	70,529,139
Mutual Funds	5,845,415	8,829,728	-	14,675,143
Maryland Local Govt. Investment Pool	<u>-</u>	<u>181,153</u>	<u>1,060,045</u>	<u>1,241,198</u>
Total Investments	<u>76,374,554</u>	<u>9,010,881</u>	<u>1,060,045</u>	<u>86,445,480</u>
Total Assets	<u>76,753,783</u>	<u>9,196,503</u>	<u>1,060,045</u>	<u>87,010,331</u>
LIABILITIES				
Accounts Payable	<u>549</u>	<u>8,622</u>	<u>-</u>	<u>9,171</u>
Total Liabilities	<u>549</u>	<u>8,622</u>	<u>-</u>	<u>9,171</u>
NET POSITION				
Restricted for:				
Employee Benefits	<u>76,753,234</u>	<u>9,187,881</u>	<u>1,060,045</u>	<u>87,001,160</u>
Total Net Position	<u>\$ 76,753,234</u>	<u>\$ 9,187,881</u>	<u>\$ 1,060,045</u>	<u>\$ 87,001,160</u>

CECIL COUNTY, MARYLAND

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Public Safety Retirement Fund</u>	<u>Other Post Employment Benefits Fund</u>	<u>Volunteer Length of Service Award Program Fund</u>	<u>Total Pension Funds</u>
ADDITIONS				
Contributions				
Cecil County	\$ 1,787,079	\$ 50,000	\$ 1,032,000	\$ 2,869,079
Participants	<u>1,033,449</u>	<u>-</u>	<u>-</u>	<u>1,033,449</u>
Total Contributions	<u>2,820,528</u>	<u>50,000</u>	<u>1,032,000</u>	<u>3,902,528</u>
INVESTMENT INCOME				
Investment Earnings:				
Net Appreciation (Depreciation) in Fair Value of Investments	17,600,082	1,932,189	-	19,532,271
Interest and Dividends	<u>1,813,461</u>	<u>159,128</u>	<u>592</u>	<u>1,973,181</u>
Total Investment Earnings (Loss)	19,413,543	2,091,317	592	21,505,452
Less: Investment Expense	<u>(428,650)</u>	<u>(31,470)</u>	<u>-</u>	<u>(460,120)</u>
Net Investment Income (Loss)	<u>18,984,893</u>	<u>2,059,847</u>	<u>592</u>	<u>21,045,332</u>
Total Additions	<u>21,805,421</u>	<u>2,109,847</u>	<u>1,032,592</u>	<u>24,947,860</u>
DEDUCTIONS				
Benefit Payments	2,438,475	119,767	804,741	3,362,983
Refunds of Contributions	148,698	-	10,000	158,698
Administrative Expense	<u>34,699</u>	<u>23,882</u>	<u>18,219</u>	<u>76,800</u>
Total Deductions	<u>2,621,872</u>	<u>143,649</u>	<u>832,960</u>	<u>3,598,481</u>
Change in Net Position	19,183,549	1,966,198	199,632	21,349,379
Net Position - Beginning	<u>57,569,685</u>	<u>7,221,683</u>	<u>860,413</u>	<u>65,651,781</u>
Net Position - Ending	<u>\$ 76,753,234</u>	<u>\$ 9,187,881</u>	<u>\$ 1,060,045</u>	<u>\$ 87,001,160</u>

CECIL COUNTY, MARYLAND

Fiduciary Fund Type - Custodial Funds

The Custodial Funds are maintained to account for assets held by the County in a custodial capacity.

State Tax Collection Fund - This fund is maintained to account for state taxes collected and held in an custodial capacity.

State Bay Restoration Fee Collection Fund - This fund is maintained to account for State Bay Restoration Fees collected and held in an custodial capacity.

Town Collection Funds - These funds are maintained to account for taxes billed and collected on behalf of the County's incorporated towns and held in an custodial capacity.

CECIL COUNTY, MARYLAND

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2021</u>
COLLECTIONS - STATE TAXES				
Assets				
Cash	\$ 122,447	\$ 13,600,758	\$ (13,634,924)	\$ 88,281
Accounts Receivable - Property Taxes	<u>47,547</u>	<u>28,825,127</u>	<u>(28,755,785)</u>	<u>116,889</u>
Total Assets	<u>\$ 169,994</u>	<u>\$ 42,425,885</u>	<u>\$ (42,390,709)</u>	<u>\$ 205,170</u>
Liabilities				
Due to Other Governments	\$ <u>169,994</u>	\$ <u>27,518,753</u>	\$ <u>(27,483,577)</u>	\$ <u>205,170</u>
Total Liabilities	<u>\$ 169,994</u>	<u>\$ 27,518,753</u>	<u>\$ (27,483,577)</u>	<u>\$ 205,170</u>
COLLECTIONS - STATE BAY RESTORATION FEE				
Assets				
Cash	\$ 276,115	\$ 1,795,808	\$ (1,780,338)	\$ 291,585
Accounts Receivable - Fees	<u>179,057</u>	<u>3,064,848</u>	<u>(3,065,261)</u>	<u>178,644</u>
Total Assets	<u>\$ 455,172</u>	<u>\$ 4,860,656</u>	<u>\$ (4,845,599)</u>	<u>\$ 470,229</u>
Liabilities				
Due to Other Governments	\$ <u>455,172</u>	\$ <u>3,122,688</u>	\$ <u>(3,107,631)</u>	\$ <u>470,229</u>
Total Liabilities	<u>\$ 455,172</u>	<u>\$ 3,122,688</u>	<u>\$ (3,107,631)</u>	<u>\$ 470,229</u>
COLLECTIONS - CECILTON				
Assets				
Cash	\$ 3,154	\$ 180,436	\$ (181,728)	\$ 1,862
Accounts Receivable - Fees & Taxes	<u>449</u>	<u>358,256</u>	<u>(356,746)</u>	<u>1,959</u>
Total Assets	<u>\$ 3,603</u>	<u>\$ 538,692</u>	<u>\$ (538,474)</u>	<u>\$ 3,821</u>
Liabilities				
Due to Other Governments	\$ <u>3,603</u>	\$ <u>360,277</u>	\$ <u>(360,059)</u>	\$ <u>3,821</u>
Total Liabilities	<u>\$ 3,603</u>	<u>\$ 360,277</u>	<u>\$ (360,059)</u>	<u>\$ 3,821</u>
COLLECTIONS - CHESAPEAKE CITY				
Assets				
Cash	\$ 5,272	\$ 424,499	\$ (423,842)	\$ 5,929
Accounts Receivable - Property Taxes	<u>173</u>	<u>855,032</u>	<u>(854,529)</u>	<u>676</u>
Total Assets	<u>\$ 5,445</u>	<u>\$ 1,279,531</u>	<u>\$ (1,278,371)</u>	<u>\$ 6,605</u>
Liabilities				
Due to Other Governments	\$ <u>5,445</u>	\$ <u>865,670</u>	\$ <u>(864,510)</u>	\$ <u>6,605</u>
Total Liabilities	<u>\$ 5,445</u>	<u>\$ 865,670</u>	<u>\$ (864,510)</u>	<u>\$ 6,605</u>

CECIL COUNTY, MARYLAND

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2021</u>
COLLECTIONS - CHARLESTOWN				
Assets				
Cash	\$ 7,295	\$ 572,871	\$ (575,565)	\$ 4,601
Accounts Receivable - Property Taxes	<u>3,110</u>	<u>1,185,872</u>	<u>(1,185,020)</u>	<u>3,962</u>
Total Assets	<u>\$ 10,405</u>	<u>\$ 1,758,743</u>	<u>\$ (1,760,585)</u>	<u>\$ 8,563</u>
Liabilities				
Due to Other Governments	\$ 10,405	\$ 1,248,336	\$ (1,250,178)	\$ 8,563
Total Liabilities	<u>\$ 10,405</u>	<u>\$ 1,248,336</u>	<u>\$ (1,250,178)</u>	<u>\$ 8,563</u>
COLLECTIONS - ELKTON				
Assets				
Cash	\$ 49,243	\$ 7,925,521	\$ (7,884,283)	\$ 90,481
Accounts Receivable - Property Taxes	<u>34,792</u>	<u>16,328,303</u>	<u>(16,296,029)</u>	<u>67,066</u>
Total Assets	<u>\$ 84,035</u>	<u>\$ 24,253,824</u>	<u>\$ (24,180,312)</u>	<u>\$ 157,547</u>
Liabilities				
Due to Other Governments	\$ 84,035	\$ 16,390,301	\$ (16,316,789)	\$ 157,547
Total Liabilities	<u>\$ 84,035</u>	<u>\$ 16,390,301</u>	<u>\$ (16,316,789)</u>	<u>\$ 157,547</u>
COLLECTIONS - NORTH EAST				
Assets				
Cash	\$ 21,889	\$ 2,209,201	\$ (2,215,371)	\$ 15,719
Accounts Receivable - Fees & Taxes	<u>5,166</u>	<u>4,765,320</u>	<u>(4,762,667)</u>	<u>7,819</u>
Total Assets	<u>\$ 27,055</u>	<u>\$ 6,974,521</u>	<u>\$ (6,978,038)</u>	<u>\$ 23,538</u>
Liabilities				
Due to Other Governments	\$ 27,055	\$ 7,043,892	\$ (7,047,409)	\$ 23,538
Total Liabilities	<u>\$ 27,055</u>	<u>\$ 7,043,892</u>	<u>\$ (7,047,409)</u>	<u>\$ 23,538</u>
COLLECTIONS - PORT DEPOSIT				
Assets				
Cash	\$ 14,495	\$ 397,243	\$ (410,036)	\$ 1,702
Accounts Receivable - Property Taxes	<u>11,706</u>	<u>813,417</u>	<u>(801,196)</u>	<u>23,927</u>
Total Assets	<u>\$ 26,201</u>	<u>\$ 1,210,660</u>	<u>\$ (1,211,232)</u>	<u>\$ 25,629</u>
Liabilities				
Due to Other Governments	\$ 26,201	\$ 1,134,951	\$ (1,135,523)	\$ 25,629
Total Liabilities	<u>\$ 26,201</u>	<u>\$ 1,134,951</u>	<u>\$ (1,135,523)</u>	<u>\$ 25,629</u>

CECIL COUNTY, MARYLAND

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021**

	<u>Balance June 30, 2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2021</u>
COLLECTIONS - PERRYVILLE				
Assets				
Cash	\$ 10,868	\$ 1,717,478	\$ (1,721,216)	\$ 7,130
Accounts Receivable - Property Taxes	<u>5,913</u>	<u>3,528,042</u>	<u>(3,531,121)</u>	<u>2,834</u>
Total Assets	<u>\$ 16,781</u>	<u>\$ 5,245,520</u>	<u>\$ (5,252,337)</u>	<u>\$ 9,964</u>
Liabilities				
Due to Other Governments	<u>\$ 16,781</u>	<u>\$ 3,536,342</u>	<u>\$ (3,543,159)</u>	<u>\$ 9,964</u>
Total Liabilities	<u>\$ 16,781</u>	<u>\$ 3,536,342</u>	<u>\$ (3,543,159)</u>	<u>\$ 9,964</u>
COLLECTIONS - RISING SUN				
Assets				
Cash	\$ 8,607	\$ 1,271,843	\$ (1,274,769)	\$ 5,681
Accounts Receivable - Property Taxes	<u>4,897</u>	<u>2,597,157</u>	<u>(2,596,496)</u>	<u>5,558</u>
Total Assets	<u>\$ 13,504</u>	<u>\$ 3,869,000</u>	<u>\$ (3,871,265)</u>	<u>\$ 11,239</u>
Liabilities				
Due to Other Governments	<u>\$ 13,504</u>	<u>\$ 2,395,806</u>	<u>\$ (2,398,071)</u>	<u>\$ 11,239</u>
Total Liabilities	<u>\$ 13,504</u>	<u>\$ 2,395,806</u>	<u>\$ (2,398,071)</u>	<u>\$ 11,239</u>
TOTALS - ALL FUNDS				
Assets				
Cash	\$ 519,385	\$ 30,095,658	\$ (30,102,072)	\$ 512,971
Accounts Receivable - Fees & Taxes	<u>292,810</u>	<u>62,321,374</u>	<u>(62,204,850)</u>	<u>409,334</u>
Total Assets	<u>\$ 812,195</u>	<u>\$ 92,417,032</u>	<u>\$ (92,306,922)</u>	<u>\$ 922,305</u>
Liabilities				
Due to Other Governments	<u>\$ 812,195</u>	<u>\$ 63,617,016</u>	<u>\$ (63,506,906)</u>	<u>\$ 922,305</u>
Total Liabilities	<u>\$ 812,195</u>	<u>\$ 63,617,016</u>	<u>\$ (63,506,906)</u>	<u>\$ 922,305</u>

STATISTICAL
SECTION

CECIL COUNTY, MARYLAND

STATISTICAL SECTION

This part of Cecil County's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health.

Contents	<u>Page</u>
Financial Trends - Tables I to IV	121
These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.	
Revenue Capacity - Tables V to VIII	126
These schedules contain information to help the reader assess the County's most significant revenue source, the property tax.	
Debt Capacity - Tables IX to XIII	130
These schedules present information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.	
Demographic and Economic Information - Tables XIV - XVI	134
These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place.	
Operating Information - Tables XVII to XVIII	137
These schedules contain service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the services it performs.	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual reports for the relevant year. The County implemented GASB 34 in 2003 and GASB 54 was implemented in 2010; Table III has been restated to reflect the change in fund balance presentation.



Table I

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 131,319,211	\$ 157,253,521	\$ 166,819,030	\$ 171,724,604	\$ 163,724,657	\$ 155,575,258	\$ 165,183,735	\$ 165,352,831	\$ 186,718,203	\$ 178,409,879
Restricted	21,257,511	6,857,073	15,914,261	12,254,006	17,513,461	8,420,657	15,366,150	5,713,812	11,851,705	15,106,271
Unrestricted (Deficit)	(14,643,027)	(22,670,285)	(53,601,877)	(84,302,472)	(88,292,865)	(78,992,974)	(105,036,602)	(84,633,191)	(94,923,381)	(67,966,928)
Total Governmental Activities Net Position	\$ 137,933,695	\$ 141,440,309	\$ 129,131,414	\$ 99,676,138	\$ 92,945,253	\$ 85,002,941	\$ 75,513,283	\$ 86,433,452	\$ 103,646,527	\$ 125,549,222
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 38,470,096	\$ 36,274,177	\$ 40,395,599	\$ 49,134,864	\$ 47,186,961	\$ 47,487,579	\$ 45,917,726	\$ 50,824,139	\$ 52,088,388	\$ 59,680,406
Restricted	4,748,159	-	-	-	-	-	-	-	-	-
Unrestricted	(5,222,061)	2,237,683	(1,137,604)	(5,787,900)	(2,858,161)	(3,137,463)	(31,029)	2,549,840	9,585,932	15,579,866
Total Business-type Activities Net Position	\$ 37,996,194	\$ 38,511,860	\$ 39,257,995	\$ 43,346,964	\$ 44,328,800	\$ 44,350,116	\$ 45,886,697	\$ 53,373,979	\$ 61,674,320	\$ 75,260,272
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	\$ 169,789,307	\$ 193,527,698	\$ 207,214,629	\$ 220,859,468	\$ 210,911,618	\$ 203,062,837	\$ 211,101,461	\$ 216,176,970	\$ 238,806,591	\$ 238,090,285
Restricted	26,005,670	6,857,073	15,914,261	12,254,006	17,513,461	8,420,657	15,366,150	5,713,812	11,851,705	15,106,271
Unrestricted	(19,865,088)	(20,432,602)	(54,739,481)	(90,090,372)	(91,151,026)	(82,130,437)	(105,067,631)	(82,083,351)	(85,337,449)	(52,387,062)
Total Primary Government Net Position	\$ 175,929,889	\$ 179,952,169	\$ 168,389,409	\$ 143,023,102	\$ 137,274,053	\$ 129,353,057	\$ 121,399,980	\$ 139,807,431	\$ 165,320,847	\$ 200,809,494

Table II

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
EXPENSES										
Governmental Activities:										
General Government	\$ 13,473,632	\$ 14,265,775	\$ 12,609,671	\$ 12,826,539	\$ 13,103,376	\$12,619,834	\$11,457,065	\$12,520,607	\$13,065,581	\$14,008,947
Public Safety	34,008,873	35,046,031	40,619,762	40,998,732	41,637,796	43,903,804	45,100,531	49,442,403	50,059,790	56,882,838
Highways, Streets, and Bridges	13,893,866	13,317,166	16,513,958	16,162,586	17,134,114	16,467,551	15,839,552	17,306,415	19,712,812	18,138,965
Health and Welfare	12,177,894	12,159,676	14,227,016	14,331,807	15,163,709	15,755,447	15,498,604	17,066,704	23,047,432	23,764,716
Recreation and Culture	1,020,488	1,091,711	1,291,050	1,356,836	1,541,526	1,780,757	2,112,900	2,532,142	2,675,352	3,055,416
Education	78,627,416	83,905,699	92,433,904	102,085,334	98,805,396	96,384,547	101,432,771	101,462,249	102,174,873	110,336,931
Public Libraries	4,480,298	4,318,158	4,576,546	4,946,275	5,122,366	5,523,248	5,604,168	5,879,199	6,170,855	6,840,534
Economic Development	1,589,105	1,500,430	2,703,849	1,549,098	1,675,209	1,776,517	1,508,011	2,835,459	1,733,234	2,150,329
Agriculture	551,134	1,241,922	2,115,454	614,728	851,666	1,463,623	760,117	686,363	636,345	693,130
Interest on Long-Term Debt	4,939,364	9,353,839	4,658,763	5,135,996	4,933,867	4,568,004	4,906,177	4,967,097	5,275,494	5,157,935
Total Governmental Activities Expenses	<u>164,762,070</u>	<u>176,200,407</u>	<u>191,749,973</u>	<u>200,007,931</u>	<u>199,969,025</u>	<u>200,243,332</u>	<u>204,219,896</u>	<u>214,698,638</u>	<u>224,551,768</u>	<u>241,029,742</u>
Business-Type Activities:										
Water	672,752	-	-	-	-	-	-	-	-	-
Wastewater	5,734,358	6,094,709	6,610,145	6,971,250	8,004,698	8,882,464	8,572,029	8,920,270	10,636,091	10,858,273
Landfill	6,180,447	6,504,396	8,276,214	7,743,691	6,818,531	6,287,612	6,279,323	7,805,548	6,985,591	7,978,298
Property Management	-	-	-	-	373,677	570,994	575,199	572,446	527,942	569,199
Total Business-Type Activities Expenses	<u>12,587,557</u>	<u>12,599,105</u>	<u>14,886,359</u>	<u>14,714,941</u>	<u>15,196,906</u>	<u>15,741,070</u>	<u>15,426,551</u>	<u>17,298,264</u>	<u>18,149,624</u>	<u>19,405,770</u>
Total Primary Government Expenses	<u>\$ 177,349,627</u>	<u>\$ 188,799,512</u>	<u>\$ 206,636,332</u>	<u>\$ 214,722,872</u>	<u>\$ 215,165,931</u>	<u>\$ 215,984,402</u>	<u>\$ 219,646,447</u>	<u>\$ 231,996,902</u>	<u>\$ 242,701,392</u>	<u>\$ 260,435,512</u>
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 4,572,364	\$ 6,781,040	\$ 5,902,590	\$ 6,598,891	\$ 8,471,469	\$8,150,707	\$12,328,147	\$9,658,092	\$12,411,095	\$14,006,170
Public Safety	2,114,895	2,178,875	1,891,611	1,960,971	2,533,004	2,268,430	2,847,862	2,929,027	2,179,553	2,508,166
Highways, Streets, and Bridges	236,162	289,249	375,530	191,757	397,877	217,050	85,018	91,476	76,918	97,746
Other Activities	515,874	628,754	621,065	773,109	812,469	997,753	1,237,903	1,302,246	1,237,275	1,458,564
Operating Grants and Contributions	17,745,716	14,400,458	14,555,600	13,742,967	14,730,843	15,554,549	16,375,078	18,082,698	23,668,531	32,952,511
Capital Grants and Contributions	12,722,681	3,272,737	3,827,146	5,558,647	3,620,846	2,549,237	4,271,822	4,388,697	8,227,583	926,225
Total Governmental Activities Revenues	<u>37,907,692</u>	<u>27,551,113</u>	<u>27,173,542</u>	<u>28,826,342</u>	<u>30,566,508</u>	<u>29,737,726</u>	<u>37,145,830</u>	<u>36,452,236</u>	<u>47,800,955</u>	<u>51,949,382</u>

Table II

**CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Business-Type Activities:										
Charges for Services:										
Water	653,831	-	-	-	-	-	-	-	-	-
Wastewater	4,737,750	4,883,880	6,504,839	5,654,938	5,584,673	5,999,821	6,317,783	7,111,602	8,429,367	8,904,123
Landfill	5,191,842	5,294,063	5,903,453	6,632,144	7,313,027	7,877,565	8,404,849	8,555,589	8,763,531	9,825,204
Property Management	-	-	-	-	386,868	782,635	780,600	740,061	880,579	919,535
Capital Grants and Contributions	1,710,837	2,869,610	3,210,932	6,496,436	2,810,889	1,199,597	782,466	6,863,455	7,412,144	9,253,500
Total Business-Type Activities Revenues	12,294,260	13,047,553	15,619,224	18,783,518	16,095,457	15,859,618	16,285,698	23,270,707	25,485,621	28,902,362
Total Primary Government Revenues	\$ 50,201,952	\$ 40,598,666	\$ 42,792,766	\$ 47,609,860	\$ 46,661,965	\$ 45,597,344	\$ 53,431,528	\$ 59,722,943	\$ 73,286,576	\$ 80,851,744
OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes										
Property Taxes	\$ 102,575,768	\$ 104,706,894	\$ 103,397,531	\$ 102,727,666	\$ 106,810,382	\$ 106,490,517	\$ 114,077,543	\$ 117,898,407	\$ 121,433,103	\$ 126,825,903
Income Taxes	47,342,973	46,755,227	48,064,353	56,937,725	55,496,525	55,493,386	62,507,845	70,079,906	75,391,465	84,943,880
Investment Earnings	334,147	270,374	236,961	226,259	130,596	284,934	897,195	1,815,229	1,547,817	163,273
Other Revenues including Capital Asset Sales Gains (Losses)	40,831	117,277	568,691	209,749	234,129	108,004	352,294	278,029	(3,702,497)	
Grants, Entitlements, and Contributions not Restricted to Specific Programs	163,625	306,136	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	186,453	180,000	(905,000)	(706,000)	(950,000)
Total Governmental Activities	150,457,344	152,155,908	152,267,536	160,101,399	162,671,632	162,563,294	178,014,877	189,166,571	193,963,888	210,983,056
Business-Type Activities:										
Investment Earnings	13,410	57,916	13,270	20,392	73,285	89,221	857,434	609,839	258,344	3,139,360
Other Revenues including Capital Asset Sales Gains (Losses)	(470,940)	9,302	-	-	10,000	-	-	-	-	-
Transfers	-	-	-	-	-	(186,453)	(180,000)	905,000	706,000	950,000
Total Business-Type Activities	(457,530)	67,218	13,270	20,392	83,285	(97,232)	677,434	1,514,839	964,344	4,089,360
Total Primary Government	\$ 149,999,814	\$ 152,223,126	\$ 152,280,806	\$ 160,121,791	\$ 162,754,917	\$ 162,466,062	\$ 178,692,311	\$ 190,681,410	\$ 194,928,232	\$ 215,072,416
CHANGE IN NET POSITION										
Governmental Activities	\$ 23,602,966	\$ 3,506,614	\$ (12,308,895)	\$ (11,080,190)	\$ (6,730,885)	\$ (7,942,312)	\$ 10,940,811	\$ 10,920,169	\$ 17,213,075	\$ 21,902,696
Business-Type Activities	(750,827)	515,666	746,135	4,088,969	981,836	21,316	1,536,581	7,487,282	8,300,341	13,585,952
Total Primary Government	\$ 22,852,139	\$ 4,022,280	\$ (11,562,760)	\$ (6,991,221)	\$ (5,749,049)	\$ (7,920,996)	\$ 12,477,392	\$ 18,407,451	\$ 25,513,416	\$ 35,488,647

Table III

**FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
GENERAL FUND										
Non-Spendable Fund Balance	\$ 477,087	\$ 6,400,689	\$ 10,982,077	\$ 13,335,406	\$ 10,603,047	\$ 10,215,102	\$ 10,075,089	\$ 9,812,028	\$ 6,874,368	\$ 6,348,832
Unrestricted Fund Balance										
Committed Fund Balance	13,118,597	16,363,777	17,548,538	14,683,298	16,196,482	-	-	1,360,150	2,225,000	282,492
Assigned Fund Balance	4,541,000	7,541,000	4,055,000	3,500,000	2,300,000	15,327,610	23,788,045	28,659,727	33,187,808	57,798,566
Unassigned Fund Balance	<u>19,632,997</u>	<u>15,015,485</u>	<u>7,425,546</u>	<u>6,206,671</u>	<u>8,755,014</u>	<u>10,247,486</u>	<u>9,775,539</u>	<u>11,381,665</u>	<u>12,237,704</u>	<u>11,539,070</u>
Total General Fund	<u>\$ 37,769,681</u>	<u>\$ 45,320,951</u>	<u>\$ 40,011,161</u>	<u>\$ 37,725,375</u>	<u>\$ 37,854,543</u>	<u>\$ 35,790,198</u>	<u>\$ 43,638,673</u>	<u>\$ 51,213,570</u>	<u>\$ 54,524,880</u>	<u>\$ 75,968,960</u>
ALL OTHER GOVERNMENTAL FUNDS										
Non-Spendable Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Fund Balance	7,457,083	13,274,563	38,089,278	12,254,036	17,513,461	8,420,657	21,201,499	5,713,812	33,849,131	6,591,858
Unrestricted Fund Balance:										
Committed Fund Balance	18,650,074	2,190,137	482,681	-	2,361,577	-	-	-	-	-
Unassigned Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,477,840)</u>	<u>-</u>	<u>(3,137,307)</u>
Total All Other Governmental Funds	<u>\$ 26,107,157</u>	<u>\$ 15,464,700</u>	<u>\$ 38,571,959</u>	<u>\$ 12,254,036</u>	<u>\$ 19,875,038</u>	<u>\$ 8,420,657</u>	<u>\$ 21,201,499</u>	<u>\$ (764,028)</u>	<u>\$ 33,849,131</u>	<u>\$ 3,454,551</u>

Notes:

In FY2017, after management review the Contingency Reserve was changed from Committed Fund Balance to Assigned Fund Balance.

Table IV

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting)**

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Property Taxes	\$ 102,628,643	\$ 104,235,995	\$ 103,371,143	\$ 102,735,882	\$ 106,839,214	\$ 106,417,932	\$ 114,098,978	\$ 117,739,156	\$ 121,521,370	\$ 126,455,523
Income Taxes	49,813,198	50,421,108	50,800,381	53,954,296	55,806,618	57,614,306	58,909,734	66,782,105	67,934,905	81,290,908
Licenses and Permits	1,545,645	1,736,610	1,682,772	1,741,618	2,383,661	1,981,371	2,198,271	2,496,542	1,862,139	2,250,615
Intergovernmental	27,651,332	16,238,456	14,465,177	16,122,745	16,441,829	15,800,667	18,274,023	19,410,912	26,440,450	33,596,632
Charges for Services	5,891,840	8,135,280	7,108,024	7,783,110	9,831,158	9,652,569	14,300,659	11,484,299	14,042,702	15,820,032
Investment Earnings	292,787	232,228	202,803	200,176	109,889	244,228	752,754	1,409,236	1,165,950	131,268
Contributions and Other Revenues	85,982	336,928	727,073	-	119,614	475,240	288,302	192,858	1,129,718	142,935
Total Revenues	187,909,427	181,336,605	178,357,373	182,537,827	191,531,983	192,186,313	208,822,721	219,515,108	234,097,234	259,687,912
EXPENDITURES										
General Government	13,106,207	12,903,976	11,088,643	11,176,755	11,412,816	10,436,710	10,493,224	10,773,331	11,630,570	12,045,421
Public Safety	33,444,470	33,873,650	37,063,402	38,531,809	39,188,740	42,140,763	42,918,915	46,404,066	48,687,444	55,565,065
Highways, Streets, and Bridges	9,601,220	8,793,209	11,131,474	11,554,492	11,217,928	9,561,474	11,319,441	12,405,752	16,450,372	12,220,948
Health and Welfare	12,078,386	12,119,555	13,083,185	13,841,044	14,778,726	15,192,470	15,445,675	16,483,436	22,762,243	24,868,050
Recreation and Culture	928,135	752,279	990,382	1,077,710	938,744	1,048,438	2,335,160	1,985,335	1,634,471	1,700,780
Education	75,267,220	79,225,368	82,888,100	85,446,064	89,945,828	92,020,570	93,617,178	95,555,299	98,581,668	99,361,023
Public Libraries	4,283,817	4,283,817	4,417,020	4,749,675	4,882,779	5,250,869	5,442,217	5,685,417	6,010,417	6,406,619
Economic Development	1,606,236	1,501,779	1,628,989	1,528,922	1,648,873	1,741,087	1,554,079	2,786,321	1,765,447	2,146,654
Agriculture	558,768	1,244,247	2,097,608	605,650	840,466	1,440,998	784,580	666,360	657,772	685,321
Municipalities	725,251	697,502	664,218	667,120	671,363	674,409	684,577	695,530	710,314	733,260
Capital Outlay	27,011,212	14,394,252	15,246,843	26,832,434	19,720,867	9,743,836	17,890,992	22,631,912	19,483,654	30,660,641
Debt Service:										
Principal	10,935,206	9,395,046	9,858,406	9,794,710	9,784,234	10,971,475	11,722,922	12,817,374	12,878,341	14,071,884
Interest	4,838,557	5,623,335	4,851,033	5,568,661	5,397,046	5,668,428	5,488,549	6,410,605	5,845,222	7,222,746
Total Expenditures	194,384,685	184,808,015	195,009,303	211,375,046	210,428,410	205,891,527	219,697,509	235,300,738	247,097,935	267,688,412
Deficiency of Revenues Under Expenditures	(6,475,258)	(3,471,410)	(16,651,930)	(28,837,219)	(18,896,427)	(13,705,214)	(10,874,788)	(15,785,630)	(13,000,701)	(8,000,500)
OTHER FINANCING SOURCES (USES)										
Proceeds from Capital Asset Disposal	74,639	146,905	440,893	17,600	2,088	36	88,979	-	-	-
Proceeds from Debt Transfer from Enterprise Fund	-	-	-	-	-	-	-	2,300,000	2,900,000	-
Proceeds from Bonds Issued	13,267,000	-	29,840,000	-	23,210,000	-	28,900,000	-	43,506,825	-
Premium on Debt Issued	3,370,242	463,827	4,401,727	3,730,456	5,209,762	-	3,484,818	-	5,333,114	-
Refunding Bonds Issued	25,860,000	9,290,000	-	31,128,617	12,243,531	-	6,347,823	-	-	-
Bond Issuance Cost	(227,458)	-	(233,221)	-	(78,558)	-	(121,445)	-	(108,768)	-
Advance Refunding Agent	(28,156,780)	(9,531,073)	-	(34,643,163)	(14,038,367)	-	(7,376,070)	-	-	-
Transfers In	23,922,626	21,118,974	26,387,095	18,761,837	21,431,745	19,351,635	22,092,347	20,885,973	27,381,326	23,525,316
Transfers Out	(23,922,626)	(21,108,409)	(26,387,095)	(18,761,837)	(21,333,604)	(19,165,183)	(21,912,347)	(21,790,973)	(28,087,327)	(24,475,317)
Total Other Financing Sources (Uses)	14,187,643	380,224	34,449,399	233,510	26,646,597	186,488	31,504,105	1,395,000	50,925,170	(950,001)
Net Change in Fund Balances	\$ 7,712,385	\$ (3,091,186)	\$ 17,797,469	\$ (28,603,709)	\$ 7,750,170	\$ (13,518,726)	\$ 20,629,317	\$ (14,390,630)	\$ 37,924,469	\$ (8,950,501)
Debt Service as a Percentage of Non-capital Expenditures	9.54%	8.75%	7.93%	7.79%	7.64%	8.29%	8.37%	9.01%	8.32%	8.67%

Table V

**ASSESSED VALUE AND ACTUAL VALUE
OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year Ended June 30	Real Property				Personal Property		Total Taxable Actual Value	Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate ¹
	Residential Property	Governmental	Commercial / Industrial	Agricultural	Public Utilities	Other				
2021	\$ 8,079,285,096	n/a	\$ 2,512,702,960	\$ 570,640,944	\$ 267,119,000	233,750,000	\$ 11,663,498,000	\$ 1,105,298,481	\$ 10,558,199,519	1.116
2020	7,853,735,116	n/a	2,277,982,595	551,574,289	231,785,000	216,000,000	11,131,077,000	1,076,496,766	10,054,580,234	1.111
2019	8,345,879,340	n/a	2,336,465,061	552,147,755	217,818,000	372,430,000	11,824,740,156	1,082,038,904	10,742,701,252	1.127
2018	8,083,377,107	n/a	2,196,422,419	577,145,678	201,388,000	185,409,000	11,243,742,204	1,045,798,818	10,197,943,386	1.101
2017	7,251,167,566	n/a	2,728,635,767	523,372,208	189,268,000	247,205,000	10,939,648,541	1,027,108,919	9,912,539,622	1.057
2016	7,204,868,497	n/a	2,643,369,801	507,534,006	198,056,000	233,500,000	10,787,328,304	1,015,229,774	9,772,098,530	1.056
2015	6,933,465,147	n/a	1,871,273,169	489,623,429	141,257,000	230,000,000	9,665,618,745	995,209,501	8,670,409,244	1.054
2014	6,963,756,250	n/a	1,830,995,567	504,922,966	141,257,000	230,000,000	9,670,931,783	953,466,796	8,717,464,987	1.054
2013	7,183,574,528	n/a	1,904,424,331	528,946,520	149,296,000	236,000,000	10,002,241,379	960,909,069	9,041,332,310	1.054
2012	7,682,905,130	n/a	1,952,981,591	539,244,741	117,881,000	259,900,000	10,552,912,462	975,324,958	9,577,587,504	0.996

Source: Maryland State Department of Assessment and Taxation
Cecil County Department of Finance

Notes:

¹ The total direct tax rate is a weighted average of real and personal property rates.

Table VI

**DIRECT AND OVERLAPPING
PROPERTY TAX RATES
(per \$100 of Assessed Value)
LAST TEN FISCAL YEARS**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Cecil County Direct Rates										
Real Property	\$0.940	\$0.991	\$0.991	\$0.991	\$0.991	\$0.991	\$1.041	\$1.041	\$1.041	\$ 1.041
Personal Property	2.350	2.477	2.477	2.477	2.477	2.479	2.604	2.604	2.604	2.604
¹ Total Direct Tax Rate	0.996	1.054	1.054	1.054	1.056	1.057	1.101	1.127	1.111	1.116
Towns										
Cecilton	0.219	0.217	0.217	0.220	0.220	0.237	0.237	0.237	0.232	0.232
Charlestown	0.280	0.314	0.314	0.333	0.333	0.333	0.333	0.333	0.333	0.333
Chesapeake City	0.425	0.422	0.448	0.449	0.449	0.449	0.449	0.469	0.469	0.469
Elkton	0.466	0.463	0.586	0.586	0.586	0.586	0.636	0.636	0.636	0.636
North East	0.480	0.480	0.480	0.480	0.480	0.480	0.480	0.480	0.480	0.480
Perryville	0.339	0.314	0.314	0.313	0.313	0.310	0.310	0.360	0.360	0.360
Port Deposit	0.551	0.551	0.551	0.554	0.551	0.551	0.546	0.546	0.546	0.546
Rising Sun	0.406	0.406	0.406	0.406	0.406	0.480	0.480	0.470	0.460	0.460

Sources: Cecil County Department of Finance
The government of each town establishes its respective tax rate.

Note: ¹ The total direct tax rate is a weighted average of real and personal property rates.

Table VII

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO**

FISCAL YEAR 2021			
Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total Assessed Value
Delmarva Power & Light Company	Utility	\$ 133,041,020	1.26%
W.L. Gore & Associates, Inc.	Manufacturing	119,963,116	1.14%
CLPF principio llc	Property Mgmt	94,310,400	0.89%
Medline Industries		87,962,940	0.83%
Ikea Property Inc	Retail	86,641,730	0.82%
Mid-Atlantic Distribution LTD	Distribution	78,912,700	0.75%
LIDL US Operations	Retail	71,910,400	0.68%
Cole ID	Distribution	71,910,400	0.68%
Realty Income Trust	Distribution	64,514,400	0.61%
DRI/TCC NE Commons LLC	Commercial Real Estate	36,990,267	0.35%
Totals		<u>\$ 846,157,373</u>	<u>8.01%</u>

FISCAL YEAR 2012			
Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total Assessed Value
W.L. Gore & Associates, Inc.	Manufacturing	\$ 147,156,070	1.54%
Ikea Property, Inc.	Retail	84,121,100	0.88%
Delmarva Power & Light Company	Utility	67,998,670	0.71%
Penn Cecil Maryland	Gaming	48,040,120	0.50%
Wal-Mart Real Estate Business Tr.	Retail	31,183,533	0.33%
Chesapeake Ridge, LLC	Property Mgmt	27,600,500	0.29%
Pine Valley, LLC	Property Mgmt	27,049,710	0.28%
Mason Dixon Sand & Gravel Co.	Manufacturing	26,488,100	0.28%
Quality Properties Asset Mgmt.	Property Mgmt	25,987,400	0.27%
Trea Broadlands, LLC	Telecommunications	24,700,000	0.26%
Totals		<u>\$ 510,325,203</u>	<u>5.33%</u>

Source: Cecil County Department of Finance

Note: Taxpayer data included only if in the top ten for that year.

Table VIII

**PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy ¹	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
	for Fiscal Year	Amount	Percentage of Levy		Amount	Percentage of Levy
2021	\$ 122,195,143	\$ 121,653,870	99.6%	\$ -	\$ 121,653,870	99.6%
2020	116,935,573	116,367,725	99.5%	178,407	116,546,132	99.7%
2019	113,075,267	112,524,488	99.5%	162,093	112,686,581	99.7%
2018	109,108,923	108,970,437	99.9%	52,372	109,022,809	99.9%
2017	101,641,723	101,569,226	99.9%	72,497	101,641,723	100.0%
2016	101,636,001	101,463,753	99.8%	164,327	101,628,080	100.0%
2015	99,732,494	99,440,061	99.7%	246,350	99,686,411	100.0%
2014	100,162,002	99,753,092	99.6%	384,913	100,138,005	100.0%
2013	101,864,701	101,573,341	99.7%	252,143	101,825,484	100.0%
2012	100,215,039	99,666,488	99.5%	507,927	100,174,415	100.0%

Source: Cecil County Department of Finance

Note: ¹ For presentation purposes, the County considers Tax Levy to be the taxes levied during the normal tax year and excludes adjustments to prior year taxes.

Note: Total tax levy is all tax bill additions and insolvencies from general ledger for fiscal year. Amount collected is the total tax levy reduced by the ending general ledger balance.

Table IX

**RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities			Business-Type Activities				Total Primary Government	Percentage of Personal Income	Per Capita ¹
	General Obligation Bonds	Capital Leases	Special Assessment Bonds	Wastewater Bonds	Landfill Bonds	Property Mgmt.	Capital Leases			
2021	\$ 188,146,846	\$ 5,691,330	\$ 67,088	\$ 55,957,740	\$ 9,700,041	\$ 5,957,249	\$ -	\$ 265,520,294	5.19%	\$ 2,567
2020	204,436,750	5,278,492	73,187	60,179,429	10,825,396	6,246,802	-	287,040,056	5.61%	\$ 2,791
2019	170,302,603	4,552,304	79,285	52,930,641	11,946,819	6,525,140	-	246,336,792	5.21%	\$ 2,396
2018	185,090,721	3,361,901	85,384	54,740,952	13,059,685	6,793,282	-	263,131,925	5.81%	2,561
2017	166,250,368	1,876,310	91,483	54,724,461	13,045,166	7,051,229	-	243,039,017	5.47%	2,369
2016	179,272,367	-	97,582	57,568,263	13,931,049	7,300,000	-	258,169,261	6.06%	2,522
2015	159,837,619	-	103,681	49,061,076	14,763,528	-	-	223,765,904	5.16%	2,186
2014	168,262,646	-	109,780	42,685,905	16,265,125	-	-	227,323,456	5.19%	2,231
2013	139,637,122	-	115,879	26,776,659	17,749,965	-	-	184,279,625	4.57%	1,812
2012	151,143,753	316,247	121,978	28,440,508	19,116,764	-	-	199,139,250	5.11%	1,958

Source: Cecil County Department of Finance

Notes: Details regarding the County's outstanding debt can be found in the notes to the financial statements.

¹ See Schedule XIV for population data.

This ratio uses population data from the prior calendar year.

Table X

**RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>General Obligation Bonds</u>	<u>Percentage of Actual Taxable Value¹ of Property</u>	<u>Per Capita²</u>
2021	\$ 259,761,876	2.46%	\$ 2,511.74
2020	281,688,377	2.80%	2,738.69
2019	241,705,203	2.25%	2,350.62
2018	259,684,640	2.55%	2,527.44
2017	241,071,224	2.43%	2,349.55
2016	258,071,679	2.64%	2,520.67
2015	223,662,223	2.58%	2,184.56
2014	227,213,676	2.61%	2,229.49
2013	184,163,746	2.04%	1,810.92
2012	198,701,025	2.07%	1,953.91

Source: Cecil County Department of Finance

Note: ¹ See Schedule V for Actual Taxable Value of Property data.
² See Schedule XIV for population data.
 This ratio uses population data from the prior calendar year.

Table XI

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2021**

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable to Cecil County</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property and Income Taxes			
Elkton	\$ 542,234	100%	\$ 542,234
North East	1,564,879	100%	1,564,879
Perryville	1,820,000	100%	1,820,000
Rising Sun	<u>954,177</u>	100%	<u>954,177</u>
Subtotal - Overlapping Debt			4,881,290
Cecil County Direct Debt	193,905,264	100%	<u>193,905,264</u>
Totals			<u>\$198,786,554</u>

Sources: Cecil County Department of Finance
The government of each town is the source of its respective debt.

Table XII

**LEGAL DEBT LIMITATION INFORMATION
(Unaudited)**

There is no aggregate limit to the amount of bonds and other evidences of indebtedness that may be outstanding at any one time for Cecil County. There is a general limitation for short-term borrowing in any fiscal year; the County is authorized to borrow up to \$2,500,000 on a temporary basis provided that all such borrowing be repaid and all demands fully satisfied on or before June 30 of the fiscal year in which the money is borrowed.

Table XIII

**PLEGGED - REVENUES COVERAGE
LAST TEN FISCAL YEARS**

Fiscal Year	Wastewater Revenue Bonds						Special Assessment Bonds		
	Sewer Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage	Special Assessment Collections	Debt Service Principal	Coverage
2021	\$ 8,905,807	\$ 9,390,703	(484,896)	\$ 4,085,743	\$ 1,467,570	-9%	\$ 6,099	\$ 6,099	100%
2020	8,491,934	9,213,747	(721,813)	3,769,745	1,422,344	-14%	6,099	6,099	100%
2019	7,220,627	7,420,411	(199,784)	3,614,254	1,499,859	-4%	6,099	6,099	100%
2018	6,256,258	7,125,920	(869,662)	3,498,158	1,446,109	-18%	6,099	6,099	100%
2017	6,047,881	7,372,155	(1,324,274)	3,334,137	1,510,309	-27%	6,099	6,099	100%
2016	5,631,738	6,571,666	(939,928)	2,367,669	1,433,032	-25%	6,099	6,099	100%
2015	8,586,607	5,696,015	2,890,592	1,999,804	1,275,235	88%	6,099	6,099	100%
2014	6,505,751	5,874,501	631,250	1,763,754	735,644	25%	6,099	6,099	100%
2013	4,939,317	5,309,937	(370,620)	1,663,849	784,772	-15%	6,099	6,099	100%
2012	4,641,400	4,976,129	(334,729)	1,638,654	758,229	-14%	13,287	13,287	100%

Fiscal Year	Landfill Revenue Bonds					
	Landfill Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
2021	\$ 12,916,306	\$ 7,801,011	\$ 5,115,295	\$ 953,474	\$ 177,287	452%
2020	8,959,308	6,795,005	2,164,303	941,551	190,586	191%
2019	9,056,403	7,588,875	1,467,528	929,118	216,673	128%
2018	9,177,098	5,957,723	3,219,375	911,301	321,600	261%
2017	7,917,946	5,861,891	2,056,055	876,171	425,721	158%
2016	7,348,970	6,399,300	949,670	893,354	419,231	72%
2015	6,652,536	7,230,652	(578,116)	1,501,597	513,039	-29%
2014	5,915,811	7,765,909	(1,850,098)	1,484,840	510,305	-93%
2013	5,296,542	5,965,106	(668,564)	1,366,799	539,290	-35%
2012	5,196,182	5,619,803	(423,621)	900,718	560,644	-29%

Fiscal Year	Property Management Revenue Bonds					
	Property Mgmt Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
2021	\$ 919,535	\$ 349,342	\$ 570,193	\$ 289,553	\$ 219,857	112%
2020	880,579	296,883	583,696	278,338	231,059	115%
2019	740,061	330,434	409,627	268,142	242,012	80%
2018	780,600	322,700	457,900	257,947	252,499	90%
2017	783,415	308,576	474,839	248,771	262,418	93%
2016	387,145	158,400	228,745	-	109,286	209%

Source: Cecil County Department of Finance
 Note: The property management fund began in FY 2016

Table XIV

**DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS**

Calendar Year	Population^{a,b}	Personal Income^{a,1,}	Per Capita Income^a	Average Employment^{b,2}	Average Unemployment Rate^{b,2}	Median Price of Housing Sales^d	School Enrollment^{c,3}
2020	103,719	5,116,896,000	49,334	53,741	5.9%	257,500	14,718
2019	102,552	5,116,896,000	49,896	52,129	3.9%	230,000	15,255
2018	102,826	4,732,415,000	46,059	50,507	4.3%	225,308	15,307
2017	102,746	4,531,488,000	44,104	50,558	4.7%	216,484	15,364
2016	102,603	4,440,668,000	43,374	51,074	5.0%	194,765	15,633
2015	102,382	4,262,448,000	41,632	50,042	6.0%	197,902	15,859
2014	102,383	4,337,575,000	42,562	48,665	6.6%	194,000	15,681
2013	101,913	4,383,534,000	43,104	47,269	7.7%	193,000	15,824
2012	101,696	4,036,174,000	39,689	46,810	8.4%	218,278	15,634
2011	101,694	3,897,356,000	38,508	46,188	8.9%	199,900	15,827

- Sources:**
- ^a U.S Census Bureau , U.S. Departement of Commerce
 - ^b Maryland Department of Labor, Licensing, and Regulation (DLLR)
BEA and DLLR data is presented as revised periodically based on census and survey results and analysis, and changes to statistical benchmarks.
 - ^c Maryland Department of Planning, Planning Data Services
 - ^c Cecil County Board of Education Annual Budgets
 - ^d Maryland Association of Realtors

- Notes:**
- ¹ Personal Income is a total for the year.
 - ² Employment and unemployment rates are adjusted annual averages. Employment is calculated as the count of County citizens employed in any location (i.e., inside or outside the County).
 - ³ School enrollment is for the school year ended in June of the calendar year.

Table XV

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO**

Taxpayer	Calendar Year 2020			Calendar Year 2011		
	Rank	Percentage of Total County Employment	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
W.L. Gore & Associates, Inc.	2,405	1	4.61%	2,302	1	4.98%
Cecil County Board of Education	2,016	2	3.87%	2,290	2	4.96%
Perry Point V.A. Hospital	1,500	3	2.88%	1,125	3	2.44%
Union Hospital / Affinity Health System	1,236	4	2.37%	1,000	4	2.17%
Terumo Corporation*	1,027	5	1.97%	350	10	0.76%
Amazon	810	6	1.55%			0.00%
Cecil County Government	655	7	1.26%	586	5	1.27%
IKEA	625	8	1.20%	370	9	0.80%
Cecil College	565	9	1.08%	461	8	
Northrop Grumman (Formerly Orbital ATK)	550	10	1.06%	540	6	1.17%
Wal-Mart Stores, Inc.**	**			500	7	1.08%
Totals	<u>11,389</u>		<u>21.85%</u>	<u>9,524</u>		<u>19.63%</u>

*Note: Terumo Medical and Terumo Cardiovascular totals are combined under Terumo Corporation

**Note: Nationwide retailers excluded effective 2021

Sources: Cecil County Department of Economic Development

Table XVI

**FULL-TIME EQUIVALENT COUNTY GOVERNMENT EMPLOYEES
BY FUNCTION
LAST TEN FISCAL YEARS**

<u>Function</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
General Government	107	104	99	110	99	105	108	116	112	112
Public Safety	284	303	302	303	315	321	322	331	337	343
Law Enforcement	97	95	99	105	105	108	111	112	114	114
Detention Center	63	84	81	70	78	74	76	70	72	72
EMS & Emergency Services	80	77	74	77	84	83	77	84	82	83
Other	44	47	48	51	48	56	58	65	69	74
Highways, Streets, and Bridges	64	68	65	68	67	61	64	64	63	64
Roads Maintenance	44	45	42	41	44	42	46	44	43	45
Engineering and Other	20	23	23	27	23	19	18	20	20	19
Health and Welfare	51	43	43	61	47	58	59	66	66	68
Senior Services	24	23	23	39	30	37	40	45	41	43
Other	27	20	20	22	17	21	19	21	25	25
Recreation and Culture	6	7	8	8	8	8	11	13	12	13
Economic Development	6	6	6	7	6	7	6	7	7	7
Agriculture	5	5	5	5	5	4	5	5	5	5
Water	-	-	-	-	-	-	-	-	-	-
Wastewater	14	16	16	15	14	16	16	17	19	20
Landfill	25	22	25	24	22	23	23	21	24	23
Totals	562	574	569	601	583	603	614	640	645	655

Sources: Cecil County Finance and Human Resources Departments

Table XVII

**OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Physical Arrests	2,577	2,611	2,608	2,422	2,548	2,743	3,066	3,065	3,376	2,909
911 Calls	207,019	164,265	171,258	168,535	224,643	135,127	129,993	127,484	128,889	126,764
Fire/Paramedic Calls	13,525	22,751	23,217	28,845	29,820	12,360	14,441	14,706	15,114	14,767
Building Permits Issued	323	220	464	234	202	192	198	212	348	238
Highways, Streets, and Bridges										
Street Resurfacing (miles)	12.67	15.76	13.11	15.93	18.07	15.49	6.35	10.11	10.85	21.72
Health and Welfare										
Participants (avg. monthly)	1,170	1,327	1,434	1,135	1,235	1,765	1,327	843	918	917
Meals served	21,276	21,433	21,868	25,005	18,052	29,066	33,808	33,494	41,804	41,801
Bus Passengers	60,066	66,892	76,990	92,314	100,929	101,251	97,043	102,353	111,611	86,833
Recreation and Culture										
Recreation Registrations	n/a	11,000	14,000	15,750	15,130	14,620	17,388	18,546	14,500	13,330
Recreation Programs	n/a	150	180	197	157	162	244	248	207	184
Safetyville (attendance)	88	71	106	147	64	86	71	103	84	32
Agriculture										
Acres under Preservation Agreements	23,900	24,739	25,108	25,799	26,382	26,497	27,079	27,798	28,945	33,742
Water										
Average Daily Consumption (thousands of gallons)	169,546	87,039	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wastewater										
Annual Sewage Treatment (thousands of gallons)	496,752	520,077	526,507	648,139	580,480	578,510	539,450	580,123	681,339	819,000
Landfill										
Annual Tons of Refuse	91,475	84,855	83,428	84,796	83,449	85,172	87,706	93,118	94,561	98,972

Sources: Various Cecil County departments.

Note: Quantifiable and meaningful operating indicators are not available for all functions.
 NA = Not available
 As of FY2007 a new Communication Systems came online to accept County-wide emergency calls.
 The County sold the Water Operations effective December 21, 2011.

Table XVIII

**CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety										
Police Patrol Units	85	89	83	95	100	100	100	106	111	113
Paramedic Units	8	8	8	8	8	8	8	8	9	9
Highways, Streets, and Bridges										
Roads & Highways (miles)	601	601	599	599	600	604	604	604	606	607
Bridges	95	95	95	97	97	97	98	98	99	99
Health and Welfare										
Buses	14	11	11	13	17	17	14	17	18	20
Recreation and Culture										
Park Acreage	531	531	531	535	535	535	535	661	686	686
Water										
Production Capacity (millions of gallons per day)	1.348	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wastewater										
Wastewater Treatment Capacity (millions of gallons per day)	3.065	3.065	3.490	3.490	3.490	3.465	3.165	3.165	3.165	3.165
Landfill										
Remaining Built Capacity (cubic yards)	2,215,500	2,137,740	1,975,875	1,800,200	1,628,300	1,501,646	1,333,555	1,155,234	939,152	853,830

Sources: Various Cecil County departments.

Note: Quantifiable and meaningful capital asset statistics are not available for all functions.
The County sold the Water Operations effective December 21, 2011.