



Cecil County Maryland

**Annual Comprehensive Financial Report
For The Year Ended June 30, 2022**



Cecil County Maryland



Annual Comprehensive Financial Report For the Year Ended June 30, 2022

Prepared by the Cecil County Department of Finance

CECIL COUNTY, MARYLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

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- Cecil County Library

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INTRODUCTORY
SECTION

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Danielle Hornberger
County Executive

Steven Overbay
Director of Administration

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CECIL COUNTY MARYLAND GOVERNMENT

Department of Finance
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February 13, 2023

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

We are pleased to submit this Annual Comprehensive Financial Report for Cecil County, Maryland for the fiscal year ended June 30, 2022. 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 2022. 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, 2022, 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

Because of the economic health of the previous year, and the lower spending, the Fiscal Year 2023 budget represented a 4.7% increase. 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 2023 budget includes the following major initiatives:

- Establishes a balanced budget with no use of the unassigned Fund Balance.
- Tax relief by cutting the real property tax rate from 1.279 to 1.0143 per hundred dollars and the personal property tax rate for businesses from 2.5697 to 2.5358 per hundred dollars, which represents an approximate 1.3% reduction.
 - This is the second year in a row that County Executive Danielle Hornberger's administration has cut the property tax rate and the first time in Cecil County charter government history that the property taxes have been cut two years in a row.
- Tax relief by cutting income taxes by 6.7% (from a 3.0% tax rate to a 2.8% tax rate).

- This moves the County to the 5th lowest taxed jurisdiction for income tax in the State and the lowest for any Charter government in Maryland. This is the first time in the history of Cecil County charter government that income taxes have been cut.
- Retain and attract a highly qualified and trained workforce within Cecil County government and within our external state agencies that we fund (e.g., Sheriff's Office, Circuit Court, State's Attorney, etc.).
 - Accordingly, all 551 full time County employees and all 307 external state employees (with the exclusion of union employees who will receive COLAs and step raises, etc., according to their negotiated union contracts),
 - Will receive a 1.5% COLA and an anniversary step raise (except Directors). In addition, there will be no increase in employee health care premiums (including union employees).
- Creation of a Blue Ribbon Compensation Commission to study compensation and benefits for our public safety work force (detention officers, law enforcement officers, state's attorneys and paramedics/EMTs).
- \$2 million towards a Public Safety Training Center that will include a regional training and firing range.
- Over \$1 million to satisfy law enforcement related unfunded state mandates including the creation of a County-wide Police Accountability Board, full implementation of the body-worn camera program, and psychological evaluations for officers.
- A fourth Paramedic Station located north of Elkton. This continues the County Executive's goal of reducing response times. By placing two ambulances in service at Station 1 (Chesapeake City), response time was reduced by a lifesaving 6 minutes. A new Station 4 will reduce response times by at least 5 minutes to the Fair Hill / Glen Farms area of the County. \$450k in CIP funds are budgeted to pay for the initial design and engineering.
- An increase in the overall funding for the Cecil County Library System which will pay for a salary increase for each library employee as well as 4 new librarians which will enable the County libraries to stay open additional days and extend evening and weekend hours.
- Funds for the Cecil College to repave tennis courts, replace an audio/visual system, repair the Mechanical building and the completion of the new \$14.5 million entrance and facilities building.
- An increase of \$1.9 million for the Public School System even though enrollment increased by only 62 students and the School System received over \$50 million in COVID 19 related additional funding.

- \$7.5 million in CIP money to begin the process of replacing both North East Middle School (c.1936) and North East Senior High School (c.1972) with a single complex with two distinct but attached buildings.
- \$2.4 million for a new Elkton Middle School roof and a new secure entrance for Rising Sun Elementary School.
- Committed \$3.7 million in CIP funds toward the next phase of the Route 40 wastewater extension program to maintain the County’s wastewater system, protect the environment and seed economic development on the Route 40 corridor, the County Executive.
- \$3.9 million for re-surfacing, re-paving and surface maintenance for County roads. As in past years, this amount may increase, with Council permission in the Spring of 2023.

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 53,426 in Q4 2022. The growth in new businesses, recently locating to Cecil County, provided over 4,348 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 \$1,038 in the 4th quarter of 2022. 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

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 is now working on building a new Middle / High 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.

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 FY2023 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, 2021. This was the 32nd 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. 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.

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/ Shon McCollum

/s/ Beverly Barren

Shon McCollum
Director of Finance

Beverly Barren
Accounting Manager



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, 2021

Christopher P. Morill

Executive Director/CEO

Cecil County, Maryland

Principal Officials

June 30, 2022

Elected Officials

Executive

County Executive

Danielle Hornberger

County Council

District 1 & President

Bob Meffley

District 2

Bill Coutz

District 3

Al Miller

District 4

Donna Culberson

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

Cameron Brown

Associate Judge

Brenda A. Sexton

Associate Judge

William W. Davis

Other Officials and Department Directors

Director of Administration

Steven Overbay - Acting

County Attorney

Lawrence Scott

Department Directors

Economic Development

Sandra Edwards - Acting

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. Trolio

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

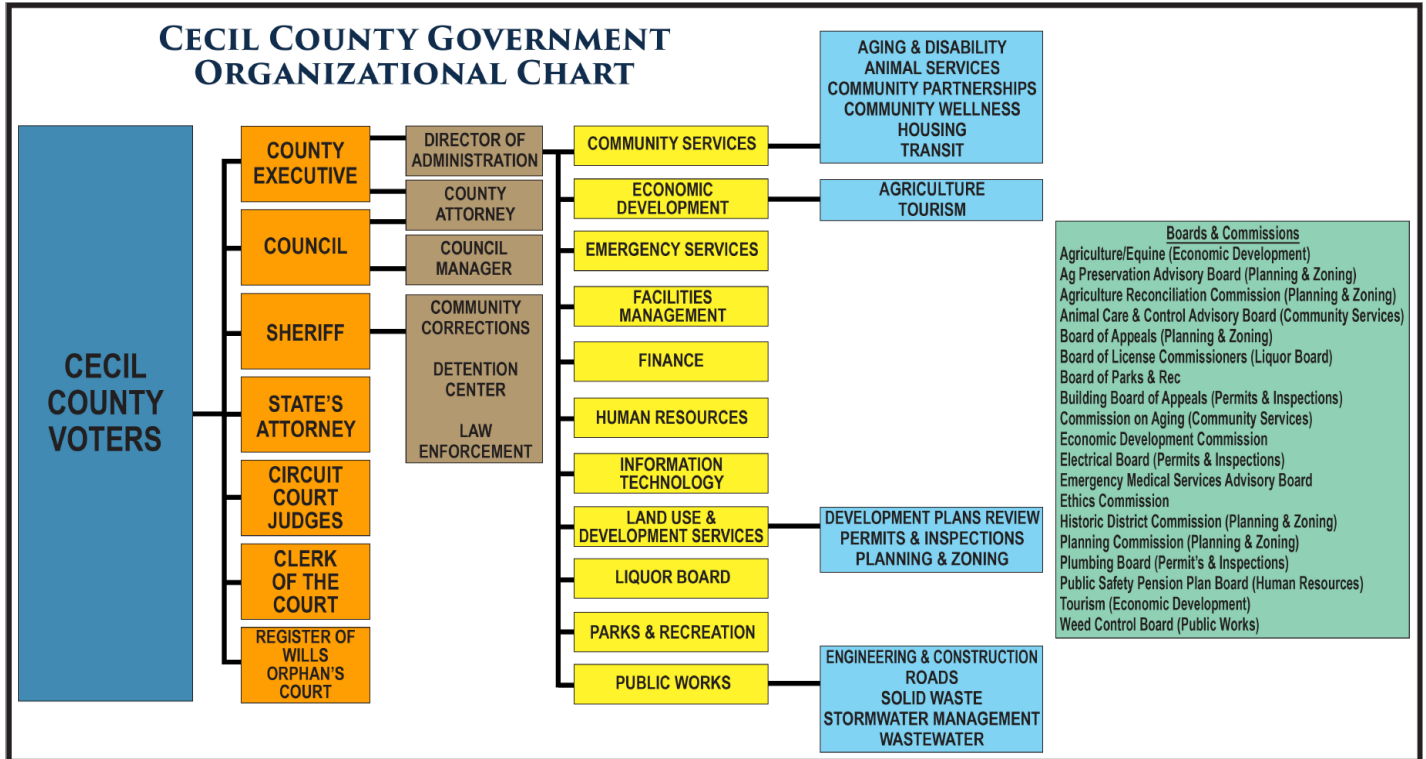


District 3
Al Miller



District 4
Donna Culberson

Cecil County, Maryland
County Organizational Chart



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FINANCIAL
SECTION



SB & COMPANY, LLC
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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON THE AUDIT OF THE FINANCIAL STATEMENTS

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

Opinions

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, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements 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, 2022, and the respective changes in financial position and, where applicable, cash flows and the respective budget and actual statements for the general fund, housing programs, casino local impact, and other grants funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Board of Education of Cecil County, Cecil College, and the Cecil County Public Library. 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. These component units represent 99% of the total assets, 98% of the net position, and 100% of revenues of the discretely presented component units.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.



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Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the 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.



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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor funds and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual nonmajor funds and other schedules are the responsibility of management and were derived from and relate 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 nonmajor funds and other schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Owings Mills, Maryland
February 13, 2023

SB & Company, LLC

**CECIL COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2022**

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, 2022. 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 \$250,951,673 (net position). Of this amount, \$231,982,006 was invested in capital assets, net of related debt. The County reported \$32,937,397 restricted for specific purposes and a negative \$13,967,730 unrestricted net position.
- Total net position of the County increased in fiscal year 2022 by \$50,142,180. The net position of governmental activities increased \$46,286,246 from the previous year; this was primarily caused by increases in the County's Income Taxes, Property Taxes revenue and Charges for Services, primarily made up of recordation taxes and deed transfer fees. The net position from business activities increased \$3,855,934, primarily driven by Landfill operating income.
- Discretely presented component units reported net position of \$206,365,378 a decline of \$5,297,509 from the previous year. Unrestricted net position is reported at negative \$34,683,804.

Fund Level

As of June 30, 2022, the County reported combined ending fund balances in governmental funds of \$137,046,763, an increase of \$57,623,252 from the previous year.

- The combination of assigned and unassigned fund balance of the General Fund was \$101,359,010 or 48% of total General Fund expenditures and transfers out. Of this balance, \$22,079,734 has been assigned as the Emergency Reserve for Contingencies, \$6,623,920 for a Budget Stabilization Reserve, \$1,000,000 for Volunteer Fire Company Vehicle Replacements, \$3,000,000 for HVAC Repairs of County buildings, \$8,200,000 for Vehicle Lease Buyout of Enterprise and Bank of America, \$4,000,000 for Land Purchases to provide for a mid-County Transit hub and other purchases, \$2,000,000 for Business Incentives to retain existing and attract new businesses as well to match State grants, and \$10,000,000 for North East Middle / High School construction.
- The Capital Projects Fund had a \$21,581,287 restricted fund balance for County capital projects and Component Unit capital projects.
- The Other Governmental Funds had \$7,457,222 of restricted fund balance.

Long Term Debt

- The County's total net general obligation debt increased by \$29,087,631 to \$273,861,264. The County has adopted biennial issuance of general obligation debt. The Enterprise Funds had a net increase in debt of \$5,884,982 and governmental activities had a net increase of \$23,202,649.

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 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 \$250,951,673. 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, 2021 and 2022

	Governmental Activities		Business-type Activities		Government-wide Total	
	2021	2022	2021	2022	2021	2022
Current and Other Assets	\$ 153,245,286	\$ 216,757,493	\$ 30,815,929	\$ 39,812,361	\$ 184,061,215	\$ 256,569,854
Capital Assets	<u>253,869,621</u>	<u>245,295,222</u>	<u>131,013,705</u>	<u>128,804,681</u>	<u>384,883,326</u>	<u>374,099,903</u>
Total Assets	407,114,907	462,052,715	161,829,634	168,617,042	568,944,541	630,669,757
Total Deferred Outflow of Resources	<u>6,763,935</u>	<u>23,225,556</u>	<u>506,241</u>	<u>3,531,995</u>	<u>7,270,176</u>	<u>26,757,551</u>
Total Deferred Outflows	6,763,935	23,225,556	506,241	3,531,995	7,270,176	26,757,551
Other Liabilities	61,758,972	54,282,398	9,779,762	(405,238,146)	71,538,734	(350,955,748)
Long Term Liabilities	<u>208,152,417</u>	<u>243,371,338</u>	<u>77,295,841</u>	<u>498,270,978</u>	<u>285,448,258</u>	<u>741,642,316</u>
Total Liabilities	269,911,389	297,653,736	87,075,603	93,032,832	356,986,992	390,686,568
Total Deferred Inflow of Resources	<u>18,418,231</u>	<u>15,789,066</u>	<u>-</u>	<u>-</u>	<u>18,418,231</u>	<u>15,789,066</u>
	18,418,231	15,789,066	-	-	18,418,231	15,789,066
Net Position:						
Net Investment in Capital Assets	178,409,879	178,303,142	59,680,406	53,678,864	238,090,285	231,982,006
Restricted	15,106,271	32,937,397	-	-	15,106,271	32,937,397
Unrestricted (Deficit)	<u>(67,966,928)</u>	<u>(39,405,071)</u>	<u>15,579,866</u>	<u>25,437,341</u>	<u>(52,387,062)</u>	<u>(13,967,730)</u>
Total Net Position	<u>\$ 125,549,222</u>	<u>\$ 171,835,468</u>	<u>\$ 75,260,272</u>	<u>\$ 79,116,205</u>	<u>\$ 200,809,494</u>	<u>\$ 250,951,673</u>

The largest component of the County’s net position, \$231,982,006 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, \$32,937,397, 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 \$17,831,126.

The remaining portion of net position shows a negative unrestricted balance of \$13,967,730. Governmental activities’ negative unrestricted position is \$39,405,071. Business-type activities unrestricted position of \$25,437,342 is derived from Wastewater \$12,447,949, Landfill \$12,428,106, and Property Management Fund \$561,287; 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 \$61,993,947 over the course of this fiscal year’s operations.

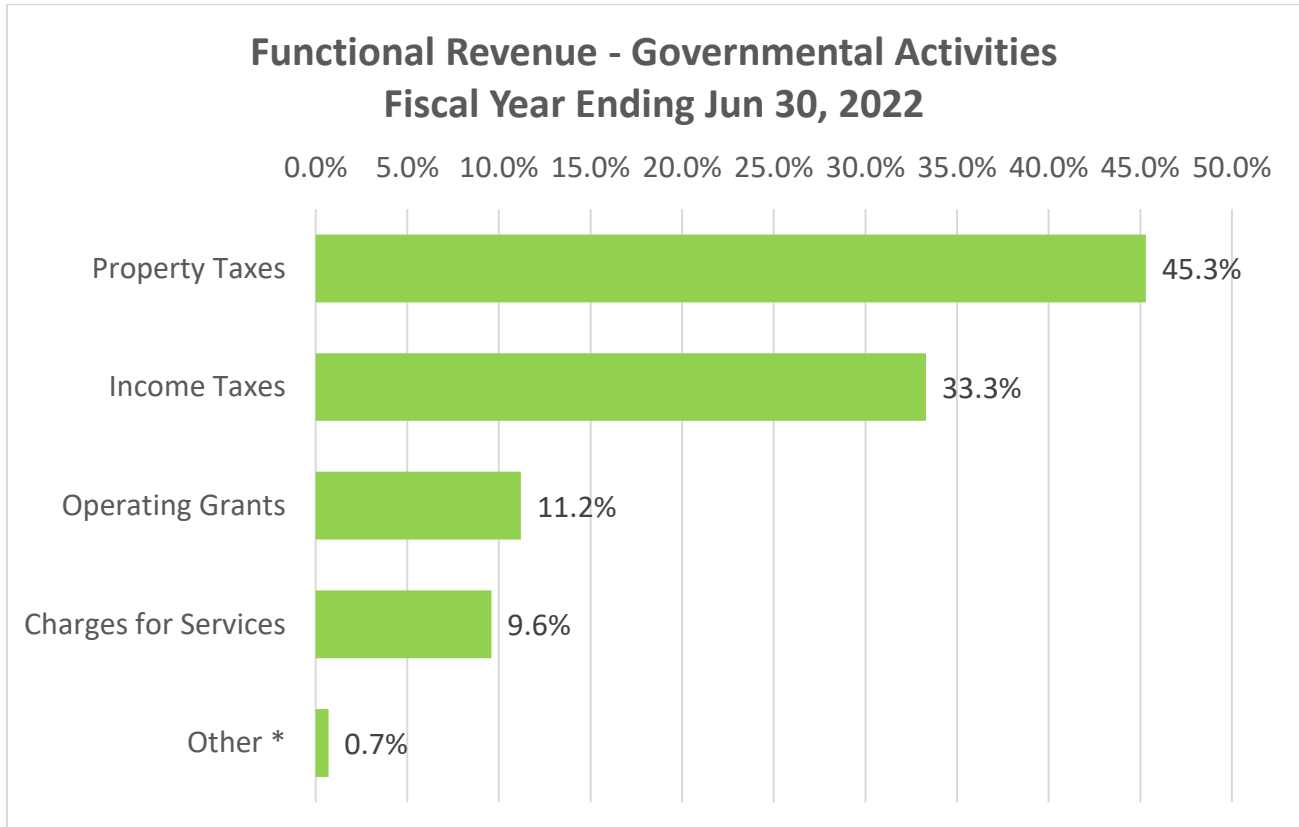
Cecil County’s Changes in Net Position

	Governmental Activities		Business-type Activities		Government-wide Total	
	2021	2022	2021	2022	2021	2022
REVENUES						
Program Revenues:						
Charges for Services	\$ 18,070,645	\$ 27,431,128	\$19,648,862	\$21,857,320	\$ 37,719,507	\$ 49,288,448
Operating Grants & Contributions	32,952,511	31,949,258			32,952,511	31,949,258
Capital Grants & Contributions	926,225	1,649,327	9,253,500	2,954,246	10,179,725	4,603,573
General Revenues:						
Property Taxes	126,825,903	129,619,991	-	-	126,825,903	129,619,991
Income Taxes	84,943,880	95,227,933	-	-	84,943,880	95,227,933
Investment Earnings	163,273	357,002	3,139,360	(2,157,381)	3,302,633	(1,800,379)
Other Revenue & Gains/Losses	-	-	-	-	-	-
Total Revenues	263,882,437	286,234,639	32,041,722	22,654,185	295,924,159	308,888,825
EXPENSES						
General Government	14,008,947	14,203,634	-	-	14,008,947	14,203,634
Public Safety	56,882,838	52,942,419	-	-	56,882,838	52,942,419
Highways, Streets, & Bridges	18,138,965	18,407,042	-	-	18,138,965	18,407,042
Health and Welfare	23,764,717	29,200,437	-	-	23,764,717	29,200,437
Recreation and Culture	3,055,416	3,821,318	-	-	3,055,416	3,821,318
Education	110,336,931	105,381,990	-	-	110,336,931	105,381,990
Public Libraries	6,840,534	7,458,647	-	-	6,840,534	7,458,647
Economic Development	2,150,329	2,179,534	-	-	2,150,329	2,179,534
Agricultural Programs	693,130	710,494	-	-	693,130	710,494
Interest on Long Term Debt	5,157,935	4,742,879	-	-	5,157,935	4,742,879
Wastewater	-	-	10,858,273	11,534,549	10,858,273	11,534,549
Landfill	-	-	7,978,298	7,694,614	7,978,298	7,694,614
Property Management	-	-	569,199	469,088	569,199	469,088
Total Expenses	241,029,742	239,048,394	19,405,770	19,698,251	260,435,512	258,746,644
Increase (Decrease) in Net Position before Transfers	22,852,695	47,186,244	12,635,952	2,955,934	35,488,647	50,142,178
Transfers	(950,000)	(900,000)	950,000	900,000	-	-
Increase (Decrease) in Net Position	21,902,695	46,286,244	13,585,952	3,855,934	35,488,647	50,142,179
Net Position - Beginning	103,646,527	125,549,222	61,674,320	75,260,272	165,320,847	200,809,494
Net Position Ending	\$125,549,222	\$ 171,835,468	\$75,260,272	\$79,116,205	\$200,809,494	\$ 250,951,673

Governmental Activities

Revenues of governmental activities for fiscal year 2022 showed an increase of \$22,352,203 over fiscal year 2021.

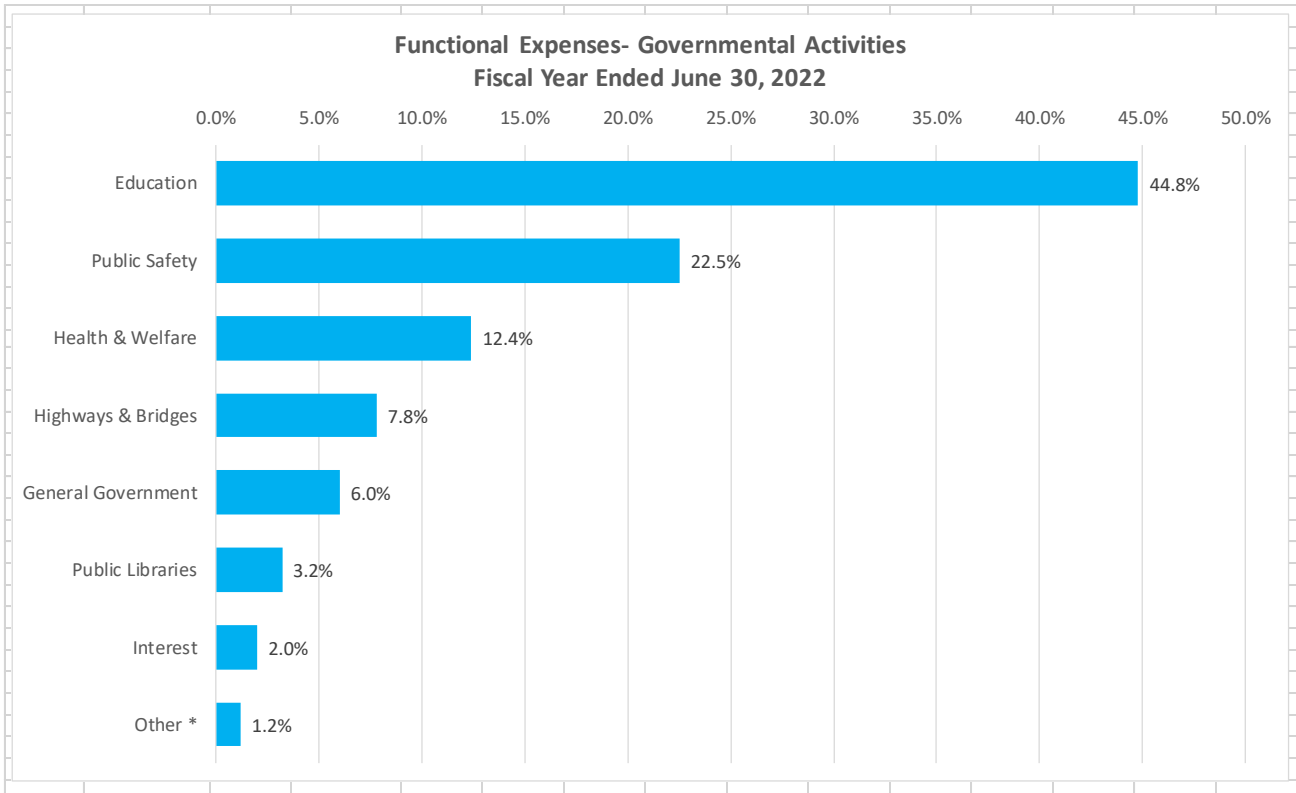
The following graph illustrates the governmental activities functional revenues received by source for fiscal year 2022:



* Other category includes Investment Earnings, Capital Grants & Other

Expenses of governmental activities (operating and capital) resulted in a decline of \$1,981,349 over fiscal year 2021. Primarily components of spending regression were Public Safety of \$3,940,419 and Education of \$4,954,941.

The following graph illustrates the governmental activities functional expenses by source for the fiscal year 2022:



*Other category includes Agricultural Programs, Economic Development, Recreation & Culture

Business-type Activities

In 2022, the net position of business-type activities increased by \$3,855,934 from fiscal year 2021. The net positions of the Waste Water, Landfill, and Property Management Funds increased by \$2,765,140, \$773,254 and \$317,540, 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 \$137,046,763, an increase of \$57,623,252 compared with 2021. Of the current ending fund balances, the following categories are recorded, and primary uses noted:

- \$6,654,445 is recorded as Non-spendable due to a \$3,681,250 advance to the Motor Vehicle Fund, a \$2,477,220 advance to the Information Technologies Fund, and \$495,975 related to inventories and prepaid items.
- \$29,038,509 is recorded as Restricted; \$1,356,583 for Housing Programs, \$3,092,036 for the Casino Impact Fund, \$3,008,603 for the Other Governmental and \$21,581,287 for other (primarily debt service) activities.
- \$56,903,655 is recorded as Assigned and consists of \$22,079,734 as the Emergency Reserve for Contingencies, \$6,623,920 for a Budget Stabilization Reserve, \$1,000,000 for Volunteer Fire Company Vehicle Replacements, \$3,000,000 for HVAC Repairs of County buildings, \$8,200,000 for Vehicle Lease Buyout of Enterprise and Bank of America, \$4,000,000 for Land Purchases to provide for a mid-County Transit hub and other purchases, \$2,000,000 for Business Incentives to retain existing and attract new businesses as well to match State grants, and \$10,000,000 for North East Middle / High School construction.
- \$44,450,154 is the remaining fund balance, thus this is classified as Unassigned. The unassigned fund balance is almost five times larger than the average of last nine years, exceeding by far the fund balance policy requirement.

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 \$6,654,445 and the assigned/unassigned fund balance was \$101,359,010. Unassigned funds of \$44,455,355 are up \$32,916,285 from 2021. The schedule on the following page presents General Fund revenues and expenditures for 2022 compared to budget and 2021 actuals.

The revenues and transfers in for fiscal year 2022 increased \$14,793,773 compared to the prior fiscal year. Primary factors in these results are:

- Property taxes were more than prior year by \$3,234,568 primarily due to increases to assessments and new businesses in the County.
- Income taxes exceeded prior year by \$1,696,990, indicating strong wage growth and employment.
- Charges for Services grew by \$8,234,823, driven by very strong Recordation Tax and Deed Transfers Fees, powered by the COVID-19 pent-up demand as well as the lower interest rates in place in 2021.

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

	2021	2022	Variance	Final	2022	Variance
	Actual	Actual	Positive	Budget	Actual	Positive
			(Negative)			(Negative)
Revenues						
Property Taxes	\$ 126,449,424	\$ 129,683,992	\$ 3,234,568	\$ 127,667,853	\$ 129,683,992	\$ 2,016,139
Income Taxes	81,290,908	82,987,898	1,696,990	65,561,000	82,987,898	17,426,898
Licenses and Permits	2,250,615	2,705,006	454,391	2,200,029	2,705,006	504,977
Intergovernmental	3,148,596	3,316,313	167,717	3,265,606	3,316,313	50,707
Charges for Services	15,019,391	23,254,214	8,234,823	10,854,422	23,254,214	12,399,792
Investment Earnings	128,715	287,357	158,642	153,100	287,357	134,257
Contributions & Other Revenues	81,294	328,069	246,775	213,500	328,069	114,569
Total Revenues	228,368,943	242,562,849	14,193,906	209,915,510	242,562,849	32,647,339
Expenditures						
General Government						
County Executive	184,298	198,401	(14,103)	192,086	198,401	(6,315)
County Council	408,690	439,659	(30,969)	464,738	439,659	25,079
Office of Administrator	419,724	342,431	77,293	420,707	342,431	78,276
County Attorney & Legal	350,176	365,684	(15,508)	393,665	365,684	27,981
Human Resources	1,334,967	1,504,532	(169,565)	1,596,500	1,504,532	91,968
Finance Department	2,667,130	2,921,454	(254,324)	3,061,533	2,921,454	140,079
Circuit Court	2,266,905	2,483,651	(216,746)	2,631,025	2,483,651	147,374
Orphans Court	50,394	49,769	625	53,282	49,769	3,513
Board of Elections	897,569	848,082	49,487	1,139,879	848,082	291,797
Liquor Board Licensing	205,006	223,908	(18,902)	235,373	223,908	11,465
Planning and Zoning	-	-	-	-	-	-
Building Maintenance (Total)	3,686,186	4,001,467	(315,281)	4,433,062	4,001,467	431,595
Public Works Administration	2,539,977	2,586,059	(46,082)	2,941,886	2,586,059	355,827
Roads Administration & Maintenance	9,296,835	11,919,423	(2,622,588)	11,947,593	11,919,423	28,170
Board of Parks	1,697,202	1,891,454	(194,252)	1,907,763	1,891,454	16,309
State's Attorney's Office	2,801,024	3,152,202	(351,178)	3,451,323	3,152,202	299,121
Sheriffs - Law Enforcement						
& Special Assignments	13,814,275	14,570,452	(756,177)	14,767,771	14,570,452	197,319
Sheriffs - Detention Ctr & Work Release	11,234,667	11,217,949	16,718	11,986,820	11,217,949	768,871
Emergency Management	9,124,444	9,694,144	(569,700)	9,540,697	9,694,144	(153,447)
Volunteer Fire Departments	5,217,777	5,438,859	(221,082)	6,241,026	5,438,859	802,167
Land Use & Development Services	2,502,501	2,480,189	22,312	2,910,833	2,480,189	430,644
Animal Control	1,162,760	-	1,162,760	-	-	-
Health Department	3,841,590	3,648,506	193,084	3,644,423	3,648,506	(4,083)
Social Services	356,936	319,229	37,707	386,457	319,229	67,228
Domestic Violence	-	-	-	-	-	-
Non-Profit Agencies	76,364	79,165	(2,801)	102,360	79,165	23,195
Cecil County Board of Education	87,277,052	89,218,678	(1,941,626)	89,202,026	89,218,678	(16,652)
Cecil College	12,083,971	12,054,835	29,136	12,066,736	12,054,835	11,901
Public Libraries	6,406,619	6,230,417	176,202	6,230,417	6,230,417	-
Economic Development	1,430,926	1,531,364	(100,438)	1,618,856	1,531,364	87,492
Agriculture	685,321	742,840	(57,519)	751,558	742,840	8,718
Municipalities	733,260	771,579	(38,319)	771,579	771,579	-
Total Expenditures	184,754,546	190,926,382	(6,171,836)	195,091,974	190,926,382	4,165,592
Other Financing Sources (Uses)						
Transfers in	440,000	1,035,000	595,000	1,035,000	1,035,000	-
Transfers out	(22,610,317)	(20,626,973)	1,983,344	(22,340,353)	(20,626,973)	1,713,380
Total Other Financing Sources (Uses)	(22,170,317)	(19,591,973)	2,578,344	(21,305,353)	(19,591,973)	1,713,380
Net Change in Fund Balance	21,444,080	32,044,494	\$10,600,414	(6,481,817)	32,044,494	\$ 30,195,127
Fund Balance - Beginning	54,524,880	75,968,960		52,342,137	75,968,960	
Fund Balance - Ending	\$ 75,968,960	\$ 108,013,454		\$ 45,860,320	\$ 108,013,454	

The current year's expenditures and transfers out increased by \$4,193,359 compared to fiscal year 2021 spending levels.

- Roads Administration & Maintenance spent \$2,622,588 more on asphalt overlay and road maintenance.
- Expenditures on behalf of the Board of Education increased by \$1,941,626. This change was due to an increase in operating allocation of \$2,159,161 but was offset by a decrease capital construction cost related to small projects of \$217,535.
- Law Enforcement expenses increased by \$757,412, mainly contributed by higher medical supplies, uniforms and gasoline and oil.

Other Major Funds – Comparison to Prior Year

The Housing Program Fund had a \$310,947 increase to fund balance. Revenues and transfers in increased by \$6,892,723 while expenditures increased \$6,778,235 from the previous year; the result is a positive net change in fund balance.

The Casino Local Impact Fund had a \$823,940 increase to fund balance. Revenues increased by \$226,887, while expenditures and operating transfers out decreased \$89,358 from the previous year.

The Capital Projects Fund had a \$24,718,595 increase to due to issuance of new bonds which are on a biennial schedule.

Proprietary Funds

Wastewater Services Fund. Operating revenues for fiscal year 2022 increased \$1,437,103 from last year to \$10,341,226, while operating expenses increased by \$1,354,409, to \$10,568,542, which resulted in an operating loss of \$227,316. After capital grants, capital contributions, and interest expense the Change in Net Position is \$2,675,140.

Landfill Fund. Operating revenues in the fund increased by \$804,262 from fiscal year 2021 primarily due to increased usage, while operating expenses declined by \$153,821, primarily due to labor costs. Investment earnings for the fund declined by \$5,299,274 due to the market performance. The resulting change in Net Position is \$773,254.

Property Management Fund. Operating revenues in the fund were \$886,628 for the fiscal year, while operating expenses were \$344,386, and the fund made a \$100,000 transfer to the General Fund. Including interest expense and earnings, this resulted in a change in Net Position of \$317,540 for fiscal year 2022.

General Fund Budgetary Highlights

Cecil County adopted its fiscal year 2022 budget on June 7, 2021 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 \$6,481,817 primarily due to a continuing allocation for Road and Bridge Improvements of \$3,379,989, Board of Education increased funding of \$2,159,160 to comply with the required maintenance of effort (MOE) level and \$575,000 for Volunteer Fire Equipment purchases.

The final budget contained \$210,950,510 of revenues and other financing sources, \$217,432,327 of expenditures and transfers, and \$6,481,817 of appropriated fund balance. The actual revenues and other financing sources were \$32,652,206 greater than the final budget and actual expenditures and transfers were \$2,497,774 below the final budget.

- Property taxes were \$2,016,139 above budget due to strong real estate market and business environment, fueled by lower interest rates.
- Income taxes were \$17,426,898 above budget due to the budget being approved at a reduced amount in anticipation of continuing adverse fiscal impact of COVID-19 on tax receipts and changes in Maryland tax law. In addition to the changes in tax law, the Comptroller's Office was over conservative in calculating budgeted County distributions.
- Charges for Services were up compared to budget by \$13,399,792, mainly driven by the recordation taxes and deed transfer fees as commercial real estate activity continued to exceed expectations.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2022, Cecil County had invested \$374,099,901, net of accumulated depreciation, in a broad range of capital assets (table below). Depreciation charges for this fiscal year totaled \$25,597,872.

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

- Completion of the Central Yard Fuel Point;
- Expansion of County sewer with the completion of Elkton West Phase 3B;
- Completion of the Port Deposit Waste Water Treatment Plant; and
- Completion of the Bailiff Road Bridge Rehabilitation.

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

Cecil County's Capital Assets as of June 30, 2021 and 2022

(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
Land	\$ 16,670,242	\$ 16,703,068	\$ 3,341,327	\$ 3,347,327	\$ 20,011,569	\$ 20,050,395
Construction in Progress	8,694,259	9,809,322	8,234,899	8,033,820	16,929,158	17,843,142
Landfill & Land Improvements	19,324,342	17,874,867	13,642,002	11,833,476	32,966,344	29,708,343
Highways & Bridges	100,333,382	97,805,811	-	-	100,333,382	97,805,811
Utility Systems	-	-	51,617,956	54,139,423	51,617,956	54,139,423
Buildings	81,224,699	78,978,474	22,289,830	22,003,553	103,514,529	100,982,027
Machinery & Equipment	27,622,697	24,123,680	31,887,691	29,447,080	59,510,388	53,570,760
Total Capital Assets	\$ 253,869,621	\$ 245,295,222	\$ 131,013,705	\$ 128,804,679	\$ 384,883,326	\$ 374,099,901

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 \$273,861,267. All debt is backed by the full faith and credit of the government. Governmental activities report \$197,961,047 and business-type activities report \$75,900,220 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 \$60,989. 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.

	Governmental Activities		Business-type Activities		Total	
	2021	2022	2021	2022	2021	2022
General						
Obligation Bonds	\$ 169,955,313	\$ 197,900,059	\$ 41,044,687	\$ 49,414,938	\$ 211,000,000	\$ 247,314,997
Notes From						
Direct Borrowings	4,803,086	60,989	28,970,547	26,485,278	33,773,633	26,546,267
Total Long Term Debt	\$ 174,758,399	\$ 197,961,048	\$ 70,015,234	\$ 75,900,216	\$ 244,773,633	\$ 273,861,264

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 7.2% as of June 2021 to 4.0% in October 2022 and continued to trend along with the State average of 4.0%, due largely to the diversity of our local economy in 2022.

Although COVID-19 and supply chain challenges slowed some projects in Cecil County, 2022 was another year of solid building & expansion, hiring, and workforce training. Northrop Grumman is tracking to add over 200 jobs over the next several years with over \$100 million planned investment beginning in 2022 through 2028. Great Wolf Lodge made major progress on their facility and water park in 2022 and is now on target to open summer 2023. Free State Business Park, completed one of the construction projects in 2022 adding 40 new jobs and \$12 million in Capex. Free State has a second building project underway for completion 2023 adding 30 new jobs and \$15 million in Capex. Elkton Commerce Center, Estes Trucking, Scannell Properties, and Principio Iron Company all began major expansion initiatives totaling an additional \$100 million capital expenditure in Cecil County.

The FY2023 Approved Budget is the second under the Hornberger administration. This year features another balanced budget that meets the County needs while leaving the unassigned fund balance intact. For the second consecutive year, Cecil County has reduced the real property tax rate and for the first time since becoming a charter government, income taxes have been reduced. This reduction in income tax makes Cecil County the 5th lowest taxed county in Maryland and to lowest of any charter government. The approved budget also supports a COLA and step increase for employees. While the County remained cautious with expenses and kept departmental expenditure increases to a minimum, we do anticipate a continued strong revenue forecast due to solid economic development projects underway. The County's conservative approach to budgeting will continue in FY2023 as we continue to prepare and safeguard against inflationary pressures.

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 Shon McCollum, 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, 2022

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents (Note 3)	\$ 6,633,239	\$ 9,294,931	\$ 15,928,170	\$ 39,937,693
Investments (Note 3)	112,239,077	10,122,059	122,361,136	20,932,864
Receivables, Net (Note 4)	5,028,990	5,519,473	10,548,463	2,326,009
Due from Primary Government	-	-	-	163,324
Due from Other Governments	51,546,199	864,171	52,410,370	12,895,283
Inventories	521,516	-	521,516	197,395
Prepaid Items & Other Assets	452,317	57	452,374	940,512
Restricted Assets:				
Cash and Investments (Note 3)	36,432,067	14,011,670	50,443,737	8,849,422
Net OPEB Asset	3,904,089	-	3,904,089	-
Capital Assets, Net: (Note 6)				
Land	16,703,068	3,347,327	20,050,395	11,601,877
Construction in Progress	9,809,322	8,033,821	17,843,143	1,538,099
Landfill & Land Improvements	17,874,867	11,833,476	29,708,343	14,335,407
Highways & Bridges	97,805,811	-	97,805,811	-
Wastewater Systems	-	54,139,423	54,139,423	-
Buildings & Improvements	78,978,474	22,003,553	100,982,027	180,930,692
Machinery & Equipment	24,123,680	29,447,081	53,570,761	19,832,686
Total Assets	462,052,715	168,617,042	630,669,757	314,481,263
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge of Refunding	4,164,309	3,531,995	7,696,304	-
Pension Deferrals	18,139,666	-	18,139,666	4,703,594
OPEB Deferrals	921,581	-	921,581	18,022,068
Total Deferred Outflows of Resources	23,225,556	3,531,995	26,757,551	22,725,662
LIABILITIES				
Accounts Payable	13,958,116	2,493,447	16,451,563	23,356,726
Salary and Benefits Payable	4,457,725	204,844	4,662,569	1,230,783
Due to Other Governments	386,759	-	386,759	-
Unearned Revenue (Note 11)	10,738,552	420,194	11,158,746	5,171,057
Other Liabilities	2,204,062	8,105	2,212,167	-
Liabilities Payable with Restricted Assets	386,315	-	386,315	-
Long Term Liabilities (Note 8)				
Due within one year:				
Bonds Payable	13,098,295	4,548,574	17,646,869	-
Financed Purchases	1,451,903	209,153	1,661,056	541,243
Insurance Claims Payable	5,420,435	-	5,420,435	-
Compensated Absences	2,180,237	214,598	2,394,835	696,646
Due in more than one year:				
Bonds Payable	198,557,861	73,251,141	271,809,002	-
Financed Purchases	2,493,220	437,199	2,930,419	348,447
Notes Payable	-	-	-	91,841
Compensated Absences	1,090,118	15,601	1,105,719	3,526,822
Accrued Landfill Closure/Postclosure	-	11,229,976	11,229,976	-
Net OPEB Liability	-	-	-	71,791,275
Net Pension Liability	41,230,138	-	41,230,138	9,273,422
Total Liabilities	297,653,736	93,032,832	390,686,568	116,028,262
DEFERRED INFLOWS OF RESOURCES				
Pension Deferrals	14,280,153	-	14,280,153	5,254,416
OPEB Deferrals	1,508,913	-	1,508,913	9,558,869
Total Deferred Inflows of Resources	15,789,066	-	15,789,066	14,813,285
NET POSITION				
Net Investment in Capital Assets	178,303,142	53,678,864	231,982,006	227,349,071
Restricted for:				
Capital Projects	21,581,287	-	21,581,287	32,317
Health and Welfare	1,356,583	-	1,356,583	-
Agriculture	729,089	-	729,089	-
Economic Development	3,515,509	-	3,515,509	-
Net OPEB Asset	3,904,089	-	3,904,089	-
Debt Service and Other	1,850,840	-	1,850,840	13,667,794
Unrestricted	(39,405,071)	25,437,341	(13,967,730)	(34,683,804)
Total Net Position	\$ 171,835,468	\$ 79,116,205	\$ 250,951,673	\$ 206,365,378

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, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Grants and Contributions		Primary Government			
			Operating	Capital	Governmental Activities	Business-Type Activities	Total	
Primary Government:								
Governmental Activities:								
General Government	\$ 14,203,634	\$ 22,699,506	\$ 2,334,981	\$ -	\$ 10,830,853	\$ -	\$ 10,830,853	\$ -
Public Safety	52,942,419	3,154,744	2,938,450	6,099	(46,843,126)	-	(46,843,126)	-
Highways, Streets, and Bridges	18,407,042	89,740	4,878,837	934,284	(12,504,181)	-	(12,504,181)	-
Health and Welfare	29,200,437	791,225	20,905,858	708,944	(6,794,410)	-	(6,794,410)	-
Recreation and Culture	3,821,318	695,913	175,328	-	(2,950,077)	-	(2,950,077)	-
Education	105,381,990	-	-	-	(105,381,990)	-	(105,381,990)	-
Public Libraries	7,458,647	-	-	-	(7,458,647)	-	(7,458,647)	-
Economic Development	2,179,534	-	713,098	-	(1,466,436)	-	(1,466,436)	-
Agriculture	710,494	-	2,706	-	(707,788)	-	(707,788)	-
Interest on Long-Term Debt	4,742,879	-	-	-	(4,742,879)	-	(4,742,879)	-
Total Governmental Activities	<u>239,048,393</u>	<u>27,431,128</u>	<u>31,949,258</u>	<u>1,649,327</u>	<u>(178,018,680)</u>	<u>-</u>	<u>(178,018,680)</u>	<u>-</u>
Business-Type Activities:								
Wastewater	11,534,549	10,341,226	-	2,954,246	-	1,760,923	1,760,923	-
Landfill	7,694,614	10,629,466	-	-	-	2,934,852	2,934,852	-
Property Management	469,088	886,628	-	-	-	417,540	417,540	-
Total Business-Type Activities	<u>19,698,251</u>	<u>21,857,320</u>	<u>-</u>	<u>2,954,246</u>	<u>-</u>	<u>5,113,315</u>	<u>5,113,315</u>	<u>-</u>
Total Primary Government	<u>\$ 258,746,644</u>	<u>\$ 49,288,448</u>	<u>\$ 31,949,258</u>	<u>\$ 4,603,573</u>	<u>\$ (178,018,680)</u>	<u>\$ 5,113,315</u>	<u>\$ (172,905,365)</u>	<u>-</u>
Component Units:								
Board of Education	\$ 271,672,053	\$ 589,677	\$ 106,015,133	\$ 5,732,861	-	-	-	(159,334,382)
Cecil College	34,357,270	3,980,878	4,553,828	1,402,467	-	-	-	(24,420,097)
Cecil County Library	7,884,959	-	169,834	-	-	-	-	(7,715,125)
Bainbridge Development Corporation	1,680,827	403,174	67,560	-	-	-	-	(1,210,093)
Total Component Units	<u>\$ 315,595,109</u>	<u>\$ 4,973,729</u>	<u>\$ 110,806,355</u>	<u>\$ 7,135,328</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(192,679,697)</u>
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					129,619,991	-	129,619,991	-
Income Taxes					95,227,933	-	95,227,933	-
Investment Earnings					357,002	(2,157,381)	(1,800,379)	34,490
Other Revenues including Gains/(Loss) on Sale of Capital Assets					-	-	-	2,775,302
Payments From the Primary Government					-	-	-	106,975,579
Payments From the State Government					-	-	-	72,013,394
Entitlements, and Contributions not Restricted to Specific Programs					-	-	-	5,583,423
Transfers					(900,000)	900,000	-	-
Total General Revenues, Special Items, and Transfers					<u>224,304,926</u>	<u>(1,257,381)</u>	<u>223,047,545</u>	<u>187,382,188</u>
Change in Net Position					46,286,246	3,855,933	50,142,180	(5,297,509)
Net Position - Beginning					<u>125,549,222</u>	<u>75,260,272</u>	<u>200,809,494</u>	<u>211,662,887</u>
Net Position - Ending					<u>\$ 171,835,468</u>	<u>\$ 79,116,205</u>	<u>\$ 250,951,674</u>	<u>\$ 206,365,378</u>

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

CECIL COUNTY, MARYLAND

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022

	General	Housing Programs	Casino Local Impact	Other Grants	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS							
Cash (Note 3)	\$ 4,519,640	\$ -	\$ -	\$ -	\$ -	\$ 1,855,990	\$ 6,375,630
Investments (Note 3)	96,212,668	-	-	-	-	-	96,212,668
Receivables, Net (Note 4)	3,971,144	-	-	105	-	45,143	4,016,392
Due from Other Funds	4,603,709	-	-	-	-	-	4,603,709
Due from Other Governments	42,964,726	4,211,789	847,396	1,688,527	-	1,832,477	51,544,915
Inventory	374,890	-	-	-	-	-	374,890
Other Assets	121,085	11,394	-	-	-	-	132,479
Advances to Other Funds	6,158,470	-	-	-	-	-	6,158,470
Restricted Assets:							
Cash and Investments (Note 3)	-	1,145,450	2,692,885	9,126,470	22,316,480	1,150,782	36,432,067
Total Assets	\$ 158,926,332	\$ 5,368,633	\$ 3,540,281	\$ 10,815,102	\$ 22,316,480	\$ 4,884,392	\$ 205,851,220
LIABILITIES:							
Accounts Payable	\$ 4,782,165	\$ 277,153	\$ 83,441	\$ 470,679	\$ -	\$ 339,473	\$ 5,952,910
Salaries and Benefits Payable	3,846,999	50,053	-	76,009	-	394,982	4,368,043
Due to Other Funds	-	3,621,212	-	-	-	982,497	4,603,709
Due to Other Governments	-	-	296,589	-	90,170	-	386,759
Other Liabilities	6,518,721	-	68,215	20,307	-	3,957	6,611,200
Unearned Revenue (Note 11)	-	7,366	-	10,253,308	314,974	154,880	10,730,528
Liabilities Payable from Restricted Funds	-	56,266	-	-	330,049	-	386,315
Total Liabilities	15,147,885	4,012,050	448,245	10,820,303	735,193	1,875,789	33,039,464
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Income Taxes	35,099,547	-	-	-	-	-	35,099,547
Unavailable Revenue - Property Taxes	665,445	-	-	-	-	-	665,445
Total Deferred Inflows of Resources	35,764,992	-	-	-	-	-	35,764,992
FUND BALANCES:							
Non-Spendable	6,654,445	-	-	-	-	-	6,654,445
Restricted	-	1,356,583	3,092,036	-	21,581,287	3,008,603	29,038,509
Assigned	56,903,655	-	-	-	-	-	56,903,655
Unassigned	44,455,355	-	-	(5,201)	-	-	44,450,154
Total Fund Balances	108,013,455	1,356,583	3,092,036	(5,201)	21,581,287	3,008,603	137,046,763
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 158,926,332	\$ 5,368,633	\$ 3,540,281	\$ 10,815,102	\$ 22,316,480	\$ 4,884,392	\$ 205,851,219

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, 2022

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

Total Fund Balances for Government Funds (Page 20)		\$ 137,046,763
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 \$14,037,788 of internal service fund capital assets accounted for in the following line.		231,257,434
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.		14,666,756
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	\$ 35,099,547	
Property Taxes	<u>665,445</u>	35,764,992
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	\$ 3,904,089	
Compensated Absences	(3,178,657)	
Accrued interest on long-term debt	(2,204,062)	
Deferred - Bond Premium	(13,667,154)	
Deferred - Advance Refunding Difference	4,164,309	
Pension Deferred Outflows	18,139,666	
Pension Deferred Inflows	(14,280,153)	
OPEB Deferred Inflows	(1,508,913)	
OPEB Deferred Outflows	921,581	
Net Pension Liability	(41,230,138)	
Bonds and Notes Payable	<u>(197,961,045)</u>	<u>(246,900,477)</u>
Net Position of Governmental Activities (Page 18)		<u>\$ 171,835,468</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, 2022

	General	Housing Programs	Casino Local Impact	Other Grants	General Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
REVENUES							
Property Taxes	\$ 129,683,992	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 129,683,992
Special Assessments - Current	-	-	-	-	-	6,099	6,099
Income Taxes	82,987,898	-	-	-	-	-	82,987,898
Licenses and Permits	2,705,006	-	-	-	-	-	2,705,006
Intergovernmental	3,316,313	13,565,501	3,413,630	6,393,415	526,610	5,066,013	32,281,482
Charges for Services	23,254,214	178,476	-	-	-	612,749	24,045,439
Investment Earnings	287,357	847	218	20,418	-	1,693	310,533
Contributions & Other Revenues	328,069	-	-	44,369	-	-	372,438
Total Revenues	<u>242,562,849</u>	<u>13,744,824</u>	<u>3,413,848</u>	<u>6,458,202</u>	<u>526,610</u>	<u>5,686,554</u>	<u>272,392,887</u>
EXPENDITURES							
Current:							
General Government	11,248,539	-	-	1,893,092	-	2,887,968	16,029,599
Public Safety	48,411,654	-	-	3,236,902	-	-	51,648,556
Highways, Streets, and Bridges	14,505,482	-	-	727,449	-	-	15,232,931
Health and Welfare	4,231,698	13,661,662	-	1,062,299	-	10,319,979	29,275,638
Recreation and Culture	1,979,296	-	-	175,567	-	-	2,154,863
Education	101,273,513	-	-	-	-	-	101,273,513
Public Libraries	6,230,417	-	-	-	-	-	6,230,417
Economic Development	1,531,364	-	504,908	194,490	-	-	2,230,762
Agriculture	742,840	-	-	-	-	8,550	751,390
Municipalities	771,579	-	-	-	-	-	771,579
Debt Service:							
Principal	-	-	-	-	-	7,799,718	7,799,718
Interest and Fiscal Charges	-	-	-	-	-	6,176,257	6,176,257
Bond Issuance Cost	-	-	-	-	186,146	-	186,146
Capital Outlay	-	-	-	-	7,447,634	-	7,447,634
Total Expenditures	<u>190,926,382</u>	<u>13,661,662</u>	<u>504,908</u>	<u>7,289,799</u>	<u>7,633,780</u>	<u>27,192,472</u>	<u>247,209,003</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>51,636,467</u>	<u>83,162</u>	<u>2,908,940</u>	<u>(831,597)</u>	<u>(7,107,170)</u>	<u>(21,505,918)</u>	<u>25,183,884</u>
OTHER FINANCING SOURCES (USES)							
Issuance of Debt	-	-	-	-	30,863,251	-	30,863,251
Premium on Debt Issued	-	-	-	-	2,160,583	176,421	2,337,004
Refunding Bonds Issued	-	-	-	-	-	48,760,000	48,760,000
Advance Refunding Agent	-	-	-	-	-	(48,620,887)	(48,620,887)
Transfers In	1,035,000	227,785	-	17,581	776,368	21,729,676	23,786,411
Transfers Out	(20,626,973)	-	(2,085,000)	-	(1,974,437)	-	(24,686,410)
Total Other Financing Sources (Uses)	<u>(19,591,973)</u>	<u>227,785</u>	<u>(2,085,000)</u>	<u>17,581</u>	<u>31,825,765</u>	<u>22,045,210</u>	<u>32,439,369</u>
Net Change in Fund Balances	32,044,494	310,947	823,940	(814,016)	24,718,595	539,292	57,623,253
Fund Balances - Beginning	75,968,960	1,045,636	2,268,096	808,815	(3,137,308)	2,469,311	79,423,510
Fund Balances - Ending	<u>\$ 108,013,454</u>	<u>\$ 1,356,583</u>	<u>\$ 3,092,036</u>	<u>\$ (5,201)</u>	<u>\$ 21,581,287</u>	<u>\$ 3,008,603</u>	<u>\$ 137,046,763</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, 2022**

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) \$ 57,623,253

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 (\$13,942,526) is exceeded by capital outlay (\$7,902,263) in the current period. Depreciation excludes \$3,848,924 from the internal service fund. (6,040,263)

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. 133,021

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	\$	(64,001)	
Income Taxes		<u>12,240,035</u>	
Net Adjustment			12,176,034

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>Debt Issued</u>	<u>Repayments:</u>	
General Obligation bonds/Direct borrowings	\$ (30,624,470)	\$ 7,799,718	
Current Refunding	(48,760,000)	48,620,887	
Deferred Advanced Refunding	2,887,968	(537,500)	
Premium on Debt Issued	<u>(2,337,004)</u>	<u>2,097,429</u>	
Net Adjustment	\$ <u>(78,833,506)</u>	\$ <u>57,980,534</u>	(20,852,972)

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	\$	751,420	
OPEB Expense		398,991	
Compensated Absences		126,603	
Accrued Interest on Long-term Debt		<u>(126,551)</u>	
Net Adjustment			1,150,463

The change in net assets of certain internal service funds are reported with governmental activities. 2,096,710

Change in Net Position of Governmental Activities (Page 19) \$ 46,286,246

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, 2022

	<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	\$ 127,667,853	\$ 127,667,853	\$ 129,683,992	\$ 2,016,139
Income Taxes	65,561,000	65,561,000	82,987,898	17,426,898
Licenses and Permits	2,200,029	2,200,029	2,705,006	504,977
Intergovernmental	3,265,606	3,265,606	3,316,313	50,707
Charges for Services	10,854,422	10,854,422	23,254,214	12,399,792
Investment Earnings	153,100	153,100	287,357	134,257
Contributions & Other Revenues	213,500	213,500	328,069	114,569
Total Revenues	<u>209,915,510</u>	<u>209,915,510</u>	<u>242,562,849</u>	<u>32,647,339</u>
EXPENDITURES				
Current:				
General Government	11,666,996	12,173,230	11,248,539	924,691
Highways, Streets, and Bridges	11,509,489	14,889,479	14,505,482	383,997
Recreation and Culture	1,932,152	2,004,853	1,979,296	25,557
Public Safety	49,270,325	51,009,040	48,411,654	2,597,386
Health and Welfare	4,374,746	4,374,200	4,231,698	142,502
Education	99,057,267	101,268,762	101,273,513	(4,751)
Public Libraries	6,040,417	6,230,417	6,230,417	-
Economic Development	1,560,763	1,618,856	1,531,364	87,492
Agriculture	720,562	751,558	742,840	8,718
Municipalities	771,579	771,579	771,579	-
Total Expenditures	<u>186,904,296</u>	<u>195,091,974</u>	<u>190,926,382</u>	<u>4,165,592</u>
Excess of Revenues Over Expenditures	<u>23,011,214</u>	<u>14,823,536</u>	<u>51,636,467</u>	<u>36,812,931</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,035,000	1,035,000	1,035,000	-
Transfers Out	(24,046,214)	(22,340,353)	(20,626,973)	1,713,380
Total Other Financing Sources (Uses)	<u>(23,011,214)</u>	<u>(21,305,353)</u>	<u>(19,591,973)</u>	<u>1,713,380</u>
Net Change in Fund Balance	-	(6,481,817)	32,044,494	38,526,311
Fund Balance - Beginning	<u>54,524,880</u>	<u>52,342,137</u>	<u>75,968,960</u>	<u>23,626,823</u>
Fund Balance - Ending	<u>\$ 54,524,880</u>	<u>\$ 45,860,320</u>	<u>\$ 108,013,454</u>	<u>\$ 62,153,134</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, 2022**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 5,837,849	\$ 17,013,830	\$ 13,565,501	\$ (3,448,329)
Other Program Revenue & Charges for Services	236,000	236,000	178,476	(57,524)
Investment Earnings	-	-	847	847
Total Revenues	<u>6,073,849</u>	<u>17,249,830</u>	<u>13,744,824</u>	<u>(3,505,006)</u>
EXPENDITURES				
Current:				
Health and Welfare	<u>5,703,666</u>	<u>16,188,793</u>	<u>13,661,662</u>	<u>2,527,131</u>
Total Expenditures	<u>5,703,666</u>	<u>16,188,793</u>	<u>13,661,662</u>	<u>2,527,131</u>
Deficiency of Revenues (Under) Expenditures	<u>370,183</u>	<u>1,061,037</u>	<u>83,162</u>	<u>(977,875)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>233,127</u>	<u>233,127</u>	<u>227,785</u>	<u>(5,342)</u>
Total Other Financing Sources (Uses)	<u>233,127</u>	<u>233,127</u>	<u>227,785</u>	<u>(5,342)</u>
Net Change in Fund Balance	603,310	1,294,164	310,947	(983,217)
Fund Balance - Beginning	<u>757,886</u>	<u>757,886</u>	<u>1,045,636</u>	<u>287,750</u>
Fund Balance - Ending	<u>\$ 1,361,196</u>	<u>\$ 2,052,050</u>	<u>\$ 1,356,583</u>	<u>\$ (695,467)</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, 2022

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	\$ 2,884,700	\$ 2,884,700	\$ 3,413,630	\$ 528,930
Investment Earnings	1,060	1,060	218	(842)
Total Revenues	2,885,760	2,885,760	3,413,848	528,088
EXPENDITURES				
Current:				
Economic Development	1,125,000	1,125,000	504,908	620,092
Total Expenditures	1,125,000	1,125,000	504,908	620,092
Excess of Revenues Over Expenditures	1,760,760	1,760,760	2,908,940	1,148,180
OTHER FINANCING SOURCES (USES)				
Transfers Out	(2,418,333)	(2,418,333)	(2,085,000)	333,333
Total Other Financing Sources (Uses)	(2,418,333)	(2,418,333)	(2,085,000)	333,333
Net Change in Fund Balance	(657,573)	(657,573)	823,940	1,481,513
Fund Balance - Beginning	1,226,685	1,203,031	2,268,096	-
Fund Balance - Ending	\$ 569,112	\$ 545,458	\$ 3,092,036	\$ 1,481,513

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, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental	\$ 12,117,477	\$ 18,116,575	\$ 6,393,415	\$ (11,723,160)
Investment Earnings	-	-	20,418	20,418
Contributions & Other Revenues	<u>135,130</u>	<u>150,695</u>	<u>44,369</u>	<u>(106,326)</u>
Total Revenues	<u>12,252,607</u>	<u>18,267,270</u>	<u>6,458,202</u>	<u>(11,809,068)</u>
EXPENDITURES				
Current:				
General Government	\$ 628,903	\$ 2,326,323	\$ 1,893,092	433,231
Highways, Streets, and Bridges	6,661,259	6,811,259	727,449	6,083,810
Recreation and Culture	642,487	3,074,487	175,567	2,898,920
Public Safety	3,437,963	4,289,855	3,236,902	1,052,953
Health and Welfare	1,100,349	2,692,584	1,062,299	1,630,285
Economic Development	<u>57,549</u>	<u>260,451</u>	<u>194,490</u>	<u>65,961</u>
Total Expenditures	<u>12,528,510</u>	<u>19,454,959</u>	<u>7,289,799</u>	<u>12,165,160</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(275,903)</u>	<u>(1,187,689)</u>	<u>(831,597)</u>	<u>356,092</u>
OTHER FINANCING SOURCES				
Transfers In	<u>684,747</u>	<u>1,158,350</u>	<u>17,581</u>	<u>(1,140,769)</u>
Total Other Financing Sources	<u>684,747</u>	<u>1,158,350</u>	<u>17,581</u>	<u>(1,140,769)</u>
Net Change in Fund Balance	408,844	(29,339)	(814,016)	(784,677)
Fund Balance - Beginning	<u>(40,194)</u>	<u>(50,194)</u>	<u>808,815</u>	<u>859,009</u>
Fund Balance - Ending	<u>\$ 368,650</u>	<u>\$ (79,533)</u>	<u>\$ (5,201)</u>	<u>\$ 74,332</u>

CECIL COUNTY, MARYLAND
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2022

	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)	\$ 6,664,285	\$ 2,002,300	\$ 628,346	\$ 9,294,931	\$ 257,609
Investments (Note 3)	-	10,122,059	-	10,122,059	16,026,409
Receivables, Net: (Note 4)					
Accounts	2,441,016	992,128	21,953	3,455,097	238,567
Other	-	67,042	38	67,080	774,031
Due from Other Governments	846,671	17,500	-	864,171	1,284
Inventory	-	-	-	-	146,626
Other Assets	57	-	-	57	319,838
Restricted Assets					
Cash & Investments (Note 3)	2,673,898	11,337,772	-	14,011,670	-
Total Current Assets	<u>12,625,927</u>	<u>24,538,801</u>	<u>650,337</u>	<u>37,815,065</u>	<u>17,764,364</u>
Non-Current Assets:					
Accounts Receivable - Non-Current	1,997,296	-	-	1,997,296	-
Capital Assets, Net:					
Land	2,275,988	580,739	490,600	3,347,327	-
Construction in Progress	5,556,076	2,477,745	-	8,033,821	23,285
Vehicles	-	-	-	-	9,448,438
Landfill and Land Improvements	4,835,948	6,997,528	-	11,833,476	-
Wastewater Lines	38,858,970	-	-	38,858,970	-
Wastewater Systems	15,280,453	-	-	15,280,453	-
Buildings	13,441,678	2,844,317	5,717,558	22,003,553	159,493
Machinery & Equipment	27,134,872	2,312,209	-	29,447,081	4,406,572
Total Non-Current Assets	<u>109,381,281</u>	<u>15,212,538</u>	<u>6,208,158</u>	<u>130,801,977</u>	<u>14,037,788</u>
Total Assets	<u>122,007,208</u>	<u>39,751,339</u>	<u>6,858,495</u>	<u>168,617,042</u>	<u>31,802,152</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge of Refunding	3,282,848	249,147	-	3,531,995	-
Total Deferred Outflows of Resources	<u>3,282,848</u>	<u>249,147</u>	<u>-</u>	<u>3,531,995</u>	<u>-</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,940,756	257,742	19,071	2,217,569	1,394,006
Construction Retainage Payable	275,878	-	-	275,878	-
Salary & Benefits Payable	95,622	109,222	-	204,844	89,682
Accrued Expenses & Other Liabilities	-	-	8,105	8,105	5,420,435
Unearned Revenue	358,320	-	61,874	420,194	35,981
Financed Purchases	-	209,153	-	209,153	1,451,904
Bonds Payable	3,418,748	816,823	313,003	4,548,574	-
Compensated Absences	105,847	108,751	-	214,598	61,132
Total Current Liabilities	<u>6,195,171</u>	<u>1,501,691</u>	<u>402,053</u>	<u>8,098,915</u>	<u>8,453,140</u>
Non-Current Liabilities:					
Bonds Payable					
(Net of Unamortized Discounts)	60,101,978	7,805,686	5,343,477	73,251,141	-
Financed Purchases	-	437,199	-	437,199	2,493,220
Advances From Other Funds	-	-	-	-	6,158,470
Compensated Absences	7,801	7,801	-	15,601	30,566
Accrued Landfill Closure and Postclosure Costs	-	11,229,976	-	11,229,976	-
Total Non-Current Liabilities	<u>60,109,779</u>	<u>19,480,662</u>	<u>5,343,477</u>	<u>84,933,917</u>	<u>8,682,256</u>
Total Liabilities	<u>66,304,950</u>	<u>20,982,353</u>	<u>5,745,530</u>	<u>93,032,832</u>	<u>17,135,396</u>
NET POSITION					
Net Investment in Capital Assets	46,537,157	6,590,029	551,678	53,678,864	10,222,974
Unrestricted	12,447,950	12,428,105	561,287	25,437,341	4,443,782
Total Net Position	<u>\$ 58,985,107</u>	<u>\$ 19,018,134</u>	<u>\$ 1,112,965</u>	<u>\$ 79,116,205</u>	<u>\$ 14,666,756</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, 2022**

	<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities -</u>
	<u>Wastewater</u>	<u>Landfill</u>	<u>Non-Major Property Management</u>	<u>Total</u>	<u>Internal Service Funds</u>
OPERATING REVENUES					
Charges for Services:					
Sales and User Fees	\$9,047,462	\$ 10,620,830	\$ 886,628	\$ 20,554,920	\$ 24,861,184
Miscellaneous Revenue	<u>1,293,764</u>	<u>8,636</u>	<u>-</u>	<u>1,302,400</u>	<u>51,667</u>
Total Operating Revenues	<u>10,341,226</u>	<u>10,629,466</u>	<u>886,628</u>	<u>21,857,320</u>	<u>24,912,851</u>
OPERATING EXPENSES					
Salaries and Related	1,607,644	1,858,043	78	3,465,765	1,458,090
Financed Purchases	-	-	-	-	54,905
Materials, Supplies, and Services	3,323,501	3,403,345	173,635	6,900,481	6,060,030
Benefit Payments	-	-	-	-	12,160,125
Depreciation	5,637,397	879,829	170,673	6,687,899	3,848,924
Depletion	-	1,118,523	-	1,118,523	-
Landfill Closure and Postclosure	-	<u>287,501</u>	-	<u>287,501</u>	-
Total Operating Expenses	<u>10,568,542</u>	<u>7,547,241</u>	<u>344,386</u>	<u>18,460,169</u>	<u>23,582,074</u>
Operating Income (Loss)	<u>(227,316)</u>	<u>3,082,225</u>	<u>542,242</u>	<u>3,397,151</u>	<u>1,330,777</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment Earnings	4,217	(2,161,598)	-	(2,157,381)	46,469
Interest Expense	(747,449)	(245,164)	(124,702)	(1,117,315)	(83,133)
Bond Issue Expense	(218,558)	97,791	-	(120,767)	-
Gain on Disposal of Capital Assets	-	-	-	-	<u>93,652</u>
Total Non-Operating Revenues (Expenses)	<u>(961,790)</u>	<u>(2,308,971)</u>	<u>(124,702)</u>	<u>(3,395,463)</u>	<u>56,988</u>
Income (Loss) before Contributions and Transfers	<u>(1,189,106)</u>	<u>773,254</u>	<u>417,540</u>	<u>1,688</u>	<u>1,387,765</u>
Capital Contributions and Transfers:					
Intergovernmental Capital Grant	329,224	-	-	329,224	708,944
Wastewater Connection Fees	2,625,022	-	-	2,625,022	-
Transfers In	1,000,000	-	-	1,000,000	-
Transfers Out	-	-	(100,000)	(100,000)	-
Change in Net Position	<u>2,765,141</u>	<u>773,253</u>	<u>317,540</u>	<u>3,855,933</u>	<u>2,096,710</u>
Net Position - Beginning	<u>56,219,966</u>	<u>18,244,881</u>	<u>795,425</u>	<u>75,260,272</u>	<u>12,570,046</u>
Net Position - Ending	<u>\$ 58,985,107</u>	<u>\$ 19,018,134</u>	<u>\$ 1,112,965</u>	<u>\$ 79,116,205</u>	<u>\$ 14,666,756</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, 2022

	Business-Type Activities - Enterprise Funds				Governmental Activities -
	Wastewater	Landfill	Property Management		Internal Service Funds
			Total		
Cash Flows From Operating Activities:					
Receipts from Customers and Users	\$ 11,379,942	\$ 10,461,954	\$ 876,816	\$ 22,718,712	\$ 24,687,011
Payments to Suppliers	(3,388,198)	(3,592,491)	(256,282)	(7,236,972)	(18,470,814)
Payments to Employees	(1,593,314)	(1,817,084)	(79)	(3,410,476)	(1,429,547)
Net Cash from Operating Activities	<u>6,398,430</u>	<u>5,052,379</u>	<u>620,455</u>	<u>12,071,264</u>	<u>4,786,650</u>
Cash Flows To Non-Capital Financing Activities:					
Advances from Other Funds	1,000,000	-	(100,000)	900,000	365,973
Net Cash from Non-Capital Financing Activities	<u>1,000,000</u>	<u>-</u>	<u>(100,000)</u>	<u>900,000</u>	<u>365,973</u>
Cash Flows From Capital and Related Financing Activities:					
Proceeds from Bond Issues	6,871,601	744,438	-	7,616,039	-
Proceeds from Capital Grants Received	329,224	-	-	329,224	9,695
Proceeds from Sewage Connection Fees	2,625,022	-	-	2,625,022	-
Acquisition and Construction of Capital Assets	(5,280,952)	(316,444)	-	(5,597,396)	(1,354,158)
Principal Paid on Bonds/Leases Maturities	(2,735,651)	(1,385,610)	(300,768)	(4,422,030)	(1,876,516)
Interest Paid on Bonds/Leases	(628,200)	(245,164)	(124,702)	(998,066)	(81,738)
Proceeds from Sale of Capital Assets	-	-	-	-	133,021
Net Cash from Capital and Related Financing Activities	<u>1,181,044</u>	<u>(1,202,781)</u>	<u>(425,470)</u>	<u>(447,207)</u>	<u>(3,169,697)</u>
Cash Flows From Investing Activities:					
Investment Income	-	(2,590,393)	-	(2,590,393)	-
Interest on Investments	4,217	2,161,598	-	2,165,815	46,469
Net Cash Provided by Investing Activities	<u>4,217</u>	<u>(428,795)</u>	<u>-</u>	<u>(424,578)</u>	<u>46,469</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>8,583,691</u>	<u>3,420,803</u>	<u>94,984</u>	<u>12,099,480</u>	<u>2,029,396</u>
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>					
Cash and Cash Equivalents - June 30, 2022	<u>\$ 9,338,182</u>	<u>\$ 12,383,003</u>	<u>\$ 628,346</u>	<u>\$ 22,349,533</u>	<u>\$ 16,284,018</u>
<small>(including \$2,673,898 and \$11,337,772 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, 2022

	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)	\$ (227,316)	\$ 3,082,225	\$ 542,242	\$ 3,397,151	\$ 1,330,777
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided from Operating Activities:					
Depreciation and Depletion	5,637,397	1,998,352	170,673	7,806,422	3,848,924
Decrease in Closure/Postclosure Liability	-	287,501	-	287,501	-
Effect of Changes in Non-Cash Operating Assets and Liabilities:					
Accounts Receivable	1,038,716	(167,511)	6,385	877,589	(185,418)
Other Assets	-	14,201	-	14,201	(22,364)
Accounts Payable	350,443	(32,263)	(82,648)	235,532	499,757
Salaries & Benefits Payable	15,311	16,385	-	31,696	11,706
Compensated Absences	(981)	24,574	-	23,593	16,837
Accrued Expenses	(415,140)	(171,084)	-	(586,224)	(673,145)
Deferred Revenue	-	-	(16,197)	(16,197)	(40,423)
Net Cash Provided from Operating Activities	\$ 6,398,430	\$ 5,052,379	\$ 620,455	\$ 12,071,264	\$ 4,786,650
Schedule of Non-Cash Capital and Related Financing Activities:					
Increase in Non-cash Developer Capital Contributions	-	-	(16,197)	(16,197)	-
Net Non-Cash Capital and Related Financing Activities	\$ -	\$ -	\$ (16,197)	\$ (16,197)	\$ -

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

CECIL COUNTY, MARYLAND
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

	<u>Total</u>	<u>Custodial Funds</u>
	<u>Pension, OPEB & LOSAP Funds</u>	<u>State & Town Collections</u>
ASSETS		
Cash	\$ 534,543	\$ 734,210
Receivables, Net:		
Property Taxes & Fees	-	716,515
Interest & Other	103,844	-
Investments, at fair value:		
Institutional Separate Accounts	60,469,785	-
Mutual Funds	11,793,275	-
Maryland Local Govt. Investment Pool	<u>1,463,377</u>	<u>-</u>
Total Investments	<u>73,726,437</u>	<u>-</u>
Total Assets	<u>74,364,824</u>	<u>1,450,724</u>
LIABILITIES		
Accrued Expenses	970	-
Accounts Payable	686	-
Due to Other Governments	<u>-</u>	<u>1,450,724</u>
Total Liabilities	<u>1,656</u>	<u>1,450,724</u>
NET POSITION		
Restricted for:		
Pension Employee Benefits	65,234,009	-
OPEB Employee Benefits	7,687,241	-
Vounteer Length of Service Award Program	<u>1,441,918</u>	<u>-</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 74,363,168</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, 2022

	Total	Custodial Funds
	Pension, OPEB & LOSAP Funds	State & Town Collections
ADDITIONS		
Contributions		
Cecil County	\$ 3,111,452	\$ -
Participants	1,033,052	-
Property Tax Collections for Other Governments	99,916	132,582,141
Other	-	-
Total Contributions	4,244,420	132,582,141
INVESTMENT INCOME		
Investment Earnings:		
Net Appreciation (Depreciation)		
in Fair Value of Investments	(14,818,795)	-
Interest and Dividends	2,566,622	-
Investment Earnings Total	(12,252,174)	-
Less: Investment Expense	(541,717)	-
Net Investment Income (Loss)	(12,793,891)	-
Total Additions	(8,549,471)	132,582,141
DEDUCTIONS		
Benefit Payments	3,572,759	-
Refunds of Contributions	468,162	-
Administrative Expense	47,600	-
Payments of Property Tax to Other Governments	-	132,582,141
Total Deductions	4,088,521	132,582,141
Change in Net Position	(12,637,992)	-
Net Position - Beginning	87,001,160	-
Net Position - Ending	\$ 74,363,168	\$ -

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, 2022

	<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	\$ 26,785,244	\$ 7,041,030	\$ 4,994,686	\$ 1,116,733	\$ 39,937,693
Investments	12,932,864	8,000,000	-	-	20,932,864
Receivables, Net	1,732,311	532,831	60,867	-	2,326,009
Due from Primary Government	101,384	-	61,940	-	163,324
Due from Other Governments	11,450,333	1,444,950	-	-	12,895,283
Inventories	197,395	-	-	-	197,395
Prepaid Expenses & Other Assets	346,600	452,379	141,533	-	940,512
Restricted Assets:					
Cash and Investments	-	8,436,485	412,937	-	8,849,422
Capital Assets, Net:					
Land	7,602,491	1,779,763	-	2,219,623	11,601,877
Construction in Progress	719,645	818,454	-	-	1,538,099
Land Improvements	7,191,935	7,143,472	-	-	14,335,407
Buildings & Leasehold Improvements	140,797,095	40,133,597	-	-	180,930,692
Machinery & Equipment	13,821,928	944,726	4,914,281	151,751	19,832,686
Total Assets	<u>223,679,225</u>	<u>76,727,687</u>	<u>10,586,244</u>	<u>3,488,107</u>	<u>314,481,263</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension Deferrals	4,520,366	-	183,228	-	4,703,594
OPEB Deferrals	18,022,068	-	-	-	18,022,068
Total Deferred Outflows	<u>22,542,434</u>	<u>-</u>	<u>183,228</u>	<u>-</u>	<u>22,725,662</u>
LIABILITIES					
Accounts Payable and Accrued Expenses	22,742,754	480,419	133,553	-	23,356,726
Accrued Salaries and Benefits	-	1,118,240	112,543	-	1,230,783
Unearned Revenue	3,931,656	1,239,401	-	-	5,171,057
Due within one year:					
Capital Leases	541,243	-	-	-	541,243
Compensated Absences	433,062	263,584	-	-	696,646
Due in more than one year:					
Notes Payable	-	-	-	91,841	91,841
Capital Leases	348,447	-	-	-	348,447
Compensated Absences	3,395,030	131,792	-	-	3,526,822
Net OPEB Liability	71,791,275	-	-	-	71,791,275
Net Pension Liability	8,879,704	-	393,718	-	9,273,422
Total Liabilities	<u>112,063,171</u>	<u>3,233,436</u>	<u>639,814</u>	<u>91,841</u>	<u>116,028,262</u>
DEFERRED INFLOWS OF RESOURCES					
Pension Deferrals	4,994,807	-	259,609	-	5,254,416
OPEB Deferrals	9,558,869	-	-	-	9,558,869
Total Deferred Inflows	<u>14,553,676</u>	<u>-</u>	<u>259,609</u>	<u>-</u>	<u>14,813,285</u>
NET POSITION					
Net Investment in Capital Assets	169,243,404	50,820,012	4,914,281	2,371,374	227,349,071
Restricted for:					
Capital Projects	32,317	-	-	-	32,317
Donor Restrictions	6,724,282	6,611,578	331,934	-	13,667,794
Unrestricted	(56,395,191)	16,062,661	4,623,834	1,024,892	(34,683,804)
Total Net Position	<u>\$ 119,604,812</u>	<u>\$ 73,494,251</u>	<u>\$ 9,870,049</u>	<u>\$ 3,396,266</u>	<u>\$ 206,365,378</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, 2022

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Grants and Contributions			Component Units				
		Charges for Services	Operating	Capital	Board of Education	Cecil College	Cecil County Public Library	Bainbridge Development Corporation	Total
Board of Education									
Instruction	\$ 264,321,088	\$ 206,214	\$ 93,716,844	\$ 5,732,861	\$ (164,665,169)	\$ -	\$ -	\$ -	\$ (164,665,169)
Student Services	7,350,965	383,463	12,298,289	-	5,330,787	-	-	-	5,330,787
Total Board of Education	\$ 271,672,053	\$ 589,677	\$ 106,015,133	\$ 5,732,861	(159,334,382)	-	-	-	(159,334,382)
Cecil College									
Instruction	\$ 33,556,014	\$ 3,220,243	\$ 4,553,828	\$ 1,402,467	-	(24,379,476)	-	-	(24,379,476)
Student Services	801,256	760,635	-	-	-	(40,621)	-	-	(40,621)
Total Cecil Community College	\$ 34,357,270	\$ 3,980,878	\$ 4,553,828	\$ 1,402,467	-	(24,420,097)	-	-	(24,420,097)
Cecil County Public Library									
Public Libraries	\$ 7,884,959	\$ -	\$ 169,834	\$ -	-	-	(7,715,125)	-	(7,715,125)
Bainbridge Development Corporation									
Economic Development	\$ 1,680,827	\$ 403,174	\$ 67,560	\$ -	-	-	-	(1,210,093)	(1,210,093)
General Revenues:									
Payments From the Primary Government					88,527,026	11,841,157	6,607,396	-	106,975,579
Payments From the State Government					63,513,565	7,143,184	1,356,645	-	72,013,394
Grants, Entitlements, and Contributions not Restricted to Specific Programs					-	5,583,423	-	-	5,583,423
Investment Earnings					17,731	15,650	441	668	34,490
Other Revenues including Capital Asset Gains					1,606,151	807,448	361,703	-	2,775,302
Total General Revenues, Special Items, and Transfers					153,664,473	25,390,862	8,326,185	668	187,382,188
Change in Net Position					(5,669,909)	970,765	611,060	(1,209,425)	(5,297,509)
Net Position - beginning					125,274,721	72,523,486	9,258,989	4,605,691	211,662,887
Cummulative effect of accounting change related to GASB 84					-	-	-	-	-
Net Position - Beginning					125,274,721	72,523,486	9,258,989	4,605,691	211,662,887
Net Position - Ending					\$ 119,604,812	\$ 73,494,251	\$ 9,870,049	\$ 3,396,266	\$ 206,365,378

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, 2022, the County has adopted all applicable GASB Statements through No. 101 (other than those listed below); the new GASB Statements effective for the year ending June 30, 2022, 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. 91 Conduit Debt Obligations
- Statement No. 94 Public-Private and Public-Public Partnerships and Availability Payment Arrangements
- Statement No. 96 Subscription-Based Information Technology Arrangements
- Statement No. 99 Omnibus 2022
- Statement No. 100 Accounting Changes and Error Corrections
- Statement No. 101 Compensated Absences

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 and also includes the statement of changes in fiduciary net position using the economic resources 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, 2022, 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 2022 was \$1.0279 per \$100 of assessed value. The personal property tax rate for fiscal year 2022 was \$2.5697 per \$100 of assessed value.

County property tax and personal property tax revenues in fiscal year 2022 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, 2022, 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 40 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 ensure 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, 2022, 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, 2022, 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, 2022, expenditures exceeded appropriations for the following departments.

<u>Fund</u>	<u>Budget Line Item</u>	<u>Over Budget</u>
General Fund	Health Department	\$ 4,080
	Education	4,751

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)	\$ 1,211,728	\$ -	\$ 3,524,801
Money Market Mutual Funds	-	534,543	-
Uninsured Deposits - Collateral held by pledging bank's agent in the County or Unit's name	17,209,135	734,154	29,627,116
Certificates of Deposit due within 90 days - Collateral held by pledging bank's agent in the County or Unit's name	-	-	393,359
CDARS due within 90 days (FDIC Insured)	-	-	-
Total Cash	<u>\$ 18,420,863</u>	<u>\$ 1,268,697</u>	<u>\$ 33,545,276</u>
Investments			
CDARS due greater than 90 days (FDIC Insured)	\$ 2,000,000	\$ -	\$ -
Other governmental agencies	7,976,796	-	-
Investment in Maryland Local Government Investment Pool	149,256,246	1,463,377	27,576,930
Institutional Separate Accounts	-	60,469,784	-
Mutual Funds	11,079,138	11,793,276	8,176,783
Total Investments	<u>\$ 170,312,180</u>	<u>\$ 73,726,437</u>	<u>\$ 35,753,713</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, 2022
<u>Investments by Fair Value Level:</u>				
Federal Agencies	\$ -	\$ -	\$ -	\$ -
Other Post Employment Benefits and Pension Funds:				
Institutional Separate Accounts		60,469,784	-	60,469,784
Fixed Income Funds	4,764,812	-	-	4,764,812
Equity Mutual Funds	18,107,602	-	-	18,107,602
Total Investments at Fair Value	<u>\$ 22,872,414</u>	<u>\$ 60,469,784</u>	<u>\$ -</u>	<u>\$ 83,342,198</u>
<u>Investments Carried at Amortized Cost:</u>				
MLGIP				\$ 150,719,623
Collateralized Certificates of Deposit				9,976,796
Total Investments at Amortized Cost				<u>\$ 160,696,419</u>
Total Investments				<u>\$ 244,038,617</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, 2022, 2021, and 2020, 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, 2022, the County had \$50,443,737 in temporarily restricted cash and investments. Of this, unspent proceeds of bond offerings consist of \$22,316,480 in Capital Projects. Restrictions related to the Landfill Closure and Postclosure Costs account for \$11,229,976. The remaining \$3,873,563 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:

	Primary Government	Fiduciary Funds	Component Units	Total
Cash	\$ 18,550,058	\$ 1,047,512	\$ 33,411,774	\$ 53,009,344
Investments	170,160,342	73,726,437	36,150,677	280,037,456
Petty Cash Amounts	22,643	-	9,253	31,896
Total	\$ 188,733,043	\$ 74,773,949	\$ 69,571,704	\$ 333,078,696
Unrestricted	\$ 138,289,306	\$ -	\$ 61,135,219	\$ 199,424,525
Restricted	50,443,737	-	8,436,485	58,880,222
Fiduciary Funds	-	74,773,949	-	74,773,949
Total Cash and Investments	\$ 188,733,043	\$ 74,773,949	\$ 69,571,704	\$ 333,078,696

4. Receivables

Primary Government

The following are receivables as of June 30, 2022, 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 \$1,012,598 are included in the governmental activities of the government-wide statement.

	Governmental Fund Financial Statements					Government-wide Statements
	General	Housing Programs	Special Revenue	Non-Major Funds	Total	Governmental Activities
Receivables:						
Property Taxes	\$ 4,043,870	\$ -	\$ -	\$ -	\$ 4,043,870	\$ 3,870,883
Accounts	-	228,489	105	45,143	273,737	512,304
Notes	-	-	-	-	-	-
Interest and Other	678,186	-	-	-	678,186	1,625,204
Gross Receivables	4,722,056	228,489	105	45,143	4,995,793	6,008,391
Less: Allowances for Uncollectibles	(750,912)	(228,489)	-	-	(979,401)	(979,401)
Net Total Receivables	\$ 3,971,144	\$ -	\$ 105	\$ 45,143	\$ 4,016,392	\$ 5,028,990

Receivables as of June 30, 2022, for the Government’s enterprise funds and business-type activities including applicable allowances for uncollectible accounts were as follows:

	Enterprise Fund Financial Statements				Government-wide Statements	
	Current			Non-Current	Business-type Activities	
	Wastewater Services	Landfill Services	Property Management	Total	Wastewater Services	
Receivables:						
Accounts	\$ 2,565,408	\$ 1,038,847	\$ 21,953	\$ 3,626,208	\$ -	\$ 3,626,208
Other	-	67,043	38	67,081	-	67,081
Non-Current	-	-	-	-	1,997,296	1,997,296
Gross Receivables	2,565,408	1,105,890	21,991	3,693,289	1,997,296	5,690,585
Less: Allowances for Uncollectibles	(124,392)	(46,719)	-	(171,111)	-	(171,111)
Net Total Receivables	\$ 2,441,016	\$ 1,059,171	\$ 21,991	\$ 3,522,178	\$ 1,997,296	\$ 5,519,474

Component Units

Receivables as of June 30, 2022, for the Component Units were as follows:

	<u>Board of</u>	<u>Cecil</u>	<u>Cecil</u>	<u>Bainbridge</u>	
	<u>Education</u>	<u>College</u>	<u>County</u>	<u>Development</u>	<u>Total</u>
			<u>Library</u>	<u>Corporation</u>	
Receivables:					
Accounts	\$ 1,732,311	\$ -	\$ 60,867	\$ -	\$ 1,793,178
Other	<u>-</u>	<u>1,651,920</u>	<u>-</u>	<u>-</u>	<u>1,651,920</u>
Gross Receivables	1,732,311	1,651,920	60,867	-	3,445,098
Less: Allowances for					
Uncollectibles	<u>-</u>	<u>(1,119,089)</u>	<u>-</u>	<u>-</u>	<u>(1,119,089)</u>
Net Total Receivables	<u>\$ 1,732,311</u>	<u>\$ 532,831</u>	<u>\$ 60,867</u>	<u>\$ -</u>	<u>\$ 2,326,009</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, 2022, fifteen properties participate in this program.

<u>Taxes Abated</u>
<u>\$ 3,744,337</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, 2022, there were four outstanding loans totaling \$44,652.

6. **Capital Assets**

A. **Primary Government**

The capital asset activity for Governmental Activities for the year ended June 30, 2022, was as follows:

	<u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>
<u>Governmental Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 16,670,242	\$ 32,826	\$ -	\$ 16,703,068
Construction in Progress	<u>8,694,259</u>	<u>2,623,653</u>	<u>(1,508,590)</u>	<u>9,809,322</u>
Total Capital Assets Not Being Depreciated	<u>25,364,501</u>	<u>2,656,479</u>	<u>(1,508,590)</u>	<u>26,512,390</u>
Capital Assets Being Depreciated:				
Land Improvements	27,357,230	186,308	-	27,543,538
Highways & Bridges	267,456,413	4,356,614	(2,681,954)	269,131,073
Building & Improvements	114,120,382	544,095	-	114,664,477
Machinery & Equipment	<u>74,779,830</u>	<u>3,021,515</u>	<u>(746,266)</u>	<u>77,055,079</u>
Total Capital Assets Being Depreciated	<u>483,713,855</u>	<u>8,108,532</u>	<u>(3,428,220)</u>	<u>488,394,167</u>
Less Accumulated Depreciation for:				
Land Improvements	(8,032,888)	(1,635,783)	-	(9,668,671)
Highways & Bridges	(167,123,029)	(6,884,187)	2,681,954	(171,325,262)
Building & Improvements	(32,895,683)	(2,790,320)	-	(35,686,003)
Machinery & Equipment	<u>(47,157,135)</u>	<u>(6,481,161)</u>	<u>706,897</u>	<u>(52,931,399)</u>
Total Accumulated Depreciation	<u>(255,208,735)</u>	<u>(17,791,451)</u>	<u>3,388,851</u>	<u>(269,611,335)</u>
Total Capital Assets Being Depreciated, Net	<u>228,505,120</u>	<u>(9,682,919)</u>	<u>(39,369)</u>	<u>218,782,832</u>
Governmental Activities Capital Assets, Net	<u>\$253,869,621</u>	<u>\$ (7,026,440)</u>	<u>\$ (1,547,959)</u>	<u>\$245,295,222</u>

The capital asset activity for Business-Type Activities for the year ended June 30, 2022, was as follows:

	<u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>
<u>Business-Type Activities:</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 3,341,327	\$ 6,000	\$ -	\$ 3,347,327
Construction in Progress	<u>8,234,899</u>	<u>4,730,991</u>	<u>(4,932,070)</u>	<u>8,033,820</u>
Total Capital Assets Not Being Depreciated	<u>11,576,226</u>	<u>4,736,991</u>	<u>(4,932,070)</u>	<u>11,381,147</u>
Capital Assets Being Depreciated:				
Landfill & Land Improvements	42,837,450	2,307	-	42,839,757
Wastewater Lines	76,193,787	4,783,386	-	80,977,173
Buildings & Improvements	35,303,610	654,683	-	35,958,293
Machinery & Equipment	<u>54,124,423</u>	<u>352,098</u>	<u>-</u>	<u>54,476,521</u>
Total Capital Assets Being Depreciated	<u>208,459,270</u>	<u>5,792,474</u>	<u>-</u>	<u>214,251,744</u>
Less Accumulated Depreciation for:				
Landfill & Land Improvements	(29,195,447)	(1,810,834)	-	(31,006,281)
Wastewater Lines	(24,575,831)	(2,261,919)	-	(26,837,750)
Building & Improvements	(13,013,781)	(940,959)	-	(13,954,740)
Machinery & Equipment	<u>(22,236,732)</u>	<u>(2,792,709)</u>	<u>-</u>	<u>(25,029,441)</u>
Total Accumulated Depreciation	<u>(89,021,791)</u>	<u>(7,806,421)</u>	<u>-</u>	<u>(96,828,212)</u>
Total Capital Assets Being Depreciated, Net	<u>119,437,479</u>	<u>(2,013,947)</u>	<u>-</u>	<u>117,423,532</u>
Business-Type Activities Capital Assets, Net	<u>\$ 131,013,705</u>	<u>\$ 2,723,044</u>	<u>\$ (4,932,070)</u>	<u>\$ 128,804,679</u>

Depreciation and depletion expense were charged to the following activities:

Governmental Activities:

General Government	\$ 1,725,886
Public Safety	5,308,296
Highways, Streets, and Bridges	7,648,202
Health and Welfare	504,310
Recreation and Culture	1,729,157
Public Libraries	868,353
Economic Development	<u>7,247</u>
	<u>\$ 17,791,451</u>

Business-type Activities:

Enterprise Funds:	
Wastewater	\$ 5,637,397
Landfill	1,998,351
Property Management	<u>170,673</u>
	<u>\$ 7,806,421</u>

Construction Commitments

Cecil County has one active construction contract as of June 30, 2022. The program includes upgrades to sewers. At year-end, the County’s commitment with this contractor is as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Bainbridge Sewer Interceptor	\$ 1,453,983	\$ 546,017
Total	<u>\$ 1,453,983</u>	<u>\$ 546,017</u>

B. Discretely Presented Component Units

The following summarizes the capital asset activity of the County’s component units for the year ended June 30, 2022:

	<u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>
Board of Education				
Capital Assets Not Being Depreciated:				
Land	\$ 7,602,491	\$ -	\$ -	\$ 7,602,491
Construction in Progress	<u>21,107,036</u>	<u>-</u>	<u>(20,387,391)</u>	<u>719,645</u>
Total Capital Assets Not Being Depreciated	<u>28,709,527</u>	<u>-</u>	<u>(20,387,391)</u>	<u>8,322,136</u>
Capital Assets Being Depreciated:				
Building & Improvements	321,143,980	24,527,436	-	345,671,416
Land Improvements	18,816,282	39,921	-	18,856,203
Machinery & Equipment	26,776,233	3,257,703	(747,870)	29,286,066
Machinery & Equipment - leased	<u>1,072,772</u>	<u>118,957</u>	<u>-</u>	<u>1,191,729</u>
Total Capital Assets Being Depreciated	<u>367,809,267</u>	<u>27,944,017</u>	<u>(747,870)</u>	<u>395,005,414</u>
Less Accumulated Depreciation for:				
Building & Improvements	(192,322,205)	(12,552,115)	-	(204,874,320)
Land Improvements	(10,797,577)	(866,691)	-	(11,664,268)
Machinery & Equipment	(15,203,244)	(1,525,462)	678,980	(16,049,726)
Machinery & Equipment - leased	<u>(389,693)</u>	<u>(216,449)</u>	<u>-</u>	<u>(606,142)</u>
Total Accumulated Depreciation	<u>(218,712,719)</u>	<u>(15,160,717)</u>	<u>678,980</u>	<u>(233,194,456)</u>
Total Capital Assets Being Depreciated, Net	<u>149,096,548</u>	<u>12,783,300</u>	<u>(68,890)</u>	<u>161,810,958</u>
Board of Education Capital Assets, Net	<u>\$ 177,806,075</u>	<u>\$ 12,783,300</u>	<u>\$ (20,456,281)</u>	<u>\$ 170,133,094</u>

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

	<u>June 30, 2021</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2022</u>
<u>Cecil College</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 1,779,763	\$ -	\$ -	\$ 1,779,763
Construction in Progress	610,114	208,340	-	818,454
Total Capital Assets Not Being Depreciated	<u>2,389,877</u>	<u>208,340</u>	<u>-</u>	<u>2,598,217</u>
Capital Assets Being Depreciated:				
Leasehold & Other Improvements	29,392,373	994,765	(8,023)	30,379,115
Building and Improvements	59,287,745	-	-	59,287,745
Machinery & Equipment	8,223,502	224,726	(99,122)	8,349,106
Total Capital Assets Being Depreciated	<u>96,903,620</u>	<u>1,219,491</u>	<u>(107,145)</u>	<u>98,015,966</u>
Less Accumulated Depreciation for:				
Leasehold & Other Improvements	(21,465,012)	(1,778,654)	8,023	(23,235,643)
Building & Improvements	(18,583,889)	(570,259)	-	(19,154,148)
Machinery & Equipment	(7,167,856)	(335,646)	99,122	(7,404,380)
Total Accumulated Depreciation	<u>(47,216,757)</u>	<u>(2,684,559)</u>	<u>107,145</u>	<u>(49,794,171)</u>
Total Capital Assets Being Depreciated, Net	<u>49,686,863</u>	<u>(1,465,068)</u>	<u>-</u>	<u>48,221,795</u>
Cecil College Capital Assets, Net	<u>\$ 52,076,740</u>	<u>\$ (1,256,728)</u>	<u>\$ -</u>	<u>\$ 50,820,012</u>
<u>Public Library</u>				
Capital Assets Being Depreciated:				
Machinery & Equipment	\$ 7,541,972	\$ 1,217,122	\$ (588,892)	\$ 8,170,202
Less Accumulated Depreciation for:				
Machinery & Equipment	(2,833,474)	(1,011,339)	588,892	(3,255,921)
Total Accumulated Depreciation	<u>(2,833,474)</u>	<u>(1,011,339)</u>	<u>588,892</u>	<u>(3,255,921)</u>
Total Capital Assets Being Depreciated, Net	<u>4,708,498</u>	<u>205,783</u>	<u>-</u>	<u>4,914,281</u>
Public Library Capital Assets, Net	<u>\$ 4,708,498</u>	<u>\$ 205,783</u>	<u>\$ -</u>	<u>\$ 4,914,281</u>
<u>Bainbridge Development Corporation</u>				
Capital Assets Not Being Depreciated:				
Land	\$ 3,549,600	\$ -	\$ (1,329,977)	\$ 2,219,623
Capital Assets Being Depreciated:				
Machinery & Equipment/Land Improvements	219,876	-	-	219,876
Less Accumulated Depreciation for:				
Machinery & Equipment/Land Improvements	(33,572)	(34,553)	-	(68,125)
Total Accumulated Depreciation	<u>(33,572)</u>	<u>(34,553)</u>	<u>-</u>	<u>(68,125)</u>
Total Capital Assets Being Depreciated, Net	<u>186,304</u>	<u>(34,553)</u>	<u>-</u>	<u>151,751</u>
Bainbridge Development Corporation Capital Assets, Net	<u>\$ 3,735,904</u>	<u>\$ (34,553)</u>	<u>\$ (1,329,977)</u>	<u>\$ 2,371,374</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 funds 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, 2022, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Funds	\$ 982,497
	Housing Programs Fund	3,621,212
	Advance to Information Technology Fund	2,477,220
	Advance to Motor Vehicle Fund	3,681,250
		<u>\$ 10,762,179</u>

Interfund transfers from the General Fund consist of operating transfers to finance debt service of \$15,111,316 and \$5,515,657 to provide additional support to several special revenue programs. The transfers for the year ended June 30, 2022, were as follows:

	<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	\$ 77,785	\$ 776,368	\$ 17,581	\$ 19,755,239	\$ -	\$ -	\$ 20,626,973
Property Mgmt.	-	-	-	-	-	100,000	100,000
Casino Local Impact	150,000	-	-	-	1,000,000	935,000	2,085,000
Genl. Cap. Projects	-	-	-	1,974,437	-	-	1,974,437
Total	<u>\$ 227,785</u>	<u>\$ 776,368</u>	<u>\$ 17,581</u>	<u>\$ 21,729,676</u>	<u>\$ 1,000,000</u>	<u>\$ 1,035,000</u>	<u>\$ 24,786,410</u>

8. Long-Term Debt

A. Changes in Long-Term Liabilities

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 169,955,313	\$ 79,623,251	\$ (51,678,506)	\$ 197,900,058	\$ 11,094,873
Direct Borrowings/Placements	4,803,086	-	(4,742,099)	60,987	6,099
Premium on Debts Issued	<u>13,455,535</u>	<u>2,337,004</u>	<u>(2,097,429)</u>	<u>13,695,110</u>	<u>1,997,323</u>
Total Bonds Payable	188,213,934	81,960,255	(58,518,034)	211,656,155	13,098,295
Financed Purchases	5,691,330	133,465	(1,879,671)	3,945,124	1,451,904
Insurance Claims Payable	6,093,580	11,486,980	(12,160,125)	5,420,435	5,420,435
Compensated Absences	3,380,122	3,070,376	(3,180,143)	3,270,355	2,180,237
Net Pension Liability	<u>31,436,040</u>	<u>9,793,098</u>	<u>-</u>	<u>41,230,138</u>	<u>-</u>
Governmental Activity Long-Term Liabilities	<u>\$ 234,815,006</u>	<u>\$ 106,444,174</u>	<u>\$ (75,737,973)</u>	<u>\$ 265,522,207</u>	<u>\$ 22,150,871</u>

	<u>Balance</u> <u>June 30, 2021</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2022</u>	<u>Due Within</u> <u>One Year</u>
Business-Type Activities:					
General Obligation Bonds	\$ 41,044,687	\$ 35,916,749	\$ (27,546,494)	\$ 49,414,942	\$ 1,765,127
Direct Borrowings/Placements	28,970,547	-	(2,485,271)	26,485,276	2,526,754
Premium on Debt Issued	<u>1,599,796</u>	<u>590,129</u>	<u>(290,429)</u>	<u>1,899,496</u>	<u>256,694</u>
Total Bonds Payable	71,615,030	36,216,449	(30,031,765)	77,799,714	4,548,575
Financed Purchases	849,697	-	(203,345)	646,352	209,153
Compensated Absences	206,606	189,769	(166,177)	230,198	214,597
Accrued Landfill Closure and Postclosure Costs	<u>10,942,475</u>	<u>287,501</u>	<u>-</u>	<u>11,229,976</u>	<u>-</u>
Business-Type Activity Long-Term Liabilities	<u>\$ 83,613,804</u>	<u>\$ 36,785,417</u>	<u>\$ (30,401,287)</u>	<u>\$ 89,997,934</u>	<u>\$ 4,972,325</u>
Component Units					
Board of Education	\$ 82,531,566	\$ 10,742,976	\$ (7,885,751)	\$ 85,388,791	\$ 974,305
Cecil College	426,529	-	(31,153)	395,376	263,584
Cecil County Public Library	508,480	-	(116,062)	392,418	-
Bainbridge Development	<u>91,841</u>	<u>-</u>	<u>-</u>	<u>91,841</u>	<u>-</u>
Component Units Long-Term Liabilities	<u>\$ 83,558,416</u>	<u>\$ 10,742,976</u>	<u>\$ (8,032,966)</u>	<u>\$ 86,268,426</u>	<u>\$ 1,237,889</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, 2022, 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, 2022, were as follows:

Year Ending June 30	Governmental Activities				Business-Type			
	General Obligation Bonds		Notes From Direct Borrowings		General Obligation Bonds		Notes From Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 11,094,873	\$ 5,656,600	\$ 6,099	\$ -	\$ 1,765,127	\$ 1,184,522	\$ 2,526,754	\$ 498,193
2024	11,462,366	5,842,249	6,099	-	1,812,634	1,289,252	1,916,715	456,180
2025	12,201,676	5,871,856	6,099	-	2,303,324	1,334,054	1,865,656	424,292
2026	12,635,062	4,828,286	6,099	-	2,469,938	1,115,907	1,493,911	393,097
2027	13,048,623	4,344,500	6,099	-	2,556,377	1,040,198	1,413,275	365,723
2028-2032	49,009,926	15,700,488	30,494	-	13,045,074	3,982,829	6,930,881	1,419,743
2033-2037	45,736,228	8,159,063	-	-	10,618,772	2,502,687	4,944,624	720,725
2038-2042	26,122,098	3,156,967	-	-	8,172,902	1,398,177	1,419,518	405,223
2043-2047	9,701,217	1,173,885	-	-	4,718,782	506,479	1,181,640	242,381
2048-2052	6,887,989	393,518	-	-	1,952,012	104,853	1,016,900	159,340
2053-2057	-	-	-	-	-	-	1,089,282	86,958
2058-2060	-	-	-	-	-	-	686,122	15,355
Total	\$ 197,900,058	\$ 55,127,412	\$ 60,987	\$ -	\$ 49,414,942	\$ 14,458,958	\$ 26,485,276	\$ 5,187,210

The following is a summary of general, special assessment, and revenue bonds outstanding as of June 30, 2022:

<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, 2022</u>
				<u>Govt. Activities</u>	<u>Business Type</u>	
2015/2027	\$ 34,975,000	Refunding Bond 2015	3.0%-4.0%	\$ 18,980,531	\$ 14,469	\$ 18,995,000
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%	28,249,976	6,030,024	34,280,000
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%	31,668,027	7,406,973	39,075,000
2020/2039	47,000,000	Consolidated Public Improvement 201 New Money \$47,000,000	3.0%-5.0%	40,873,274	46,726	40,920,000
2021/2049	77,745,000	Refunding Bond 2021 Refunding \$77,745,000	1.05%-5.0%	47,265,000	28,985,000	76,250,000
2021/2051	37,795,000	Consolidated Public Improvement New Money \$37,795,000	1.05%-5.0%	30,863,251	6,931,749	37,795,000
Total General Obligation Bonds				<u>\$ 197,900,059</u>	<u>\$49,414,941</u>	<u>\$ 247,315,000</u>

List of Bonds outstanding at June 30, 2022 (continued):

2,616,645	Maryland Water Quality Bond 2003B Lakeside/Rt 272 Sewer Upgrades	1.2%	-	152,941	152,941
1,585,000	USDA Bond 2004A Carpenters Point Ph I collection system	4.577%	-	1,198,741	1,198,741
8,000,000	Maryland Water Quality Bond 2004B Meadowview WWTP	1.1%	-	1,310,929	1,310,929
2,702,000	Maryland Water Quality Bond 2008A Washington Street Pump Station, Carpenters Point Ph II collection system	1%	-	652,998	652,998
800,000	Maryland Water Quality Bond 2008B Septage Receiving Facility	None	-	240,000	240,000
1,257,000	Maryland Water Quality Bond 2010A Carpenters Point Ph III collection system	1%	-	557,907	557,907
19,705,893	Maryland Water Quality Bond 2014 Northeast River WWTP ENR Upgrade	2%	-	14,285,253	14,285,253
7,225,000	USDA Bond 2020 Mill Run Sewer	1.375%	-	6,949,901	6,949,901
149,000	West View Shores II - Erosion Control Special Assessment Debt	None	<u>60,989</u>	<u>-</u>	<u>60,989</u>
Total Direct Borrowings			<u>60,989</u>	<u>26,485,275</u>	<u>26,546,262</u>
Total Debt Outstanding			<u>\$197,961,048</u>	<u>\$75,900,216</u>	<u>\$273,861,264</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, 2022, \$0 of Cecil County Maryland bonds outstanding from this defeasement are considered defeased. The last retirement of \$71,546,000 was September 2021.

D. Financed Purchases

The County has a Financed Purchases Agreement with Banc of America Capital Corp. The agreement allows the County to purchase equipment at an adjustable market rate of interest. The County has a Financed Purchases Agreement with Enterprise Fleet Management Trust for vehicles. The Board of Education has entered into agreements for maintenance vehicles and portable classrooms. As such, the present value of all future minimum lease payments has been recorded as financed purchases on the statement of net position. As of June 30, 2022, future minimum payments under financed purchases were as follows:

Years Ending June 30	Primary Government		Business Type		Board of Education	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,451,904	\$ 55,143	\$ 209,154	\$ 19,383	\$ 301,131	\$ 4,141
2024	1,202,380	32,217	215,407	13,130	-	-
2025	834,058	15,241	221,791	6,745	-	-
2026	434,256	6,862	-	-	-	-
2027	22,526	3,764	-	-	-	-
Total Financed Purchases	<u>\$ 3,945,124</u>	<u>\$ 113,227</u>	<u>\$ 646,352</u>	<u>\$ 39,258</u>	<u>\$ 301,131</u>	<u>\$ 4,141</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 \$11,229,976 as of June 30, 2022, represented the cumulative amount reported to date based on the use of approximately 92% 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 3 years of remaining disposal life. The remaining estimated cost of closure and post-closure care of \$987,489 will be recognized as the remaining estimated capacity is filled. The total closure and post-closure liability calculation is based on current 2022 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	\$ 35,099,547	\$ -
Property Taxes	<u>665,445</u>	<u>-</u>
Total Governmental Activities	<u>\$ 35,764,992</u>	<u>\$ -</u>
<u>Unearned Revenues</u>		
Housing Programs Fund		
Unearned Grant Revenue	\$ 7,366	\$ 7,366
General Capital Project Fund		
Unearned Grant Revenue	314,974	314,974
Other Grants Fund		
Unearned Grant Revenue	10,253,308	10,253,308
Non-Major Funds		
Community Services	<u>154,880</u>	<u>154,880</u>
Internal Service Fund		
Motor Vehicle Fund	<u>-</u>	<u>8,024</u>
Total Governmental Activities	<u>\$ 10,730,528</u>	<u>\$ 10,738,552</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 \$6,654,445 as of June 30, 2022. 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	\$ 3,681,250
Advance to Information Technologies Fund	2,477,220
Inventory and Prepaid	<u>495,975</u>
	<u>\$ 6,654,445</u>

The General Fund had Assigned fund balances of \$56,903,655 as of June 30, 2022. 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 \$220,797,343 - fiscal year 2023 revenues budgeted as of the end of June 30, 2022. The Assigned amount is also related to a Budget Stabilization Reserve (equal to 3% of the fiscal year 2023 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		\$ 22,079,734
Budget Stabilization		6,623,920
VFC - Carryover Portion of FY21 Vehicle Budget		1,000,000
HVAC Repairs		3,000,000
Vehicle Lease Buyout		8,200,000
Land Purchases		4,000,000
Business Incentives		2,000,000
Norht East Middle / High School		10,000,000
		<u>\$ 56,903,655</u>

The General Fund is the only governmental fund that can report a positive Unassigned fund balance; the Unassigned balance as of June 30, 2022 is \$44,455,355.

Other Funds

The restricted fund balances for all special revenue funds amounted to \$29,038,509 and are intended to be used for subsequent years’ expenditures for various grants and activities. The balances as of June 30, 2022 consist of the following:

Restricted		
Major Fund	Housing	\$ 1,356,583
Major Fund	Casino Local Impact	3,092,036
Major Fund	Capital Projects	21,581,287
Non-Major Funds	Other Governmental	<u>3,008,603</u>
		<u>\$ 29,038,509</u>

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.

The liability for Health Insurance Fund claims of \$589,435 was based on standard insurance industry practices for estimating claims for insured losses incurred but not reported by June 30, 2022. 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:

	Beginning Fiscal Year Liability	Claims and Claims Incurred	Claims Paid	Ending Fiscal Year Liability
2020-2021	\$ 1,071,689	\$ 10,023,291	\$ (10,127,400)	\$ 967,580
2021-2022	967,580	11,766,832	(12,144,977)	589,435

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 \$750,000 per plan year.

The liability for Workers Compensation Fund claims of \$4,831,000 is based on standard insurance industry practices for estimating claims for insured losses incurred but not reported by June 30, 2022.

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

	Beginning Fiscal Year Liability	Claims and Claims Incurred	Claims Paid	Ending Fiscal Year Liability
2020-2021	\$ 4,831,000	\$ 1,693,521	\$ (1,398,521)	\$ 5,126,000
2021-2022	5,126,000	550,357	(845,357)	4,831,000

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, 2022. Funding for the year ending June 30, 2023, 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, 2022, such funding amounted to \$88,527,026 and is estimated to be \$89,196,266 for the year ending June 30, 2023.

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, 2022, the County recognized aggregated pension expense of \$(8,902,456) 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, 2022, there were 201 active Plan members, 116 retirees receiving benefits, 1 disabled beneficiary receiving benefits and 26 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, 2022, the County’s annual contribution to the PPPSE was \$1,900,798 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, 2022. 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 2 to 16 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 6.75 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.

	<u>Liability</u> <u>(a)</u>	<u>Net Position</u> <u>(b)</u>	<u>Liability(Asset)</u> <u>(a) - (b)</u>
Balances at 6/30/21	\$ 73,778,395	\$ 76,753,234	\$ (2,974,839)
Changes for the year:			
Service cost	2,505,242		2,505,242
Interest	4,875,642		4,875,642
Difference between Expected/Actual Experience	(193,444)		(193,444)
Changes of Assumptions	2,749,649		2,749,649
Contributions - Employer		1,900,798	(1,900,798)
Contributions - Member		1,033,052	(1,033,052)
Net Investment Income		(11,314,014)	11,314,014
Benefit Payments/ Refunds	(3,093,332)	(3,093,332)	-
Administrative Expense	-	(45,729)	45,729
Other			
Net Changes	<u>6,843,757</u>	<u>(11,519,225)</u>	<u>18,362,982</u>
Balances at 6/30/22	<u>\$ 80,622,152</u>	<u>\$ 65,234,009</u>	<u>\$ 15,388,143</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 6.75 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 (5.75 percent) or 1 percentage point higher (7.75 percent) than the current rate:

	<u>1% Decrease</u> <u>5.75%</u>	<u>Discount Rate</u> <u>6.75%</u>	<u>1% Increase</u> <u>7.75%</u>
Pension Liability/(Asset)	\$ 27,797,943	\$ 15,388,143	\$ 5,398,538

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, 2022, the County recognized pension expense of \$2,918,094. As of June 30, 2022, 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	\$ 430,811	\$ 738,499
Changes in Assumptions	2,199,719	14,189
Net difference between projected and actual earnings on pension plan investments	6,583,937	-
	<u>-</u>	<u>-</u>
Total	<u>\$ 9,214,467</u>	<u>\$ 752,688</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>
2023	\$ 2,254,317
2024	1,752,453
2025	646,180
2026	<u>3,808,829</u>
Total	<u>\$ 8,461,779</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, 2022, 2021, and 2020 were \$2,196,632, \$2,077,812 and \$1,822,489, 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, 2022, was equal to the required and actual contributions as follows:

	<u>MSRPS</u>	<u>Public Safety</u>	<u>Total</u>
Primary Government	\$ 2,196,632	\$ 1,900,798	\$ 4,097,430
Component Units			
Board of Education	13,662,744	-	13,662,744
Community College	594,281	-	594,281
Public Library	<u>459,625</u>	<u>-</u>	<u>459,625</u>
Total	<u>\$ 16,913,282</u>	<u>\$ 1,900,798</u>	<u>\$ 18,814,080</u>

Pension Liabilities. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of June 30, 2022, the County reported a liability of \$14,146,424 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2022, the County’s proportion was .09430%.

For the year ended June 30, 2022, the County recognized pension expense of \$759,179. As of June 30, 2022, 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	\$ 2,196,632	\$ -
Differences between expected and actual experience	-	1,084,244
Changes in Assumptions	2,967,950	574,530
Net difference between projected and actual earnings on pension plan investments	1,377,115	7,837,522
Change in Proportionate Share	<u>1,719,807</u>	<u>-</u>
Total	<u>\$ 8,261,504</u>	<u>\$ 9,496,296</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>
2023	\$ (915,008)
2024	(915,008)
2025	(915,007)
2026	(915,007)
2027	<u>228,607</u>
Total	<u>\$ (3,431,423)</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	2.25% General, 2.75% Wage
Salary Increases	2.75% to 9.25% Including Inflation
Investment Rate of Return	6.80%

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%	4.70%
Private Equity	13%	6.50%
Rate Sensitive	19%	-0.40%
Credit Opportunity	9%	2.60%
Real Assets	14%	4.20%
Absolute Return	8%	2.00%
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 6.80 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 5.80%	Discount Rate 6.80%	1% Increase 7.80%
County's Net Pension Liability	\$ 24,093,343	\$ 14,146,424	\$ 5,895,521

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, 2021. 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 \$11,695,571 was measured as of June 30, 2022 and was determined by an actuarial valuation date as of January 1, 2022.

Actuarial Assumptions. The LOSAP pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date	January 1, 2022
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 6.75% was used to measure the total pension liability as of June 30, 2022.

	Changes in the Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/21	\$ 13,284,571	\$ 1,060,045	\$ 12,224,526
Changes for the year:			
Service cost	239,513	-	239,513
Interest	869,044	-	869,044
Difference between Expected/Actual Experience	(723,152)	-	(723,152)
Changes of Assumptions	282,291	-	282,291
Contributions - Employer	-	1,210,654	(1,210,654)
Net Investment Income	-	3,068	(3,068)
Benefit Payments/ Refunds	(819,706)	(819,706)	-
Administrative Expense	-	(17,071)	17,071
Net Changes	<u>(152,010)</u>	<u>376,945</u>	<u>(528,955)</u>
Balances at 6/30/22	<u>\$ 13,132,561</u>	<u>\$ 1,436,990</u>	<u>\$ 11,695,571</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 6.75%, 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 (5.75%) or 1-percentage-point higher (7.75%) discount rate:

	<u>1% Decrease</u> <u>5.75%</u>	<u>Discount</u> <u>Rate</u> <u>6.75%</u>	<u>1% Increase</u> <u>7.75%</u>
County’s Total Pension Liability	\$ 13,135,673	\$ 11,695,571	\$ 10,489,506

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2022, the County recognized pension expense of (\$367,476). As of June 30, 2022, 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	\$ 63,325	\$ 853,829
Changes in Assumptions	489,766	3,177,340
Net difference between projected and actual earnings on pension investments	<u>110,604</u>	<u>-</u>
Total	<u>\$ 663,695</u>	<u>\$ 4,031,169</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</u> <u>June 30</u>	<u>Pension</u> <u>Expense</u>
2023	\$ (1,408,930)
2024	(1,736,190)
2025	(150,401)
2026	<u>(71,953)</u>
Total	<u>\$ (3,367,474)</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, 2021, the Public Schools reported a liability of approximately \$8.9 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, 2021, the Board’s proportion for ERS was 0.0592%, which was substantially the same from its proportion measured as of June 30, 2020. For the year ended June 30, 2022, 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, 2022, the Library reported a liability of approximately \$390 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, 2021, 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, 2022, the Library's proportion for ERS was 0.0026%, which was substantially the same from its proportion measured as of June 30, 2019. For the year ended June 30, 2022, the Library recognized pension expense for ERS of approximately \$65 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 \$7,250,532 in 2022.

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.

C. Net OPEB Liability of the County

The County’s net OPEB liability was measured as of June 30, 2022 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, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

Asset valuation method	Fair Value of Assets
Actuarial cost method	Entry Age Normal
Amortization method	Level Percent of Payroll
Amortization period	17 year (as of July 1, 2022)
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 2022 is 5.2%. 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, 2022 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 6/30/21	\$ 3,648,307	\$ 9,187,881	\$ (5,539,574)
Changes for the year:			
Service Cost	91,163	-	91,163
Interest	248,223	-	248,223
Changes of Benefit Terms	-	-	-
Experience Losses	(71,730)	-	(71,730)
Trust Contribution Employer	-	99,916	(99,916)
Net Investment Income	-	(1,443,618)	1,443,618
Changes in Assumptions	-	-	-
Benefit Payments	(132,811)	(132,811)	-
Administrative Expense	-	(24,127)	24,127
Net Changes	134,845	(1,500,640)	1,635,485
Balances at 6/30/22	\$ 3,783,152	\$ 7,687,241	\$ (3,904,089)
<i>Funded Status</i>		<i>203.20%</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 6.00%</u>	<u>Discount Rate 7.00%</u>	<u>1% Increase 8.00%</u>
Net OPEB Liability/(Asset)	\$ (3,453,102)	\$ (3,904,089)	\$ (4,285,083)

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 2.90%</u>	<u>Medical Rate 3.90%</u>	<u>1% Increase 4.90%</u>
	\$ (3,968,665)	\$ (3,904,089)	\$ (3,830,496)

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, 2022, the County recognized OPEB expense of (\$299,075). As of June 30, 2022, 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	\$ -	\$ 909,051
Changes in Assumptions	-	599,862
Net difference between projected and actual earnings on OPEB plan investments	<u>921,581</u>	<u>-</u>
Total	<u>\$ 921,581</u>	<u>\$ 1,508,913</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 June 30</u>	<u>Pension Expense</u>
2023	\$ (15,260)
2024	(43,694)
2025	(123,642)
2026	187,881
2027	(229,069)
Thereafter	<u>(363,548)</u>
Total	<u>\$ (587,332)</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	\$ 85,281,680
Plan fiduciary net position	<u>13,490,405</u>
Board of Education's net OPEB liability	<u>\$ 71,791,275</u>
Plan fiduciary net position as a percentage of the total OPEB liability	15.82%



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**

	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	\$ 2,505,242
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	4,875,642
Differences between expected and actual experience	-	(1,214,713)	(736,331)	(1,268,373)	1,283,613	(323,218)	542,195	(865,170)	(193,444)
Changes of assumptions	2,298,433	674,511	-	(998,224)	-	(70,937)	-	-	2,749,649
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)	(3,093,332)
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	6,843,757
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	73,778,395
Total pension liability - ending (a)	\$ 48,437,147	\$ 51,699,078	\$ 54,976,856	\$ 56,574,685	\$ 61,891,142	\$ 65,568,853	\$ 70,149,882	\$ 73,778,395	\$ 80,622,152
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	\$ 1,900,798
Contributions - member	877,946	909,516	925,386	957,910	955,419	974,306	997,274	1,033,449	1,033,052
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	(11,314,014)
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)	(3,093,332)
Administrative expense	(33,352)	(50,396)	(66,571)	(56,331)	(54,940)	(36,279)	(46,275)	(34,699)	(45,729)
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	(11,519,225)
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	76,753,234
Plan fiduciary net position - ending (b)	\$ 41,385,492	\$ 43,952,079	\$ 43,916,896	\$ 51,266,429	\$ 56,068,461	\$ 58,595,530	\$ 57,569,685	\$ 76,753,234	\$ 65,234,009
County's net pension liability - ending (a)-(b)	\$ 7,051,655	\$ 7,746,999	\$ 11,059,960	\$ 5,308,256	\$ 5,822,681	\$ 6,973,323	\$ 12,580,197	\$ (2,974,839)	\$ 15,388,143
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%	80.91%
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	\$ 14,356,805
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%	107.18%
Expected average remaining service years of all participants	6	6	6	6	6	5	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**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
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	\$ 1,900,798
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>	<u>1,900,798</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	\$14,356,805
Contributions as a percentage of covered payroll	20.68%	19.12%	19.66%	17.72%	13.39%	14.07%	11.85%	13.01%	13.24%

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 fair value
 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**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
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%	-11.89%

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.

**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>	<u>2022</u>
Total LOSAP Liability					
Service cost	\$ 424,251	\$ 497,636	\$ 244,207	\$ 215,283	\$ 239,513
Interest	658,480	566,006	1,404,182	911,668	869,044
Differences between expected and actual experience	-	316,617	-	(458,845)	(723,152)
Changes of assumptions	-	1,319,665	(7,943,350)	-	282,291
Benefit payments	<u>(750,814)</u>	<u>(779,739)</u>	<u>(667,148)</u>	<u>(814,741)</u>	<u>(819,706)</u>
Net change in LOSAP liability	331,917	1,920,185	(6,962,109)	(146,635)	(152,010)
Total LOSAP liability - beginning	<u>18,141,213</u>	<u>18,473,130</u>	<u>20,393,315</u>	<u>13,431,206</u>	<u>13,284,571</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>	<u>\$ 13,132,561</u>
Plan Fiduciary net position					
Contributions - employer	\$ -	\$ -	\$ 1,515,025	\$ 1,032,000	\$ 1,210,654
Net investment income	-	-	15,180	592	3,068
Benefit payments	-	-	(667,148)	(814,741)	(819,706)
Administrative expense	<u>-</u>	<u>-</u>	<u>(2,644)</u>	<u>(18,219)</u>	<u>(17,071)</u>
Net change in plan fiduciary net position	-	-	860,413	199,632	376,945
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>860,413</u>	<u>1,060,045</u>
Plan fiduciary net position - ending (b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 860,413</u>	<u>\$ 1,060,045</u>	<u>\$ 1,436,990</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>	<u>\$ 11,695,571</u>
Fiduciary net position as a percentage of the total LOSAP liability	0.00%	0.00%	6.41%	7.98%	10.94%
Covered payroll ¹	NA	NA	NA	NA	NA
Net LOSAP liability as a percentage of payroll ¹	NA	NA	NA	NA	NA
Expected average remaining service years of all participants	5	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%

Source: Cecil County LOSAP Plan Actuarial Reports

**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>	<u>2022</u>
Actuarially determined contribution	\$ 1,461,990	\$ 779,739	\$ 1,461,000	\$ 1,461,000	\$ 1,454,000
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>	<u>1,211,000</u>
Contribution deficiency (excess)	<u>\$ 711,176</u>	<u>\$ -</u>	<u>\$ (54,025)</u>	<u>\$ 429,000</u>	<u>\$ 243,000</u>
Covered payroll ¹	NA	NA	NA	NA	NA
Contributions as a percentage of payroll ¹	NA	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	Fair 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

**THE CECIL COUNTY, MARYLAND NON-PENSION
VOLUNTEER LENGTH OF SERVICE AWARD PROGRAM (LOSAP)
SCHEDULE OF INVESTMENT RETURNS**

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Annual money-weighted rate of return, net of investment expense	N/A	N/A	1.76%	0.06%	0.21%

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.

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

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
County's portion of the net pension liability	0.0575%	0.0657%	0.0716%	0.0729%	0.0667%	0.0754%	0.0806%	0.0850%	0.0943%
County's porportionate 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	\$ 14,146,424
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	\$ 34,958,494
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%	40.47%
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%	81.89%

**MARYLAND STATE RETIREMENT AND PENSION SYSTEM
SCHEDULE OF COUNTY CONTRIBUTIONS**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
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	\$ 2,196,632
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>	<u>2,196,632</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	\$ 36,484,965
Contributions as a percentage of covered payroll	5.99%	5.68%	5.29%	4.90%	5.00%	5.05%	5.36%	5.94%	6.02%

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

	2017	2018	2019	2020	2021	2022
Total OPEB Liability						
Service cost	\$ 309,000	\$ 331,630	\$ 314,936	\$ 270,453	\$ 90,366	\$ 91,163
Interest	415,000	436,619	430,095	428,961	273,402	248,223
Changes of benefit terms	-	-	-	(2,338,643)	-	-
Differences between expected and actual experience	-	(590,415)	(145,405)	(143,180)	(452,902)	(71,730)
Changes of assumptions	-	-	(379,104)	(347,987)	(161,010)	-
Benefit payments	(534,136)	(301,175)	(234,600)	(101,967)	(119,767)	(132,811)
Net change in OPEB liability	189,864	(123,341)	(14,078)	(2,232,363)	(369,911)	134,845
Total OPEB liability - beginning	6,198,136	6,388,000	6,264,658	6,250,581	4,018,218	3,648,307
Total OPEB liability - ending (a)	\$ 6,388,000	\$ 6,264,659	\$ 6,250,580	\$ 4,018,218	\$ 3,648,307	\$ 3,783,152
Plan Fiduciary net position						
Contributions - employer	\$ 948,000	\$ 322,000	\$ 254,947	\$ 234,000	\$ 50,000	\$ 99,916
Net investment income	651,279	466,729	325,839	95,053	2,059,847	(1,443,618)
Benefit payments	(534,136)	(301,175)	(234,600)	(101,967)	(119,767)	(132,811)
Administrative expense	(20,241)	(31,730)	(24,241)	(15,313)	(23,882)	(24,127)
Net change in plan fiduciary net position	1,044,902	455,824	321,945	211,773	1,966,198	(1,500,640)
Plan fiduciary net position - beginning	5,187,238	6,232,140	6,687,964	7,009,910	7,221,683	9,187,881
Plan fiduciary net position - ending (b)	\$ 6,232,140	\$ 6,687,964	\$ 7,009,909	\$ 7,221,683	\$ 9,187,881	\$ 7,687,241
County's net pension liability (asset) - ending (a)-(b)	\$ 155,860	\$ (423,305)	\$ (759,329)	\$ (3,203,465)	\$ (5,539,574)	\$ (3,904,089)
Fiduciary net position as a percentage of the total OPEB liability	97.56%	106.76%	112.15%	179.72%	251.84%	203.20%
Covered-employee payroll ¹	NA	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	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>	<u>2022</u>
Actuarially determined contribution	\$ 331,000	\$ 233,000	\$ 155,000	\$ 155,000	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	<u>948,000</u>	<u>322,000</u>	<u>254,947</u>	<u>234,000</u>	<u>50,000</u>	<u>99,916</u>
Contribution deficiency (excess)	<u>\$ (617,000)</u>	<u>\$ (89,000)</u>	<u>\$ (99,947)</u>	<u>\$ (79,000)</u>	<u>\$ (50,000)</u>	<u>\$ (99,916)</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	17 years (as of July 1, 2022)
Asset valuation method	Fair 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	The trend for 2022 is 5.2%. 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

Prior Year Information:

Information for fiscal year 2016 and earlier is not available

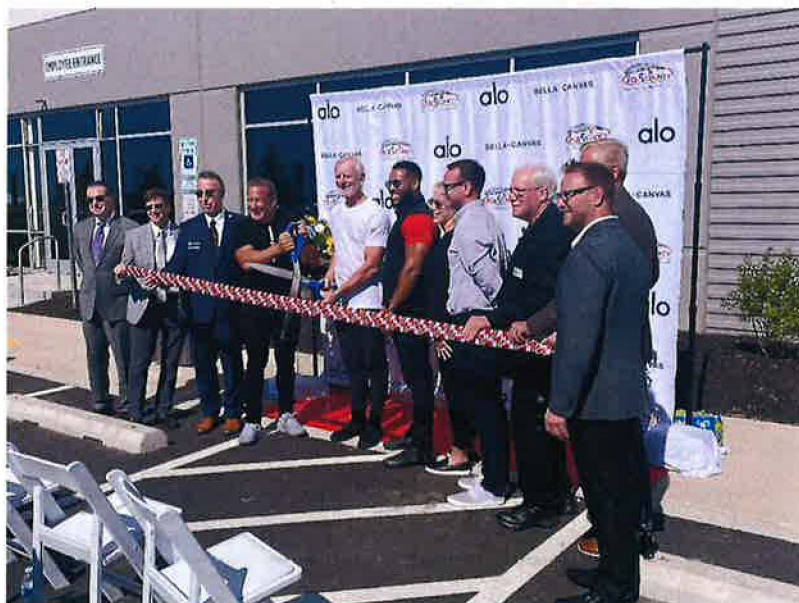
Source: Cecil County OPEB Plan Actuarial Reports

**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>	<u>2022</u>
Annual money-weighted rate of return, net of investment expense	12.97%	7.67%	4.95%	1.36%	29.64%	-16.11%

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, 2022

	<u>Budgeted Amounts</u>			Variance with
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Final Budget - Positive (Negative)
Revenues				
Property Taxes	\$ 127,667,853	\$ 127,667,853	\$ 129,683,992	\$ 2,016,139
Income Taxes	65,561,000	65,561,000	82,987,898	17,426,898
Licenses and Permits	2,200,029	2,200,029	2,705,006	504,977
Intergovernmental	3,265,606	3,265,606	3,316,313	50,707
Charges for Services	10,854,422	10,854,422	23,254,214	12,399,792
Investment Earnings	153,100	153,100	287,357	134,257
Contributions & Other Revenues	213,500	213,500	328,069	114,569
Total Revenues	<u>209,915,510</u>	<u>209,915,510</u>	<u>242,562,849</u>	<u>32,647,339</u>
Other Financing Sources				
Transfers in from Other Funds	1,035,000	1,035,000	1,035,000	-
Total Other Financing Sources	<u>1,035,000</u>	<u>1,035,000</u>	<u>1,035,000</u>	<u>-</u>
Total Revenues and Other Financing Sources	<u>\$ 210,950,510</u>	<u>\$ 210,950,510</u>	<u>\$ 243,597,849</u>	<u>\$ 32,647,339</u>
Expenditures				
General Government				
County Executive	\$ 185,390	\$ 192,086	\$ 198,401	\$ (6,315)
County Council	446,486	464,738	439,659	25,079
Office of Administrator	415,781	420,707	342,431	78,276
County Attorney & Legal	365,446	393,665	365,684	27,981
Human Resources	1,527,651	1,596,500	1,504,532	91,968
Finance Department	2,917,431	3,061,533	2,921,454	140,079
Circuit Court	2,445,014	2,631,025	2,483,651	147,374
Orphans Court	53,282	53,282	49,769	3,513
Board of Elections	1,139,879	1,139,879	848,082	291,797
Liquor Board Licensing	223,661	235,373	223,908	11,465
Building Maintenance	1,946,975	1,984,442	1,870,968	113,474
Total General Government	<u>11,666,996</u>	<u>12,173,230</u>	<u>11,248,539</u>	<u>924,691</u>
Highways, Streets, and Bridges				
Public Works - Administration	2,776,451	2,941,886	2,586,059	355,827
Public Works - Roads Administration	5,005,373	5,226,893	5,289,801	(62,908)
Public Works - Roads Maintenance	3,727,665	6,720,700	6,629,622	91,078
Total Highways, Streets, and Bridges	<u>11,509,489</u>	<u>14,889,479</u>	<u>14,505,482</u>	<u>383,997</u>
Recreation and Culture				
Board of Parks	1,834,752	1,907,763	1,891,454	16,309
Building Maintenance	97,400	97,090	87,842	9,248
Total Recreation and Culture	<u>\$ 1,932,152</u>	<u>\$ 2,004,853</u>	<u>\$ 1,979,296</u>	<u>\$ 25,557</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, 2022

	<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>
Expenditures (Continued)				
Public Safety				
Sheriff's Office - Law Enforcement	\$ 14,207,877	\$ 14,558,412	\$ 14,207,285	\$ 351,127
Sheriff's Office - Special Assignments	209,359	209,359	363,167	(153,808)
Sheriff's Office - Detention Center	9,193,530	9,441,228	9,192,788	248,440
Sheriff's Office - Work Release Program	2,894,884	2,545,592	2,025,161	520,431
Sheriff's Office - Department Total	<u>26,505,650</u>	<u>26,754,591</u>	<u>25,788,401</u>	<u>966,190</u>
State's Attorney's Office	3,229,653	3,451,323	3,152,202	299,121
Emergency Management	9,293,322	9,540,697	9,694,144	(153,447)
Volunteer Fire Departments	5,416,026	6,241,026	5,438,859	802,167
Land Use & Development Services	2,764,972	2,910,833	2,480,189	430,644
Animal Control	-	-	-	-
Building Maintenance	2,060,702	2,110,570	1,857,859	252,711
Total Public Safety	<u>49,270,325</u>	<u>51,009,040</u>	<u>48,411,654</u>	<u>2,597,386</u>
Health and Welfare				
Health Department	3,644,423	3,644,423	3,648,503	(4,080)
Social Services	386,457	386,457	319,229	67,228
Non-Profit Agencies	102,360	102,360	79,165	23,195
Building Maintenance	241,506	240,960	184,801	56,159
Total Health and Welfare	<u>4,374,746</u>	<u>4,374,200</u>	<u>4,231,698</u>	<u>142,502</u>
Education				
Cecil County Board of Education	87,042,866	89,202,026	89,218,678	(16,652)
Cecil Community College	12,014,401	12,066,736	12,054,835	11,901
Total Education	<u>99,057,267</u>	<u>101,268,762</u>	<u>101,273,513</u>	<u>(4,751)</u>
Public Libraries	<u>6,040,417</u>	<u>6,230,417</u>	<u>6,230,417</u>	<u>-</u>
Economic Development	<u>1,560,763</u>	<u>1,618,856</u>	<u>1,531,364</u>	<u>87,492</u>
Agriculture	<u>720,562</u>	<u>751,558</u>	<u>742,840</u>	<u>8,718</u>
Municipalities	<u>771,579</u>	<u>771,579</u>	<u>771,579</u>	<u>-</u>
Total Expenditures	<u>186,904,296</u>	<u>195,091,974</u>	<u>190,926,382</u>	<u>4,165,592</u>
Other Financing Uses				
Transfers to Special Revenue Funds	4,987,073	5,506,478	4,739,289	767,189
Transfers to Debt Service Fund	19,059,141	16,053,875	15,111,316	942,559
Transfers to Capital Projects Funds	-	780,000	776,368	3,632
Total Other Financing Uses	<u>24,046,214</u>	<u>22,340,353</u>	<u>20,626,973</u>	<u>1,713,380</u>
Total Expenditures and Other Financing Uses	<u>\$ 210,950,510</u>	<u>\$ 217,432,327</u>	<u>\$ 211,553,355</u>	<u>\$ 5,878,972</u>

CECIL COUNTY, MARYLAND
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Total Non-Major Governmental Funds</u>
ASSETS			
Cash (Note 3)	\$ -	\$ 1,855,990	\$ 1,855,990
Receivables, Net (Note 4)	45,092	51	45,143
Due from Other Governments	1,832,477	-	1,832,477
Restricted Assets: Cash and Investments (Note 3)	<u>1,150,782</u>	<u>-</u>	<u>1,150,782</u>
Total Assets	<u>\$ 3,028,351</u>	<u>\$ 1,856,041</u>	<u>\$ 4,884,392</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 339,473	\$ -	\$ 339,473
Salaries and Benefits Payable	394,982	-	394,982
Due to Other Funds	982,497	-	982,497
Deferred Revenue	154,880	-	154,880
Other Liabilities	<u>3,957</u>	<u>-</u>	<u>3,957</u>
Total Liabilities	<u>1,875,789</u>	<u>-</u>	<u>1,875,789</u>
Fund Balances:			
Restricted	<u>1,152,562</u>	<u>1,856,041</u>	<u>3,008,603</u>
Total Fund Balances	<u>1,152,562</u>	<u>1,856,041</u>	<u>3,008,603</u>
Total Liabilities and Fund Balances	<u>\$ 3,028,351</u>	<u>\$ 1,856,041</u>	<u>\$ 4,884,392</u>

CECIL COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<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	5,066,013	-	5,066,013
Charges for Services	612,749	-	612,749
Investment Earnings	<u>1,693</u>	<u>-</u>	<u>1,693</u>
Total Revenues	<u>5,680,455</u>	<u>6,099</u>	<u>5,686,554</u>
EXPENDITURES			
Current:			
General Government	-	2,887,968	2,887,968
Health and Welfare	10,319,979	-	10,319,979
Agriculture	8,550	-	8,550
Debt Service:			
Principal	-	7,799,718	7,799,718
Interest and Fiscal Charges	<u>-</u>	<u>6,176,257</u>	<u>6,176,257</u>
Bond Issuance Cost	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>10,328,529</u>	<u>16,863,943</u>	<u>27,192,472</u>
Deficiency of Revenues (Under) Expenditures	<u>(4,648,074)</u>	<u>(16,857,844)</u>	<u>(21,505,918)</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	<u>4,643,923</u>	<u>17,085,753</u>	<u>21,729,676</u>
Total Other Financing Sources	<u>4,643,923</u>	<u>17,401,287</u>	<u>22,045,210</u>
Net Change in Fund Balances	(4,151)	543,443	539,292
Fund Balances - Beginning	<u>1,156,713</u>	<u>1,312,598</u>	<u>2,469,311</u>
Fund Balances - Ending	<u>\$ 1,152,562</u>	<u>\$ 1,856,041</u>	<u>\$ 3,008,603</u>



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5 STAR™**
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, 2022

	Agricultural Land Preservation	Community Services	Economic Development Catalyst Loan Fund	Total
ASSETS				
Receivables, Net:				
Accounts	\$ -	\$ 440	\$ -	\$ 440
Notes	-	-	44,652	44,652
Due from Other Governments	-	1,832,477	-	1,832,477
Restricted Assets: Cash and Investments	<u>729,089</u>	<u>-</u>	<u>421,693</u>	<u>1,150,782</u>
Total Assets	<u>\$ 729,089</u>	<u>\$ 1,832,917</u>	<u>\$ 466,345</u>	<u>\$ 3,028,351</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 339,473	\$ -	\$ 339,473
Salaries and Benefits Payable	-	394,982	-	394,982
Due to Other Funds	-	939,625	42,872	982,497
Deferred Revenue	-	154,880	-	154,880
Other Liabilities	<u>-</u>	<u>3,957</u>	<u>-</u>	<u>3,957</u>
Total Liabilities	<u>-</u>	<u>1,832,917</u>	<u>42,872</u>	<u>1,875,789</u>
Fund Balances:				
Restricted	<u>729,089</u>	<u>-</u>	<u>423,473</u>	<u>1,152,562</u>
Total Fund Balances	<u>729,089</u>	<u>-</u>	<u>423,473</u>	<u>1,152,562</u>
Total Liabilities and Fund Balances	<u>\$ 729,089</u>	<u>\$ 1,832,917</u>	<u>\$ 466,345</u>	<u>\$ 3,028,351</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, 2022**

	Agricultural Land Preservation	Community Services	Economic Development Catalyst Loan Fund	Total
REVENUES				
Intergovernmental	\$ 2,706	\$ 5,063,307	\$ -	\$ 5,066,013
Charges for Services	-	612,749	-	612,749
Investment Earnings	-	-	1,693	1,693
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	2,706	5,676,056	1,693	5,680,455
EXPENDITURES				
Current:				
Health and Welfare	-	10,319,979	-	10,319,979
Agriculture	8,550	-	-	8,550
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	8,550	10,319,979	-	10,328,529
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,844)	(4,643,923)	1,693	(4,648,074)
OTHER FINANCING SOURCES				
Transfers In	-	4,643,923	-	4,643,923
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources	-	4,643,923	-	4,643,923
Net Change in Fund Balances	(5,844)	-	1,693	(4,151)
Fund Balances - Beginning	734,933	-	421,780	1,156,713
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances - Ending	\$ 729,089	\$ -	\$ 423,473	\$ 1,152,562

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, 2022**

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 80,000	\$ 80,000	\$ 2,706	\$ (77,294)
Total Revenues	<u>80,000</u>	<u>80,000</u>	<u>2,706</u>	<u>(77,294)</u>
EXPENDITURES				
Current:				
Agriculture	<u>650,915</u>	<u>650,915</u>	<u>8,550</u>	<u>642,365</u>
Total Expenditures	<u>650,915</u>	<u>650,915</u>	<u>8,550</u>	<u>642,365</u>
Deficiency of Revenues (Under) Expenditures	<u>(570,915)</u>	<u>(570,915)</u>	<u>(5,844)</u>	<u>565,071</u>
OTHER FINANCING SOURCES				
Transfers In	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	<u>(570,915)</u>	<u>(570,915)</u>	<u>(5,844)</u>	<u>565,071</u>
Fund Balance - Beginning	<u>416,131</u>	<u>416,131</u>	<u>734,933</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (154,784)</u>	<u>\$ (154,784)</u>	<u>\$ 729,089</u>	<u>\$ 565,071</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, 2022**

	<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	\$ 5,065,454	\$ 6,186,183	\$ 5,063,307	\$ (1,122,876)
Charges for Services	<u>710,710</u>	<u>750,710</u>	<u>612,749</u>	<u>(137,961)</u>
Total Revenues	<u>5,776,164</u>	<u>6,936,893</u>	<u>5,676,056</u>	<u>(1,260,837)</u>
EXPENDITURES				
Current:				
Health and Welfare	<u>10,206,504</u>	<u>11,886,638</u>	<u>10,319,979</u>	<u>1,566,659</u>
Total Expenditures	<u>10,206,504</u>	<u>11,886,638</u>	<u>10,319,979</u>	<u>1,566,659</u>
Deficiency of Revenues (Under) Expenditures	<u>(4,430,340)</u>	<u>(4,949,745)</u>	<u>(4,643,923)</u>	<u>305,822</u>
OTHER FINANCING SOURCES				
Transfers In	<u>4,430,340</u>	<u>4,949,745</u>	<u>4,643,923</u>	<u>(305,822)</u>
Total Other Financing Sources	<u>4,430,340</u>	<u>4,949,745</u>	<u>4,643,923</u>	<u>(305,822)</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	<u>(8,500)</u>	<u>(8,500)</u>	<u>-</u>	<u>8,500</u>
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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	1,693	1,693
Total Revenues	<u>-</u>	<u>-</u>	<u>1,693</u>	<u>1,693</u>
EXPENDITURES				
Current:				
Economic Development	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>1,693</u>	<u>1,693</u>
Net Change in Fund Balance	-	-	1,693	1,693
Fund Balance - Beginning	<u>420,474</u>	<u>420,470</u>	<u>421,780</u>	<u>-</u>
Fund Balance - Ending	<u>\$ 420,474</u>	<u>\$ 420,470</u>	<u>\$ 423,473</u>	<u>\$ 1,693</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, 2022

ASSETS	
Cash	\$ 1,855,990
Investments	-
Receivables, Net	<u>51</u>
Total Assets	<u>\$ 1,856,041</u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable	\$ <u>-</u>
Total Liabilities	<u>-</u>
 Fund Balance:	
Restricted	<u>1,856,041</u>
Total Fund Balances	<u>1,856,041</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,856,041</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, 2022**

	<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				
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				
Current:				
General Government	-	-	2,887,968	(2,887,968)
Public Safety	-	-	-	-
Highways, Streets, and Bridges	-	-	-	-
Health and Welfare	-	-	-	-
Recreation and Culture	-	-	-	-
Debt Service:				
Principal	14,389,115	14,389,115	7,799,718	6,589,397
Interest & Fiscal Charges	<u>5,976,125</u>	<u>5,976,125</u>	<u>6,176,257</u>	<u>(200,132)</u>
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>20,365,240</u>	<u>20,365,240</u>	<u>16,863,943</u>	<u>3,501,297</u>
Deficiency of Revenues (Under) Expenditures	<u>(20,359,141)</u>	<u>(20,359,141)</u>	<u>(16,857,844)</u>	<u>3,501,297</u>
OTHER FINANCING SOURCES (USES)				
Premium on Debt Issued	-	-	176,421	176,421
Refunding Bonds Issued	-	-	48,760,000	48,760,000
Advance Refunding Agent	-	-	(48,620,887)	(48,620,887)
Transfers In	<u>19,059,141</u>	<u>16,053,875</u>	<u>17,085,753</u>	<u>1,031,878</u>
Total Other Financing Sources	<u>19,059,141</u>	<u>16,053,875</u>	<u>17,401,287</u>	<u>1,347,412</u>
Net Change in Fund Balance	(1,300,000)	(4,305,266)	543,443	4,848,709
Fund Balance - Beginning	<u>6,099</u>	<u>6,099</u>	<u>1,312,598</u>	<u>1,306,499</u>
Fund Balance - Ending	<u>\$ (1,293,901)</u>	<u>\$ (4,299,167)</u>	<u>\$ 1,856,041</u>	<u>\$ 6,155,208</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, 2022

	<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)	\$ 257,609	\$ -	\$ -	\$ -	\$ 257,609
Investments (Note 3)	7,216,687	8,809,722	-	-	16,026,409
Receivables, Net:					
Accounts	238,567	-	-	-	238,567
Other	755,976	-	-	18,055	774,031
Due from Other Governments	-	-	-	1,284	1,284
Inventory	-	-	-	146,626	146,626
Other Assets	<u>185,400</u>	<u>90,000</u>	<u>2,107</u>	<u>42,331</u>	<u>319,838</u>
Total Current Assets	<u>8,654,239</u>	<u>8,899,722</u>	<u>2,107</u>	<u>208,296</u>	<u>17,764,364</u>
Non-Current Assets:					
Capital Assets, Net:					
Construction In Progress	-	-	-	23,285	23,285
Vehicles	-	-	-	9,448,438	9,448,438
Buildings	-	-	-	159,493	159,493
Machinery & Equipment	<u>-</u>	<u>-</u>	<u>4,405,938</u>	<u>634</u>	<u>4,406,572</u>
Total Non-Current Assets	<u>-</u>	<u>-</u>	<u>4,405,938</u>	<u>9,631,850</u>	<u>14,037,788</u>
Total Assets	<u>8,654,239</u>	<u>8,899,722</u>	<u>4,408,045</u>	<u>9,840,146</u>	<u>31,802,152</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	598,202	266,835	245,801	283,168	1,394,006
Salary & Benefits Payable	-	-	89,682	-	89,682
Accrued Expenses	589,435	4,831,000	-	-	5,420,435
Due to Other Funds	-	-	-	-	-
Unearned Revenue (Note 11)	-	-	-	35,981	35,981
Financed Purchases	-	-	134,660	1,317,244	1,451,904
Compensated Absences	<u>-</u>	<u>-</u>	<u>61,132</u>	<u>-</u>	<u>61,132</u>
Total Current Liabilities	<u>1,187,637</u>	<u>5,097,835</u>	<u>531,275</u>	<u>1,636,393</u>	<u>8,453,140</u>
Non-Current Liabilities:					
Financed Purchases	-	-	-	2,493,220	2,493,220
Advances from Other Funds (Note 7)	-	-	2,477,220	3,681,250	6,158,470
Compensated Absences	<u>-</u>	<u>-</u>	<u>30,566</u>	<u>-</u>	<u>30,566</u>
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>2,507,786</u>	<u>6,174,470</u>	<u>8,682,256</u>
Total Liabilities	<u>1,187,637</u>	<u>5,097,835</u>	<u>3,039,061</u>	<u>7,810,863</u>	<u>17,135,396</u>
NET POSITION					
Net Investment in Capital Assets	-	-	4,271,278	5,951,696	10,222,974
Unrestricted (Deficit)	<u>7,466,602</u>	<u>3,801,887</u>	<u>(2,902,294)</u>	<u>(3,922,413)</u>	<u>4,443,782</u>
Total Net Position	<u>\$ 7,466,602</u>	<u>\$ 3,801,887</u>	<u>\$ 1,368,984</u>	<u>\$ 2,029,283</u>	<u>\$ 14,666,756</u>

CECIL COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<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	\$ 14,199,276	\$ 1,037,767	\$ 5,346,470	\$ 4,277,671	\$24,861,184
Miscellaneous Revenue	-	-	904	50,763	51,667
	<u>14,199,276</u>	<u>1,037,767</u>	<u>5,347,374</u>	<u>4,328,434</u>	<u>24,912,851</u>
Operating Expenses:					
Benefit Payments	11,314,768	845,357	-	-	12,160,125
Salaries and Related	-	-	1,458,090	-	1,458,090
Financed Purchases	-	-	-	54,905	54,905
Materials, Supplies, and Services	678,943	66,990	2,886,097	2,428,000	6,060,030
Depreciation	-	-	1,554,569	2,294,355	3,848,924
	<u>11,993,711</u>	<u>912,347</u>	<u>5,898,756</u>	<u>4,777,260</u>	<u>23,582,074</u>
Total Operating Expenses	<u>11,993,711</u>	<u>912,347</u>	<u>5,898,756</u>	<u>4,777,260</u>	<u>23,582,074</u>
Operating Income (Loss)	<u>2,205,565</u>	<u>125,420</u>	<u>(551,382)</u>	<u>(448,826)</u>	<u>1,330,777</u>
Non-Operating Revenues (Expenses)					
Investment Earnings	14,435	32,034	-	-	46,469
Interest Expense	-	-	(7,012)	(76,121)	(83,133)
Bond Issue Expense	-	-	-	-	-
Gain/Loss on Fixed Asset Disposals	-	-	-	93,652	93,652
	<u>14,435</u>	<u>32,034</u>	<u>(7,012)</u>	<u>17,531</u>	<u>56,988</u>
Total Non-Operating Revenues	<u>14,435</u>	<u>32,034</u>	<u>(7,012)</u>	<u>17,531</u>	<u>56,988</u>
Income (Loss) Before					
Contributions and Transfers	2,220,000	157,454	(558,394)	(431,295)	1,387,765
Capital Contributions and Transfers:					
Intergovernmental Grants	-	-	-	708,944	708,944
	<u>2,220,000</u>	<u>157,454</u>	<u>(558,394)</u>	<u>277,649</u>	<u>2,096,709</u>
Change in Net Position	<u>2,220,000</u>	<u>157,454</u>	<u>(558,394)</u>	<u>277,649</u>	<u>2,096,709</u>
Net Position - Beginning	<u>5,246,602</u>	<u>3,644,433</u>	<u>1,927,378</u>	<u>1,751,634</u>	<u>12,570,047</u>
Net Position - Ending	<u>\$ 7,466,602</u>	<u>\$ 3,801,887</u>	<u>\$ 1,368,984</u>	<u>\$ 2,029,283</u>	<u>\$ 14,666,756</u>

CECIL COUNTY, MARYLAND
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	<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	\$ 13,752,384	\$ 1,037,767	\$ 5,347,374	\$ 4,549,486	\$ 24,687,011
Payments to Suppliers and Providers	(11,828,613)	(1,171,364)	(2,658,500)	(2,812,337)	(18,470,814)
Payments to Employees	-	-	(1,429,547)	-	(1,429,547)
Net Cash Provided by Operating Activities	<u>1,923,772</u>	<u>(133,597)</u>	<u>1,259,327</u>	<u>1,737,149</u>	<u>4,786,650</u>
Cash Flows From Non-Capital Financing Activities:					
Advances from Other Funds	-	192,752	(732,600)	905,821	365,973
Cash Flows From Non-Capital Financing Activities:	<u>-</u>	<u>192,752</u>	<u>(732,600)</u>	<u>905,821</u>	<u>365,973</u>
Cash Flows From Capital and Related Financing Activities:					
Proceeds from Capital Lease Received	-	-	-	-	-
Proceeds from Capital Grants Received	-	-	(1,395)	11,090	9,695
Acquisition of Capital Assets	-	-	(229,625)	(1,124,533)	(1,354,158)
Principal Paid on Debt Maturities	-	-	(290,090)	(1,586,427)	(1,876,516)
Interest Paid on Debt	-	-	(5,617)	(76,121)	(81,738)
Proceeds from Sale of Capital Assets	-	-	-	133,021	133,021
Net Cash Flows From Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(526,727)</u>	<u>(2,642,970)</u>	<u>(3,169,697)</u>
Cash Flows From Investing Activities:					
Interest on Investments	14,435	32,034	-	-	46,469
Net Cash Flows From Investment Activities	<u>14,435</u>	<u>32,034</u>	<u>-</u>	<u>-</u>	<u>46,469</u>
Net Increase in Cash and Cash Equivalents	1,938,207	91,189	0	0	2,029,396
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>
Cash and Cash Equivalents - June 30, 2022	<u>\$ 7,474,296</u>	<u>\$ 8,809,722</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 16,284,018</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 2,205,565	\$ 125,420	\$ (551,382)	\$ (448,826)	\$ 1,330,777
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	-	-	1,554,569	2,294,355	3,848,924
Effect of changes in Assets and Liabilities:					
Accounts Receivable	(446,893)	-	-	261,475	(185,418)
Due to Other Funds	-	-	-	-	-
Inventory	-	-	-	-	-
Other Assets	-	-	47,423	(69,787)	(22,364)
Accounts Payable	543,245	35,983	180,174	(259,645)	499,757
Salary & Benefits Payable	-	-	11,706	-	11,706
Compensated Absences	-	-	16,837	-	16,837
Accrued Expenses	(378,145)	(295,000)	-	-	(673,145)
Unearned Revenue	-	-	-	(40,423)	(40,423)
Total Adjustments	<u>(281,793)</u>	<u>(259,017)</u>	<u>1,810,709</u>	<u>2,185,975</u>	<u>3,455,873</u>
Net Cash Provided by Operating Activities	<u>\$ 1,923,772</u>	<u>\$ (133,597)</u>	<u>\$ 1,259,327</u>	<u>\$ 1,737,149</u>	<u>\$ 4,786,650</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, 2022

	<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	\$ 335,561	\$ 198,982	\$ -	\$ 534,543
AR Other	-	99,916	3,928	103,844
Investments, at fair value:				
Institutional Separate Accounts	60,469,785	-	-	60,469,785
Mutual Funds	4,429,250	7,364,025	-	11,793,275
Maryland Local Govt. Investment Pool	-	24,387	1,438,990	1,463,377
Total Investments	<u>64,899,035</u>	<u>7,388,412</u>	<u>1,438,990</u>	<u>73,726,437</u>
Total Assets	<u>65,234,596</u>	<u>7,687,310</u>	<u>1,442,918</u>	<u>74,364,824</u>
LIABILITIES				
Accrued Expenses		(30)	(8,240)	(8,270)
Accounts Payable	587	99	-	686
Due to Other Funds	-	-	9,240	9,240
Total Liabilities	<u>587</u>	<u>69</u>	<u>1,000</u>	<u>1,656</u>
NET POSITION				
Restricted for:				
Employee Benefits	<u>65,234,009</u>	<u>7,687,241</u>	<u>1,441,918</u>	<u>74,363,168</u>
Total Net Position	<u>\$ 65,234,009</u>	<u>\$ 7,687,241</u>	<u>\$ 1,441,918</u>	<u>\$ 74,363,168</u>

CECIL COUNTY, MARYLAND

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	Public Safety Retirement Fund	Other Post Employment Benefits Fund	Volunteer Length of Service Award Program Fund	Total Pension Funds
ADDITIONS				
Contributions				
Cecil County	\$ 1,900,798	\$ -	\$ 1,210,654	\$ 3,111,452
Participants	<u>1,033,052</u>	<u>-</u>	<u>-</u>	<u>1,033,052</u>
Other	<u>-</u>	<u>99,916</u>	<u>-</u>	<u>-</u>
Total Contributions	<u>2,933,850</u>	<u>99,916</u>	<u>1,210,654</u>	<u>4,144,504</u>
INVESTMENT INCOME				
Investment Earnings:				
Net Appreciation (Depreciation) in Fair Value of Investments	(13,151,661)	(1,667,134)	-	(14,818,795)
Interest and Dividends	<u>2,315,094</u>	<u>248,460</u>	<u>3,068</u>	<u>2,566,622</u>
Total Investment Earnings (Loss)	(10,836,567)	(1,418,674)	3,068	(12,252,174)
Less: Investment Expense	<u>(516,773)</u>	<u>(24,944)</u>	<u>-</u>	<u>(541,717)</u>
Net Investment Income (Loss)	<u>(11,353,341)</u>	<u>(1,443,618)</u>	<u>3,068</u>	<u>(12,793,891)</u>
Total Additions	<u>(8,419,491)</u>	<u>(1,343,702)</u>	<u>1,213,722</u>	<u>(8,649,387)</u>
DEDUCTIONS				
Benefit Payments	2,627,170	132,811	812,778	3,572,759
Refunds of Contributions	466,162	-	2,000	468,162
Administrative Expense	<u>6,402</u>	<u>24,127</u>	<u>17,071</u>	<u>47,600</u>
Total Deductions	<u>3,099,734</u>	<u>156,938</u>	<u>831,849</u>	<u>4,088,521</u>
Change in Net Position	(11,519,225)	(1,500,640)	381,873	(12,737,908)
Net Position - Beginning	<u>76,753,234</u>	<u>9,187,881</u>	<u>1,060,045</u>	<u>87,001,160</u>
Net Position - Ending	<u>\$ 65,234,009</u>	<u>\$ 7,687,241</u>	<u>\$ 1,441,918</u>	<u>\$ 74,263,252</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, 2022**

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2022</u>
COLLECTIONS - STATE TAXES				
Assets				
Cash	\$ 88,281	\$ 25,956,794	\$ (26,045,075)	\$ 0
Accounts Receivable - Property Taxes	<u>116,889</u>	<u>14,763,232</u>	<u>(14,421,978)</u>	<u>458,143</u>
Total Assets	<u>\$ 205,170</u>	<u>\$ 40,720,026</u>	<u>\$ (40,467,053)</u>	<u>\$ 458,143</u>
Liabilities				
Due to Other Governments	\$ 205,170	\$ 14,147,839	\$ (13,894,866)	\$ 458,143
Total Liabilities	<u>\$ 205,170</u>	<u>\$ 14,147,839</u>	<u>\$ (13,894,866)</u>	<u>\$ 458,143</u>
COLLECTIONS - STATE BAY RESTORATION FEE				
Assets				
Cash	\$ 291,585	\$ 3,585,611	\$ (3,571,293)	\$ 305,903
Accounts Receivable - Fees	<u>178,644</u>	<u>1,782,206</u>	<u>(1,822,555)</u>	<u>138,295</u>
Total Assets	<u>\$ 470,229</u>	<u>\$ 5,367,817</u>	<u>\$ (5,393,848)</u>	<u>\$ 444,198</u>
Liabilities				
Due to Other Governments	\$ 470,229	\$ 3,545,262	\$ (3,571,293)	\$ 444,198
Total Liabilities	<u>\$ 470,229</u>	<u>\$ 3,545,262</u>	<u>\$ (3,571,293)</u>	<u>\$ 444,198</u>
COLLECTIONS - CECILTON				
Assets				
Cash	\$ 1,862	\$ 179,692	\$ (178,142)	\$ 3,412
Accounts Receivable - Fees & Taxes	<u>1,959</u>	<u>178,978</u>	<u>(180,629)</u>	<u>308</u>
Total Assets	<u>\$ 3,821</u>	<u>\$ 358,670</u>	<u>\$ (358,771)</u>	<u>\$ 3,720</u>
Liabilities				
Due to Other Governments	\$ 3,821	\$ 358,670	\$ (358,771)	\$ 3,720
Total Liabilities	<u>\$ 3,821</u>	<u>\$ 358,670</u>	<u>\$ (358,771)</u>	<u>\$ 3,720</u>
COLLECTIONS - CHESAPEAKE CITY				
Assets				
Cash	\$ 5,929	\$ 426,496	\$ (427,773)	\$ 4,652
Accounts Receivable - Property Taxes	<u>676</u>	<u>434,278</u>	<u>(434,704)</u>	<u>251</u>
Total Assets	<u>\$ 6,605</u>	<u>\$ 860,774</u>	<u>\$ (862,476)</u>	<u>\$ 4,903</u>
Liabilities				
Due to Other Governments	\$ 6,605	\$ 851,456	\$ (853,158)	\$ 4,903
Total Liabilities	<u>\$ 6,605</u>	<u>\$ 851,456</u>	<u>\$ (853,158)</u>	<u>\$ 4,903</u>

CECIL COUNTY, MARYLAND

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2022</u>
COLLECTIONS - CHARLESTOWN				
Assets				
Cash	\$ 4,601	\$ 1,238,539	\$ (1,241,133)	\$ 2,006
Accounts Receivable - Property Taxes	<u>3,962</u>	<u>625,280</u>	<u>(627,391)</u>	<u>1,851</u>
Total Assets	<u>\$ 8,563</u>	<u>\$ 1,863,818</u>	<u>\$ (1,868,524)</u>	<u>\$ 3,857</u>
Liabilities				
Due to Other Governments	\$ <u>8,563</u>	\$ <u>1,863,818</u>	\$ <u>(1,868,524)</u>	\$ <u>3,857</u>
Total Liabilities	<u>\$ 8,563</u>	<u>\$ 1,863,818</u>	<u>\$ (1,868,524)</u>	<u>\$ 3,857</u>
COLLECTIONS - ELKTON				
Assets				
Cash	\$ 90,481	\$ 8,015,593	\$ (7,813,201)	\$ 292,873
Accounts Receivable - Property Taxes	<u>67,066</u>	<u>8,227,089</u>	<u>(8,215,602)</u>	<u>78,553</u>
Total Assets	<u>\$ 157,547</u>	<u>\$ 16,242,682</u>	<u>\$ (16,028,803)</u>	<u>\$ 371,427</u>
Liabilities				
Due to Other Governments	\$ <u>157,547</u>	\$ <u>16,242,682</u>	\$ <u>(16,028,803)</u>	\$ <u>371,427</u>
Total Liabilities	<u>\$ 157,547</u>	<u>\$ 16,242,682</u>	<u>\$ (16,028,803)</u>	<u>\$ 371,427</u>
COLLECTIONS - NORTH EAST				
Assets				
Cash	\$ 15,719	\$ 4,413,996	\$ (4,417,351)	\$ 12,365
Accounts Receivable - Fees & Taxes	<u>7,819</u>	<u>2,460,083</u>	<u>(2,450,754)</u>	<u>17,148</u>
Total Assets	<u>\$ 23,538</u>	<u>\$ 6,874,079</u>	<u>\$ (6,868,104)</u>	<u>\$ 29,513</u>
Liabilities				
Due to Other Governments	\$ <u>23,538</u>	\$ <u>6,874,079</u>	\$ <u>(6,868,104)</u>	\$ <u>29,513</u>
Total Liabilities	<u>\$ 23,538</u>	<u>\$ 6,874,079</u>	<u>\$ (6,868,104)</u>	<u>\$ 29,513</u>
COLLECTIONS - PORT DEPOSIT				
Assets				
Cash	\$ 1,702	\$ 480,348	\$ (409,288)	\$ 72,762
Accounts Receivable - Property Taxes	<u>23,927</u>	<u>446,338</u>	<u>(464,625)</u>	<u>5,640</u>
Total Assets	<u>\$ 25,629</u>	<u>\$ 926,686</u>	<u>\$ (873,913)</u>	<u>\$ 78,402</u>
Liabilities				
Due to Other Governments	\$ <u>25,629</u>	\$ <u>926,686</u>	\$ <u>(873,913)</u>	\$ <u>78,402</u>
Total Liabilities	<u>\$ 25,629</u>	<u>\$ 926,686</u>	<u>\$ (873,913)</u>	<u>\$ 78,402</u>

CECIL COUNTY, MARYLAND

**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ALL CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022**

	<u>Balance June 30, 2021</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2022</u>
COLLECTIONS - PERRYVILLE				
Assets				
Cash	\$ 7,130	\$ 3,447,095	\$ (3,434,207)	\$ 20,018
Accounts Receivable - Property Taxes	<u>2,834</u>	<u>1,776,365</u>	<u>(1,779,220)</u>	<u>(20)</u>
Total Assets	<u>\$ 9,964</u>	<u>\$ 5,223,460</u>	<u>\$ (5,213,427)</u>	<u>\$ 19,998</u>
Liabilities				
Due to Other Governments	\$ <u>9,964</u>	\$ <u>3,444,241</u>	\$ <u>(3,434,207)</u>	\$ <u>19,998</u>
Total Liabilities	<u>\$ 9,964</u>	<u>\$ 3,444,241</u>	<u>\$ (3,434,207)</u>	<u>\$ 19,998</u>
COLLECTIONS - RISING SUN				
Assets				
Cash	\$ 5,681	\$ 2,555,692	\$ (2,541,156)	\$ 20,217
Accounts Receivable - Property Taxes	<u>5,558</u>	<u>1,318,931</u>	<u>(1,308,143)</u>	<u>16,346</u>
Total Assets	<u>\$ 11,239</u>	<u>\$ 3,874,623</u>	<u>\$ (3,849,299)</u>	<u>\$ 36,563</u>
Liabilities				
Due to Other Governments	\$ <u>11,239</u>	\$ <u>2,543,191</u>	\$ <u>(2,517,867)</u>	\$ <u>36,563</u>
Total Liabilities	<u>\$ 11,239</u>	<u>\$ 2,543,191</u>	<u>\$ (2,517,867)</u>	<u>\$ 36,563</u>
TOTALS - ALL FUNDS				
Assets				
Cash	\$ 512,971	\$ 50,299,856	\$ (50,078,617)	\$ 734,210
Accounts Receivable - Fees & Taxes	<u>409,334</u>	<u>32,012,780</u>	<u>(31,705,600)</u>	<u>716,515</u>
Total Assets	<u>\$ 922,305</u>	<u>\$ 82,312,636</u>	<u>\$ (81,784,217)</u>	<u>\$ 1,450,724</u>
Liabilities				
Due to Other Governments	\$ <u>922,305</u>	\$ <u>50,797,924</u>	\$ <u>(50,269,506)</u>	\$ <u>1,450,724</u>
Total Liabilities	<u>\$ 922,305</u>	<u>\$ 50,797,924</u>	<u>\$ (50,269,506)</u>	<u>\$ 1,450,724</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	120
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	125
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	129
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	133
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	136
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.

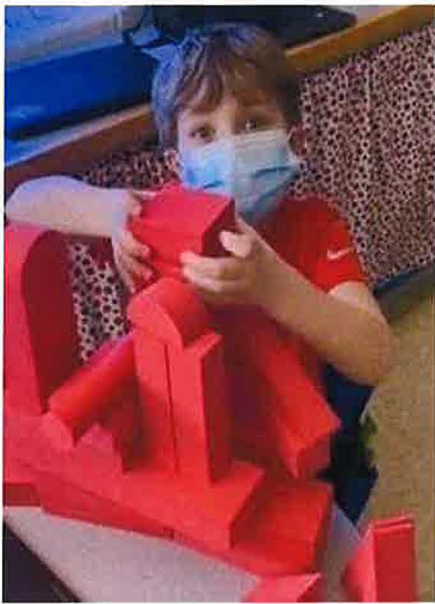


Table I

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

	<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>	<u>2022</u>
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 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	\$ 178,303,142
Restricted	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	32,937,397
Unrestricted (Deficit)	<u>(22,670,285)</u>	<u>(53,601,877)</u>	<u>(84,302,472)</u>	<u>(88,292,865)</u>	<u>(78,992,974)</u>	<u>(105,036,602)</u>	<u>(84,633,191)</u>	<u>(94,923,381)</u>	<u>(67,966,928)</u>	<u>(39,405,071)</u>
Total Governmental Activities Net Position	<u>\$ 141,440,309</u>	<u>\$ 129,131,414</u>	<u>\$ 99,676,138</u>	<u>\$ 92,945,253</u>	<u>\$ 85,002,941</u>	<u>\$ 75,513,283</u>	<u>\$ 86,433,452</u>	<u>\$ 103,646,527</u>	<u>\$ 125,549,222</u>	<u>\$ 171,835,468</u>
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 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	\$ 53,678,864
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>2,237,683</u>	<u>(1,137,604)</u>	<u>(5,787,900)</u>	<u>(2,858,161)</u>	<u>(3,137,463)</u>	<u>(31,029)</u>	<u>2,549,840</u>	<u>9,585,932</u>	<u>15,579,866</u>	<u>25,437,341</u>
Total Business-type Activities Net Position	<u>\$ 38,511,860</u>	<u>\$ 39,257,995</u>	<u>\$ 43,346,964</u>	<u>\$ 44,328,800</u>	<u>\$ 44,350,116</u>	<u>\$ 45,886,697</u>	<u>\$ 53,373,979</u>	<u>\$ 61,674,320</u>	<u>\$ 75,260,272</u>	<u>\$ 79,116,205</u>
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	\$ 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	\$ 231,982,006
Restricted	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	32,937,397
Unrestricted	<u>(20,432,602)</u>	<u>(54,739,481)</u>	<u>(90,090,372)</u>	<u>(91,151,026)</u>	<u>(82,130,437)</u>	<u>(105,067,631)</u>	<u>(82,083,351)</u>	<u>(85,337,449)</u>	<u>(52,387,062)</u>	<u>(13,967,730)</u>
Total Primary Government Net Position	<u>\$ 179,952,169</u>	<u>\$ 168,389,409</u>	<u>\$ 143,023,102</u>	<u>\$ 137,274,053</u>	<u>\$ 129,353,057</u>	<u>\$ 121,399,980</u>	<u>\$ 139,807,431</u>	<u>\$ 165,320,847</u>	<u>\$ 200,809,494</u>	<u>\$ 250,951,673</u>

Table II

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
EXPENSES										
Governmental Activities:										
General Government	\$ 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	\$14,203,634
Public Safety	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	52,942,419
Highways, Streets, and Bridges	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	18,407,042
Health and Welfare	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	29,200,437
Recreation and Culture	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	3,821,318
Education	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	105,381,990
Public Libraries	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	7,458,647
Economic Development	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	2,179,534
Agriculture	1,241,922	2,115,454	614,728	851,666	1,463,623	760,117	686,363	636,345	693,130	710,494
Interest on Long-Term Debt	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	4,742,879
Total Governmental Activities Expenses	176,200,407	191,749,973	200,007,931	199,969,025	200,243,332	204,219,896	214,698,638	224,551,768	241,029,742	239,048,393
Business-Type Activities:										
Water	-	-	-	-	-	-	-	-	-	-
Wastewater	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	11,534,549
Landfill	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	7,694,614
Property Management	-	-	-	373,677	570,994	575,199	572,446	527,942	569,199	469,088
Total Business-Type Activities Expenses	12,599,105	14,886,359	14,714,941	15,196,906	15,741,070	15,426,551	17,298,264	18,149,624	19,405,770	19,698,251
Total Primary Government Expenses	\$ 188,799,512	\$ 206,636,332	\$ 214,722,872	\$ 215,165,931	\$ 215,984,402	\$ 219,646,447	\$ 231,996,902	\$ 242,701,392	\$ 260,435,512	\$ 258,746,644
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 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	\$22,699,506
Public Safety	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	3,154,744
Highways, Streets, and Bridges	289,249	375,530	191,757	397,877	217,050	85,018	91,476	76,918	97,746	89,740
Other Activities	628,754	621,065	773,109	812,469	997,753	1,237,903	1,302,246	1,237,275	1,458,564	1,487,138
Operating Grants and Contributions	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	31,949,258
Capital Grants and Contributions	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	1,649,327
Total Governmental Activities Revenues	27,551,113	27,173,542	28,826,342	30,566,508	29,737,726	37,145,830	36,452,236	47,800,955	51,949,382	61,029,713

Table II

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Business-Type Activities:										
Charges for Services:										
Water	-	-	-	-	-	-	-	-	-	-
Wastewater	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	10,341,226
Landfill	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	10,629,466
Property Management	-	-	-	386,868	782,635	780,600	740,061	880,579	919,535	886,628
Capital Grants and Contributions	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	2,954,246
Total Business-Type Activities Revenues	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	24,811,566
Total Primary Government Revenues	\$ 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	\$ 85,841,279
OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes										
Property Taxes	\$ 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	\$ 129,619,991
Income Taxes	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	95,227,933
Investment Earnings	270,374	236,961	226,259	130,596	284,934	897,195	1,815,229	1,547,817	163,273	357,002
Other Revenues including Capital Asset Sales Gains (Losses)	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	306,136	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	186,453	180,000	(905,000)	(706,000)	(950,000)	(900,000)
Total Governmental Activities	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	224,304,926
Business-Type Activities:										
Investment Earnings	57,916	13,270	20,392	73,285	89,221	857,434	609,839	258,344	3,139,360	(2,157,381)
Other Revenues including Capital Asset Sales Gains (Losses)	9,302	-	-	10,000	-	-	-	-	-	-
Transfers	-	-	-	-	(186,453)	(180,000)	905,000	706,000	950,000	900,000
Total Business-Type Activities	67,218	13,270	20,392	83,285	(97,232)	677,434	1,514,839	964,344	4,089,360	(1,257,381)
Total Primary Government	\$ 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	\$ 223,047,545
CHANGE IN NET POSITION										
Governmental Activities	\$ 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	\$ 46,286,246
Business-Type Activities	515,666	746,135	4,088,969	981,836	21,316	1,536,581	7,487,282	8,300,341	13,585,952	3,855,934
Total Primary Government	\$ 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	\$ 50,142,180

Table III

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

	<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>	<u>2022</u>
GENERAL FUND										
Non-Spendable Fund Balance	\$ 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	\$ 6,654,445
Unrestricted Fund Balance										
Committed Fund Balance	16,363,777	17,548,538	14,683,298	16,196,482	-	-	1,360,150	2,225,000	282,492	-
Assigned Fund Balance	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	56,903,655
Unassigned Fund Balance	<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>	<u>44,455,355</u>
Total General Fund	<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>	<u>\$ 108,013,455</u>
ALL OTHER GOVERNMENTAL FUNDS										
Non-Spendable Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Fund Balance	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	29,038,509
Unrestricted Fund Balance:										
Committed Fund Balance	2,190,137	482,681	-	2,361,577	-	-	-	-	-	-
Unassigned Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,477,840)</u>	<u>-</u>	<u>(3,137,307)</u>	<u>(5,201)</u>
Total All Other Governmental Funds	<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>	<u>\$ 29,033,308</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)**

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
REVENUES										
Property Taxes	\$ 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	\$ 129,690,091
Income Taxes	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	82,987,898
Licenses and Permits	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	2,705,006
Intergovernmental	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	32,281,482
Charges for Services	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	24,045,439
Investment Earnings	232,228	202,803	200,176	109,889	244,228	752,754	1,409,236	1,165,950	131,268	310,533
Contributions and Other Revenues	336,928	727,073	-	119,614	475,240	288,302	192,858	1,129,718	142,935	372,438
Total Revenues	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	272,392,887
EXPENDITURES										
General Government	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	16,029,599
Public Safety	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	51,648,556
Highways, Streets, and Bridges	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	15,232,931
Health and Welfare	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	29,275,638
Recreation and Culture	752,279	990,382	1,077,710	938,744	1,048,438	2,335,160	1,985,335	1,634,471	1,700,780	2,154,863
Education	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	101,273,513
Public Libraries	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	6,230,417
Economic Development	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	2,230,762
Agriculture	1,244,247	2,097,608	605,650	840,466	1,440,998	784,580	666,360	657,772	685,321	751,390
Municipalities	697,502	664,218	667,120	671,363	674,409	684,577	695,530	710,314	733,260	771,579
Capital Outlay	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	7,447,634
Debt Service:										
Principal	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	7,799,718
Bond Issuance Cost	-	-	-	-	-	-	-	-	-	186,146
Interest	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	6,176,257
Total Expenditures	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	247,209,003
Deficiency of Revenues Under Expenditures	(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)	25,183,884
OTHER FINANCING SOURCES (USES)										
Proceeds from Capital Asset Disposal	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	-	29,840,000	-	23,210,000	-	28,900,000	-	43,506,825	-	30,863,251
Premium on Debt Issued	463,827	4,401,727	3,730,456	5,209,762	-	3,484,818	-	5,333,114	-	2,337,004
Refunding Bonds Issued	9,290,000	-	31,128,617	12,243,531	-	6,347,823	-	-	-	48,760,000
Bond Issuance Cost	-	(233,221)	-	(78,558)	-	(121,445)	-	(108,768)	-	-
Advance Refunding Agent	(9,531,073)	-	(34,643,163)	(14,038,367)	-	(7,376,070)	-	-	-	(48,620,887)
Transfers In	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	23,786,411
Transfers Out	(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)	(24,686,410)
Total Other Financing Sources (Uses)	380,224	34,449,399	233,510	26,646,597	186,488	31,504,105	1,395,000	50,925,170	(950,001)	32,439,369
Net Change in Fund Balances	\$ (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)	\$ 57,623,253
Debt Service as a Percentage of Non-capital Expenditures	8.75%	7.93%	7.79%	7.64%	8.29%	8.37%	9.01%	8.32%	8.67%	5.79%

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				
2022	\$ 8,051,967,320	n/a	\$ 2,631,508,736	\$ 570,640,944	\$ 234,661,000	360,000,000	\$ 11,848,778,000	\$ 1,113,849,381	\$ 10,734,928,619	1.113
2021	\$ 8,081,218,296	n/a	\$ 2,510,769,760	\$ 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

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>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>	<u>2022</u>
Cecil County Direct Rates										
Real Property	\$0.991	\$0.991	\$0.991	\$0.991	\$0.991	\$1.041	\$1.041	\$1.041	\$ 1.041	\$ 1.028
Personal Property	2.477	2.477	2.477	2.477	2.479	2.604	2.604	2.604	2.604	2.570
¹ Total Direct Tax Rate	1.054	1.054	1.054	1.056	1.057	1.101	1.127	1.111	1.116	1.113
Towns										
Cecilton	0.217	0.217	0.220	0.220	0.237	0.237	0.237	0.232	0.232	0.228
Charlestown	0.314	0.314	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333
Chesapeake City	0.422	0.448	0.449	0.449	0.449	0.449	0.469	0.469	0.469	0.469
Elkton	0.463	0.586	0.586	0.586	0.586	0.636	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	0.314	0.314	0.313	0.313	0.310	0.310	0.360	0.360	0.360	0.360
Port Deposit	0.551	0.551	0.554	0.551	0.551	0.546	0.546	0.546	0.546	0.545
Rising Sun	0.406	0.406	0.406	0.406	0.480	0.480	0.470	0.460	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 2022			
Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total Assessed Value
Delmarva Power & Light Company	Utility	\$ 157,202,050	1.46%
W.L. Gore & Associates, Inc.	Manufacturing	100,088,532	0.93%
CLPF principio llc	Property Mgmt	94,310,400	0.88%
Ikea Property Inc	Retail	74,500,000	0.69%
Medline Industries Inc	Medical Equipment	73,980,900	0.69%
Cole ID	Distribution	71,910,400	0.67%
LIDL US Operations	Retail	69,923,933	0.65%
Realty Income Trust	Distribution	64,514,400	0.60%
DRI/TCC NE Commons LLC	Commercial Real Estate	59,095,900	0.55%
CPUS Principio Commerce Ctr	Distribution	48,920,300	0.46%
Totals		<u>\$ 814,446,815</u>	<u>7.59%</u>

FISCAL YEAR 2013			
Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total Assessed Value
W.L. Gore & Associates, Inc.	Manufacturing	\$ 148,682,700	1.64%
Ikea Property, Inc.	Retail	75,813,300	0.84%
Delmarva Power & Light Company	Utility	69,145,020	0.76%
Penn Cecil Maryland	Gaming	49,717,813	0.55%
Mid Atlantic Distribution Center	Distribution	44,339,120	0.49%
WR Principio Parkway LLC	Property Mgmt	35,388,285	0.39%
Pine Valley, LLC	Property Mgmt	23,986,600	0.27%
Mason Dixon Sand & Gravel Co.	Manufacturing	23,986,600	0.27%
Chesapeake Ridge LLC	Property Mgmt	23,463,700	0.26%
Verizon Maryland	Telecommunications	21,348,450	0.24%
Totals		<u>\$ 515,871,588</u>	<u>5.71%</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	Total Collections to Date	
	for Fiscal Year	Amount	Percentage of Levy	Subsequent Years	Amount	Percentage of Levy
2022	\$ 124,459,576	\$ 123,727,635	99.4%	\$ -	\$ 123,727,635	99.4%
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%

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	
	General Obligation Bonds	Capital Leases	Special Assessment Bonds	Wastewater Bonds	Landfill Bonds	Property Mgmt.	Capital Leases		of Personal Income	Per Capita ¹
2022	\$ 211,595,170	\$ 4,461,166	\$ 60,989	\$ 63,520,725	\$ 8,622,505	\$ 5,656,480	\$ -	\$ 293,917,036	5.74%	\$2,842
2021	188,146,846	5,691,330	67,088	55,957,740	9,700,041	5,957,249	\$ -	265,520,294	5.19%	2,560
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

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**

Fiscal Year	General Obligation Bonds	Total	Percentage of Actual Taxable Value¹ of Property	Per Capita²
2022	\$ 289,394,881	\$ 289,394,881	2.70%	\$ 2,798.28
2021	259,761,876	259,761,876	2.46%	2,504.33
2020	281,688,377	281,688,377	2.80%	2,738.69
2019	241,705,203	241,705,203	2.25%	2,350.62
2018	259,684,640	259,684,640	2.55%	2,527.44
2017	241,071,224	241,071,224	2.43%	2,349.55
2016	258,071,679	258,071,679	2.64%	2,520.67
2015	223,662,223	223,662,223	2.58%	2,184.56
2014	227,213,676	227,213,676	2.61%	2,229.49
2013	184,163,746	184,163,746	2.04%	1,810.92

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, 2022**

<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	\$ 414,580	100%	\$ 414,580
North East	1,477,406	100%	1,477,406
Perryville	1,640,000	100%	1,640,000
Rising Sun	<u>816,533</u>	100%	<u>816,533</u>
Subtotal - Overlapping Debt			4,348,519
Cecil County Direct Debt	193,905,264	100%	<u>193,905,264</u>
Totals			<u>\$198,253,783</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

**PLEDGED - 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	Interest			Principal	Coverage
2022	\$ 10,345,443	\$ 10,914,760	(569,317)	\$ 2,735,651	\$ 747,449	-16%	6,099	6,099	100%
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%

Fiscal Year	Landfill Revenue Bonds					
	Landfill Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2022	\$ 8,467,868	\$ 7,548,749	919,119	\$ 1,385,396	\$ 245,164	56%
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%

Fiscal Year	Property Management Revenue Bonds					
	Property Mgmt Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2022	\$ 886,628	\$ 344,386	542,242	\$ 300,768	\$ 124,702	127%
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}
2021	103,905	5,369,914,305	51,681	51,455	5.2%	286,500	14,780
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

- Sources:** ^a U.S Census Bureau , U.S. Department 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 2022			Calendar Year 2013		
	Rank	Percentage of Total County Employment	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
W.L. Gore & Associates	2,507	1	4.70%	2,387	1	5.10%
CCPS	2,119	2	3.97%	2,186	2	4.68%
Perry Point VA	1,516	3	2.80%	1,240	3	2.70%
Terumo Corp.*	1,083	4	2.00%	480	8	1.00%
Christiana Care/Union	932	5	1.74%	1,236	4	2.65%
Amazon MDT2	830	6	1.55%	n/a	n/a	
IKEA Perryville	708	7	1.30%	430	9	1.00%
Cecil County Government	634	8	1.22%	502	5	1.07%
Northrop Grumman	570	9	1.00%	520	6	1.11%
Medline	550	10	1.00%	n/a	n/a	
Smithfield	525	11	0.98%	n/a	n/a	
Totals	11,974		22.26%	8,981		19.31%

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

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>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>	<u>2022</u>
General Government	104	99	110	99	105	108	116	112	112	122
Public Safety	303	302	303	315	321	322	331	337	343	315
Law Enforcement	95	99	105	105	108	111	112	114	114	105
Detention Center	84	81	70	78	74	76	70	72	72	59
EMS & Emergency Services	77	74	77	84	83	77	84	82	83	84
Other	47	48	51	48	56	58	65	69	74	67
Highways, Streets, and Bridges	68	65	68	67	61	64	64	63	64	61
Roads Maintenance	45	42	41	44	42	46	44	43	45	42
Engineering and Other	23	23	27	23	19	18	20	20	19	19
Health and Welfare	43	43	61	47	58	59	66	66	68	72
Senior Services	23	23	39	30	37	40	45	41	43	45
Other	20	20	22	17	21	19	21	25	25	27
Recreation and Culture	7	8	8	8	8	11	13	12	13	12
Economic Development	6	6	7	6	7	6	7	7	7	6
Agriculture	5	5	5	5	4	5	5	5	5	5
Water	-	-	-	-	-	-	-	-	-	-
Wastewater	16	16	15	14	16	16	17	19	20	19
Landfill	22	25	24	22	23	23	21	24	23	22
Totals	574	569	601	583	603	614	640	645	655	633

Sources: Cecil County Finance and Human Resources Departments

Table XVII

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

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety											
Physical Arrests	2,611	2,608	2,422	2,548	2,743	3,066	3,065	3,376	2,909	2,505	2,357
911 Calls	164,265	171,258	168,535	224,643	135,127	129,993	127,484	128,889	126,764	126,856	123,995
Fire/Paramedic Calls	22,751	23,217	28,845	29,820	12,360	14,441	14,706	15,114	14,767	15,805	16,486
Building Permits Issued	220	464	234	202	192	198	212	348	238	347	446
Highways, Streets, and Bridges											
Street Resurfacing (miles)	15.76	13.11	15.93	18.07	15.49	6.35	10.11	10.85	21.72	12.05	13.02
Health and Welfare											
Participants (avg. monthly)	1,327	1,434	1,135	1,235	1,765	1,327	843	918	917	984	1,817
Meals served	21,433	21,868	25,005	18,052	29,066	33,808	33,494	41,804	41,801	83,240	67,632
Bus Passengers	66,892	76,990	92,314	100,929	101,251	97,043	102,353	111,611	86,833	41,878	54,240
Recreation and Culture											
Recreation Registrations	11,000	14,000	15,750	15,130	14,620	17,388	18,546	14,500	13,330	17,850	19,430
Recreation Programs	150	180	197	157	162	244	248	207	184	220	223
Safetyville (attendance)	71	106	147	64	86	71	103	84	32	53	80
Agriculture											
Acres under Preservation Agreements	24,739	25,108	25,799	26,382	26,497	27,079	27,798	28,945	33,742	34,450	34,909
Water											
Average Daily Consumption (thousands of gallons)	87,039	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wastewater											
Annual Sewage Treatment (thousands of gallons)	520,077	526,507	648,139	580,480	578,510	539,450	580,123	681,339	819,000	681,282	659,627
Landfill											
Annual Tons of Refuse	84,855	83,428	84,796	83,449	85,172	87,706	93,118	94,561	98,972	112,821	119,932

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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Public Safety										
Police Patrol Units	83	95	100	100	100	106	111	113	113	115
Paramedic Units	8	8	8	8	8	8	9	9	9	8
Highways, Streets, and Bridges										
Roads & Highways (miles)	599	599	600	604	604	604	606	607	607	607
Bridges	95	97	97	97	98	98	99	99	99	96
Health and Welfare										
Buses	11	13	17	17	14	17	18	20	20	20
Recreation and Culture										
Park Acreage	531	535	535	535	535	661	686	686	689	693
Water										
Production Capacity (millions of gallons per day)	n/a	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)	3.490	3.490	3.490	3.465	3.165	3.165	3.165	3.165	3.165	3.165
Landfill										
Remaining Built Capacity (cubic yards)	1,975,875	1,800,200	1,628,300	1,501,646	1,333,555	1,155,234	939,152	853,830	673,847	520,776

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.