



Cecil County Maryland

**Annual Comprehensive Financial Report
For The Year Ended June 30, 2024**



Cecil County Maryland



Annual Comprehensive Financial Report For the Year Ended June 30, 2024

Prepared by the Cecil County Department of Finance

CECIL COUNTY, MARYLAND
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

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 Cecil County Public Schools
 Cecil County Library

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INTRODUCTORY
SECTION

Office of the County Executive

Adam Streight
County Executive

Dan Schneckenburger
Director of Administration

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Department of Finance

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CECIL COUNTY GOVERNMENT

Department of Finance
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December 26, 2024

To: County Executive Adam Streight
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, 2024. 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 2024. 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, 2024, 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, who are all state office holders funded by Cecil County.

Cecil County Government serves an estimated population of 105,672 over 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 DelMarVa 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 wastewater 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 no 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, Capital Improvement, Special Revenue Funds (Agricultural Land Preservation, Community Services, and Economic Development Catalyst Loan), 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 starting 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

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 2025 budget includes the following major initiatives:

Taxes:

- Tax relief by cutting the real property tax rate from 0.9924 to 0.9824 per hundred dollars, which represents an approximate 1 cent per hundred-dollar reduction and the personal property (business) tax rate from 2.4810 to 2.4560 per hundred dollars, representing an approximate 2.5 cents per hundred-dollar reduction.
- Additional tax relief by cutting income taxes from a 2.75% tax rate to a 2.74% tax rate, marking the third consecutive year of income tax cuts for Cecil County Citizens.
- For the second time in history, the FY 25 budget includes a \$10M refund to the taxpayers of Cecil County. This refund will be equitably returned to owners of "improved residential properties".

Workforce:

- Continues to strive to 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 eligible County employees (with the exclusion of union employees who will receive COLAs and step raises, etc., according to their negotiated union contracts), will receive a 3.0% COLA and an anniversary step raise. In addition, there will be no increase in employee health care premiums (including union employees, the college and the library).

Education:

- The FY 25 budget provides all-time record funding for Cecil County Public Schools (CCPS), an investment in teachers, students, and families totaling \$120.3 million.
- Fully funds CCPS operational needs per Maryland State Department of Education (MSDE) guidelines with an investment of \$93.5 million, which represents an approximate \$5 million increase in operational funding as compared to the County's approved FY 24 budget.
- The FY 25 budget also includes an additional \$4 million for CCPS operations, bringing the total investment in CCPS operations to approximately \$97.5 million (\$9 million more than last year).
- Provides \$13.3 million for the new North East Middle and North East High School complex as part of the County's ongoing commitment of \$75 million toward its construction. The \$13.3 million investment represents an additional investment of \$2.5 million in both the FY 25 and FY 26 budgets to accelerate project completion.
- The budget also includes \$444K for the completion of multiple school improvement projects, including the purchase and installation of a new chiller at the Cecil School of Technology, a boiler-to-gas conversion project at Cecilton Elementary School, a roof replacement at Elk Neck Elementary School, the completion of the Perryville High School Field House construction project, and a project at Rising Sun Elementary School to improve parking lot safety.
- The FY 25 budget draws \$5 million from the "committed" fund (education lockbox), which was created in the FY 24 budget to stave off tax increases associated with the State's Blueprint for Maryland's Future funding mandate.

College:

- \$400,000 increase in operating budget to cover a 3% COLA increase and information technology investments.
- Includes \$143,000 in capital funds to complete the following improvement projects: classroom furniture replacement; extension of softball dugout; elevated walkway surface and handrail painting, caulking, and power washing; connector walkway to track and bleachers to include grading, drainpipes, handrail; and classroom, laboratory, and office painting and carpet refresh.
- \$700,000 for the maintenance of mechanical and building infrastructure.

- Funding to provide 12 student scholarships for students selected from Cecil County Public Schools to attend college.
- The FY 25 budget absorbs increases in health care premiums to hold the line on the cost of health care for Cecil College employees.

Library:

- \$7.3 million in operational support funding to continue programs for Cecil County citizens, which represents an approximate \$500,000 increase compared to the FY 24 budget.
- This increase funds the hiring of three new full-time positions for the Cecil County Public Library system (two new library associates and one new custodian to support additional library hours systemwide).
- The FY 25 budget includes 3% COLA, and an anniversary step raise for all library employees.

Public Safety:

- Funds three new full-time EMS positions (two dispatchers and one revenue administrator).
- Funds a new full-time legal secretary position in the Cecil County State's Attorney's Office.
- Funds additional contractual deputy roles in the Cecil County Sheriff's Office.
- To continue attracting the region's best public safety employees, County Executive Hornberger has continued to provide sign-on bonuses for new hires for the Cecil County Sheriff's Office and Cecil County Detention Center, and new paramedics for the Cecil County Department of Emergency Services.
- Additionally, all public safety employees will be compensated in accordance with their negotiated union agreements.
- Invests \$8.4 million in ARPA funding for the new paramedic stations being constructed near Charlestown Crossing (Station #2) and Elkton/Fair Hill (Station #4).
- Provides funding for the construction of a new \$7.1 million in APRA funding Public Safety Training facility.
- The FY 25 budget continues to invest in modernizing the County's public safety vehicle fleet, bringing down the average age of vehicles from 7 years to 3.5 years.
- Funds the County's share of three new ambulances: Rising Sun, Perryville, and Hacks Point (including \$1.5 million rolling over from FY 23).
- Increased County's contribution to the EMS & Fire Apparatus Replacement Fund: \$75,000 increase for new ambulances (from \$125,000 to \$200,000); \$150,000 increase for new engines (\$325,000 to \$475,000), and a \$150,000 increase for new ladder trucks (from \$500,000 to \$650,000).

- Increases the maximum annual contribution ceiling to the EMS & Fire Apparatus Replacement Fund by \$250,000 (from \$1 million to \$1.25 million), which marks the first such increase in the history of the program.
- Includes \$75,000 in equipment testing funds for Volunteer Fire Departments.
- \$300,000 investment in Computer Aided Dispatch (CAD) software, which will serve all dispatch services (Year 1 of a projected 3-year investment).

Infrastructure and Public Works:

- Cecil County Government received a commitment of \$1.1 million in new grant funding from the Maryland Office of Statewide Broadband for FY 25. This funding will be used to connect between 140 to 150 additional homes to high-speed broadband service. This effort, in combination with previously funded projects currently under construction, will bring the County closer to 100% connectivity. Thus far in FY 25, broadband construction projects have connected 276 previously unserved homes to high-speed internet.
- Continued financial support for the new Interstate 95 interchange at Belvedere Road in addition to other roadway improvements aimed at removing tractor trailers from our residential streets.
- To protect the environment and the sensitive headwaters of the Chesapeake Bay, the budget includes additional maintenance and repair funding for the County's wastewater system as well as staff to administer the Bay Restoration Fund which will facilitate citizen's connection to the County's wastewater system.
- Includes funding to connect the community of Holloway Beach to the County wastewater treatment facility. This project will mitigate a public health hazard and greatly improve water quality in the Chesapeake Bay.
- Provides funding for an advanced upgrade of North East River Wastewater Treatment Plant Ultraviolet (UV) disinfection system.
- The budget includes \$750,000 for resurfacing, repaving, and surface maintenance for county roads. As in past years, this amount may increase in the spring of 2025. All proposed increases are subject to County Council approval.
- Provides funding for the following major infrastructure improvements: Mechanicsville Road, Oldfield Point Road, and Belvidere Road.
- \$3.1 million to replace aging heavy equipment, including road dump trucks, movers, skid steers, magnetic bucket excavator, forklift, and rebuilding of a CAT excavator and dozer.

Job Creation:

- Continued commitment to growing tourism revenue through the Maryland 5 Star at Fair Hill, events at Calvert Regional Park, community programs to assist our vibrant main street businesses, competitive fishing tournaments, further development of Cecil County's thriving wedding market, and more.

Support for Non-Profits:

- Provides \$700,000 in support of local nonprofit care providers via Community Local Impact Grants funded through the VLT program.

Agriculture:

- Continues to preserve Cecil County’s agricultural heritage using Agricultural Preservation Grants. Dedicated County funds will be leveraged against state matching programs. This program is vital to protect our green spaces and provide critical support to Cecil’s agricultural communities.

American Rescue Plan Act Funding (ARPA):

- Finally, the County received approximately \$20 million dollars in Federal ARPA money. This money was received from the Federal Government during COVID and must be committed by the end of calendar year 2024 and expended by the end of calendar year 2026. Each expenditure utilizing ARPA funds (by project) must be approved by the County Council. To assist in the budget approval process, County Executive Danielle Hornberger provides the following projects that she proposes to spend ARPA money on or before the deadline:

Paramedic 4	\$4.3 million
Paramedic 2	\$4.1 million
Public Safety Training Center	\$7.1 million
Broadband Match	\$888K (Allocated)
VFC Equipment Testing	\$175K (Allocated)

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, is estimated (as of July 2024) to be 56,739. The growth in new jobs in the county in 2024, which is estimated to be over 4,000, has helped Cecil County maintain a low unemployment rate, which is approximately 3.60% as of August 2024. In the last few years, our stronghold on growth within the hospitality industry, advanced manufacturing, department of defense, and logistics management industry, have greatly contributed to the success of the County. In addition to growth in those industries, higher paying healthcare and technology jobs have supported higher wages in the county.

The median household income in Cecil County, according to the 2023/24 American Community Survey & US Census, is \$90,762. The improvement in this number over the last two years is due to new manufacturing, health and Biotech, and entertainment / hospitality driving higher wages. In 2024, Cecil County saw wages between \$20 and \$24 per hour jobs for job roles such as maintenance technician, and medical assistant.

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 (Maryland is number 7 nationally when it comes to population with a high school education or higher). One of the county’s largest employers is Aberdeen Proving Grounds, located in Harford County. The county’s diverse employment portfolio mitigates the risk of a decline in one industry taking down the Cecil economy.

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’s tax base. To support this growth, education and public safety remain top priorities.

Infrastructure investments will continue to be an area of focus for Cecil County as we work to ensure basic services and opportunity for growth. A well-maintained road network featuring County roads, State Highways and interstate highways is essential to meet the changing needs of our residents and business communities. 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 Cecil County families. Investments in sewer mains along the US40 growth corridor has led to the attraction and expansion of industry partners such as Northrop Grumman and will provide permanent infrastructure solutions in support of our growing business community. The agricultural economy of the County remains strong and is supported in many ways including education, transportation of goods, and agricultural land preservation programs.

In preparation for future economic growth, the County is strategically investing in its future workforce by working in concert with Cecil County Public Schools, Cecil College, the public library system, local workforce investment board, and industry partners. Investments continue to be made in school infrastructure which is evident in the construction of the new North East Middle / High Schools campus.

Cecil County remains at the forefront of broadband expansion throughout our region. Partnering with the Maryland Broadband Initiative, we continue to make great strides in providing high speed internet capability to residents, businesses, and students.

Efforts continue to expand our community transit program which connects to neighboring communities allowing for expanded workforce attraction and commuting opportunities for our residents. Working with the Maryland Transportation Authority, the County has successfully integrated mobile ticketing, micro-transit programming, and is currently identifying a site to construct a centrally located transit hub which will assist in improved scheduling focused on community need and access to jobs.

Cecil County Government has an ongoing commitment to be good stewards of the environment. As part of these efforts, the County has recently completed projects to upgrade its North East River, Harborview and Port Deposit Wastewater Treatment Plants to Enhanced Nutrient Removal (ENR) levels. ENR facilities treat wastewater to a much higher level than conventional plants and reduces the amount of nutrients into the receiving body of water thus improving the health of the Chesapeake Bay and its tributaries.

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

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 annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the 34th 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 annual comprehensive 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 annual comprehensive 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/ Andrew Ondish

Andrew Ondish
Acting Director of Finance

/s/ Beverly Barren

Beverly Barren
Accounting Manager



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Cecil County
Maryland

For its Annual Comprehensive
Financial Report
for the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Cecil County, Maryland

Principal Officials

As of December 3, 2024

Elected Officials

Executive

County Executive

Adam Streight

County Council

District 3 & President

Al Miller

District 1 & Vice President

Bob Meffley

District 2

Rebecca Hamilton

District 4

Donna Culberson

District 5

Dawn Branch

Other Elected Officials

Sheriff

Scott Adams

State's Attorney

James A. Dellmyer

Circuit Court

Administrative Judge

Brenda A. Sexton

Associate Judge

Cameron A. Brown

Associate Judge

William W. Davis

Other Officials and Department Directors

Director of Administration

Dan Schneckenburger

County Attorney

Keith Baynes

Department Directors

Economic Development

Sandra Edwards

Emergency Management

Patrick Campbell

Finance

Andrew Ondish

Human Resources

Sally Dulin

Information Technology

Dave Warnick

Parks and Recreation

Clyde VanDyke

Land Use & Development Services

Stephen O'Connor

Public Works

W. Scott Flanigan

Community Services

David P. Trolie

District Court

Administrative Judge

John E. Nunn III

Cecil County, Maryland

County Executive as of December 3, 2024

Cecil County has an Elected County Executive.



Adam Streight

County Council as of December 3, 2024

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 3 & President
Al Miller



District 1 & Vice President
Bob Meffley



District 2
Rebecca Hamilton



District 4
Donna Culberson



District 5
Dawn Branch

Cecil County, Maryland

Principal Officials

As of fiscal year June 30, 2024

Elected Officials

Executive

County Executive

Danielle Hornberger

County Council

District 5 & President

Jackie Gregory

District 1 & Vice President

Bob Meffley

District 2

Rebecca Hamilton

District 3

Al Miller

District 4

Donna Culberson

Other Elected Officials

Sheriff

Scott Adams

State's Attorney

James A. Dellmyer

Circuit Court

Administrative Judge

Brenda A. Sexton

Associate Judge

Cameron Brown

Associate Judge

Keith A. Baynes

Associate Judge

William W. Davis

Other Officials and Department Directors

Director of Administration

Steven Overbay

County Attorney

Lawrence Scott

Department Directors

Economic Development

William Sorenson

Emergency Management

Wayne L. Tome Sr.

Finance

Shon McCollum

Human Resources

Paul Camponelli

Information Technology

Dave Warnick

Parks and Recreation

Clyde VanDyke

Land Use & Development Services

Stephen O'Connor

Public Works

W. Scott Flanigan

Community Services

David P. Trolie

District Court

Administrative Judge

Bonnie G. Schneide

Associate Judge

Clara E. Campbell

Cecil County, Maryland

County Executive as of fiscal year June 30, 2024

Cecil County has an Elected County Executive.



Danielle Hornberger

County Council as of fiscal year June 30, 2024

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 5 & President
Jackie Gregory



District 1 & Vice President
Bob Meffley



District 2
Rebecca Hamilton



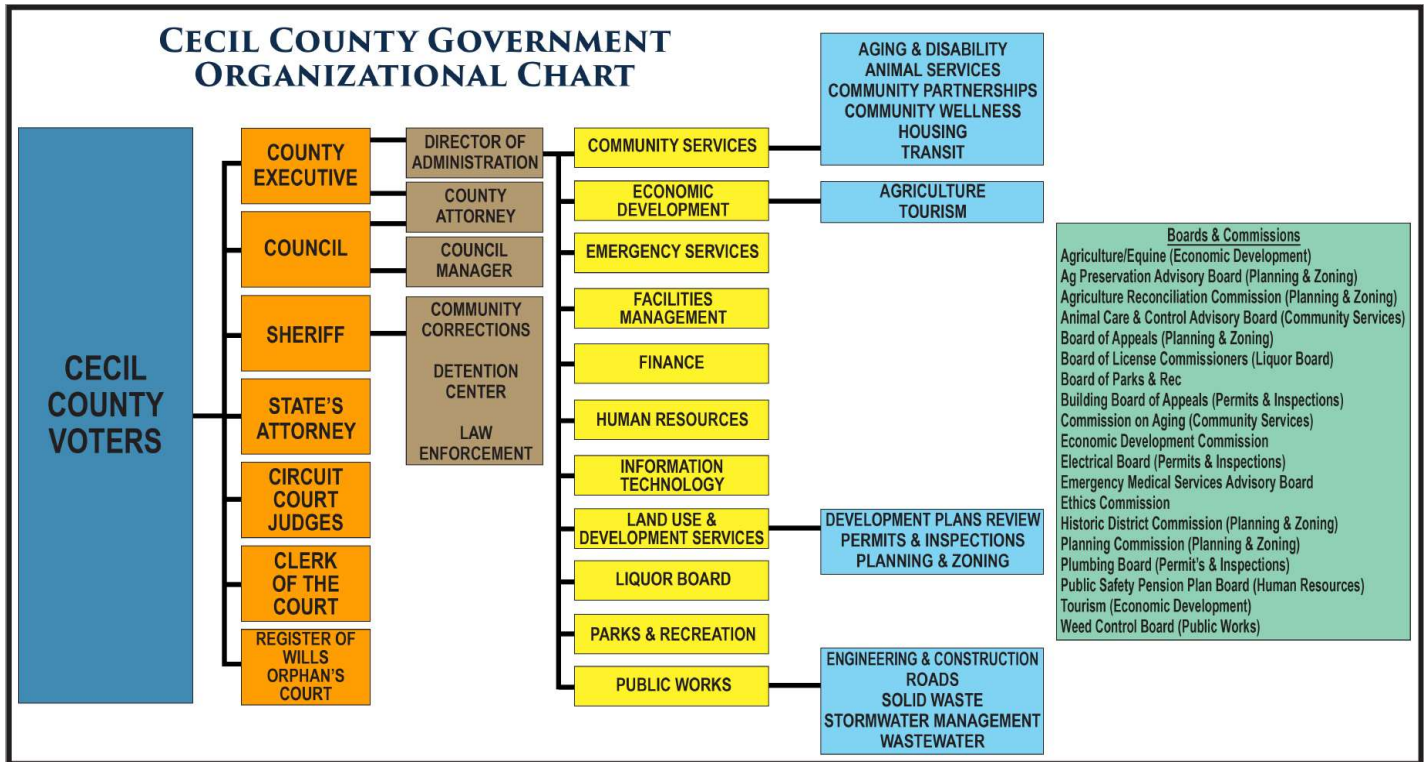
District 3
Al Miller



District 4
Donna Culberson

Cecil County, Maryland

County Organizational Chart



FINANCIAL
SECTION



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, 2024, 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, 2024, 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 99% 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.

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, Schedule of County's contributions, and the Schedule of investment returns 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.



Certified Public
Accountants &
SBC Business Advisors

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 fund statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying combining and individual fund statements and 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 fund statements and 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
December 26, 2024

SBC + Company, LLC

**CECIL COUNTY, MARYLAND
MANAGEMENT'S DISCUSSION AND ANALYSIS
June 30, 2024**

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, 2024. 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 \$303,902,667 (net position). Of this amount, \$239,479,339 was invested in capital assets, net of related debt. The County reported \$53,031,419 restricted for specific purposes and a \$11,391,909 unrestricted net position.
- Total net position of the County increased in fiscal year 2024 by \$21,206,476. The net position of governmental activities increased \$12,396,513 from the previous year. The net position from business activities increased \$8,809,963, primarily driven by Wastewater Capital Grants, Connection Fees and Developers' Sewer Line Donations.
- Discretely presented component units reported net position of \$191,735,959, a decline of \$8,386,216 from the previous year. Unrestricted net position is reported at negative \$31,150,260.

Fund Level

As of June 30, 2024, the County reported combined ending fund balances in governmental funds of \$180,297,837, an increase of \$22,897,656 from the previous year.

- The combination of assigned and unassigned fund balance of the General Fund was \$104,053,292 or 44% of total General Fund expenditures and transfers out. Of this balance, \$24,925,737 has been assigned as the Emergency Reserve for Contingencies, \$2,492,574 for a Budget Stabilization Reserve, \$26,579,000 for Pay-Go, \$10,000,000 for Fiscal Year 2025 Property Tax Refund, \$1,100,000 for Volunteer Fire Company Vehicle Replacements and \$400,000 for a Tactical Armored Vehicle for the Sheriff's Office.
- General Fund balance also contains \$20,000,000 of committed funds (\$10,000,000 each) for the exclusive use of covering future mandated fiscal year increases associated with the Maryland State Department of Education Maintenance of Effort and/or Blueprint for Maryland's Future and Board of Education Pay-Go for the Construction of the North East Middle/High School.
- The Capital Projects Fund had a \$36,530,220 restricted fund balance for County capital projects and Component Unit capital projects.
- The Other Governmental Funds had \$4,106,908 of restricted fund balance.

Long Term Debt

- The County’s total net general obligation debt increased by \$36,752,188 to \$295,715,597. The County has adopted biennial issuance of general obligation debt. The Enterprise Funds had a net increase in debt of \$16,040,653 and governmental activities had a net increase of \$20,711,535.

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 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 are 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 118. The County reports three pension funds that are reported beginning on page 115. 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 83.

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 92.

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 \$303,902,667. 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, 2023 and 2024

	Governmental Activities		Business-type Activities		Government-wide Total	
	2023	2024	2023	2024	2023	2024
Current and Other Assets	\$ 256,142,797	\$ 290,007,828	\$ 39,700,165	\$ 61,977,745	\$ 295,842,962	\$ 351,985,573
Capital Assets	242,140,010	245,696,999	127,149,815	131,959,416	369,289,825	377,656,415
Total Assets	498,282,807	535,704,827	166,849,980	193,937,161	665,132,787	729,641,988
Total Deferred Outflow of Resources	19,669,983	16,279,940	3,175,013	2,888,230	22,844,996	19,168,170
Total Deferred Outflows	19,669,983	16,279,940	3,175,013	2,888,230	22,844,996	19,168,170
Other Liabilities	69,948,078	71,004,068	6,381,408	8,455,948	76,329,486	79,460,016
Long Term Liabilities	233,822,493	256,737,215	81,833,205	97,749,099	315,655,698	354,486,314
Total Liabilities	303,770,571	327,741,283	88,214,613	106,205,047	391,985,184	433,946,330
Total Deferred Inflow of Resources	13,296,409	10,961,161	-	-	13,296,409	10,961,161
Total Deferred Inflows	13,296,409	10,961,161	-	-	13,296,409	10,961,161
Net Position:						
Net Investment in Capital Assets	173,940,937	197,932,495	53,447,112	41,546,844	227,388,049	239,479,339
Restricted	28,297,880	53,031,419	-	-	28,297,880	53,031,419
Unrestricted (Deficit)	(1,353,006)	(37,681,591)	28,363,268	49,073,500	27,010,262	11,391,909
Total Net Position	\$ 200,885,810	\$ 213,282,323	\$ 81,810,379	\$ 90,620,344	\$ 282,696,189	\$ 303,902,667

The largest component of the County’s net position, \$239,479,339 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, \$53,031,419, 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 \$24,733,539.

The remaining portion of net position shows an unrestricted balance of \$11,391,909. Governmental activities’ negative unrestricted position is \$37,681,591. Business-type activities unrestricted position of \$49,073,500 is derived from Wastewater \$20,235,413, Landfill \$27,935,055, and Property Management Fund \$903,032; these positions are essentially limited to use by the operation from which the net positions derive.

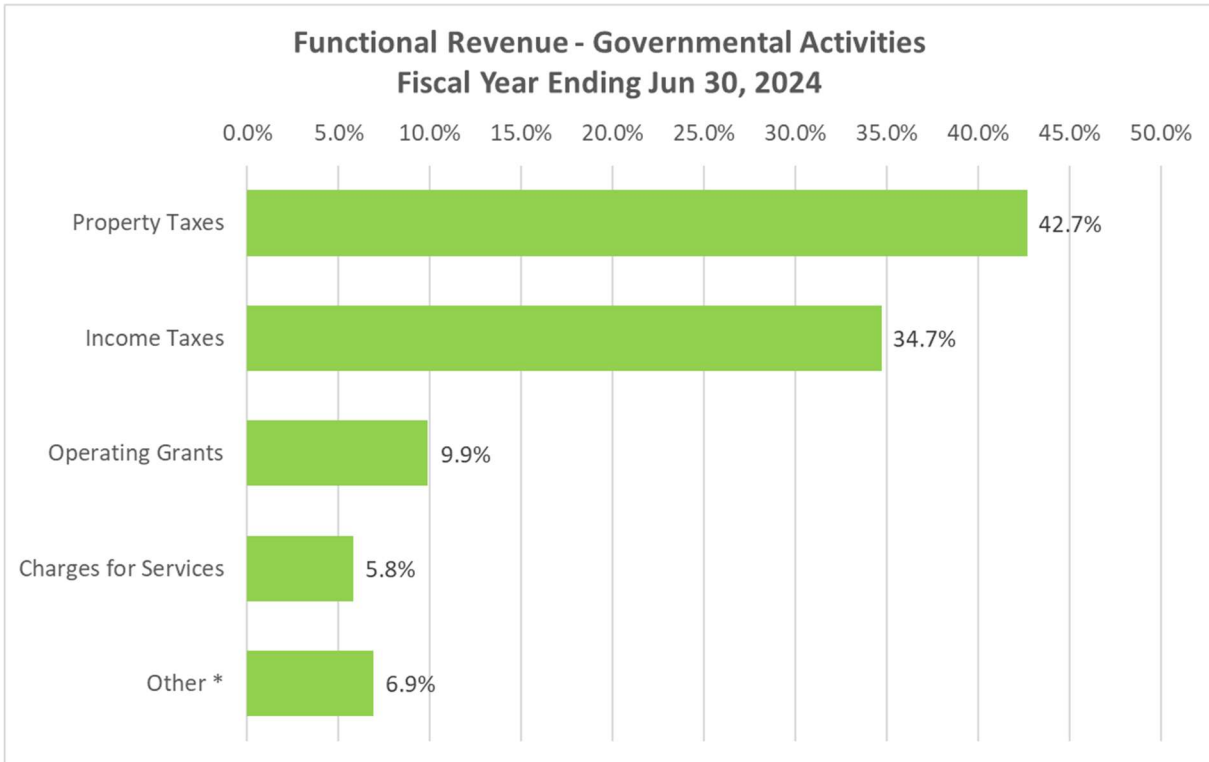
Changes in Net Position. As shown in the following schedule, the County’s combined net position increased \$21,206,476 over the course of this fiscal year’s operations.

	Cecil County's Changes in Net Position					
	Governmental Activities		Business-type Activities		Government-wide Total	
	2023	2024	2023	2024	2023	2024
REVENUES						
Program Revenues:						
Charges for Services	\$ 16,257,680	\$ 15,814,701	\$20,382,536	\$ 20,060,980	\$ 36,640,216	\$ 35,875,681
Operating Grants & Contributions	31,729,939	27,128,124			31,729,939	27,128,124
Capital Grants & Contributions	153,181	6,416,617	3,453,493	8,794,081	3,606,674	15,210,698
General Revenues:						
Property Taxes	133,571,564	116,935,718	-	-	133,571,564	116,935,718
Income Taxes	86,917,881	95,025,631	-	-	86,917,881	95,025,631
Investment Earnings	6,791,952	12,447,732	1,257,700	2,045,543	8,049,652	14,493,275
Other Revenue & Gains/Losses	-	-	25,000	120,000	25,000	120,000
Total Revenues	<u>275,422,196</u>	<u>273,768,523</u>	<u>25,118,729</u>	<u>31,020,604</u>	<u>300,540,926</u>	<u>304,789,127</u>
EXPENSES						
General Government	18,080,974	18,978,599	-	-	18,080,974	18,978,599
Public Safety	56,259,626	62,770,182	-	-	56,259,626	62,770,182
Highways, Streets, & Bridges	19,396,275	22,327,074	-	-	19,396,275	22,327,074
Health and Welfare	24,997,976	25,468,354	-	-	24,997,976	25,468,354
Recreation and Culture	5,835,378	4,415,627	-	-	5,835,378	4,415,627
Education	105,396,996	109,630,391	-	-	105,396,996	109,630,391
Public Libraries	7,308,789	6,816,333	-	-	7,308,789	6,816,333
Economic Development	2,796,316	3,093,731	-	-	2,796,316	3,093,731
Agricultural Programs	1,009,473	1,016,635	-	-	1,009,473	1,016,635
Interest on Long Term Debt	4,790,051	6,396,879	-	-	4,790,051	6,396,879
Wastewater	-	-	12,945,882	13,340,844	12,945,882	13,340,844
Landfill	-	-	9,421,360	8,774,738	9,421,360	8,774,738
Property Management	-	-	557,313	553,265	557,313	553,265
Total Expenses	<u>245,871,856</u>	<u>260,913,804</u>	<u>22,924,555</u>	<u>22,668,847</u>	<u>268,796,410</u>	<u>283,582,651</u>
Increase (Decrease) in Net Position before Transfers	29,550,340	12,854,719	2,194,174	8,351,757	31,744,514	21,206,476
Transfers	(500,000)	(458,206)	500,000	458,206	-	-
Increase (Decrease) in Net Position	29,050,342	12,396,513	2,694,174	8,809,963	31,744,516	21,206,476
Net Position - Beginning	171,835,468	200,885,810	79,116,205	81,810,380	250,951,673	282,696,190
Net Position Ending	<u>\$200,885,810</u>	<u>\$ 213,282,323</u>	<u>\$81,810,379</u>	<u>\$90,620,344</u>	<u>\$282,696,189</u>	<u>\$ 303,902,667</u>

Governmental Activities

Revenues of governmental activities for fiscal year 2024 showed a decrease of \$1,653,673 over fiscal year 2023.

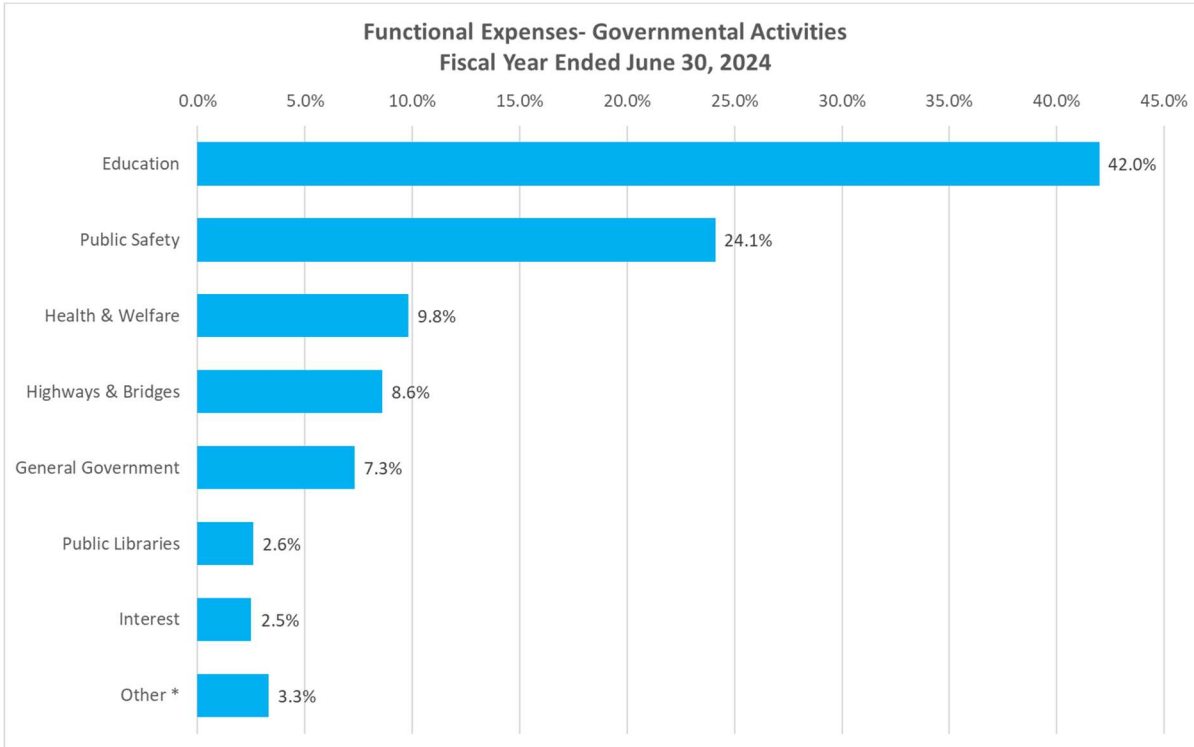
The following graph illustrates the governmental activities functional revenues received by source for fiscal year 2024:



* Other category includes Investment Earnings, Capital Grants & Other

Expenses of governmental activities (operating and capital) resulted in an increase of \$15,041,949 over fiscal year 2023. Primary components of spending increases were Public Safety of \$6,510,556, Education of \$4,233,395 and Highways and Bridges of \$2,930,799.

The following graph illustrates the governmental activities functional expenses by source for the fiscal year 2024:



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

Business-type Activities

In 2024, the net position of business-type activities increased by \$8,809,964 from fiscal year 2023. The net positions of the Wastewater, Landfill, and Property Management Funds increased by \$5,008,679, \$2,999,814, and \$801,471, 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 yearend.

Governmental Funds

As the County completed the fiscal year, its governmental funds reported combined fund balances of \$180,297,837, an increase of \$22,897,656 compared with 2023. Of the current ending fund balances, the following categories are recorded, and primary uses noted:

- \$8,863,021 is recorded as Non-spendable due to a \$5,312,024 advance to the Motor Vehicle Fund, a \$3,082,796 advance to the Information Technologies Fund, and \$468,201 related to inventories and prepaid items.
- \$46,428,642 is recorded as Restricted; \$1,617,407 for Housing Programs, \$4,174,107 for the Casino Impact Fund, \$4,106,908 for the Other Governmental and \$36,530,220 for other (primarily debt service) activities.
- The combination of assigned and unassigned fund balance of the General Fund was \$104,053,292 or 44% of total General Fund expenditures and transfers out. Of this balance, \$24,925,737 has been assigned as the Emergency Reserve for Contingencies, \$2,492,574 for a Budget Stabilization Reserve, \$26,579,000 for Pay-Go, \$10,000,000 for FY2025 Tax Refund, \$1,100,000 for Volunteer Fire Company Vehicle Replacements, and \$400,000 for a Tactical Armored Vehicle for the Sheriff's Office.
- General Fund balance also contains \$20,000,000 of committed funds (\$10,000,000 each) for the exclusive use of covering future mandated fiscal year increases associated with the Maryland State Department of Education Maintenance of Effort and/or Blueprint for Maryland's Future and Board of Education Pay-Go for the Construction of the North East Middle/High School.
- \$38,555,981 is the remaining fund balance; thus, this is classified as Unassigned.

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 \$8,863,021 and the assigned/unassigned fund balance was \$104,053,292. Unassigned funds of \$38,555,981 are up \$20,317,044 from 2023. Committed funds increased to \$20,000,000. The schedule on the following page presents General Fund revenues and expenditures for 2024 compared to budget and 2023 actuals.

The revenues and transfers-in for fiscal year 2024 decreased \$12,833,021 compared to the prior fiscal year. Primary factors in these results are:

- Property taxes were less than the previous year by \$16,992,037 primarily due to a tax refund for \$18,789,302.
- Investment earnings were better than the prior year by \$3,934,784 due to higher interest rates.

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

	2023 <u>Actual</u>	2024 <u>Actual</u>	Variance Positive (Negative)	Final <u>Budget</u>	2024 <u>Actual</u>	Variance Positive (Negative)
Revenues						
Property Taxes	\$ 133,571,564	\$ 116,579,527	\$ (16,992,037)	\$ 113,494,953	\$ 116,579,527	\$ 3,084,574
Income Taxes	86,917,881	86,288,431	(629,450)	71,015,249	86,288,431	15,273,182
Licenses and Permits	1,998,736	1,901,395	(97,341)	2,212,126	1,901,395	(310,731)
Intergovernmental	3,459,378	4,402,098	942,720	3,546,109	4,402,098	855,989
Charges for Services	13,358,230	12,748,464	(609,766)	14,083,724	12,748,464	(1,335,260)
Investment Earnings	6,055,226	9,990,010	3,934,784	4,159,950	9,990,010	5,830,060
Contributions & Other Revenues	935,563	396,923	(538,640)	188,960	396,923	207,963
Total Revenues	<u>246,296,578</u>	<u>232,306,848</u>	<u>(13,989,730)</u>	<u>208,701,071</u>	<u>232,306,848</u>	<u>23,605,777</u>
Expenditures						
General Government						
County Executive	178,159	203,356	(25,197)	185,873	203,356	(17,483)
County Council	495,807	485,601	10,206	553,430	485,601	67,829
Office of Administrator	380,864	524,907	(144,043)	580,016	524,907	55,109
County Attorney & Legal	415,876	541,658	(125,782)	865,348	541,658	323,690
Other General Government	-	256,494	(256,494)	1,000,000	256,494	743,506
Human Resources	1,576,086	1,541,792	34,294	1,703,242	1,541,792	161,450
Finance Department	3,188,568	3,364,150	(175,582)	3,557,581	3,364,150	193,431
Information Technology	1,557,511	702,184	855,327	715,938	702,184	13,754
Circuit Court	2,569,024	2,693,872	(124,848)	2,713,775	2,693,872	19,903
Orphans Court	48,129	49,775	(1,646)	56,310	49,775	6,535
Board of Elections	953,071	1,317,006	(363,935)	1,420,108	1,317,006	103,102
Liquor Board Licensing	227,564	248,718	(21,154)	246,862	248,718	(1,856)
Building Maintenance (Total)	4,642,479	5,958,570	(1,316,091)	6,218,064	5,958,570	259,494
Public Works Administration	3,552,689	3,309,689	243,000	3,502,380	3,309,689	192,691
Roads Administration & Maintenance	11,879,753	12,892,536	(1,012,783)	13,417,650	12,892,536	525,114
Board of Parks	2,415,318	2,326,754	88,564	2,436,938	2,326,754	110,184
State's Attorney's Office	3,516,425	4,046,904	(530,479)	4,462,535	4,046,904	415,631
Sheriffs - Law Enforcement & Special Assignments	15,088,056	17,375,481	(2,287,425)	16,700,136	17,375,481	(675,345)
Sheriffs - Detention Ctr & Work Release	10,526,844	12,664,508	(2,137,664)	14,309,126	12,664,508	1,644,618
Emergency Management	10,928,469	13,949,336	(3,020,867)	11,813,261	13,949,336	(2,136,075)
Volunteer Fire Departments	5,701,650	5,778,924	(77,274)	6,696,489	5,778,924	917,565
Land Use & Development Services	2,633,866	2,978,891	(345,025)	3,361,866	2,978,891	382,975
Health Department	3,915,893	4,326,550	(410,657)	4,348,026	4,326,550	21,476
Social Services	290,061	300,204	(10,143)	414,470	300,204	114,266
Non-Profit Agencies	75,914	77,861	(1,947)	108,145	77,861	30,284
Cecil County Board of Education	89,328,999	90,463,121	(1,134,122)	90,587,536	90,463,121	124,415
Cecil College	12,021,021	12,385,001	(363,980)	12,385,001	12,385,001	-
Public Libraries	6,624,333	6,816,333	(192,000)	6,816,333	6,816,333	-
Economic Development	1,550,769	1,656,569	(105,800)	1,832,179	1,656,569	175,610
Agriculture	823,892	978,949	(155,057)	954,882	978,949	(24,067)
Municipalities	782,225	833,568	(51,343)	771,579	833,568	(61,989)
Total Expenditures	<u>197,889,315</u>	<u>211,049,262</u>	<u>(13,159,947)</u>	<u>214,735,079</u>	<u>211,049,262</u>	<u>3,685,817</u>
Other Financing Sources (Uses)						
Transfers in	490,482	1,647,191	1,156,709	77,678	1,647,191	1,569,513
Transfers out	<u>(22,880,676)</u>	<u>(24,018,987)</u>	<u>(1,138,311)</u>	<u>(23,826,297)</u>	<u>(24,018,987)</u>	<u>(192,690)</u>
Total Other Financing Sources (Uses)	<u>(22,390,194)</u>	<u>(22,371,796)</u>	<u>18,398</u>	<u>(23,748,619)</u>	<u>(22,371,796)</u>	<u>1,376,823</u>
Net Change in Fund Balance	26,017,069	(1,114,210)	\$ (27,131,279)	(29,782,627)	(1,114,210)	\$ 28,668,417
Fund Balance - Beginning	<u>108,013,454</u>	<u>134,030,523</u>		<u>134,030,523</u>	<u>134,030,523</u>	
Fund Balance - Ending	<u>\$ 134,030,523</u>	<u>\$ 132,916,313</u>		<u>\$ 104,247,896</u>	<u>\$ 132,916,313</u>	

The current year's expenditures and transfers out increased by \$14,298,258 compared to fiscal year 2023 spending levels. Major drivers are highlighted below.

- Building Maintenance increased over the prior year by \$1,316,091 due to extensive roof and parking lot maintenance at various County buildings.
- Roads Administration and Maintenance spent \$1,012,783 more on road maintenance, asphalt overlay, equipment repair and maintenance and snow removal.
- Law Enforcement expenses increased by \$2,287,425, mainly contributed by higher salaries and fringe benefits and leased vehicle amortization.
- Detention Center and Work Release expenses increased over the prior year by \$2,137,664 due to higher salaries and fringe benefits, food and medical supplies and leased vehicle amortization.
- Emergency Management spent \$3,020,867 more on salaries and fringe benefits and equipment repair and maintenance.
- Cecil County Board of Education allocations went up by \$1,134,122, because of increased renovation costs.

Other Major Funds – Comparison to Prior Year

The Housing Program Fund had a \$219,989 increase to fund balance. Revenues/Transfers In decreased by \$1,584,553 while expenditures decreased \$1,763,707 from the previous year; the result is a positive net change in fund balance. The decline in revenues and expenses was driven by the reduced availability of Emergency Shelter grants.

The Casino Local Impact Fund had an \$89,232 decrease to fund balance. Revenues increased by \$320,201, while expenditures/transfers out increased \$1,580,736 from the previous year. Transfers out to Facilities Management increased significantly due to roof and parking lot maintenance/improvements required at various County buildings.

The Capital Projects Fund had a \$22,281,807 increase due to the issuance of new bonds which are on a biennial schedule.

Proprietary Funds

Wastewater Services Fund. Operating revenues for fiscal year 2024 decreased \$127,385 from last year to \$9,548,705 while operating expenses increased by \$494,591 to \$11,607,684. Main drivers of the cost increases included supplies and labor, resulting in an operating loss of \$2,058,979. After capital grants, capital contributions, and interest expense the Change in Net Position is \$5,008,679.

Landfill Fund. Operating revenues in the fund decreased by \$244,065 from fiscal year 2023 primarily due to a small decline in usage and recycling revenues, while operating expenses decreased by \$826,709, primarily due to reduced depletion and landfill closure and post closure costs. Investment earnings for the fund increased by \$781,472 due to the higher interest rates. The resulting change in Net Position is \$2,999,814.

Property Management Fund. Operating revenues and transfers in were \$1,454,736 for the fiscal year, while operating expenses and transfers out were \$469,828, resulting in a change in Net Position of \$801,471 for fiscal year 2024.

General Fund Budgetary Highlights

Cecil County adopted its fiscal year 2024 budget on June 4, 2024, 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 \$29,782,627, primarily due to a Real Property Tax Refund of \$20,000,000, \$3,000,000 to Roads for asphalt overlay, \$1,000,000 to establish an account to purchase real estate and \$1,156,918 to secure entrances at Cecil County Public Schools.

The final budget contained \$208,778,749 revenues and other financing sources, \$238,561,376 expenditures and transfers, and \$29,782,627 of appropriated fund balance. The actual revenues and other financing sources were \$25,175,290 greater than the final budget and actual expenditures and transfers were \$3,493,127 below the final budget.

- Property taxes were \$3,084,574 above budget due to strong assessed property values and the real estate market.
- Income taxes were \$15,273,182 above budget due to budget being approved at a reduced amount in anticipation of expected recession and increased unemployment to reduce inflation.
- Charges for Services declined compared to budget by \$1,335,260 driven by the recordation taxes and deed transfer fees as commercial real estate activity impacted by the higher interest rates.
- Investment Earnings increased by \$5,830,060, contributed by the higher interest rates.

Capital Assets and Debt Administration

Capital Assets. As of June 30, 2024, Cecil County had invested \$377,656,414, net of accumulated depreciation, in a broad range of capital assets (table below). Depreciation charges for this fiscal year totaled \$27,372,995.

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

- Stoney Run DMP Site – Elk River Dredge
- Elkton High School and Rising Sun High School Synthetic Turf Fields
- Sheriff's Office Evidence and Armory Building Renovations
- State's Attorney's Office Building Renovations

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

Cecil County's Capital Assets as of June 30, 2023 and 2024

(Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2023	2024	2023	2024	2023	2024
Land	\$ 16,841,901	\$ 17,020,840	\$ 3,622,495	\$ 3,622,495	\$ 20,464,396	\$ 20,643,335
Construction in Progress	13,516,037	13,998,943	10,140,669	16,899,262	23,656,706	30,898,205
Landfill & Land Improvements	16,470,372	20,115,764	9,991,306	8,842,191	26,461,678	28,957,955
Highways & Bridges	94,097,940	92,086,046	-	-	94,097,940	92,086,046
Utility Systems	-	-	55,074,915	55,843,459	55,074,915	55,843,459
Buildings	76,508,170	76,878,912	21,185,872	20,715,415	97,694,042	97,594,327
Machinery & Equipment	20,685,666	17,239,331	26,671,170	25,772,513	47,356,836	43,011,844
Right-to-Use Assets - Leases	3,172,343	7,565,836	463,388	264,081	3,635,731	7,829,917
Right-to-Use Assets - Subscriptions	847,578	791,326	-	-	847,578	791,326
Total Capital Assets	\$ 242,140,007	\$ 245,696,998	\$ 127,149,815	\$ 131,959,416	\$ 369,289,822	\$ 377,656,414

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 a total general obligation debt of \$295,715,597. All debt is backed by the full faith and credit of the government. Governmental activities report \$207,571,607 and business-type activities report \$88,143,990 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 \$48,791. The Cecil County Charter restricts aggregate non-self-supporting indebtedness to 6% 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 improved to Aa1 from Moody’s Investor’s Service as a result of strong revenue collection, conservative budgeting, economic growth and fund balance stability. Standard and Poor’s rating remained stable at 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	
	2023	2024	2023	2024	2023	2024
General						
Obligation Bonds	\$ 186,805,182	\$ 207,522,816	\$ 48,144,813	\$ 66,102,181	\$ 234,949,995	\$ 273,624,997
Notes From						
Direct Borrowings	54,890	48,791	23,958,524	22,041,809	24,013,414	22,090,600
Total Long Term Debt	\$ 186,860,072	\$ 207,571,607	\$ 72,103,337	\$ 88,143,990	\$ 258,963,409	\$ 295,715,597

Economic Factors and Next Year’s Budgets and Rates

Cecil County, once again, is expected to exceed expectations with continued substantial growth over the next several years, and the county continues to attract industries of the future, along with solid growth in agriculture, manufacturing, hospitality, and healthcare and biotech. The county’s location,

and our population and businesses demand for products to be on their doorsteps quickly, and our strategic location between Boston and Atlanta (and overnight access to over 90 million people), keep our county on a linear upward track for business growth. Our economy continues to be an industry diverse and balanced; with no single point of failure in one business sector being able to drive the county into economic recession. Our diverse portfolio maintains a solid wage and income level in the county, along with keeping our unemployment rate amongst the lowest. Our unemployment rate as of August 2024 was approximately 3.60%.

The county entered 2024 with a year of solid building and expansion. The most exciting new industry coming into Cecil County was the recently announced Salmon Farming Company, Aquacon, announcing they will build a state-of-the-art Salmon farm in Port Deposit, in the new Bainbridge Business and Industrial Park. The farm will open in 2028 with their first hatchings scheduled for that year.

The county, along with its partnership with the Susquehanna Workforce Network, and Cecil College, continued a strong focus on workforce development. Cecil College opened a new Marine Tech school, one of the few certified programs offering Marine Mechanical training in the region. The Great Wolf Lodge is in its second year of operation and is already increasing their visitor forecast to 1M guests per year (up from 700K in 2023). The county also hosted its third Maryland 5Star in Elkton in the fall, which attracted over 40,000 visitors to the county over a three-day period. The county continues to respond to opportunities and RFPs from the state, and many other municipalities, that see the resources and location of Cecil County as a major benefit to doing business here.

The approved budget invests in the County's workforce by supporting a COLA and step increase for county employees. The FY2025 budget continues with the County's consistently conservative approach to departmental expenditure increases being held to a minimum. Once again, this year, we anticipate a continued strong revenue forecast due to region leading economic development projects and new housing underway. Despite all the positive indicators being realized currently, the County's conservative approach to budgeting will continue in FY2025 as we continue to prepare and safeguard against inflationary pressures and potential economic downturn.

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 the Department 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, 2024

	Primary Government			Component Units
	Governmental Activities	Business-Type Activities	Total	
ASSETS				
Cash and Cash Equivalents (Note 3)	\$ 6,521,141	\$ 15,911,252	\$ 22,432,393	\$ 37,715,017
Investments (Note 3)	145,939,365	23,911,663	169,851,028	32,100,141
Receivables, Net (Note 4)	5,236,379	5,587,798	10,824,177	2,437,378
Due from Primary Government	-	-	-	300,934
Due from Other Funds	-	-	-	-
Due from Other Governments	61,912,910	2,816,418	64,729,328	11,115,342
Inventories	478,133	-	478,133	152,715
Prepaid Items & Other Assets	1,017,177	57	1,017,234	1,325,475
Restricted Assets:				
Cash and Investments (Note 3)	62,027,754	13,750,557	75,778,311	13,487,950
Net OPEB Asset	5,027,205	-	5,027,205	-
Capital Assets, Net: (Note 6)				
Land	17,020,839	3,622,495	20,643,334	11,601,875
Construction in Progress	13,998,943	16,899,262	30,898,205	9,950,790
Landfill & Land Improvements	20,115,763	8,842,191	28,957,954	13,029,884
Highways & Bridges	92,086,046	-	92,086,046	-
Wastewater Systems	-	55,843,459	55,843,459	-
Buildings & Improvements	76,878,913	20,715,414	97,594,327	151,957,451
Right-to-Use Assets - Leases	7,565,837	264,081	7,829,918	1,212,597
Right-to-Use Assets - Subscriptions	791,326	-	791,326	1,293,579
Machinery & Equipment	17,239,332	25,772,514	43,011,846	21,297,502
Total Assets	533,857,063	193,937,161	727,794,224	308,978,630
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Charge of Refunding	2,969,309	2,888,230	5,857,539	-
Pension Deferrals	13,310,631	-	13,310,631	4,927,888
OPEB Deferrals	-	-	-	13,275,994
Total Deferred Outflows of Resources	16,279,940	2,888,230	19,168,170	18,203,882
LIABILITIES				
Accounts Payable	8,846,954	3,050,926	11,897,880	25,182,656
Salary and Benefits Payable	3,971,349	138,784	4,110,133	1,046,442
Due to Component Units	-	-	-	-
Due to Other Governments	-	-	-	-
Unearned Revenue (Note 11)	21,494,786	482,003	21,976,789	4,752,930
Other Liabilities	8,928,989	924,551	9,853,540	-
Liabilities Payable with Restricted Assets	3,994,711	-	3,994,711	-
Long Term Liabilities (Note 8)				
Due within one year:				
Bonds Payable	13,994,644	4,483,833	18,478,477	-
Financed Purchases	797,597	221,791	1,019,388	-
Lease Liability	1,635,111	-	1,635,111	619,885
Subscription Liability	344,710	-	344,710	535,905
Insurance Claims Payable	5,864,733	-	5,864,733	-
Compensated Absences	2,552,481	181,535	2,734,016	782,675
Due in more than one year:				
Bonds Payable	205,316,612	84,969,494	290,286,106	-
Financed Purchases	407,226	-	407,226	-
Lease Liability	5,535,603	-	5,535,603	617,539
Subscription Liability	420,329	-	420,329	820,355
Compensated Absences	1,276,241	90,767	1,367,008	3,847,387
Accrued Landfill Closure/Postclosure	-	11,661,363	11,661,363	-
Net OPEB Liability	-	-	-	66,879,237
Net Pension Liability	40,511,443	-	40,511,443	14,247,547
Total Liabilities	325,893,519	106,205,047	432,098,566	119,332,558
DEFERRED INFLOWS OF RESOURCES				
Pension Deferrals	9,740,845	-	9,740,845	764,140
OPEB Deferrals	1,220,316	-	1,220,316	15,349,855
Total Deferred Inflows of Resources	10,961,161	-	10,961,161	16,113,995
NET POSITION				
Net Investment in Capital Assets	197,932,495	41,546,844	239,479,339	207,749,994
Restricted for:				
Capital Projects	36,530,220	-	36,530,220	57,691
Health and Welfare	1,617,407	-	1,617,407	-
Agriculture	1,480,708	-	1,480,708	-
Economic Development	4,636,178	-	4,636,178	-
Net OPEB Asset	5,027,205	-	5,027,205	-
Debt Service and Other	3,739,701	-	3,739,701	15,078,534
Unrestricted	(37,681,591)	49,073,500	11,391,909	(31,150,260)
Total Net Position	\$ 213,282,323	\$ 90,620,344	\$ 303,902,667	\$ 191,735,959

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, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Units
	Expenses	Charges for Services	Grants and Contributions		Primary Government		Total	
			Operating	Capital	Governmental Activities	Business-Type Activities		
Primary Government:								
Governmental Activities:								
General Government	\$ 18,978,599	\$ 11,083,722	\$ 3,583,290	\$ 300,000	\$ (4,011,587)	\$ -	\$ (4,011,587)	\$ -
Public Safety	62,770,182	2,592,167	2,840,946	1,882,209	(55,454,860)	-	(55,454,860)	-
Highways, Streets, and Bridges	22,327,074	25,846	6,359,396	1,130,510	(14,811,322)	-	(14,811,322)	-
Health and Welfare	25,468,354	1,312,259	13,167,610	4,825	(10,983,660)	-	(10,983,660)	-
Recreation and Culture	4,415,627	800,707	87,113	3,099,073	(428,734)	-	(428,734)	-
Education	109,630,391	-	-	-	(109,630,391)	-	(109,630,391)	-
Public Libraries	6,816,333	-	-	-	(6,816,333)	-	(6,816,333)	-
Economic Development	3,093,731	-	1,061,935	-	(2,031,796)	-	(2,031,796)	-
Agriculture	1,016,635	-	27,834	-	(988,801)	-	(988,801)	-
Interest on Long-Term Debt	6,396,879	-	-	-	(6,396,879)	-	(6,396,879)	-
Total Governmental Activities	<u>260,913,804</u>	<u>15,814,701</u>	<u>27,128,124</u>	<u>6,416,617</u>	<u>(211,554,362)</u>	<u>-</u>	<u>(211,554,362)</u>	<u>-</u>
Business-Type Activities:								
Wastewater	13,340,844	9,548,705	-	8,794,081	-	5,001,942	5,001,942	-
Landfill	8,774,738	9,591,901	-	-	-	817,163	817,163	-
Property Management	553,265	920,374	-	-	-	367,109	367,109	-
Total Business-Type Activities	<u>22,668,847</u>	<u>20,060,980</u>	<u>-</u>	<u>8,794,081</u>	<u>-</u>	<u>6,186,214</u>	<u>6,186,214</u>	<u>-</u>
Total Primary Government	<u>\$ 283,582,651</u>	<u>\$ 35,875,681</u>	<u>\$ 27,128,124</u>	<u>\$ 15,210,698</u>	<u>(211,554,362)</u>	<u>6,186,214</u>	<u>(205,368,148)</u>	<u>-</u>
Component Units:								
Board of Education	\$ 292,887,432	\$ 1,818,518	\$ 117,133,795	\$ 6,864,262	-	-	-	(167,070,857)
Cecil College	39,830,433	7,121,288	2,846,625	3,248,569	-	-	-	(26,613,951)
Cecil County Library	9,553,351	-	146,848	-	-	-	-	(9,406,503)
Bainbridge Development Corporation	3,458,507	2,442,000	1,009,576	-	-	-	-	(6,931)
Total Component Units	<u>\$ 345,729,723</u>	<u>\$ 11,381,806</u>	<u>\$ 121,136,844</u>	<u>\$ 10,112,831</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(203,098,242)</u>
General Revenues:								
Taxes:								
Property Taxes, Levied for General Purposes					116,935,718	-	116,935,718	-
Income Taxes					95,025,631	-	95,025,631	-
Investment Earnings					12,447,732	2,045,543	14,493,275	2,330,597
Other Revenues including Gains/(Loss) on Sale of Capital Assets					-	120,000	120,000	3,505,603
Payments From the Primary Government					-	-	-	107,498,428
Payments From the State Government					-	-	-	87,646,889
Entitlements, and Contributions not Restricted to Specific Programs					-	-	-	2,928,452
Transfers					(458,206)	458,206	-	-
Total General Revenues, Special Items, and Transfers					<u>223,950,875</u>	<u>2,623,749</u>	<u>226,574,624</u>	<u>203,909,969</u>
Change in Net Position					12,396,513	8,809,963	21,206,476	811,727
Net Position - Beginning					<u>200,885,810</u>	<u>81,810,380</u>	<u>282,696,190</u>	<u>190,924,232</u>
Net Position - Ending					<u>\$ 213,282,323</u>	<u>\$ 90,620,344</u>	<u>\$ 303,902,666</u>	<u>\$ 191,735,959</u>

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

CECIL COUNTY, MARYLAND

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2024

	General	Housing Programs	Casino Local Impact	Other Grants	Capital Projects	Non-Major Governmental Funds	Total Governmental Funds
ASSETS							
Cash (Note 3)	\$ 1,567,175	\$ -	\$ -	\$ -	\$ -	\$ 4,369,555	\$ 5,936,730
Investments (Note 3)	122,247,053	-	-	-	-	-	122,247,053
Receivables, Net (Note 4)	4,466,106	-	-	10,600	-	23,949	4,500,655
Due from Other Funds	2,417,084	-	-	-	-	-	2,417,084
Due from Other Governments	53,411,513	326,290	453,857	5,998,347	209,830	1,513,073	61,912,910
Inventory	374,889	-	-	-	-	-	374,889
Other Assets	652,246	47,405	-	-	-	-	699,651
Advances to Other Funds	8,583,730	-	-	-	-	-	8,583,730
Restricted Assets:							
Cash and Investments (Note 3)	-	1,305,625	4,141,144	14,138,645	40,515,081	1,927,259	62,027,754
Total Assets	\$ 193,719,796	\$ 1,679,320	\$ 4,595,001	\$ 20,147,592	\$ 40,724,911	\$ 7,833,836	\$ 268,700,456
LIABILITIES:							
Accounts Payable	\$ 6,035,878	\$ 6	\$ 384,894	\$ 517,944	\$ -	\$ 262,666	\$ 7,201,388
Salaries and Benefits Payable	3,586,584	27,339	-	47,861	-	252,821	3,914,605
Due to Other Funds	192,988	(86,215)	-	-	-	651,457	758,230
Other Liabilities	6,250,810	-	36,000	41,434	-	1,792	6,330,036
Unearned Revenue (Note 11)	-	5,789	-	18,587,471	314,974	2,558,192	21,466,426
Liabilities Payable from Restricted Funds	-	114,994	-	-	3,879,717	-	3,994,711
Total Liabilities	16,066,260	61,913	420,894	19,194,710	4,194,691	3,726,928	43,665,396
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue - Income Taxes	43,678,476	-	-	-	-	-	43,678,476
Unavailable Revenue - Property Taxes	1,058,747	-	-	-	-	-	1,058,747
Total Deferred Inflows of Resources	44,737,223	-	-	-	-	-	44,737,223
FUND BALANCES:							
Non-Spendable	8,863,021	-	-	-	-	-	8,863,021
Restricted	-	1,617,407	4,174,107	-	36,530,220	4,106,908	46,428,642
Committed	20,000,000	-	-	-	-	-	20,000,000
Assigned	65,497,311	-	-	952,882	-	-	66,450,193
Unassigned	38,555,981	-	-	-	-	-	38,555,981
Total Fund Balances	132,916,313	1,617,407	4,174,107	952,882	36,530,220	4,106,908	180,297,837
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 193,719,796	\$ 1,679,320	\$ 4,595,001	\$ 20,147,592	\$ 40,724,911	\$ 7,833,836	\$ 268,700,456

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, 2024

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

Total Fund Balances for Government Funds (Page 20) \$ 180,297,837

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 \$19,016,733 of internal service fund capital assets accounted for in the following line. 226,680,266

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. 15,818,709

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	\$ 43,678,476	
Property Taxes	<u>1,058,747</u>	44,737,223

Long-term liabilities applicable to the governmental activities including bonds payable are not due and payable in the current year and, accordingly, are not reported as fund liabilities.

Net OPEB Asset	\$ 5,027,205	
Compensated Absences	(1,236,082)	
Accrued interest on long-term debt	(2,570,036)	
Deferred - Bond Premium	(11,739,648)	
Deferred - Advance Refunding Difference	2,969,309	
Pension Deferred Outflows	13,310,631	
Pension Deferred Inflows	(9,740,845)	
OPEB Deferred Inflows	(1,220,316)	
OPEB Deferred Outflows	-	
Net Pension Liability	(40,511,443)	
Lease Liability	(344,479)	
Bonds and Notes Payable	<u>(208,196,008)</u>	<u>(254,251,712)</u>

Net Position of Governmental Activities (Page 18) \$ 213,282,323

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, 2024

	<u>General</u>	<u>Housing Programs</u>	<u>Casino Local Impact</u>	<u>Other Grants</u>	<u>General Capital Projects</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES							
Property Taxes	\$ 116,579,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 116,579,527
Special Assessments - Current	-	-	-	-	-	6,099	6,099
Income Taxes	86,288,431	-	-	-	-	-	86,288,431
Licenses and Permits	1,901,395	-	-	-	-	-	1,901,395
Intergovernmental	4,402,098	7,000,840	3,238,731	9,764,714	2,176,110	5,409,505	31,991,998
Charges for Services	12,748,464	252,667	-	-	-	912,175	13,913,306
Investment Earnings	9,990,010	24,372	309,232	1,145,616	-	68,409	11,537,639
Contributions & Other Revenues	396,923	-	-	(105,389)	-	-	291,534
Total Revenues	<u>232,306,848</u>	<u>7,277,879</u>	<u>3,547,963</u>	<u>10,804,941</u>	<u>2,176,110</u>	<u>6,396,188</u>	<u>262,509,929</u>
EXPENDITURES							
Current:							
General Government	14,995,438	-	-	1,407,921	353,582	609,017	17,365,958
Public Safety	59,125,182	-	-	2,328,368	-	-	61,453,550
Highways, Streets, and Bridges	16,202,225	-	-	2,320,038	-	-	18,522,263
Health and Welfare	4,931,665	7,221,885	-	628,744	-	12,126,220	24,908,514
Recreation and Culture	2,661,210	-	-	3,168,011	-	-	5,829,221
Education	102,848,122	-	-	-	-	-	102,848,122
Public Libraries	6,816,333	-	-	-	-	-	6,816,333
Economic Development	1,656,570	-	1,061,935	358,949	-	-	3,077,454
Agriculture	978,949	-	-	-	-	28,400	1,007,349
Municipalities	833,568	-	-	-	-	-	833,568
Debt Service:							
Principal	-	-	-	-	-	11,468,465	11,468,465
Interest and Fiscal Charges	-	-	-	-	-	6,524,079	6,524,079
Bond Issuance Cost	-	-	-	-	57,562	-	57,562
Capital Outlay	-	-	-	-	11,720,721	-	11,720,721
Total Expenditures	<u>211,049,262</u>	<u>7,221,885</u>	<u>1,061,935</u>	<u>10,212,031</u>	<u>12,131,865</u>	<u>30,756,181</u>	<u>272,433,159</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>21,257,586</u>	<u>55,994</u>	<u>2,486,028</u>	<u>592,910</u>	<u>(9,955,755)</u>	<u>(24,359,993)</u>	<u>(9,923,230)</u>
OTHER FINANCING SOURCES (USES)							
Issuance of Debt	-	-	-	-	32,180,000	-	32,180,000
Premium on Debt Issued	-	-	-	-	1,201,880	-	1,201,880
Refunding Bonds Issued	-	-	-	-	-	-	-
Transfers In	1,647,191	163,995	-	6,146	-	25,372,239	27,189,572
Transfers Out	(24,018,987)	-	(2,575,260)	(12,000)	(1,144,318)	-	(27,750,565)
Total Other Financing Sources (Uses)	<u>(22,371,796)</u>	<u>163,995</u>	<u>(2,575,260)</u>	<u>(5,854)</u>	<u>32,237,562</u>	<u>25,372,239</u>	<u>32,820,887</u>
Net Change in Fund Balances	(1,114,210)	219,989	(89,232)	587,056	22,281,807	1,012,246	22,897,656
Fund Balances - Beginning	<u>134,030,523</u>	<u>1,397,418</u>	<u>4,263,339</u>	<u>365,826</u>	<u>14,248,413</u>	<u>3,094,662</u>	<u>157,400,181</u>
Fund Balances - Ending	<u>\$ 132,916,313</u>	<u>\$ 1,617,407</u>	<u>\$ 4,174,107</u>	<u>\$ 952,882</u>	<u>\$ 36,530,220</u>	<u>\$ 4,106,908</u>	<u>\$ 180,297,837</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, 2024

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) \$ 22,897,656

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 (\$14,664,102) is exceeded by capital outlay (\$11,720,721) in the current period. Depreciation excludes \$4,976,598 from the internal service fund.

61,019

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.

504,807

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	\$	356,191	
Income Taxes		<u>8,504,576</u>	
Net Adjustment			8,860,767

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	\$ (32,180,000)	\$ 11,468,464	
Financed Purchases	-	(53,811)	
Deferred Advanced Refunding	-	(521,828)	
Premium on Debt Issued	<u>(1,201,880)</u>	<u>1,160,020</u>	
Net Adjustment	<u>(33,381,880)</u>	<u>\$ 12,052,845</u>	(21,329,035)

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	\$	1,189,792	
OPEB Expense		401,441	
Compensated Absences		2,062,897	
Accrued Interest on Long-term Debt		<u>(411,626)</u>	
Net Adjustment			3,242,504

The change in net assets of certain internal service funds are reported with governmental activities. (1,841,205)

Change in Net Position of Governmental Activities (Page 19) \$ 12,396,513

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, 2024

	<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				
Property Taxes	\$ 113,494,953	\$ 113,494,953	\$ 116,579,527	\$ 3,084,574
Income Taxes	71,015,249	71,015,249	86,288,431	15,273,182
Licenses and Permits	2,192,126	2,212,126	1,901,395	(310,731)
Intergovernmental	3,546,109	3,546,109	4,402,098	855,989
Charges for Services	14,072,090	14,083,724	12,748,464	(1,335,260)
Investment Earnings	4,159,950	4,159,950	9,990,010	5,830,060
Contributions & Other Revenues	169,000	188,960	396,923	207,963
Total Revenues	<u>208,649,477</u>	<u>208,701,071</u>	<u>232,306,848</u>	<u>23,605,777</u>
EXPENDITURES				
Current:				
General Government	15,040,138	16,650,345	14,995,438	1,654,907
Highways, Streets, and Bridges	13,682,850	16,920,030	16,202,225	717,805
Recreation and Culture	2,527,988	2,802,589	2,661,210	141,379
Public Safety	58,487,334	59,868,107	59,125,182	742,925
Health and Welfare	5,150,498	5,146,498	4,931,665	214,833
Education	103,515,619	102,972,537	102,848,122	124,415
Public Libraries	6,816,333	6,816,333	6,816,333	-
Economic Development	1,823,019	1,832,179	1,656,570	175,609
Agriculture	954,882	954,882	978,949	(24,067)
Municipalities	771,579	771,579	833,568	(61,989)
Total Expenditures	<u>208,770,240</u>	<u>214,735,079</u>	<u>211,049,262</u>	<u>3,685,817</u>
Excess of Revenues				
Over Expenditures	<u>(120,763)</u>	<u>(6,034,008)</u>	<u>21,257,586</u>	<u>27,291,594</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	100,000	77,678	1,647,191	1,569,513
Transfers Out	<u>(23,271,570)</u>	<u>(23,826,297)</u>	<u>(24,018,987)</u>	<u>(192,690)</u>
Total Other Financing Sources (Uses)	<u>(23,171,570)</u>	<u>(23,748,619)</u>	<u>(22,371,796)</u>	<u>1,376,823</u>
Net Change in Fund Balance	<u>(23,292,333)</u>	<u>(29,782,627)</u>	<u>(1,114,210)</u>	<u>28,668,417</u>
Fund Balance - Beginning	<u>108,013,454</u>	<u>108,013,454</u>	<u>134,030,523</u>	<u>26,017,069</u>
Fund Balance - Ending	<u>\$ 84,721,121</u>	<u>\$ 78,230,827</u>	<u>\$ 132,916,313</u>	<u>\$ 54,685,486</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, 2024**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 6,373,311	\$ 7,192,964	\$ 7,000,840	\$ (192,124)
Other Program Revenue & Charges for Services	161,026	161,026	252,667	91,641
Investment Earnings	-	-	24,372	24,372
Total Revenues	<u>6,534,337</u>	<u>7,353,990</u>	<u>7,277,879</u>	<u>(76,111)</u>
EXPENDITURES				
Current:				
Health and Welfare	<u>6,682,265</u>	<u>8,001,918</u>	<u>7,221,885</u>	<u>780,033</u>
Total Expenditures	<u>6,682,265</u>	<u>8,001,918</u>	<u>7,221,885</u>	<u>780,033</u>
Deficiency of Revenues (Under) Expenditures	<u>(147,928)</u>	<u>(647,928)</u>	<u>55,994</u>	<u>703,922</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>119,318</u>	<u>619,318</u>	<u>163,995</u>	<u>(455,323)</u>
Total Other Financing Sources (Uses)	<u>119,318</u>	<u>619,318</u>	<u>163,995</u>	<u>(455,323)</u>
Net Change in Fund Balance	(28,610)	(28,610)	219,989	248,599
Fund Balance - Beginning	<u>1,259,609</u>	<u>1,259,607</u>	<u>1,397,418</u>	<u>137,811</u>
Fund Balance - Ending	<u>\$ 1,230,999</u>	<u>\$ 1,230,997</u>	<u>\$ 1,617,407</u>	<u>\$ 386,410</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, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	(Negative)
REVENUES				
Intergovernmental	\$ 3,693,741	\$ 3,693,741	\$ 3,238,731	\$ (455,010)
Investment Earnings	1,060	1,060	309,232	308,172
Total Revenues	3,694,801	3,694,801	3,547,963	(146,838)
EXPENDITURES				
Current:				
Economic Development	1,700,000	1,200,000	1,061,935	138,065
Total Expenditures	1,700,000	1,200,000	1,061,935	138,065
Excess of Revenues Over Expenditures	1,994,801	2,494,801	2,486,028	(8,773)
OTHER FINANCING SOURCES (USES)				
Transfers Out	(3,025,000)	(3,525,000)	(2,575,260)	949,740
Total Other Financing Sources (Uses)	(3,025,000)	(3,525,000)	(2,575,260)	949,740
Net Change in Fund Balance	(1,030,199)	(1,030,199)	(89,232)	940,967
Fund Balance - Beginning	4,228,919	4,228,919	4,263,339	34,420
Fund Balance - Ending	\$ 3,198,720	\$ 3,198,720	\$ 4,174,107	\$ 975,387

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
BUDGET AND ACTUAL
MAJOR FUND**

**OTHER GRANTS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Budgeted Amounts</u>			Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Intergovernmental	\$ 14,308,636	\$ 43,891,817	\$ 9,764,714	\$ (34,127,103)
Investment Earnings	-	-	1,145,616	1,145,616
Contributions & Other Revenues	<u>127,016</u>	<u>222,016</u>	<u>(105,389)</u>	<u>(327,405)</u>
Total Revenues	<u>14,435,652</u>	<u>44,113,833</u>	<u>10,804,941</u>	<u>(33,308,892)</u>
EXPENDITURES				
Current:				
General Government	3,244,485	8,533,334	1,407,921	7,125,413
Highways, Streets, and Bridges	3,038,204	7,567,775	2,320,038	5,247,737
Recreation and Culture	6,870,390	15,871,049	3,168,011	12,703,038
Public Safety	517,931	8,962,290	2,328,368	6,633,922
Health and Welfare	1,391,374	3,616,203	628,744	2,987,459
Economic Development	<u>69,730</u>	<u>755,562</u>	<u>358,949</u>	<u>396,613</u>
Total Expenditures	<u>15,132,114</u>	<u>45,306,213</u>	<u>10,212,031</u>	<u>35,094,182</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(696,462)</u>	<u>(1,192,380)</u>	<u>592,910</u>	<u>1,785,290</u>
OTHER FINANCING SOURCES				
Transfers In	1,200	1,200	6,146	4,946
Operating Transfers In/Out	<u>(1,818,511)</u>	<u>(2,382,334)</u>	<u>(12,000)</u>	<u>2,370,334</u>
Total Other Financing Sources	<u>(1,817,311)</u>	<u>(2,381,134)</u>	<u>(5,854)</u>	<u>2,375,280</u>
Net Change in Fund Balance	(2,513,773)	(3,573,514)	587,056	4,160,570
Fund Balance - Beginning	<u>271,585</u>	<u>802,366</u>	<u>365,826</u>	<u>(436,540)</u>
Fund Balance - Ending	<u>\$ (2,242,188)</u>	<u>\$ (2,771,148)</u>	<u>\$ 952,882</u>	<u>\$ 3,724,030</u>

CECIL COUNTY, MARYLAND
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2024

	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)	\$ 12,652,584	\$ 2,093,502	\$ 1,165,166	\$ 15,911,252	\$ 584,411
Investments (Note 3)	-	23,911,663	-	23,911,663	23,692,312
Receivables, Net: (Note 4)					
Accounts	2,550,235	998,720	22,241	3,571,196	261,521
Other	-	19,268	38	19,306	474,203
Due from Other Governments	2,798,918	17,500	-	2,816,418	-
Inventory	-	-	-	-	103,244
Other Assets	57	-	-	57	317,526
Restricted Assets					
Cash & Investments (Note 3)	-	13,750,557	-	13,750,557	-
Total Current Assets	18,001,794	40,791,210	1,187,445	59,980,449	25,433,217
Non-Current Assets:					
Accounts Receivable - Non-Current	1,997,296	-	-	1,997,296	-
Capital Assets, Net:					
Land	2,551,156	580,739	490,600	3,622,495	-
Construction in Progress	12,848,559	4,050,703	-	16,899,262	23,285
Vehicles	-	-	-	-	7,672,890
Landfill and Land Improvements	4,350,277	4,491,914	-	8,842,191	-
Wastewater Lines	42,195,310	-	-	42,195,310	-
Wastewater Systems	13,648,149	-	-	13,648,149	-
Buildings	12,270,271	2,592,932	5,852,211	20,715,414	240,357
Right to Use Assets - Leases	-	264,081	-	264,081	7,231,974
Right-to-Use Assets - Subscriptions	-	-	-	-	791,326
Machinery & Equipment	22,386,913	3,385,601	-	25,772,514	3,056,901
Total Non-Current Assets	112,247,931	15,365,970	6,342,811	133,956,712	19,016,733
Total Assets	130,249,725	56,157,180	7,530,256	193,937,161	44,449,950
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Charge of Refunding	2,744,944	143,286	-	2,888,230	-
Total Deferred Outflows of Resources	2,744,944	143,286	-	2,888,230	-
LIABILITIES					
Current Liabilities:					
Accounts Payable	1,927,237	727,652	79,518	2,734,407	5,341,094
Construction Retainage Payable	316,519	-	-	316,519	-
Salary & Benefits Payable	64,368	74,416	-	138,784	56,744
Accrued Expenses & Other Liabilities	434,826	408,513	81,212	924,551	5,893,650
Unearned Revenue	358,320	-	123,683	482,003	28,360
Financed Purchases	-	221,791	-	221,791	-
Right to Use Assets - Leases	-	-	-	-	1,552,444
Right-to-Use Assets - Subscriptions	-	-	-	-	344,710
Bonds Payable	3,006,524	1,138,817	338,492	4,483,833	-
Compensated Absences	96,537	84,998	-	181,535	80,317
Total Current Liabilities	6,204,331	2,656,187	622,905	9,483,423	13,297,319
Non-Current Liabilities:					
Bonds Payable					
(Net of Unamortized Discounts)	62,064,218	18,225,528	4,679,748	84,969,494	-
Financed Purchases	-	-	-	-	1,204,823
Right to Use Assets - Leases	-	-	-	-	5,273,791
Right-to-Use Assets - Subscriptions	-	-	-	-	420,329
Advances From Other Funds	-	-	-	-	8,394,820
Compensated Absences	48,268	42,499	-	90,767	40,159
Accrued Landfill Closure and Postclosure Costs	-	11,661,363	-	11,661,363	-
Total Non-Current Liabilities	62,112,486	29,929,390	4,679,748	96,721,624	15,333,922
Total Liabilities	68,316,817	32,585,577	5,302,653	106,205,047	28,631,241
NET POSITION					
Net Investment in Capital Assets	45,179,893	(4,220,166)	1,324,571	42,284,298	17,811,910
Unrestricted	19,497,959	27,935,055	903,032	48,336,046	(1,993,201)
Total Net Position	\$ 64,677,852	\$ 23,714,889	\$ 2,227,603	\$ 90,620,344	\$ 15,818,709

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, 2024**

	<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	\$ 9,454,127	\$ 9,132,104	\$ 920,374	\$ 19,506,605	\$ 28,937,018
Miscellaneous Revenue	94,578	459,797	-	554,375	8,909
Total Operating Revenues	<u>9,548,705</u>	<u>9,591,901</u>	<u>920,374</u>	<u>20,060,980</u>	<u>28,945,927</u>
OPERATING EXPENSES					
Salaries and Related	2,068,822	2,314,979	4,398	4,388,199	1,732,851
Right-to-Use Assets - Leases	-	-	-	-	610,704
Materials, Supplies, and Services	3,649,596	4,118,837	182,551	7,950,984	8,312,917
Benefit Payments	-	-	-	-	15,897,670
Depreciation	5,889,266	940,524	182,879	7,012,669	4,976,598
Amortization Expense	-	199,307	-	199,307	-
Depletion	-	520,321	-	520,321	-
Landfill Closure and Postclosure	-	133,733	-	133,733	-
Total Operating Expenses	<u>11,607,684</u>	<u>8,227,701</u>	<u>369,828</u>	<u>20,205,213</u>	<u>31,530,740</u>
Operating Income (Loss)	<u>(2,058,979)</u>	<u>1,364,200</u>	<u>550,546</u>	<u>(144,233)</u>	<u>(2,584,813)</u>
NON-OPERATING REVENUES (EXPENSES)					
Investment Earnings	6,735	2,038,808	-	2,045,543	910,093
Interest Expense	(1,493,233)	(475,743)	(183,437)	(2,152,413)	(193,040)
Bond Issue Expense	(239,926)	(71,294)	-	(311,220)	-
Gain on Disposal of Capital Assets	-	120,000	-	120,000	543,342
Total Non-Operating Revenues (Expenses)	<u>(1,726,424)</u>	<u>1,611,771</u>	<u>(183,437)</u>	<u>(298,090)</u>	<u>1,260,395</u>
Income (Loss) before Contributions and Transfers	<u>(3,785,403)</u>	<u>2,975,971</u>	<u>367,109</u>	<u>(442,323)</u>	<u>(1,324,418)</u>
Capital Contributions and Transfers:					
Intergovernmental Capital Grant	2,439,962	-	-	2,439,962	4,825
Wastewater Connection Fees	3,100,815	-	-	3,100,815	-
Developers Capital Contributions	3,253,304	-	-	3,253,304	-
Transfers In	-	23,844	534,362	558,206	102,789
Transfers Out	-	-	(100,000)	(100,000)	-
Change in Net Position	<u>5,008,679</u>	<u>2,999,814</u>	<u>801,471</u>	<u>8,809,964</u>	<u>(1,216,804)</u>
Net Position - Beginning	<u>59,669,173</u>	<u>20,715,075</u>	<u>1,426,132</u>	<u>81,810,379</u>	<u>17,035,513</u>
Net Position - Ending	<u>\$ 64,677,852</u>	<u>\$ 23,714,889</u>	<u>\$ 2,227,603</u>	<u>\$ 90,620,344</u>	<u>\$ 15,818,709</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, 2024

	Business-Type Activities - Enterprise Funds			Governmental Activities -	
	Wastewater	Landfill	Property Management	Total	Internal Service Funds
Cash Flows From Operating Activities:					
Receipts from Customers and Users	\$ 7,408,484	\$ 9,459,621	\$ 933,206	\$ 17,801,311	\$ 28,551,918
Payments to Suppliers	(2,923,795)	(3,409,353)	(112,514)	\$ (6,445,662)	(21,421,137)
Payments to Employees	(2,032,507)	(2,291,842)	(4,398)	(4,328,747)	(1,712,757)
Net Cash from Operating Activities	<u>2,452,182</u>	<u>3,758,426</u>	<u>816,294</u>	<u>7,026,903</u>	<u>5,418,024</u>
Cash Flows To Non-Capital Financing Activities:					
Advances/Transfers from Other Funds	-	-	434,362	434,362	1,846,785
Net Cash from Non-Capital Financing Activities	<u>-</u>	<u>-</u>	<u>434,362</u>	<u>434,362</u>	<u>1,846,785</u>
Cash Flows From Capital and Related Financing Activities:					
Proceeds from Bond Issues	7,495,000	12,250,000	-	19,745,000	-
Purchase of Investments	-	(12,250,000)	-	(12,250,000)	-
Proceeds from Capital Grants Received	2,439,962	-	-	2,439,962	-
Proceeds from Sewage Connection Fees	3,100,815	-	-	3,100,815	-
Acquisition and Construction of Capital Assets	(5,316,509)	(2,663,403)	(205,162)	(8,185,074)	(4,581,072)
Principal Paid on Bonds/Leases Maturities	(2,355,530)	(1,044,165)	(325,237)	(3,724,932)	(1,184,781)
Interest Paid on Bonds/Leases	(1,733,159)	159,481	(183,437)	(1,757,115)	(193,040)
Proceeds from Sale of Capital Assets	-	-	-	-	543,342
Net Cash from Capital and Related Financing Activities	<u>3,630,579</u>	<u>(3,548,087)</u>	<u>(713,836)</u>	<u>(631,344)</u>	<u>(5,415,551)</u>
Cash Flows From Investing Activities:					
Interest on Investments	6,735	2,038,808	-	2,045,543	910,093
Net Cash Provided by Investing Activities	<u>6,735</u>	<u>2,038,808</u>	<u>-</u>	<u>2,045,543</u>	<u>910,093</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,089,496	2,249,147	536,820	8,875,463	2,759,351
Cash and Cash Equivalents - June 30, 2023	<u>6,563,088</u>	<u>13,594,912</u>	<u>628,346</u>	<u>20,786,346</u>	<u>21,517,372</u>
<small>(including \$0 and \$12,287,688 respectively reported in restricted accounts)</small>					
Cash and Cash Equivalents - June 30, 2024	<u>\$ 12,652,584</u>	<u>\$ 15,844,059</u>	<u>\$ 1,165,166</u>	<u>\$ 29,661,809</u>	<u>\$ 24,276,723</u>
<small>(including \$0 and \$13,750,557 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, 2024

	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)	\$ (2,058,979)	\$ 1,364,200	\$ 550,546	\$ (144,233)	\$ (2,629,496)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided from Operating Activities:					
Depreciation, Amortization and Depletion	5,889,266	1,660,152	182,879	7,732,297	4,976,598
Decrease in Closure/Postclosure Liability	-	133,733	-	133,733	-
Effect of Changes in Non-Cash Operating Assets and Liabilities:					
Accounts Receivable	(2,550,235)	(132,280)	(83)	(2,682,598)	(338,099)
Other Assets	-	-	-	-	569,625
Accounts Payable	1,135,815	709,484	34,057	1,879,357	2,580,105
Salaries & Benefits Payable	12,554	12,122	-	24,676	6,097
Compensated Absences	23,761	11,015	-	34,776	13,997
Accrued Expenses	-	-	-	-	240,259
Deferred Revenue	-	-	48,894	48,894	(1,062)
Net Cash Provided from Operating Activities	\$ 2,452,182	\$ 3,758,426	\$ 816,294	\$ 7,026,902	\$ 5,418,024
Schedule of Non-Cash Capital and Related Financing Activities:					
Increase in Non-cash Developer Capital Contributions	\$ 3,253,304	\$ -	\$ -	\$ 3,253,304	\$ -
Net Non-Cash Capital and Related Financing Activities	\$ 3,253,304	\$ -	\$ -	\$ 3,253,304	\$ -

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

CECIL COUNTY, MARYLAND
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2024

	<u>Total Pension, OPEB & LOSAP Funds</u>	<u>Custodial Funds State & Town Collections</u>
ASSETS		
Cash	\$ 217,326	\$ 573,690
Receivables, Net:		
Property Taxes & Fees	-	834,138
Interest & Other	174	-
Investments, at fair value:		
Institutional Separate Accounts	73,658,555	-
Mutual Funds	14,756,729	-
Maryland Local Govt. Investment Pool	<u>2,722,416</u>	<u>-</u>
Total Investments	<u>91,137,700</u>	<u>-</u>
Total Assets	<u>91,355,200</u>	<u>1,407,828</u>
LIABILITIES		
Accrued Expenses	8,643	-
Accounts Payable	252,703	-
Due to Other Governments	<u>-</u>	<u>1,407,828</u>
Total Liabilities	<u>261,346</u>	<u>1,407,828</u>
NET POSITION		
Restricted for:		
Pension Employee Benefits	79,461,350	-
OPEB Employee Benefits	9,075,205	-
Vounteer Length of Service Award Program	<u>2,557,299</u>	<u>-</u>
NET POSITION RESTRICTED FOR PENSIONS	<u>\$ 91,093,854</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, 2024

	Total Pension, OPEB & LOSAP Funds	Custodial Funds State & Town Collections
ADDITIONS		
Contributions		
Cecil County	\$ 3,176,307	\$ -
Participants	1,254,238	-
Property Tax Collections for Other Governments	-	173,895,517
Other	-	-
Total Contributions	4,430,545	173,895,517
INVESTMENT INCOME		
Investment Earnings:		
Net Appreciation (Depreciation) in Fair Value of Investments	8,052,183	-
Interest and Dividends	2,058,948	-
Investment Earnings Total	10,111,131	-
Less: Investment Expense	(483,279)	-
Net Investment Income (Loss)	9,627,852	-
Total Additions	14,058,397	173,895,517
DEDUCTIONS		
Benefit Payments	4,121,975	-
Refunds of Contributions	189,918	-
Administrative Expense	123,494	-
Payments of Property Tax to Other Governments	-	173,895,517
Total Deductions	4,435,387	173,895,517
Change in Net Position	9,623,010	-
Net Position - Beginning	81,470,844	-
Net Position - Ending	\$ 91,093,854	\$ -

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, 2024

	<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	\$ 26,473,121	\$ 5,109,920	\$ 4,689,827	\$ 1,442,149	\$ 37,715,017
Investments	19,525,247	12,574,894	-	-	32,100,141
Receivables, Net	925,808	1,475,063	5,160	31,347	2,437,378
Due from Primary Government	300,934	-	-	-	300,934
Due from Other Governments	10,707,198	408,144	-	-	11,115,342
Inventories	152,715	-	-	-	152,715
Prepaid Expenses & Other Assets	466,396	760,176	98,903	-	1,325,475
Restricted Assets:					
Cash and Investments	-	12,882,227	605,723	-	13,487,950
Capital Assets, Net:					
Land	7,602,489	1,779,763	-	2,219,623	11,601,875
Construction in Progress	7,332,197	2,618,593	-	-	9,950,790
Land Improvements	6,308,542	6,721,342	-	-	13,029,884
Buildings & Leasehold Improvements	123,011,525	28,945,926	-	-	151,957,451
Right-to-Use Assets - Leases	1,063,009	149,588	-	-	1,212,597
Right-to-Use Assets - Subscriptions	1,123,758	169,821	-	-	1,293,579
Machinery & Equipment	15,802,962	705,977	4,703,926	84,637	21,297,502
Total Assets	<u>220,795,901</u>	<u>74,301,434</u>	<u>10,103,539</u>	<u>3,777,756</u>	<u>308,978,630</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension Deferrals	4,670,047	-	257,841	-	4,927,888
OPEB Deferrals	13,275,994	-	-	-	13,275,994
Total Deferred Outflows	<u>17,946,041</u>	<u>-</u>	<u>257,841</u>	<u>-</u>	<u>18,203,882</u>
LIABILITIES					
Accounts Payable and Accrued Expenses	24,066,092	848,263	235,602	32,699	25,182,656
Accrued Salaries and Benefits	-	944,218	102,224	-	1,046,442
Unearned Revenue	2,285,907	2,164,023	3,000	300,000	4,752,930
Due within one year:					
Leases	-	-	-	-	-
Lease Liability	586,675	33,210	-	-	619,885
Subscription Liability	456,942	78,963	-	-	535,905
Compensated Absences	481,608	301,067	-	-	782,675
Due in more than one year:					
Notes Payable	-	-	-	-	-
Leases	-	-	-	-	-
Lease Liability	472,017	145,522	-	-	617,539
Subscription Liability	691,665	128,690	-	-	820,355
Compensated Absences	3,696,854	150,533	-	-	3,847,387
Net OPEB Liability	66,879,237	-	-	-	66,879,237
Net Pension Liability	13,527,442	-	720,105	-	14,247,547
Total Liabilities	<u>113,144,439</u>	<u>4,794,489</u>	<u>1,060,931</u>	<u>332,699</u>	<u>119,332,558</u>
DEFERRED INFLOWS OF RESOURCES					
Pension Deferrals	738,697	-	25,443	-	764,140
OPEB Deferrals	15,349,855	-	-	-	15,349,855
Total Deferred Inflows	<u>16,088,552</u>	<u>-</u>	<u>25,443</u>	<u>-</u>	<u>16,113,995</u>
NET POSITION					
Net Investment in Capital Assets	160,037,183	40,704,625	4,703,926	2,304,260	207,749,994
Restricted for:					
Capital Projects	57,691	-	-	-	57,691
Donor Restrictions	5,156,874	9,586,991	334,669	-	15,078,534
Unrestricted	(55,742,797)	19,215,329	4,236,411	1,140,797	(31,150,260)
Total Net Position	<u>\$109,508,951</u>	<u>\$ 69,506,945</u>	<u>\$ 9,275,006</u>	<u>\$ 3,445,057</u>	<u>\$ 191,735,959</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, 2024

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services	Grants and Contributions		Component Units				
			Operating	Capital	Board of Education	Cecil College	Cecil County Public Library	Bainbridge Development Corporation	Total
Board of Education									
Instruction	\$ 283,421,393	\$ 365,854	\$ 108,705,804	\$ 6,864,262	\$ (167,485,473)	\$ -	\$ -	\$ -	\$ (167,485,473)
Student Services	9,466,039	1,452,664	8,427,991	-	414,616	-	-	-	414,616
Total Board of Education	\$ 292,887,432	\$ 1,818,518	\$ 117,133,795	\$ 6,864,262	(167,070,857)	-	-	-	(167,070,857)
Cecil College									
Instruction	\$ 38,198,592	\$ 5,577,394	\$ 2,846,625	\$ 3,248,569	-	(26,526,004)	-	-	(26,526,004)
Student Services	1,631,841	1,543,894	-	-	-	(87,947)	-	-	(87,947)
Total Cecil Community College	\$ 39,830,433	\$ 7,121,288	\$ 2,846,625	\$ 3,248,569	-	(26,613,951)	-	-	(26,613,951)
Cecil County Public Library									
Public Libraries	\$ 9,553,351	\$ -	\$ 146,848	\$ -	-	-	(9,406,503)	-	(9,406,503)
Bainbridge Development Corporation									
Economic Development	\$ 3,458,507	\$ 2,442,000	\$ 1,009,576	\$ -	-	-	-	(6,931)	(6,931)
General Revenues:									
Payments From the Primary Government					88,501,638	12,180,457	6,816,333	-	107,498,428
Payments From the State Government					76,623,471	9,552,444	1,470,974	-	87,646,889
Grants, Entitlements, and Contributions not Restricted to Specific Programs					-	2,928,452	-	-	2,928,452
Investment Earnings					1,783,444	431,403	40,190	75,560	2,330,597
Other Revenues including Capital Asset Gains					314,236	2,874,048	317,319	-	3,505,603
Total General Revenues, Special Items, and Transfers					167,222,789	27,966,804	8,644,816	75,560	203,909,969
Change in Net Position					151,932	1,352,853	(761,687)	68,629	811,727
Net Position - Beginning					109,357,019	68,154,092	10,036,693	3,376,428	190,924,232
Net Position - Ending					\$ 109,508,951	\$ 69,506,945	\$ 9,275,006	\$ 3,445,057	\$ 191,735,959

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, 2024, the County has adopted all applicable GASB Statements other than those listed below as they relate to future fiscal years:

- Statement No. 101 Compensated Absences
- Statement No. 102 Certain Risk Disclosures
- Statement No. 103 Financial Reporting Model Improvements
- Statement No. 104 Disclosing Certain Capital Assets

During the fiscal year ended June 30, 2024, the County adopted GASB Statement No. 100-Accounting Changes and Error Corrections which is effective for reporting periods beginning after June 15, 2023. The objective of GASB 100 is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

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 substantially represent 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 on 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. Custodial 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 for the current period. For governmental fund types, the County considers all revenues to be available if they are collected within 60 days after the 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 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 wastewater and landfill enterprise funds, 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 custodial 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 assisting 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 include 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 yet uncollected are included as unavailable revenue. The amounts collected within the first 60 days of the fiscal year ended June 30, 2024, 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 2024 was \$0.9924 per \$100 of assessed value. The personal property tax rate for fiscal year 2024 was \$2.4810 per \$100 of assessed value.

County property tax and personal property tax revenues in fiscal year 2024 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, 2024, the local income tax rate was 2.8 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 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 a consumption of net assets 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 an acquisition of net assets 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 the County Council through a process that includes one or more public hearings. The 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, 2024, 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, 2024, 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, 2024, expenditures exceeded appropriations for the following departments.

<u>Fund</u>	<u>Budget Line Item</u>	<u>Over Budget</u>
General Fund	Agriculture	\$ 24,067
	Municipalities	61,989

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	Component Units
<u>Cash</u>			
Insured Deposits (FDIC)	\$ 1,542,266	\$ -	\$ 2,746,469
Money Market Mutual Funds	-	130,049	-
Uninsured Deposits - Collateral held by pledging bank's agent in the County or Unit's name	20,890,128	-	28,405,172
Certificates of Deposit due within 90 days - Collateral held by pledging bank's agent in the County or Unit's name	-	-	-
CDARS due within 90 days (FDIC Insured)	-	-	-
Total Cash	\$ 22,432,393	\$ 222,988	\$ 31,151,641
<u>Investments</u>			
Other governmental agencies	4,021,479	-	-
Investment in Maryland Local Government Investment Pool	227,857,303	2,722,416	34,039,559
Institutional Separate Accounts	-	73,556,586	-
Mutual Funds	13,750,557	14,974,055	3,865,611
Total Investments	\$ 245,629,339	\$ 91,355,026	\$ 37,905,170

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, 2024
<u>Investments by Fair Value Level:</u>				
Federal Agencies	\$ 4,021,479	\$ 4,021,179	\$ -	\$ 8,042,658
Other Post Employment Benefits and Pension Funds:				
Institutional Separate Accounts	-	73,556,586	-	73,556,586
Fixed Income Funds	7,039,330	-	-	7,039,330
Equity Mutual Funds	21,685,281	-	-	21,685,281
Total Investments at Fair Value	\$ 32,746,090	\$ 77,577,765	\$ -	\$ 110,323,855
<u>Investments Carried at Amortized Cost:</u>				
MLGIP				225,209,725
Collateralized Certificates of Deposit				2,722,417
Total Investments at Amortized Cost				\$ 227,932,142
Total Investments				\$ 338,255,997

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 four received a 5 star rating, three received a 4 star rating, one 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 25 separate bond/stock funds of which five had a Morningstar rating of 5 stars (best rating is 5 stars). Eight of the funds received a 4 star rating, eight of the funds received a 3 star rating and the remaining funds 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, 2024, 2023, and 2022, 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, 2024, the County had \$108,620,879 in temporarily restricted cash and investments. Of this, unspent proceeds of bond offerings consist of \$76,551,429 in Capital Projects. Restrictions related to the Landfill Closure and Postclosure Costs account for \$11,661,363. The remaining \$20,408,087 is funds restricted by various grants or state laws. The bond proceeds and other funds as required are invested, tracked and managed separately from operating cash. The funds are subject to the imposed expenditure restrictions.

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

	<u>Government</u>	<u>Funds</u>	<u>Units</u>	<u>Total</u>
Cash	\$ 22,109,092	\$ 222,988	\$ 31,151,641	\$ 53,483,721
Investments	247,002,940	91,253,057	37,905,170	376,161,167
Petty Cash Amounts	<u>30,643</u>	<u>-</u>	<u>7,953</u>	<u>38,596</u>
Total	<u>\$ 269,142,676</u>	<u>\$ 91,476,045</u>	<u>\$ 69,064,764</u>	<u>\$ 429,683,485</u>
Unrestricted	\$ 159,948,106	\$ -	\$ 56,482,537	\$ 216,430,643
Restricted	108,620,879	-	12,582,227	121,203,106
Fiduciary Funds	<u>573,691</u>	<u>91,476,046</u>	<u>-</u>	<u>87,523,300</u>
Total Cash and Investments	<u>\$ 269,142,676</u>	<u>\$ 91,476,046</u>	<u>\$ 69,064,764</u>	<u>\$ 425,157,049</u>

4. Receivables

Primary Government

The following are receivables as of June 30, 2024, 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 \$264,353 are included in the governmental activities of the government-wide statement.

	Governmental Fund Financial Statements					Government-wide Statements
	General	Housing Programs	Other Grants	Non-Major Funds	Total	Governmental Activities
Receivables:						
Property Taxes	\$ 5,509,053	\$ -	\$ -	\$ -	\$ 5,509,053	\$ 5,509,053
Accounts	-	-	-	23,949	34,549	296,070
Notes	-	-	-	-	-	-
Interest and Other	-	-	-	-	-	474,203
Gross Receivables	5,509,053	-	-	23,949	5,543,601	6,279,325
Less: Allowances for Uncollectibles	(1,042,947)	-	-	-	(1,042,947)	(1,042,947)
Net Total Receivables	\$ 4,466,106	\$ -	\$ -	\$ 23,949	\$ 4,500,655	\$ 5,236,379

Receivables as of June 30, 2024, for the Government’s enterprise funds and business-type activities including applicable allowances for uncollectible accounts were as follows:

	Enterprise Fund Financial Statements				Statements	
	Current			Total	Non-Current	Business-type Activities
Wastewater Services	Landfill Services	Property Management	Wastewater Services			
Receivables:						
Accounts	\$ 2,696,302	\$ 1,051,284	\$ 22,241	\$ 3,769,827	\$ -	\$ 3,769,827
Other	-	19,268	38	19,306	-	19,306
Non-Current	-	-	-	-	1,997,296	1,997,296
Gross Receivables	2,696,302	1,070,552	22,279	3,789,133	1,997,296	5,786,429
Less: Allowances for Uncollectibles	(146,067)	(52,564)	-	(198,631)	-	(198,631)
Net Total Receivables	\$ 2,550,235	\$ 1,017,988	\$ 22,279	\$ 3,590,502	\$ 1,997,296	\$ 5,587,798

Component Units

Receivables as of June 30, 2024, for the Component Units were as follows:

	Board of Education	Cecil College	Cecil County Library	Bainbridge Development Corporation	Total
Receivables:					
Accounts	\$ 925,808	\$ 408,144	\$ 5,160	\$ 31,347	\$ 1,370,459
Other	-	2,803,662	-	-	2,803,662
Gross Receivables	925,808	3,211,806	5,160	31,347	4,174,121
Less: Allowances for					
Uncollectibles	-	(1,356,329)	-	-	(1,356,329)
Net Total Receivables	<u>\$ 925,808</u>	<u>\$ 1,855,477</u>	<u>\$ 5,160</u>	<u>\$ 31,347</u>	<u>\$ 2,817,792</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, 2024, eighteen properties participate in this program.

<u>Taxes Abated</u>
<u>\$ 6,678,981</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, 2024, there were two outstanding loans totaling \$11,429.

6. **Capital Assets**

A. **Primary Government**

The capital asset activity for Governmental Activities for the year ended June 30, 2024, was as follows:

	<u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Land	\$ 16,841,901	\$ 178,939	\$ -	\$ 17,020,840
Construction in Progress	<u>13,516,037</u>	<u>5,902,220</u>	<u>(5,419,314)</u>	<u>13,998,943</u>
Total Capital Assets Not Being Depreciated	<u>30,357,938</u>	<u>6,081,159</u>	<u>(5,419,314)</u>	<u>31,019,783</u>
Capital Assets Being Depreciated/Amortized:				
Land Improvements	27,783,538	5,598,400	-	33,381,938
Highways & Bridges	270,620,299	5,064,602	(1,854,432)	273,830,469
Building & Improvements	114,999,092	3,265,355	-	118,264,447
Machinery & Equipment	78,569,838	2,673,739	(3,035,193)	78,208,384
Right-to-Use Assets - Leases	3,487,037	5,825,103	(176,078)	9,136,061
Right-to-Use Assets - Subscriptions	<u>1,141,723</u>	<u>319,737</u>	<u>(99,104)</u>	<u>1,362,356</u>
Total Capital Assets Being Depreciated/Amortized	<u>496,601,527</u>	<u>22,746,936</u>	<u>(5,164,808)</u>	<u>514,183,655</u>
Less Accumulated Depreciation/Amortization for:				
Land Improvements	(11,313,166)	(1,953,008)	-	(13,266,174)
Highways & Bridges	(176,522,359)	(7,076,496)	1,854,432	(181,744,423)
Building & Improvements	(38,490,922)	(2,894,613)	-	(41,385,535)
Machinery & Equipment	(57,884,172)	(6,106,505)	3,021,624	(60,969,053)
Right-to-Use Assets - Leases	(314,694)	(1,286,696)	31,165	(1,570,225)
Right-to-Use Assets - Subscriptions	<u>(294,145)</u>	<u>(323,381)</u>	<u>46,497</u>	<u>(571,030)</u>
Total Accumulated Depreciation/Amortization	<u>(284,819,458)</u>	<u>(19,640,700)</u>	<u>4,953,718</u>	<u>(299,506,440)</u>
Total Capital Assets Being Depreciated/Amortized, Net	<u>211,782,069</u>	<u>3,106,236</u>	<u>(211,090)</u>	<u>214,677,215</u>
Governmental Activities Capital Assets, Net	<u>\$242,140,007</u>	<u>\$ 9,187,395</u>	<u>\$ (5,630,404)</u>	<u>\$245,696,998</u>

The capital asset activity for Business-Type Activities for the year ended June 30, 2024, was as follows:

Business-Type Activities:

Capital Assets Not Being Depreciated:

Land	\$ 3,622,495	\$ -	\$ -	\$ 3,622,495
Construction in Progress	10,140,669	6,821,580	(62,987)	16,899,262
Total Capital Assets Not Being Depreciated	<u>13,763,164</u>	<u>6,821,580</u>	<u>(62,987)</u>	<u>20,521,757</u>

Capital Assets Being Depreciated/Amortized:

Landfill & Land Improvements	42,839,757	49,378	-	42,889,135
Wastewater Lines	84,482,966	3,236,204	-	87,719,170
Buildings & Improvements	36,092,799	495,855	-	36,588,654
Machinery & Equipment	54,300,565	2,001,866	-	56,302,431
Right-to-Use Assets - Leases	1,078,234	-	-	1,078,234
Total Capital Assets Being Depreciated/Amortized	<u>218,794,321</u>	<u>5,783,303</u>	<u>-</u>	<u>224,577,624</u>

Less Accumulated Depreciation/Amortization for:

Landfill & Land Improvements	(32,848,451)	(1,198,493)	-	(34,046,944)
Wastewater Lines	(29,408,051)	(2,467,660)	-	(31,875,711)
Building & Improvements	(14,906,927)	(966,312)	-	(15,873,239)
Machinery & Equipment	(27,629,395)	(2,900,523)	-	(30,529,918)
Right-to-Use Assets - Leases	(614,846)	(199,307)	-	(814,153)
Total Accumulated Depreciation/Amortization	<u>(105,407,670)</u>	<u>(7,732,295)</u>	<u>-</u>	<u>(113,139,965)</u>

Total Capital Assets Being Depreciated/Amortized, Net 113,386,651 (1,948,992) - 111,437,659

Business-Type Activities Capital Assets, Net \$ 127,149,815 \$ 4,872,588 \$ (62,987) \$ 131,959,416

Depreciation/Amortization and depletion expense were charged to the following activities:

Governmental Activities:

General Government	\$ 2,163,141
Public Safety	5,565,733
Highways, Streets, and Bridges	8,442,652
Health and Welfare	628,345
Recreation and Culture	1,949,831
Public Libraries	868,353
Economic Development	22,645
	<u>\$ 19,640,700</u>

Business-type Activities:

Enterprise Funds:	
Wastewater	\$ 5,889,266
Landfill	1,660,151
Property Management	182,878
	<u>\$ 7,732,295</u>

Construction Commitments

Cecil County has active construction contracts as of June 30, 2024. The programs include upgrades to sewers, bridges, and landfill improvements. At year-end, the County’s commitments with these contractors are as follows:

<u>Project</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Wheatley Road Bridge	\$ -	\$ 551,500
Landfill Horizontal Expansion	456,848	4,918,729
Elkton West Sewer	3,156,888	194,134
Washington Street Force Main	<u>617,242</u>	<u>26,720</u>
Total	<u>\$ 4,230,978</u>	<u>\$ 5,691,083</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, 2024:

	<u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>
Board of Education				
Capital Assets Not Being Depreciated:				
Land	\$ 7,602,489	\$ -	\$ -	\$ 7,602,489
Construction in Progress	6,003,169	6,843,261	(5,514,233)	7,332,197
Total Capital Assets Not Being Depreciated	<u>13,605,658</u>	<u>6,843,261</u>	<u>(5,514,233)</u>	<u>14,934,686</u>
Capital Assets Being Depreciated and Amortized:				
Building & Improvements	343,748,039	5,950,710	-	349,698,749
Land Improvements	19,188,391	430,385	-	19,618,776
Machinery & Equipment	29,789,212	3,406,902	(1,174,485)	32,021,629
Machinery & Equipment - leased	3,674,393	1,468,508	(81,050)	5,061,851
Total Capital Assets Being Depreciated and Amortized	<u>396,400,035</u>	<u>11,256,505</u>	<u>(1,255,535)</u>	<u>406,401,005</u>
Less Accumulated Depreciation and Amortization for:				
Building & Improvements	(215,195,545)	(11,491,679)	-	(226,687,224)
Land Improvements	(12,436,435)	(873,799)	-	(13,310,234)
Machinery & Equipment	(15,367,223)	(1,991,952)	1,140,508	(16,218,667)
Machinery & Equipment - leased	(1,509,427)	(1,365,657)	-	(2,875,084)
Total Accumulated Depreciation and Amortization	<u>(244,508,630)</u>	<u>(15,723,087)</u>	<u>1,140,508</u>	<u>(259,091,209)</u>
Total Capital Assets Being Depreciated and Amortized, Net	<u>151,891,405</u>	<u>(4,466,582)</u>	<u>(115,027)</u>	<u>147,309,796</u>
Board of Education Capital Assets, Net	<u>\$ 165,497,063</u>	<u>\$ 2,376,679</u>	<u>\$ (5,629,260)</u>	<u>\$ 162,244,482</u>

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

	<u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>
<u>Cecil College</u>	(restated)			
Capital Assets Not Being Depreciated:				
Land	\$ 1,779,763	\$ -	\$ -	\$ 1,779,763
Construction in Progress	<u>1,264,056</u>	<u>2,226,743</u>	<u>(872,206)</u>	<u>2,618,593</u>
Total Capital Assets Not Being Depreciated	<u>3,043,819</u>	<u>2,226,743</u>	<u>(872,206)</u>	<u>4,398,356</u>
Capital Assets Being Depreciated:				
Leasehold & Other Improvements	32,722,083	935,757	-	33,657,840
Building and Improvements	59,252,708	-	-	59,252,708
Machinery & Equipment	7,102,354	307,867	(2,556,617)	4,853,604
Leased Equipment	211,715	-	-	211,715
Subscription Asset	<u>327,629</u>	<u>-</u>	<u>-</u>	<u>327,629</u>
Total Capital Assets Being Depreciated	<u>99,616,489</u>	<u>1,243,624</u>	<u>(2,556,617)</u>	<u>98,303,496</u>
Less Accumulated Depreciation for:				
Leasehold & Other Improvements	(24,916,541)	(2,019,957)	-	(26,936,498)
Building & Improvements	(28,902,169)	(1,404,613)	-	(30,306,782)
Machinery & Equipment	(6,435,049)	(184,666)	2,472,088	(4,147,627)
Leased Equipment	(19,733)	(42,394)	-	(62,127)
Subscription Asset	<u>(77,340)</u>	<u>(80,468)</u>	<u>-</u>	<u>(157,808)</u>
Total Accumulated Depreciation	<u>(60,350,832)</u>	<u>(3,732,098)</u>	<u>2,472,088</u>	<u>(61,610,842)</u>
Total Capital Assets Being Depreciated, Net	<u>39,265,657</u>	<u>(2,488,474)</u>	<u>(84,529)</u>	<u>36,692,654</u>
Cecil College Capital Assets, Net	<u>\$ 42,309,476</u>	<u>\$ (261,731)</u>	<u>\$ (956,735)</u>	<u>\$ 41,091,010</u>
<u>Public Library</u>				
Capital Assets Being Depreciated:				
Machinery & Equipment	<u>\$ 8,291,866</u>	<u>\$ 783,046</u>	<u>\$ (591,379)</u>	<u>\$ 8,483,533</u>
Less Accumulated Depreciation for:				
Machinery & Equipment	<u>(3,614,630)</u>	<u>(756,356)</u>	<u>591,379</u>	<u>(3,779,607)</u>
Total Accumulated Depreciation	<u>(3,614,630)</u>	<u>(756,356)</u>	<u>591,379</u>	<u>(3,779,607)</u>
Total Capital Assets Being Depreciated, Net	<u>4,677,236</u>	<u>26,690</u>	<u>-</u>	<u>4,703,926</u>
Public Library Capital Assets, Net	<u>\$ 4,677,236</u>	<u>\$ 26,690</u>	<u>\$ -</u>	<u>\$ 4,703,926</u>
<u>Bainbridge Development Corporation</u>				
Capital Assets Not Being Depreciated:				
Land	<u>\$ 2,219,623</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,219,623</u>
Capital Assets Being Depreciated:				
Machinery & Equipment/Land Improvements	<u>219,876</u>	<u>-</u>	<u>-</u>	<u>219,876</u>
Less Accumulated Depreciation for:				
Machinery & Equipment/Land Improvements	<u>(101,697)</u>	<u>(33,542)</u>	<u>-</u>	<u>(135,239)</u>
Total Accumulated Depreciation	<u>(101,697)</u>	<u>(33,542)</u>	<u>-</u>	<u>(135,239)</u>
Total Capital Assets Being Depreciated, Net	<u>118,179</u>	<u>(33,542)</u>	<u>-</u>	<u>84,637</u>
Bainbridge Development Corporation Capital Assets, Net	<u>\$ 2,337,802</u>	<u>\$ (33,542)</u>	<u>\$ -</u>	<u>\$ 2,304,260</u>

7. Interfund Balances and Transfers

Interfund balances arise primarily from the General Fund’s role as receiver, investor, and disbursing agent 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, 2024, are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Funds	\$ 651,457
	Housing Programs Fund	(86,215)
	Advance to Information Technology Fund	3,082,796
	Advance to Motor Vehicle Fund	5,312,024
		<u>\$ 8,960,062</u>

Interfund transfers from the General Fund consist of operating transfers to finance debt service of \$17,720,547 and \$6,298,440 to provide additional support to several special revenue programs. The transfers for the year ended June 30, 2024, 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	\$ 109,920	\$ -	\$ -	\$ 23,909,067	\$ -	\$ -	\$ 24,018,987
Property Mgmt.	-	-	-	-	-	100,000	100,000
Casino Local Impact	54,075	-	-	524,162	558,206	1,438,817	2,575,260
Genl. Cap. Projects	-	-	-	1,144,318	-	-	1,144,318
Total	<u>\$ 163,995</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,577,547</u>	<u>\$ 558,206</u>	<u>\$ 1,538,817</u>	<u>\$ 27,838,565</u>

8. Long-Term Debt

A. Changes in Long-Term Liabilities

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due Within</u> <u>One Year</u>
Governmental Activities:					
General Obligation Bonds	\$ 186,805,182	\$ 32,180,000	\$ (11,462,366)	\$ 207,522,816	\$ 12,991,844
Direct Borrowings/Placements	54,890	-	(6,099)	48,791	6,099
Premium on Debts Issued	11,697,788	1,201,880	(1,160,020)	11,739,648	996,701
Total Bonds Payable	198,557,860	33,381,880	(12,628,485)	219,311,255	13,994,644
Financed Purchases	2,389,604	-	(1,184,781)	1,204,823	797,597
Lease Liability	3,174,043	5,428,250	(1,431,578)	7,170,715	1,635,111
Subscription Liability	818,122	319,638	(372,720)	765,040	344,710
Insurance Claims Payable	5,646,802	16,115,601	(15,897,670)	5,864,733	5,864,733
Compensated Absences	3,298,979	3,070,376	(2,540,633)	3,828,722	2,552,481
Net Pension Liability	41,986,466	-	(1,475,023)	40,511,443	-
Governmental Activity Long-Term Liabilities	<u>\$ 255,871,876</u>	<u>\$ 58,315,745</u>	<u>\$ (35,530,891)</u>	<u>\$ 278,656,730</u>	<u>\$ 25,189,276</u>

	<u>Balance</u> <u>June 30, 2023</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>June 30, 2024</u>	<u>Due Within</u> <u>One Year</u>
Business-Type Activities:					
General Obligation Bonds	\$ 48,144,815	\$ 19,745,000	\$ (1,787,634)	\$ 66,102,181	\$ 2,328,156
Direct Borrowings/Placements	23,958,524	-	(1,916,715)	22,041,809	1,865,656
Premium on Debt Issued	1,599,358	-	(290,021)	1,309,337	290,021
Total Bonds Payable	73,702,697	19,745,000	(3,994,370)	89,453,327	4,483,833
Financed Purchases	437,198	-	(215,407)	221,791	221,791
Compensated Absences	237,526	34,776	-	272,302	181,535
Accrued Landfill Closure and Postclosure Costs	11,527,630	133,733	-	11,661,363	-
Business-Type Activity Long-Term Liabilities	<u>\$ 85,905,051</u>	<u>\$ 19,913,509</u>	<u>\$ (4,209,777)</u>	<u>\$ 101,608,783</u>	<u>\$ 4,887,159</u>
Component Units					
Board of Education	\$ 90,422,899	\$ 3,161,012	\$ (6,791,441)	\$ 86,792,470	\$ 1,525,225
Cecil College	893,763	-	(55,778)	837,985	413,240
Cecil County Public Library	573,046	147,059	-	720,105	-
Bainbridge Development	-	-	-	-	-
Component Units Long-Term Liabilities	<u>\$ 91,889,708</u>	<u>\$ 3,308,071</u>	<u>\$ (6,847,219)</u>	<u>\$ 88,350,560</u>	<u>\$ 1,938,465</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 20 to 30 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, 2024, 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, 2024, were as follows:

Year Ending June 30	Governmental Activities				Business-Type			
	General		Notes From		General		Notes From	
	Obligation Bonds		Direct Borrowings		Obligation Bonds		Direct Borrowings	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2025	\$ 12,991,844	\$ 6,813,236	\$ 6,099	\$ -	\$ 2,328,156	\$ 2,117,682	\$ 1,865,656	\$ 424,292
2026	13,465,513	6,277,814	6,099	-	2,844,487	2,015,104	1,493,911	393,097
2027	13,919,358	5,751,492	6,099	-	3,030,642	1,909,330	1,413,275	365,723
2028	12,423,176	5,262,831	6,099	-	3,156,824	1,803,577	1,392,204	339,086
2029	10,902,995	4,809,964	6,099	-	3,267,005	1,692,159	1,379,407	311,883
2030-2034	51,976,652	18,106,376	18,297	-	15,233,348	6,905,108	7,026,530	1,138,268
2035-2039	47,843,632	10,002,686	-	-	14,031,368	4,672,760	2,624,031	534,460
2040-2044	27,368,921	4,451,613	-	-	13,836,079	2,543,655	1,459,579	332,128
2045-2049	9,092,332	1,885,544	-	-	5,187,668	978,402	993,283	204,371
2050-2054	7,538,393	530,093	-	-	3,186,605	272,043	1,045,307	130,933
2055-2059	-	-	-	-	-	-	1,119,600	56,640
2060-2064	-	-	-	-	-	-	229,027	1,955
Total	<u>\$ 207,522,816</u>	<u>\$ 63,891,648</u>	<u>\$ 48,791</u>	<u>\$ -</u>	<u>\$ 66,102,181</u>	<u>\$ 24,909,820</u>	<u>\$ 22,041,809</u>	<u>\$ 4,232,837</u>

The following is a summary of general, special assessment, and revenue bonds outstanding as of June 30, 2024:

Date of Issue/ Maturity	Amount of Original Issue	Description	Interest Rates	Balance Outstanding		Balance Outstanding June 30, 2024
				Govt. Activities	Business Type	
2015/2027	\$ 34,975,000	Refunding Bond 2015	3.0%-4.0%	\$ 12,550,771	\$ 9,229	\$ 12,560,000
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%	23,656,878	5,288,122	28,945,000
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%	28,103,324	5,861,672	33,965,000
2020/2039	47,000,000	Consolidated Public Improvement 201 New Money \$47,000,000	3.0%-5.0%	37,693,573	41,427	37,735,000
2021/2049	77,745,000	Refunding Bond 2021 Refunding \$77,745,000	1.05%-5.0%	43,655,000	28,490,000	72,145,000
2021/2051	37,795,000	Consolidated Public Improvement New Money \$37,795,000	1.05%-5.0%	29,683,270	6,666,730	36,350,000
2023/2053	51,925,000	Consolidated Public Improvement New Money \$51,925,000	4.25%-5.0%	32,180,000	19,745,000	51,925,000
Total General Obligation Bonds				<u>\$ 207,522,816</u>	<u>\$ 66,102,181</u>	<u>\$ 273,624,997</u>

List of Bonds outstanding at June 30, 2024 (continued):

Date of Issue/ Maturity	Amount of Original Issue	Description	Interest Rates	Balance Outstanding		Balance Outstanding June 30, 2024
				Govt. Activities	Business Type	
2003/2043	845,000	USDA Bond 2003A Cherry Hill WWTP	4.252%	-	576,944	576,944
		Bond 2003B Lakeside/Rt 272 Sewer Upgrades				
2004/2044	1,585,000	USDA Bond 2004A Carpenters Point Ph I collection system	4.577%	-	1,132,762	1,132,762
2004/2025	8,000,000	Maryland Water Quality Bond 2004B Meadowview WWTP	1.1%	-	398,555	398,555
2008/2027	2,702,000	Maryland Water Quality Bond 2008A Washington Street Pump Station, Carpenters Point Ph II collection system	1%	-	353,131	353,131
2009/2028	800,000	Maryland Water Quality Bond 2008B Septage Receiving Facility	None	-	160,000	160,000
2010/2030	1,257,000	Maryland Water Quality Bond 2010A Carpenters Point Ph III collection system	1%	-	422,566	422,566
2014/2036	19,705,893	Maryland Water Quality Bond 2014 Northeast River WWTP ENR Upgrade	2%	-	12,330,452	12,330,452
2020/2060	7,225,000	USDA Bond 2020 Mill Run Sewer	1.375%	-	6,667,400	6,667,400
2004/2031	149,000	West View Shores II - Erosion Control Special Assessment Debt	None	<u>48,791</u>	<u>-</u>	<u>48,791</u>
Total Direct Borrowings				<u>48,791</u>	<u>22,041,809</u>	<u>22,090,600</u>
Total Debt Outstanding				<u>\$207,571,610</u>	<u>\$88,143,990</u>	<u>\$295,715,600</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, 2023, \$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 Lease-Purchase Agreement with Caterpillar Financial Services Corporation for a landfill compactor. As of June 30, 2024, future minimum payments under financed purchases were as follows:

Years Ending June 30	Primary Government		Business Type	
	Principal	Interest	Principal	Interest
2025	\$ 797,597	\$ 10,615	\$ 221,791	\$ 6,745
2026	407,226	2,346	-	-
Total Financed Purchases	<u>\$ 1,204,823</u>	<u>\$ 12,961</u>	<u>\$ 221,791</u>	<u>\$ 6,745</u>

E. Subscription-Based Information Technology Arrangements (SBITAs)

Subscription-based information technology arrangements (SBITAs) are contracts that convey control of the right to use another party’s information technology (IT) software for a specified period of time. They are presented as lease liabilities and right-to-use assets – subscriptions in the financial statements. The following schedule is for future subscription payments for lease liabilities as of June 30, 2024:

Years Ending June 30	Primary Government		Component Units	
	Principal	Interest	Principal	Interest
2025	\$ 344,710	\$ 20,303	\$ 535,905	\$ 63,119
2026	337,440	11,417	439,243	36,107
2027	82,890	2,910	206,952	18,226
2028	-	-	174,160	6,202
	<u>\$ 765,040</u>	<u>\$ 34,630</u>	<u>\$ 1,356,260</u>	<u>\$ 123,654</u>

9. Leases

Cecil County incurred leases which are obligations for right-to-use vehicles, equipment, and buildings. They are presented as lease liabilities and right-to-use assets – leases in the financial statements. The leases expire at various dates through 2036. The following schedule is for future rental payments for lease liabilities as of June 30, 2024:

Years Ending June 30	Primary Government		Component Units	
	Principal	Interest	Principal	Interest
2025	\$ 1,635,111	\$ 160,840	\$ 619,885	\$ 70,380
2026	1,676,412	119,540	295,089	48,256
2027	1,659,315	76,991	202,619	29,027
2028	1,532,362	34,417	107,703	11,011
2029	551,069	4,951	12,128	1,011
2030-2034	89,456	544	-	-
2035-2036	26,990	32	-	-
	<u>\$ 7,170,715</u>	<u>\$ 397,315</u>	<u>\$ 1,237,424</u>	<u>\$ 159,685</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 \$11,661,363 as of June 30, 2024, represented the cumulative amount reported to date based on the use of approximately 95% 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 1.6 years of remaining disposal life. The remaining estimated cost of closure and post-closure care of \$556,102 will be recognized as the remaining estimated capacity is filled. The total closure and post-closure liability calculation is based on current 2024 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	\$ 43,678,476	\$ -
Property Taxes	1,058,747	-
	<hr/>	<hr/>
Total Governmental Activities	\$ 44,737,223	\$ -
	<hr/> <hr/>	<hr/> <hr/>
<u>Unearned Revenues</u>		
Housing Programs Fund		
Unearned Grant Revenue	\$ 5,790	\$ 5,790
General Capital Project Fund		
Unearned Grant Revenue	314,974	314,974
Other Grants Fund		
Unearned Grant Revenue	18,587,470	18,587,470
Non-Major Funds		
Community Services	2,558,192	2,558,192
	<hr/>	<hr/>
Internal Service Fund		
Motor Vehicle Fund	-	28,360
	<hr/>	<hr/>
Total Governmental Activities	\$ 21,466,426	\$ 21,494,786
	<hr/> <hr/>	<hr/> <hr/>

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:

Non-spendable – Amounts that cannot be spent either because they are in a non-spendable 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 \$8,863,021 as of June 30, 2024. 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	\$ 5,312,024
Advance to Information Technologies Fund	3,082,796
Inventory and Prepaid	<u>468,201</u>
	<u>\$ 8,863,021</u>

The General Fund had Assigned fund balances of \$65,497,311 as of June 30, 2024. 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 \$249,257,369 - fiscal year 2025 revenues budgeted as of the end of June 30, 2024. The Assigned amount also included a Budget Stabilization Reserve (equal to 1% of the fiscal year 2025 revenue budget).

The Assigned fund balance detail is as follows:

Assigned		
Emergency Reserve for Contingencies		\$ 24,925,737
Budget Stabilization		2,492,574
		<u>27,418,311</u>
FY2025 Tax Credit		10,000,000
VFC - Carryover FY2023 and FY2024 Vehicle Budget		1,100,000
Tactical Armored Vehicle - FY2023 Carryover		400,000
		<u>11,500,000</u>
FY2025 BOE PayGo - Construction of North East Middle/High School		<u>26,579,000</u>
		<u>\$ 65,497,311</u>

The General Fund is the only governmental fund that can report a positive Unassigned fund balance; the Unassigned balance as of June 30, 2024 is \$38,555,981.

General Fund balance also contains \$20,000,000 of committed funds (\$10,000,000 each) for the exclusive use of covering future mandated fiscal year increases associated with the Maryland State Department of Education Maintenance of Effort and/or Blueprint for Maryland's Future and Board of Education PayGo for the construction of the North East Middle/High School.

Other Funds

The restricted fund balances for all special revenue funds amounted to \$46,428,642 and are intended to be used for subsequent years' expenditures for various grants and activities. The balances as of June 30, 2024 consist of the following:

Restricted		
Major Fund	Housing	\$ 1,617,407
Major Fund	Casino Local Impact	4,174,107
Major Fund	Capital Projects	36,530,220
Non-Major Funds	Other Governmental	4,106,908
		<u>46,428,642</u>
		<u>\$ 46,428,642</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 \$250,000 per plan year.

The liability for Health Insurance Fund claims of \$556,733 was based on standard insurance industry practices for estimating claims for insured losses incurred but not reported by June 30, 2024. 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
2022-2023	\$ 589,435	\$ 10,171,599	\$ (10,219,232)	\$ 541,802
2023-2024	541,802	13,364,442	(13,349,511)	556,733

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 \$5,308,000 is based on standard insurance industry practices for estimating claims for insured losses incurred but not reported by June 30, 2024.

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
2022-2023	\$ 4,831,000	\$ 1,462,183	\$ (1,188,183)	\$ 5,105,000
2023-2024	5,105,000	1,163,208	(960,208)	5,308,000

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 (§ 16-305 13(d)) requires that the County provide funding to Cecil College that is equal to or greater than the prior fiscal year operating fund appropriations. The County has met the funding requirement for the year ended June 30, 2024. Funding for the year ending June 30, 2025, is estimated to be \$12,580,457. The Code also requires that the County maintain its funding level from year to year for the Board of Education, except in cases where the State calculates a lower County share of Maintenance of Effort (MOE). For the year ended June 30, 2024, such funding amounted to \$88,501,618 and is estimated to be \$97,550,830 for the year ending June 30, 2025.

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, 2024, the County recognized aggregated pension expense of \$ 4,655,514 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, 2024, there were 250 active Plan members, 125 retirees receiving benefits, 1 disabled beneficiary receiving benefits and 51 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 12.87% of covered payroll.

Annual Pension Cost. For the fiscal year ended June 30, 2024, the County's annual contribution to the PPPSE was \$1,738,642 which was equal to the actuarially determined contribution. The required contribution to the Public Safety Plan was determined as part of the July 1, 2022, actuarial valuation using the entry age normal. The total pension liability was determined by an actuarial valuation as of July 1, 2022 rolled forward to June 30, 2024. The actuarial assumptions included: (a) 6.75% 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 RP-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 2022.

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:

Asset Class	Target Allocation	Long Term Expected Real Rate of Return
US Equity - Large Cap	34%	7.4%
US Equity - Small/Mid Cap	18%	7.8%
International - Developed	12%	7.8%
International - Emerging	3%	8.6%
US Corp Bonds - Core	32%	4.8%
Cash	1%	3.2%
Total	100%	

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.

	Changes in the Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability(Asset) (a) - (b)
Balances at 6/30/23	\$ 82,533,147	\$ 71,340,444	\$ 11,192,703
Changes for the year:			
Service cost	2,165,544	-	2,165,544
Interest	5,459,345	-	5,459,345
Differences between expected and actual	(819,416)	-	(819,416)
Contributions - employer	-	1,738,642	(1,738,642)
Contributions - member	-	1,254,238	(1,254,238)
Net investment income	-	8,968,799	(8,968,799)
Benefit payments, including refunds	(3,307,927)	(3,307,927)	-
Administrative expense	-	(532,846)	532,846
	<u>\$ 86,030,693</u>	<u>\$ 79,461,350</u>	<u>\$ 6,569,343</u>
Balances at 6/30/24			

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:

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
County’s Net Pension Liability	\$ 19,277,480	\$ 6,569,343	\$ (3,693,982)

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, 2024, the County recognized pension expense of \$1,761,415. As of June 30, 2024, 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	-	2,006,311
Changes in Assumptions	1,099,859	-
Net difference between projected and actual earnings on pension plan investments	-	1,227,265
	<u>-</u>	<u>-</u>
Total	<u>\$ 1,099,859</u>	<u>\$ 3,233,576</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>
2025	\$ (1,461,491)
2026	1,701,160
2027	(1,536,999)
2028	(836,387)
2029	<u>-</u>
Total	<u>\$ (2,133,718)</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 15-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, 2024, 2023, and 2022 were \$2,848,857, \$2,517,319 and \$2,196,632, 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, 2024, was equal to the required and actual contributions as follows:

	<u>MSRPS</u>	<u>Public Safety</u>	<u>Total</u>
Primary Government	\$ 2,848,857	\$ 1,738,642	\$ 4,587,499
Component Units			
Board of Education	12,799,707	-	12,799,707
Community College	585,170	-	585,170
Public Library	519,896	-	519,896
Total	<u>\$ 16,753,630</u>	<u>\$ 1,738,642</u>	<u>\$ 18,492,272</u>

Pension Liabilities. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of June 30, 2024, the County reported a liability of \$23,770,653 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2024, the County’s proportion was .1032%.

For the year ended June 30, 2024, the County recognized pension expense of \$3,990,910. As of June 30, 2024, 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	\$ 2,848,857	\$ -
Differences between expected and actual experience	-	1,014,755
Changes in Assumptions	1,633,680	84,394
Net difference between projected and actual earnings on pension plan investments	6,388,426	4,262,161
Change in Proportionate Share	1,143,668	5,622
Total	<u>\$ 12,014,631</u>	<u>\$ 5,366,932</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>
2025	\$ 922,984
2026	922,984
2027	922,984
2028	922,984
2029	106,906
Total	<u>\$ 3,798,841</u>

Actuarial Assumptions. The key actuarial assumptions used to perform the June 30, 2024 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 11.25% 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	34%	6.00%
Private Equity	16%	8.40%
Rate Sensitive	20%	1.20%
Credit Opportunity	9%	4.90%
Real Assets	15%	5.20%
Absolute Return	6%	3.50%
Total	<u>100%</u>	

Discount rate. The discount rate used to measure the total pension liability was 6.8 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%	Current Discount Rate 6.80%	1% Increase 7.80%
County’s Net Pension Liability	\$ 35,247,066	\$ 23,770,653	\$ 14,247,217

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, 2024. 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 \$10,171,447 was measured as of June 30, 2024 and was determined by an actuarial valuation date as of January 1, 2022.

Actuarial Assumptions. The LOSAP pension liability in the June 30, 2024, 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, 2024.

	Changes in the Net Pension Liability		
	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balances at 6/30/23	\$ 13,409,466	\$ 1,873,180	\$ 11,536,286
Changes for the year:			
Service cost	249,559	-	249,559
Interest	876,203	-	876,203
Differences between expected and actual experience	(949,133)	-	(949,133)
Contributions - employer	-	1,437,665	(1,437,665)
Net investment income	-	121,627	(121,627)
Benefit payments, including refunds of member contributions	(857,349)	(857,349)	-
Administrative expense	-	(17,824)	17,824
	<u>(680,720)</u>	<u>684,119</u>	<u>(1,364,839)</u>
Balances at 6/30/24	<u>\$ 12,728,746</u>	<u>\$ 2,557,299</u>	<u>\$ 10,171,447</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:

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
County's Net Pension Liability	\$ 11,553,794	\$ 10,171,447	\$ 9,013,224

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. For the year ended June 30, 2024, the County recognized pension expense of (\$916,953). As of June 30, 2024, 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	\$ -	\$ 1,140,337
Changes in Assumptions	112,917	-
Net difference between projected and actual earnings on pension plan investments	<u>83,224</u>	<u>-</u>
Total	<u>\$ 196,141</u>	<u>\$ 1,140,337</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>
2025	\$ (329,327)
2026	(250,879)
2027	(178,925)
2028	(185,065)

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, 2023, the Public Schools reported a liability of approximately \$13.5 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, 2022, 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, 2023, the Board’s proportion for ERS was 0.0587%, which decreased by 0.0007% from the prior measurement date as of June 30, 2022. For the year ended June 30, 2024, the Public Schools recognized pension expense for ERS of approximately \$1.6 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, 2024, the Library reported a liability of approximately \$720 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, 2022, 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, 2024, the Library's proportion for ERS was 0.0031268%, which was substantially the same from its proportion measured as of June 30, 2023. For the year ended June 30, 2024, the Library recognized pension expense for ERS of approximately \$93 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 \$8,129,103 in 2024.

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, 2024 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 August 1, 2023 rolled forward to June 30, 2024 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	15 year (as of July 1, 2024)
Inflation	2.50%
Projected salary increase	2.5% per year
Discount rate	6.75%, net of investment expenses
Healthcare cost trend rate	The trend rate for 2023 is 7.5%. The ultimate trend is 3.94%
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, 2024 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 (2.5%).

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	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 6.7 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)

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability/(Asset)</u>
	<u>(a)</u>	<u>(b)</u>	<u>(a) - (b)</u>
Balances at 6/30/23	\$ 3,879,192	\$ 8,257,220	\$ (4,378,028)
Changes for the year:			
Service Cost	89,696	-	89,696
Interest	255,880	-	255,880
Changes of Benefit Terms	-	-	-
Experience Losses (Gains)	(30,151)	-	(30,151)
Trust Contribution - Employer	-	-	-
Net Investment Income	-	989,326	(989,326)
Changes in Assumptions	-	-	-
Benefit Payments	(146,617)	(146,617)	-
Administrative Expense	-	(24,724)	24,724
Net Changes	<u>168,808</u>	<u>817,985</u>	<u>(649,177)</u>
Balances at 6/30/24	<u>\$ 4,048,000</u>	<u>\$ 9,075,205</u>	<u>\$ (5,027,205)</u>
<i>Funded Status</i>		224.19%	

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 6.75 percent, as well as what it would be using a discount rate that is 1 percentage point lower or 1 percentage point higher.

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
	<u>5.75%</u>	<u>6.75%</u>	<u>7.00%</u>
Net OPEB Liability/(Asset)	(\$4,537,169)	(\$5,027,205)	(\$5,441,518)

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

<u>1% Decrease</u> <u>2.94%</u>	<u>Medical Rate</u> <u>3.94%</u>	<u>1% Increase</u> <u>4.94%</u>
(\$5,041,078)	(\$5,027,205)	(\$5,011,479)

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, 2024, the County recognized OPEB expense of (\$401,441). As of June 30, 2024, 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	\$ -	\$ 724,430
Changes in Assumptions	-	445,630
Net difference between projected and actual earnings on OPEB plan investments	-	50,256
Total	<u>\$ -</u>	<u>\$ 1,220,316</u>

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

<u>Years Ending</u> <u>June 30</u>	<u>Pension</u> <u>Expense</u>
2025	\$ (300,109)
2026	11,416
2027	(404,835)
2028	(272,216)
2029	(132,213)
Thereafter	<u>(122,359)</u>
Total	<u>\$ (1,220,316)</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, 697 retirees meet these requirements. The Board pays retirees' health care premiums up to a maximum of \$8,833 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 2024, were as follows:

Total OPEB liability	\$ 87,923,284
Plan fiduciary net position	<u>64,892,973</u>
Board of Education's net OPEB liability	<u>\$ 23,030,311</u>
Plan fiduciary net position as a percentage of the total OPEB liability	73.81%



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**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Pension Liability										
Service cost	\$ 2,283,832	\$ 2,338,610	\$ 2,336,327	\$ 2,417,404	\$ 2,239,555	\$ 2,243,458	\$ 2,260,915	\$ 2,505,242	\$ 2,142,730	\$ 216,554
Interest	3,327,286	3,553,215	3,769,916	3,880,936	4,247,837	4,495,322	4,819,941	4,875,642	5,331,284	5,459,345
Changes of Benefit terms	-	-	-	-	-	-	-	-	-	-
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)	(2,282,678)	(819,416)
Changes of assumptions	674,511	-	(998,224)	-	(70,937)	-	-	2,749,649	-	-
Benefit payments, including refunds of member contributions	(1,808,984)	(1,877,716)	(2,241,817)	(2,265,496)	(2,415,526)	(2,699,946)	(2,587,173)	(3,093,332)	(3,280,341)	(3,307,927)
Net change in total pension liability	3,261,932	3,277,778	1,597,829	5,316,457	3,677,711	4,581,029	3,628,513	6,843,757	1,910,995	3,497,546
Total pension liability - beginning	48,437,146	51,699,078	54,976,856	56,574,685	61,891,142	65,568,853	70,149,882	73,778,395	80,622,152	82,533,147
Total pension liability - ending (a)	\$ 51,699,078	\$ 54,976,856	\$ 56,574,685	\$ 61,891,142	\$ 65,568,853	\$ 70,149,882	\$ 73,778,395	\$ 80,622,152	\$ 82,533,147	\$ 86,030,693
Plan Fiduciary net position										
Contributions - employer	\$ 2,199,663	\$ 2,288,108	\$ 2,102,732	\$ 1,676,936	\$ 1,898,390	\$ 1,615,251	\$ 1,787,079	\$ 1,900,798	\$ 1,983,869	\$ 1,738,642
Contributions - member	909,516	925,386	957,910	955,419	974,306	997,274	1,033,449	1,029,319	1,254,238	1,254,238
Net investment income	1,316,789	(1,304,390)	6,587,039	4,490,113	2,106,178	(892,149)	18,984,893	(11,314,014)	6,856,772	8,968,799
Benefit payments, including refunds of member contributions	(1,808,984)	(1,877,716)	(2,241,817)	(2,265,496)	(2,415,526)	(2,699,946)	(2,587,173)	(3,093,332)	(3,280,341)	(3,307,927)
Administrative expense	(50,396)	(66,571)	(56,331)	(54,500)	(36,279)	(46,275)	(34,699)	(45,729)	(483,184)	(532,846)
Other	-	-	-	-	-	-	-	-	-	-
Net change in plan fiduciary net position	2,566,588	(35,183)	7,349,533	4,802,472	2,527,069	(1,025,845)	19,183,549	(11,519,225)	6,106,435	8,120,906
Plan fiduciary net position - beginning	41,385,491	43,952,079	43,916,896	51,266,429	56,068,461	58,595,530	57,569,685	76,753,234	65,234,009	71,340,444
Plan fiduciary net position - ending (b)	\$ 43,952,079	\$ 43,916,896	\$ 51,266,429	\$ 56,068,901	\$ 58,595,530	\$ 57,569,685	\$ 76,753,234	\$ 65,234,009	\$ 71,340,444	\$ 79,461,350
County's net pension liability - ending (a)-(b)	\$ 7,746,999	\$ 11,059,960	\$ 5,308,256	\$ 5,822,241	\$ 6,973,323	\$ 12,580,197	\$ (2,974,839)	\$ 15,388,143	\$ 11,192,703	\$ 6,569,343
Plan fiduciary net position as a percentage of the total pension liability	85.02%	79.88%	90.62%	90.59%	89.36%	82.07%	104.03%	80.91%	86.44%	92.36%
Covered payroll ¹	\$ 11,505,952	\$ 11,637,624	\$ 11,869,325	\$ 12,526,137	\$ 13,494,174	\$ 13,634,895	\$ 13,738,061	\$ 14,356,805	\$ 13,219,893	\$ 13,506,613
County's net pension liability as a percentage of covered payroll	67.33%	95.04%	44.72%	46.48%	51.68%	92.26%	-21.65%	107.18%	84.67%	48.64%
Expected average remaining service years of all participants	6	6	6	6	5	5	5	5	4	4

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

Notes to schedule:
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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Actuarially determined contribution	\$ 2,199,663	\$ 2,171,030	\$ 2,102,732	\$ 1,676,936	\$ 1,898,390	\$ 1,615,251	\$ 1,787,079	\$ 1,900,798	\$ 1,983,869	\$ 1,738,642
Contributions in relation to the actuarially determined contribution	<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>	<u>1,983,869</u>	<u>1,738,642</u>
Contribution deficiency (excess)	\$ -	\$ (117,078)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 11,505,952	\$ 11,637,624	\$ 11,869,325	\$ 12,526,137	\$ 13,494,174	\$ 13,634,895	\$ 13,738,061	\$ 14,356,805	\$ 13,219,893	\$ 13,506,613
Contributions as a percentage of covered payroll	19.12%	19.66%	17.72%	13.39%	14.07%	11.85%	13.01%	13.24%	15.01%	12.87%

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 Credit
 Amortization method Level Percentage of Payroll
 Remaining amortization period Ranging from 2 to 16 years
 Asset valuation method 5-year smoothed market
 Inflation 2.5%
 Salary increases Rates vary by participant service
 Investment rate of return 6.75%, 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

Source: Cecil County Public Safety Pension Plan Actuarial Reports

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Annual money-weighted rate of return, net of investment expense	3.10%	-2.93%	14.82%	8.79%	3.89%	-1.39%	32.66%	-11.89%	10.57%	10.72%

**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>	<u>2023</u>	<u>2024</u>
Total LOSAP Liability							
Service cost	\$ 424,251	\$ 497,636	\$ 244,207	\$ 215,283	\$ 239,513	\$ 250,424	\$ 249,559
Interest	658,480	566,006	1,404,182	911,668	869,044	858,372	876,203
Differences between expected and actual experience	-	316,617	-	(458,845)	(723,152)	-	-
Changes of assumptions	-	1,319,665	(7,943,350)	-	282,291	-	(949,133)
Benefit payments	<u>(750,814)</u>	<u>(779,739)</u>	<u>(667,148)</u>	<u>(814,741)</u>	<u>(819,706)</u>	<u>(831,891)</u>	<u>(857,349)</u>
Net change in LOSAP liability	331,917	1,920,185	(6,962,109)	(146,635)	(152,010)	276,905	(680,720)
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>	<u>13,132,561</u>	<u>13,409,466</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>	<u>\$ 13,409,466</u>	<u>\$ 12,728,746</u>
Plan Fiduciary net position							
Contributions - employer	\$ -	\$ -	\$ 1,515,025	\$ 1,032,000	\$ 1,210,654	\$ 1,210,654	\$ 1,437,665
Net investment income	-	-	15,180	592	3,068	78,363	121,627
Benefit payments	-	-	(667,148)	(814,741)	(819,706)	(831,891)	(857,349.00)
Administrative expense	-	-	(2,644)	(18,219)	(17,071)	(20,936)	(17,824)
Other	-	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	860,413	199,632	376,945	436,190	684,119
Plan fiduciary net position - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>860,413</u>	<u>1,060,045</u>	<u>1,436,990</u>	<u>1,873,180</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>	<u>\$ 1,873,180</u>	<u>\$ 2,557,299</u>
County's net pension liability - ending (a)-(b)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,570,793</u>	<u>\$ 12,224,526</u>	<u>\$ 11,695,571</u>	<u>\$ 11,536,286</u>	<u>\$ 10,171,447</u>

Fiduciary net position as a percentage of the total LOSAP liability	0.00%	0.00%	6.41%	7.98%	10.94%	13.97%	20.09%
Covered payroll ¹	NA	NA	NA	NA	NA	NA	NA
Net LOSAP liability as a percentage of payroll ¹	NA	NA	NA	NA	NA	NA	NA
Expected average remaining service years of all participants	5	5	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: None

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>	<u>2023</u>	<u>2024</u>
Actuarially determined contribution	\$ 1,461,990	\$ 779,739	\$ 1,461,000	\$ 1,461,000	\$ 1,454,000	\$ 1,554,000	\$ 1,438
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>	<u>1,211,000</u>	<u>1,438</u>
Contribution deficiency (excess)	\$ 711,176	\$ -	\$ (54,025)	\$ 429,000	\$ 243,000	\$ 343,000	\$ -
Covered payroll ¹	NA	NA	NA	NA	NA	NA	NA
Contributions as a percentage of payroll ¹	NA	NA	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 Credit (Entry Age Normal used for GASB 67 purposes)
Amortization method	Level Dollar
Remaining amortization period	Ranging from 17 to 20 years
Asset valuation method	Market Value of Assets
Inflation	2.50 percent
Salary increases	Not Applicable
Investment rate of return	6.75%, net of pension plan investment expense, including inflation
Retirement age	Rates vary by participant age.
Mortality	Pub-2010 Safety with fully generational mortality using Scale MP-2021

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>	<u>2023</u>	<u>2024</u>
Annual money-weighted rate of return, net of investment expense	N/A	N/A	1.76%	0.06%	0.21%	4.85%	4.70%

Notes to schedule:

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
County's portion of the net pension liability	0.0657%	0.0716%	0.0729%	0.0667%	0.0754%	0.0806%	0.0850%	0.0943%	0.0962%	0.1032%
County's proportionate share of the net pension liability	\$11,659,304	\$14,887,172	\$ 17,189,747	\$14,413,561	\$ 15,810,503	\$ 16,632,084	\$ 19,211,514	\$ 14,146,424	\$ 19,257,477	\$ 23,770,653
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	38,300,362
County's Net Pension Liability as a percentage of covered payroll	45.59%	55.96%	64.02%	52.09%	52.59%	50.67%	56.55%	40.47%	52.78%	62.06%
Plan fiduciary net position as a percentage of the total pension liability	71.87%	68.78%	65.79%	69.38%	71.18%	71.18%	70.72%	81.89%	76.27%	76.27%

MARYLAND STATE RETIREMENT AND PENSION SYSTEM
 SCHEDULE OF COUNTY CONTRIBUTIONS

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 1,509,892	\$ 1,419,302	\$ 1,356,684	\$ 1,502,619	\$ 1,655,900	\$ 1,822,489	\$ 2,077,812	\$ 2,196,632	\$ 2,517,319	\$ 2,848,857
Contributions in relation to the actuarially determined contribution	<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>	<u>2,517,319</u>	<u>2,848,857</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$26,603,993	\$26,852,179	\$ 27,669,211	\$30,061,458	\$ 32,821,401	\$ 33,970,280	\$ 34,958,494	\$ 36,484,965	\$ 38,300,362	\$ 27,260,955
Contributions as a percentage of covered payroll	5.68%	5.29%	4.90%	5.00%	5.05%	5.36%	5.94%	6.02%	6.57%	10.45%

Source: Maryland State Retirement and Pension System

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

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Total OPEB Liability								
Service cost	\$ 309,000	\$ 330,630	\$ 314,936	\$ 270,453	\$ 90,366	\$ 91,163	\$ 94,719	\$ 89,696
Interest	415,000	436,619	430,095	428,961	273,402	248,223	257,687	255,880
Changes of benefit terms	-	-	-	(2,338,643)	-	-	-	-
Differences between expected and actual experience	-	(589,415)	(145,405)	(143,180)	(452,902)	(71,730)	(85,965)	(30,151)
Changes of assumptions	-	-	(379,104)	(347,987)	(161,010)	-	(29,234)	-
Benefit payments	(534,136)	(301,175)	(234,600)	(101,967)	(119,767)	(132,811)	(141,167)	(146,617)
Net change in OPEB liability	189,864	(123,341)	(14,078)	(2,232,363)	(369,911)	134,845	96,040	168,808
Total OPEB liability - beginning	6,198,136	6,388,000	6,264,658	6,250,581	4,018,218	3,648,307	3,783,152	3,879,192
Total OPEB liability - ending (a)	\$ 6,388,000	\$ 6,264,659	\$ 6,250,580	\$ 4,018,218	\$ 3,648,307	\$ 3,783,152	\$ 3,879,192	\$ 4,048,000
Plan Fiduciary net position								
Contributions - employer	\$ 948,000	\$ 322,000	\$ 254,947	\$ 234,000	\$ 50,000	\$ -	\$ -	\$ -
Net investment income	651,279	466,729	325,838	95,053	2,059,847	(1,443,617)	873,682	989,326
Benefit payments	(534,136)	(301,175)	(234,600)	(101,967)	(119,767)	(132,811)	(141,167)	(146,617)
Administrative expense	(20,241)	(31,730)	(24,239)	(15,313)	(23,882)	(24,127)	(62,621)	(24,724)
Net change in plan fiduciary net position	1,044,902	455,824	321,946	211,773	1,966,198	(1,600,555)	669,894	817,985
Plan fiduciary net position - beginning	5,187,238	6,232,140	6,687,964	7,009,910	7,221,683	9,187,881	7,587,326	8,257,220
Plan fiduciary net position - ending (b)	\$ 6,232,140	\$ 6,687,964	\$ 7,009,910	\$ 7,221,683	\$ 9,187,881	\$ 7,587,326	\$ 8,257,220	\$ 9,075,205
County's net pension liability (asset) - ending (a)-(b)	\$ 155,860	\$ (423,305)	\$ (759,330)	\$ (3,203,465)	\$ (5,539,574)	\$ (3,804,174)	\$ (4,378,028)	\$ (5,027,205)
Fiduciary net position as a percentage of the total OPEB liability	97.56%	106.76%	112.15%	179.72%	251.84%	200.56%	212.86%	224.19%
Covered-employee payroll ¹	NA	NA	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	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

	2017	2018	2019	2020	2021	2022	2023	2024
Actuarially determined contribution	\$ 331,000	\$ 233,000	\$ 155,000	\$ 155,000	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contribution	948,000	322,000	254,947	234,000	50,000	-	-	-
Contribution deficiency (excess)	\$ (617,000)	\$ (89,000)	\$ (99,947)	\$ (79,000)	\$ (50,000)	\$ -	\$ -	\$ -

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:
Valuation Date 1/1/2020
Actuarial cost method Projected Unit Cost
Amortization method Level Percentage of Payroll
Remaining amortization period 16 Years for 2023
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 2023 is 7.50%. The ultimate trend is 3.94%.
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

	2017	2018	2019	2020	2021	2022	2023	2024
Annual money-weighted rate of return, net of investment expense	12.97%	7.67%	4.95%	1.36%	29.64%	-16.11%	11.67%	11.25%

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
Economic Development



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, 2024

	<u>Budgeted Amounts</u>			Variance with Final Budget -
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Positive (Negative)
Revenues				
Property Taxes	\$ 113,494,953	\$ 113,494,953	\$ 116,579,527	\$ 3,084,574
Income Taxes	71,015,249	71,015,249	86,288,431	15,273,182
Licenses and Permits	2,192,126	2,212,126	1,901,395	(310,731)
Intergovernmental	3,546,109	3,546,109	4,402,098	855,989
Charges for Services	14,072,090	14,083,724	12,748,464	(1,335,260)
Investment Earnings	4,159,950	4,159,950	9,990,010	5,830,060
Contributions & Other Revenues	169,000	188,960	396,923	207,963
Total Revenues	<u>208,649,477</u>	<u>208,701,071</u>	<u>232,306,848</u>	<u>23,605,777</u>
Other Financing Sources				
Transfers in from Other Funds	100,000	77,678	1,647,191	1,569,513
Total Other Financing Sources	<u>100,000</u>	<u>77,678</u>	<u>1,647,191</u>	<u>1,569,513</u>
Total Revenues and Other Financing Sources	<u>\$ 208,749,477</u>	<u>\$ 208,778,749</u>	<u>\$ 233,954,039</u>	<u>\$ 25,175,290</u>
Expenditures				
General Government				
County Executive	\$ 185,873	\$ 185,873	\$ 203,356	\$ (17,483)
County Council	553,430	553,430	485,601	67,829
Office of Administrator	580,016	580,016	524,907	55,109
County Attorney & Legal	865,348	865,348	541,658	323,690
Other General Government	-	1,000,000	255,817	744,183
Human Resources	1,703,242	1,703,242	1,541,791	161,451
Finance Department	3,557,581	3,557,581	3,364,149	193,432
Information Systems	715,938	715,938	702,184	13,754
Circuit Court	2,713,775	2,713,775	2,693,871	19,904
Orphans Court	56,310	56,310	49,775	6,535
Board of Elections	1,420,108	1,420,108	1,317,005	103,103
Liquor Board Licensing	246,862	246,862	248,718	(1,856)
Building Maintenance	2,441,655	3,051,862	3,066,606	(14,744)
Total General Government	<u>15,040,138</u>	<u>16,650,345</u>	<u>14,995,438</u>	<u>1,654,907</u>
Highways, Streets, and Bridges				
Public Works - Administration	3,502,380	3,502,380	3,309,689	192,691
Public Works - Roads Administration	6,132,285	6,087,110	5,743,097	344,013
Public Works - Roads Maintenance	4,048,185	7,330,540	7,149,439	181,101
Total Highways, Streets, and Bridges	<u>13,682,850</u>	<u>16,920,030</u>	<u>16,202,225</u>	<u>717,805</u>
Recreation and Culture				
Board of Parks	2,428,938	2,436,938	2,326,754	110,184
Building Maintenance	99,050	365,651	334,456	31,195
Total Recreation and Culture	<u>\$ 2,527,988</u>	<u>\$ 2,802,589</u>	<u>\$ 2,661,210</u>	<u>\$ 141,379</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, 2024

	<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>
Expenditures (Continued)				
Public Safety				
Sheriff's Office - Law Enforcement	\$ 16,358,838	\$ 16,368,605	\$ 17,046,214	\$ (677,609)
Sheriff's Office - Special Assignments	331,531	331,531	329,267	2,264
Sheriff's Office - Detention Center	12,519,034	12,530,267	10,996,324	1,533,943
Sheriff's Office - Work Release Program	1,799,859	1,778,859	1,668,183	110,676
Sheriff's Office - Department Total	31,009,262	31,009,262	30,039,988	969,274
State's Attorney's Office	4,009,535	4,462,535	4,046,902	415,633
Emergency Management	11,757,885	11,813,261	13,949,333	(2,136,072)
Volunteer Fire Departments	6,646,489	6,696,489	5,778,924	917,565
Land Use & Development Services	2,861,866	3,361,866	2,978,889	382,977
Building Maintenance	2,202,297	2,524,694	2,331,146	193,548
Total Public Safety	<u>58,487,334</u>	<u>59,868,107</u>	<u>59,125,182</u>	<u>742,925</u>
Health and Welfare				
Health Department	4,348,026	4,348,026	4,326,550	21,476
Social Services	414,470	414,470	300,204	114,266
Non-Profit Agencies	108,145	108,145	77,861	30,284
Building Maintenance	279,857	275,857	227,050	48,807
Total Health and Welfare	<u>5,150,498</u>	<u>5,146,498</u>	<u>4,931,665</u>	<u>214,833</u>
Education				
Cecil County Board of Education	91,130,618	90,587,536	90,463,121	124,415
Cecil Community College	12,385,001	12,385,001	12,385,001	-
Total Education	<u>103,515,619</u>	<u>102,972,537</u>	<u>102,848,122</u>	<u>124,415</u>
Public Libraries	<u>6,816,333</u>	<u>6,816,333</u>	<u>6,816,333</u>	<u>-</u>
Economic Development	<u>1,823,019</u>	<u>1,832,179</u>	<u>1,656,570</u>	<u>175,609</u>
Agriculture	<u>954,882</u>	<u>954,882</u>	<u>978,949</u>	<u>(24,067)</u>
Municipalities	<u>771,579</u>	<u>771,579</u>	<u>833,568</u>	<u>(61,989)</u>
Total Expenditures	<u>208,770,240</u>	<u>214,735,079</u>	<u>211,049,262</u>	<u>3,685,817</u>
Other Financing Uses				
Transfers to Special Revenue Funds	5,985,149	6,089,876	6,298,440	(208,564)
Transfers to Debt Service Fund	17,286,421	17,286,421	17,720,547	(434,126)
Transfers to Capital Projects Funds	-	-	-	-
Transfers to Internal Service Funds	-	450,000	-	450,000
Total Other Financing Uses	<u>23,271,570</u>	<u>23,826,297</u>	<u>24,018,987</u>	<u>(192,690)</u>
Total Expenditures and				
Other Financing Uses	<u>\$ 232,041,810</u>	<u>\$ 238,561,376</u>	<u>\$ 235,068,249</u>	<u>\$ 3,493,127</u>

CECIL COUNTY, MARYLAND
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2024

	Special Revenue Funds	Debt Service Fund	Opioid Trust Fund	Total Non-Major Governmental Funds
ASSETS				
Cash (Note 3)	\$ -	\$ 2,727,626	\$ 1,641,929	\$ 4,369,555
Receivables, Net (Note 4)	23,864	85	-	23,949
Due from Other Governments	1,513,073	-	-	1,513,073
Restricted Assets: Cash and Investments (Note 3)	1,927,259	-	-	1,927,259
Total Assets	\$ 3,464,196	\$ 2,727,711	\$ 1,641,929	\$ 7,833,836
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 262,666	\$ -	\$ -	\$ 262,666
Salaries and Benefits Payable	252,821	-	-	252,821
Due to Other Funds	651,457	-	-	651,457
Deferred Revenue	352,681	-	1,582,821	1,935,502
Other Liabilities	1,792	-	-	1,792
Total Liabilities	1,521,417	-	1,582,821	3,104,238
Fund Balances:				
Restricted	1,942,779	2,727,711	59,108	4,729,598
Total Fund Balances	1,942,779	2,727,711	59,108	4,729,598
Total Liabilities and Fund Balances	\$ 3,464,196	\$ 2,727,711	\$ 1,641,929	\$ 7,833,836

CECIL COUNTY, MARYLAND

**COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	<u>Special Revenue Funds</u>	<u>Debt Service Fund</u>	<u>Opioid Trust Fund</u>	<u>Total Non-Major Governmental Funds</u>
REVENUES				
Special Assessments	\$ -	\$ 6,099	\$ -	\$ 6,099
Intergovernmental	5,409,505	-	-	5,409,505
Charges for Services	912,175	-	-	912,175
Investment Earnings	<u>22,974</u>	<u>-</u>	<u>59,108</u>	<u>82,082</u>
Total Revenues	<u>6,344,654</u>	<u>6,099</u>	<u>59,108</u>	<u>6,409,861</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Health and Welfare	12,126,220	-	-	12,126,220
Agriculture	28,400	-	-	28,400
Debt Service:				
Principal	-	11,468,465	-	11,468,465
Interest and Fiscal Charges	<u>-</u>	<u>6,524,079</u>	<u>-</u>	<u>6,524,079</u>
Bond Issuance Cost	-	-	-	-
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>12,154,620</u>	<u>17,992,544</u>	<u>-</u>	<u>30,147,164</u>
Deficiency of Revenues (Under) Expenditures	<u>(5,809,966)</u>	<u>(17,986,445)</u>	<u>59,108</u>	<u>(23,737,303)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>6,507,374</u>	<u>18,864,865</u>	<u>-</u>	<u>25,372,239</u>
Total Other Financing Sources	<u>6,507,374</u>	<u>18,864,865</u>	<u>-</u>	<u>25,372,239</u>
Net Change in Fund Balances	697,408	878,420	59,108	1,634,936
Fund Balances - Beginning	<u>1,245,371</u>	<u>1,849,291</u>	<u>-</u>	<u>3,094,662</u>
Fund Balances - Ending	<u>\$ 1,942,779</u>	<u>\$ 2,727,711</u>	<u>\$ 59,108</u>	<u>\$ 4,729,598</u>



MARYLAND
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, 2024

	Agricultural Land Preservation	Community Services	Economic Development Catalyst Loan Fund	Total
ASSETS				
Receivables, Net:				
Accounts	\$ -	\$ 8,344	\$ 4,091	\$ 12,435
Notes	-	-	11,429	11,429
Due from Other Governments	-	1,513,073	-	1,513,073
Restricted Assets: Cash and Investments	<u>1,480,708</u>	<u>-</u>	<u>446,551</u>	<u>1,927,259</u>
Total Assets	<u>\$ 1,480,708</u>	<u>\$ 1,521,417</u>	<u>\$ 462,071</u>	<u>\$ 3,464,196</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 262,666	\$ -	\$ 262,666
Salaries and Benefits Payable	-	252,821	-	252,821
Due to Other Funds	-	651,457	-	651,457
Due to Other Governments	-	-	-	-
Deferred Revenue	-	352,681	-	352,681
Other Liabilities	<u>-</u>	<u>1,792</u>	<u>-</u>	<u>1,792</u>
Total Liabilities	<u>-</u>	<u>1,521,417</u>	<u>-</u>	<u>1,521,417</u>
Fund Balances:				
Restricted	<u>1,480,708</u>	<u>-</u>	<u>462,071</u>	<u>1,942,779</u>
Total Fund Balances	<u>1,480,708</u>	<u>-</u>	<u>462,071</u>	<u>1,942,779</u>
Total Liabilities and Fund Balances	<u>\$ 1,480,708</u>	<u>\$ 1,521,417</u>	<u>\$ 462,071</u>	<u>\$ 3,464,196</u>

CECIL COUNTY, MARYLAND

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE NON-MAJOR GOVERNMENTAL FUNDS SPECIAL REVENUE FUNDS FOR THE YEAR ENDED JUNE 30, 2024

	Agricultural Land Preservation	Community Services	Economic Development Catalyst Loan Fund	Total
REVENUES				
Intergovernmental	\$ 27,834	\$ 5,381,671	\$ -	\$ 5,409,505
Charges for Services	-	912,175	-	912,175
Investment Earnings	-	-	22,974	22,974
	27,834	6,293,846	22,974	6,344,654
EXPENDITURES				
Current:				
Health and Welfare	-	12,126,220	-	12,126,220
Agriculture	28,400	-	-	28,400
	28,400	12,126,220	-	12,154,620
Excess (Deficiency) of Revenues Over (Under) Expenditures	(566)	(5,832,374)	22,974	(5,809,966)
OTHER FINANCING SOURCES				
Transfers In	675,000	5,832,374	-	6,507,374
	675,000	5,832,374	-	6,507,374
Net Change in Fund Balances	674,434	-	22,974	697,408
Fund Balances - Beginning	806,274	-	439,097	1,245,371
Fund Balances - Ending	\$ 1,480,708	\$ -	\$ 462,071	\$ 1,942,779

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, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget -
				Positive
				(Negative)
REVENUES				
Intergovernmental	\$ 80,000	\$ 80,000	\$ 27,834	\$ (52,166)
Total Revenues	<u>80,000</u>	<u>80,000</u>	<u>27,834</u>	<u>(52,166)</u>
EXPENDITURES				
Current:				
Agriculture	<u>685,000</u>	<u>685,000</u>	<u>28,400</u>	<u>656,600</u>
Total Expenditures	<u>685,000</u>	<u>685,000</u>	<u>28,400</u>	<u>656,600</u>
Deficiency of Revenues				
(Under) Expenditures	<u>(605,000)</u>	<u>(605,000)</u>	<u>(566)</u>	<u>604,434</u>
OTHER FINANCING SOURCES				
Transfers In	<u>350,000</u>	<u>350,000</u>	<u>675,000</u>	<u>325,000</u>
Total Other Financing Sources	<u>350,000</u>	<u>350,000</u>	<u>675,000</u>	<u>325,000</u>
Net Change in Fund Balance	(255,000)	(255,000)	674,434	929,434
Fund Balance - Beginning	<u>(740,665)</u>	<u>(740,665)</u>	<u>806,274</u>	<u>-</u>
Fund Balance - Ending	<u>\$ (995,665)</u>	<u>\$ (995,665)</u>	<u>\$ 1,480,708</u>	<u>\$ 929,434</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, 2024**

	<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	\$ 6,007,893	\$ 7,379,936	\$ 5,381,671	\$ (1,998,265)
Charges for Services	<u>784,140</u>	<u>957,353</u>	<u>912,175</u>	<u>(45,178)</u>
Total Revenues	<u>6,792,033</u>	<u>8,337,289</u>	<u>6,293,846</u>	<u>(2,043,443)</u>
EXPENDITURES				
Current:				
Health and Welfare	<u>12,311,365</u>	<u>13,856,621</u>	<u>12,126,220</u>	<u>1,730,401</u>
Total Expenditures	<u>12,311,365</u>	<u>13,856,621</u>	<u>12,126,220</u>	<u>1,730,401</u>
Deficiency of Revenues				
(Under) Expenditures	<u>(5,519,332)</u>	<u>(5,519,332)</u>	<u>(5,832,374)</u>	<u>(313,042)</u>
OTHER FINANCING SOURCES				
Transfers In	<u>5,519,332</u>	<u>5,519,332</u>	<u>5,832,374</u>	<u>313,042</u>
Total Other Financing Sources	<u>5,519,332</u>	<u>5,519,332</u>	<u>5,832,374</u>	<u>313,042</u>
Net Change in Fund Balance	-	-	-	-
Fund Balance - Beginning	-	-	-	-
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget - Positive (Negative)
REVENUES				
Intergovernmental	\$ -	\$ -	\$ -	\$ -
Investment Earnings	-	-	22,974	22,974
Total Revenues	-	-	22,974	22,974
EXPENDITURES				
Current:				
Economic Development	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over Expenditures	-	-	22,974	22,974
Net Change in Fund Balance	-	-	22,974	22,974
Fund Balance - Beginning	420,474	420,470	439,097	-
Fund Balance - Ending	\$ 420,474	\$ 420,470	\$ 462,071	\$ 22,974



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, 2024

ASSETS	
Cash	\$ 2,727,626
Investments	-
Receivables, Net	<u>85</u>
Total Assets	<u>\$ 2,727,711</u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable	\$ <u>-</u>
Total Liabilities	<u>-</u>
 Fund Balance:	
Restricted	<u>2,727,711</u>
Total Fund Balances	<u>2,727,711</u>
 Total Liabilities and Fund Balance	 <u>\$ 2,727,711</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, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget -
	<u>Original</u>	<u>Final</u>		Positive (Negative)
REVENUES				
Special Assessments	\$ 6,099	\$ 6,099	\$ 6,099	\$ -
Total Revenues	<u>6,099</u>	<u>6,099</u>	<u>6,099</u>	<u>-</u>
EXPENDITURES				
Debt Service:				
Principal	11,438,465	11,438,465	11,468,465	(30,000)
Interest & Fiscal Charges	<u>5,847,956</u>	<u>5,847,956</u>	<u>6,524,079</u>	<u>(676,123)</u>
Capital Outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>17,286,421</u>	<u>17,286,421</u>	<u>17,992,544</u>	<u>(706,123)</u>
Deficiency of Revenues (Under) Expenditures	<u>(17,280,322)</u>	<u>(17,280,322)</u>	<u>(17,986,445)</u>	<u>(706,123)</u>
OTHER FINANCING SOURCES (USES)				
Premium on Debt Issued	-	-	-	-
Refunding Bonds Issued	-	-	-	-
Advance Refunding Agent	-	-	-	-
Transfers In	<u>17,280,322</u>	<u>17,280,322</u>	<u>18,864,865</u>	<u>1,584,543</u>
Total Other Financing Sources	<u>17,280,322</u>	<u>17,280,322</u>	<u>18,864,865</u>	<u>1,584,543</u>
Net Change in Fund Balance	-	-	878,420	878,420
Fund Balance - Beginning	<u>(2,593,901)</u>	<u>(8,604,433)</u>	<u>1,849,291</u>	<u>10,453,724</u>
Fund Balance - Ending	<u>\$ (2,593,901)</u>	<u>\$ (8,604,433)</u>	<u>\$ 2,727,711</u>	<u>\$ 11,332,144</u>

CECIL COUNTY, MARYLAND

Non-Major Governmental Funds

Opioid Trust Fund

The assets held in the trust are settlement funds the County receives from the manufacturers and distributors who were defendants in the Litigation to address the impacts directly and proximately related to the opioid epidemic. The funds are held until utilized to fund qualified programs that provide and support education, prevention, and treatment of opioid abuse and addiction in the County.

CECIL COUNTY, MARYLAND
BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUND

OPIOID TRUST FUND
JUNE 30, 2024

ASSETS	
Cash	\$ 1,641,929
Investments	-
Receivables, Net	<u>-</u>
Total Assets	<u>\$ 1,641,929</u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts Payable	\$ -
Deferred Revenue	1,582,821
Other Liabilities	<u>-</u>
Total Liabilities	<u>1,582,821</u>
 Fund Balance:	
Restricted	<u>59,108</u>
Total Fund Balances	<u>59,108</u>
 Total Liabilities and Fund Balance	 <u>\$ 1,641,929</u>

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

OPIOID TRUST FUND
FOR THE YEAR ENDED JUNE 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$ -	\$ -	\$ 59,108	\$ 59,108
Total Revenues	<u>-</u>	<u>-</u>	<u>59,108</u>	<u>59,108</u>
EXPENDITURES				
Current:				
General Government	-	-	-	-
Interest & Fiscal Charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deficiency of Revenues (Under) Expenditures	<u>-</u>	<u>-</u>	<u>59,108</u>	<u>59,108</u>
OTHER FINANCING SOURCES (USES)				
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	-	-	59,108	59,108
Fund Balance - Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 59,108</u>	<u>\$ 59,108</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, 2024

	<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)	\$ 584,411	\$ -	\$ -	\$ -	\$ 584,411
Investments (Note 3)	12,123,380	11,568,932	-	-	23,692,312
Receivables, Net:					
Accounts	261,521	-	-	-	261,521
Other	198,919	-	-	275,284	474,203
Due from Other Governments	-	-	-	-	-
Inventory	-	-	-	103,244	103,244
Other Assets	185,400	132,126	-	-	317,526
Total Current Assets	<u>13,353,631</u>	<u>11,701,058</u>	<u>-</u>	<u>378,528</u>	<u>25,433,217</u>
Non-Current Assets:					
Capital Assets, Net:					
Construction In Progress	-	-	-	23,285	23,285
Vehicles	-	-	-	7,672,890	7,672,890
Buildings	-	-	-	240,357	240,357
Right-to-Use Assets - Leases	-	-	-	7,231,974	7,231,974
Right-to-Use Assets - Subscriptions	-	-	791,326	-	791,326
Machinery & Equipment	-	-	3,017,599	39,302	3,056,901
Total Non-Current Assets	<u>-</u>	<u>-</u>	<u>3,808,925</u>	<u>15,207,808</u>	<u>19,016,733</u>
Total Assets	<u>13,353,631</u>	<u>11,701,058</u>	<u>3,808,925</u>	<u>15,586,336</u>	<u>44,449,950</u>
LIABILITIES					
Current Liabilities:					
Accounts Payable	730,715	1,875,206	1,924,814	810,359	5,341,094
Salary & Benefits Payable	-	-	56,744	-	56,744
Accrued Expenses	556,733	5,308,000	14,222	14,695	5,893,650
Due to Other Funds	-	-	-	-	-
Unearned Revenue (Note 11)	-	-	-	28,360	28,360
Right-to-Use Assets - Leases	-	-	-	1,552,444	1,552,444
Right-to-Use Assets - Subscriptions	-	-	344,710	-	344,710
Compensated Absences	-	-	80,317	-	80,317
Total Current Liabilities	<u>1,287,448</u>	<u>7,183,206</u>	<u>2,420,807</u>	<u>2,405,858</u>	<u>13,297,319</u>
Non-Current Liabilities:					
Financed Purchases	-	-	-	1,204,823	1,204,823
Right-to-Use Assets - Leases	-	-	-	5,273,791	5,273,791
Right-to-Use Assets - Subscriptions	-	-	420,329	-	420,329
Advances from Other Funds (Note 7)	-	-	3,082,796	5,312,024	8,394,820
Compensated Absences	-	-	40,159	-	40,159
Total Non-Current Liabilities	<u>-</u>	<u>-</u>	<u>3,543,284</u>	<u>11,790,638</u>	<u>15,333,922</u>
Total Liabilities	<u>1,287,448</u>	<u>7,183,206</u>	<u>5,964,091</u>	<u>14,196,496</u>	<u>28,631,241</u>
NET POSITION					
Net Investment in Capital Assets	-	-	3,808,925	14,002,985	17,811,910
Unrestricted (Deficit)	12,066,183	4,517,852	(5,964,091)	(12,613,145)	(1,993,201)
Total Net Position	<u>\$ 12,066,183</u>	<u>\$ 4,517,852</u>	<u>\$ (2,155,166)</u>	<u>\$ 1,389,840</u>	<u>\$ 15,818,709</u>

CECIL COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<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	\$ 16,411,453	\$ 1,234,929	\$ 6,217,078	\$ 5,073,558	\$28,937,018
Miscellaneous Revenue	-	-	-	8,909	8,909
	<u>16,411,453</u>	<u>1,234,929</u>	<u>6,217,078</u>	<u>5,082,467</u>	<u>28,945,927</u>
Operating Expenses:					
Benefit Payments	14,937,462	960,208	-	-	15,897,670
Salaries and Related	-	-	1,732,851	-	1,732,851
Right-to-Use Assets - Leases	-	-	-	610,704	610,704
Materials, Supplies, and Services	537,293	71,858	5,664,104	2,039,662	8,312,917
Depreciation	-	-	1,729,659	3,246,939	4,976,598
	<u>15,474,755</u>	<u>1,032,066</u>	<u>9,126,614</u>	<u>5,897,305</u>	<u>31,530,740</u>
Total Operating Expenses	<u>15,474,755</u>	<u>1,032,066</u>	<u>9,126,614</u>	<u>5,897,305</u>	<u>31,530,740</u>
Operating Income (Loss)	<u>936,698</u>	<u>202,863</u>	<u>(2,909,536)</u>	<u>(814,838)</u>	<u>(2,584,813)</u>
Non-Operating Revenues (Expenses)					
Investment Earnings	503,174	406,919	-	-	910,093
Interest Expense	-	-	(32,170)	(160,870)	(193,040)
Bond Issue Expense	-	-	-	-	-
Gain/Loss on Fixed Asset Disposals	-	-	(12,513)	555,855	543,342
	<u>503,174</u>	<u>406,919</u>	<u>(44,683)</u>	<u>394,985</u>	<u>1,260,395</u>
Total Non-Operating Revenues	<u>503,174</u>	<u>406,919</u>	<u>(44,683)</u>	<u>394,985</u>	<u>1,260,395</u>
Income (Loss) Before					
Contributions and Transfers	1,439,872	609,782	(2,954,219)	(419,853)	(1,324,418)
Capital Contributions and Transfers:					
Intergovernmental Grants	-	-	-	4,825	4,825
Transfers In	-	-	-	102,789	102,789
Transfers Out	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	1,439,872	609,782	(2,954,219)	(312,239)	(1,216,804)
Net Position - Beginning	<u>10,626,311</u>	<u>3,908,070</u>	<u>799,053</u>	<u>1,702,079</u>	<u>17,035,513</u>
Net Position - Ending	<u>\$ 12,066,183</u>	<u>\$ 4,517,852</u>	<u>\$ (2,155,166)</u>	<u>\$ 1,389,840</u>	<u>\$ 15,818,709</u>

CECIL COUNTY, MARYLAND
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<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	\$ 16,291,967	\$ 1,234,929	\$ 6,217,078	\$ 4,807,943	\$ 28,551,918
Payments to Suppliers and Providers	(15,060,108)	(826,047)	(4,022,166)	(1,512,816)	(21,421,137)
Payments to Employees	-	-	(1,712,757)	-	(1,712,757)
Net Cash Provided by Operating Activities	<u>1,231,860</u>	<u>408,882</u>	<u>482,155</u>	<u>3,295,128</u>	<u>5,418,024</u>
Cash Flows From Non-Capital Financing Activities:					
Advances from Other Funds	(382,653)	591,169	270,924	1,367,345	1,846,785
Cash Flows From Non-Capital Financing Activities:	<u>(382,653)</u>	<u>591,169</u>	<u>270,924</u>	<u>1,367,345</u>	<u>1,846,785</u>
Cash Flows From Capital and Related Financing Activities:					
Proceeds from Lease Received	-	-	-	-	-
Proceeds from Capital Grants Received	-	-	-	-	-
Acquisition of Capital Assets	-	-	(708,395)	(3,872,677)	(4,581,072)
Principal Paid on Debt Maturities	-	-	-	(1,184,781)	(1,184,781)
Interest Paid on Debt	-	-	(32,170)	(160,870)	(193,040)
Proceeds from Sale of Capital Assets	-	-	(12,513)	555,855	543,342
Net Cash Flows From Capital and Related Financing Activities	<u>-</u>	<u>-</u>	<u>(753,078)</u>	<u>(4,662,473)</u>	<u>(5,415,551)</u>
Cash Flows From Investing Activities:					
Interest on Investments	503,174	406,919	-	-	910,093
Net Cash Flows From Investment Activities	<u>503,174</u>	<u>406,919</u>	<u>-</u>	<u>-</u>	<u>910,093</u>
Net Increase in Cash and Cash Equivalents	1,352,381	1,406,970	-	-	2,759,351
Cash and Cash Equivalents - June 30, 2023	<u>11,355,410</u>	<u>10,161,962</u>	<u>-</u>	<u>-</u>	<u>21,517,372</u>
Cash and Cash Equivalents - June 30, 2024	<u>\$ 12,707,791</u>	<u>\$ 11,568,932</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 24,276,723</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities:					
Operating Income (Loss)	\$ 936,698	\$ 202,863	\$ (2,954,219)	\$ (814,838)	\$ (2,629,496)
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:					
Depreciation	-	-	1,729,659	3,246,939	4,976,598
Effect of changes in Assets and Liabilities:					
Accounts Receivable	(119,486)	-	-	(218,613)	(338,099)
Due to Other Funds	-	-	-	-	-
Inventory	-	-	-	-	-
Other Assets	-	(42,126)	12,513	599,238	569,625
Accounts Payable	399,717	45,146	1,659,887	475,356	2,580,105
Salary & Benefits Payable	-	-	6,097	-	6,097
Compensated Absences	-	-	13,997	-	13,997
Accrued Expenses	14,931	202,999	14,221	8,108	240,259
Unearned Revenue	-	-	-	(1,062)	(1,062)
Total Adjustments	<u>295,162</u>	<u>206,019</u>	<u>3,436,374</u>	<u>4,109,966</u>	<u>8,047,520</u>
Net Cash Provided by Operating Activities	<u>\$ 1,231,860</u>	<u>\$ 408,882</u>	<u>\$ 482,155</u>	<u>\$ 3,295,128</u>	<u>\$ 5,418,024</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, 2024

	<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	\$ -	\$ 217,326	\$ -	\$ 217,326
AR Other	-	-	174	174
Investments, at fair value:				
Institutional Separate Accounts	73,658,555	-	-	73,658,555
Mutual Funds	5,802,795	8,953,934	-	14,756,729
Maryland Local Govt. Investment Pool	-	130,049	2,592,367	2,722,416
Total Investments	<u>79,461,350</u>	<u>9,083,983</u>	<u>2,592,367</u>	<u>91,137,700</u>
Total Assets	<u>79,461,350</u>	<u>9,301,309</u>	<u>2,592,541</u>	<u>91,355,200</u>
LIABILITIES				
Accrued Expenses	-	8,643	-	8,643
Accounts Payable	-	217,461	35,242	252,703
Due to Other Funds	-	-	-	-
Total Liabilities	<u>-</u>	<u>226,104</u>	<u>35,242</u>	<u>261,346</u>
NET POSITION				
Restricted for:				
Employee Benefits	<u>79,461,350</u>	<u>9,075,205</u>	<u>2,557,299</u>	<u>91,093,854</u>
Total Net Position	<u>\$ 79,461,350</u>	<u>\$ 9,075,205</u>	<u>\$ 2,557,299</u>	<u>\$ 91,093,854</u>

CECIL COUNTY, MARYLAND

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2024**

	Public Safety Retirement Fund	Other Post Employment Benefits Fund	Volunteer Length of Service Award Program Fund	Total Pension Funds
ADDITIONS				
Contributions				
Cecil County	\$ 1,738,642	\$ -	\$ 1,437,665	\$ 3,176,307
Participants	1,254,238	-	-	1,254,238
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Contributions	<u>2,992,880</u>	<u>-</u>	<u>1,437,665</u>	<u>4,430,545</u>
INVESTMENT INCOME				
Investment Earnings:				
Net Appreciation (Depreciation) in Fair Value of Investments	7,274,488	777,695	-	8,052,183
Interest and Dividends	<u>1,694,311</u>	<u>243,010</u>	<u>121,627</u>	<u>2,058,948</u>
Total Investment Earnings (Loss)	8,968,799	1,020,705	121,627	10,111,131
Less: Investment Expense	<u>(451,900)</u>	<u>(31,379)</u>	<u>-</u>	<u>(483,279)</u>
Net Investment Income (Loss)	<u>8,516,899</u>	<u>989,326</u>	<u>121,627</u>	<u>9,627,852</u>
Total Additions	<u>11,509,779</u>	<u>989,326</u>	<u>1,559,292</u>	<u>14,058,397</u>
DEDUCTIONS				
Benefit Payments	3,118,009	146,617	857,349	4,121,975
Refunds of Contributions	189,918	-	-	189,918
Administrative Expense	<u>80,946</u>	<u>24,724</u>	<u>17,824</u>	<u>123,494</u>
Total Deductions	<u>3,388,873</u>	<u>171,341</u>	<u>875,173</u>	<u>4,435,387</u>
Change in Net Position	8,120,906	817,985	684,119	9,623,010
Net Position - Beginning	<u>71,340,444</u>	<u>8,257,220</u>	<u>1,873,180</u>	<u>81,470,844</u>
Net Position - Ending	<u>\$ 79,461,350</u>	<u>\$ 9,075,205</u>	<u>\$ 2,557,299</u>	<u>\$ 91,093,854</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 FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
JUNE 30, 2024

	State Taxes	Bay Restoration Fees	Cecilton	Chesapeake City	Charlestown	Elkton	North East	Port Deposit	Perryville	Rising Sun	Total
ASSETS											
Cash	\$ 253,809	\$ 307,111	\$ 2,209	\$ -	\$ 4,165	\$ -	\$ 1,228	\$ 5,168	\$ -	\$ -	\$ 573,690
Receivables, Net:											
Property Taxes & Fees	226,877	175,247	18	5,056	4,193	342,640	11,563	16,214	16,359	35,969	834,138
Interest & Other	-	-	-	-	-	-	-	-	-	-	-
Total Assets	<u>480,686</u>	<u>482,358</u>	<u>2,228</u>	<u>5,056</u>	<u>8,358</u>	<u>342,640</u>	<u>12,791</u>	<u>21,382</u>	<u>16,359</u>	<u>35,969</u>	<u>1,407,828</u>
LIABILITIES											
Due to Other Governments	<u>480,686</u>	<u>482,358</u>	<u>2,228</u>	<u>5,056</u>	<u>8,358</u>	<u>342,640</u>	<u>12,791</u>	<u>21,382</u>	<u>16,359</u>	<u>35,969</u>	<u>1,407,828</u>
Total Liabilities	<u>480,686</u>	<u>482,358</u>	<u>2,228</u>	<u>5,056</u>	<u>8,358</u>	<u>342,640</u>	<u>12,791</u>	<u>21,382</u>	<u>16,359</u>	<u>35,969</u>	<u>1,407,828</u>
NET POSITION	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CECIL COUNTY, MARYLAND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS - CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	<u>State Taxes</u>	<u>Bay Restoration Fees</u>	<u>Cecilton</u>	<u>Chesapeake City</u>	<u>Charlestown</u>	<u>Elkton</u>	<u>North East</u>	<u>Port Deposit</u>	<u>Perryville</u>	<u>Rising Sun</u>	<u>Total</u>
ADDITIONS											
Contributions											
Property Tax Collections for Other Governments	\$ 75,020,548	\$ 9,075,243	\$ 928,629	\$ 2,565,750	\$ 3,456,103	\$ 46,102,515	\$ 14,531,214	\$ 4,087,011	\$ 10,936,047	\$ 7,192,457	\$ 173,895,517
Other	-	-	-	-	-	-	-	-	-	-	-
Total Additions	<u>75,020,548</u>	<u>9,075,243</u>	<u>928,629</u>	<u>2,565,750</u>	<u>3,456,103</u>	<u>46,102,515</u>	<u>14,531,214</u>	<u>4,087,011</u>	<u>10,936,047</u>	<u>7,192,457</u>	<u>173,895,517</u>
DEDUCTIONS											
Payments of Property Tax to Other Governments	<u>75,020,548</u>	<u>9,075,243</u>	<u>928,629</u>	<u>2,565,750</u>	<u>3,456,103</u>	<u>46,102,515</u>	<u>14,531,214</u>	<u>4,087,011</u>	<u>10,936,047</u>	<u>7,192,457</u>	<u>173,895,517</u>
Total Deductions	<u>75,020,548</u>	<u>9,075,243</u>	<u>928,629</u>	<u>2,565,750</u>	<u>3,456,103</u>	<u>46,102,515</u>	<u>14,531,214</u>	<u>4,087,011</u>	<u>10,936,047</u>	<u>7,192,457</u>	<u>173,895,517</u>
Change in Net Position	-	-	-	-	-	-	-	-	-	-	-
Net Position - Beginning	-	-	-	-	-	-	-	-	-	-	-
Net Position - Ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

STATISTICAL SECTION

CECIL COUNTY, MARYLAND

STATISTICAL SECTION

This part of Cecil County's annual comprehensive 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	123
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	128
These schedules contain information to help the reader assess the County's most significant revenue source, the property tax.	
Debt Capacity - Tables IX to XII	132
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 XIII - XIV	136
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 XV to XVII	138
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 annual comprehensive 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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
GOVERNMENTAL ACTIVITIES										
Net Investment in Capital Assets	\$ 171,724,604	\$ 163,724,657	\$ 155,575,258	\$ 165,183,735	\$ 165,352,831	\$ 186,718,203	\$ 178,409,879	\$ 178,303,142	\$ 173,940,937	\$ 197,932,495
Restricted	12,254,006	17,513,461	8,420,657	15,366,150	5,713,812	11,851,705	15,106,271	32,937,397	28,297,880	53,031,419
Unrestricted (Deficit)	<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>	<u>(1,353,006)</u>	<u>(37,681,591)</u>
Total Governmental Activities Net Position	\$ 99,676,138	\$ 92,945,253	\$ 85,002,941	\$ 75,513,283	\$ 86,433,452	\$ 103,646,527	\$ 125,549,222	\$ 171,835,468	\$ 200,885,811	\$ 213,282,323
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 49,134,864	\$ 47,186,961	\$ 47,487,579	\$ 45,917,726	\$ 50,824,139	\$ 52,088,388	\$ 59,680,406	\$ 53,678,864	\$ 53,447,112	\$ 41,546,844
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<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>	<u>28,363,268</u>	<u>49,073,500</u>
Total Business-type Activities Net Position	\$ 43,346,964	\$ 44,328,800	\$ 44,350,116	\$ 45,886,697	\$ 53,373,979	\$ 61,674,320	\$ 75,260,272	\$ 79,116,205	\$ 81,810,380	\$ 90,620,344
PRIMARY GOVERNMENT										
Net Investment in Capital Assets	\$ 220,859,468	\$ 210,911,618	\$ 203,062,837	\$ 211,101,461	\$ 216,176,970	\$ 238,806,591	\$ 238,090,285	\$ 231,982,006	\$ 227,388,049	\$ 239,479,339
Restricted	12,254,006	17,513,461	8,420,657	15,366,150	5,713,812	11,851,705	15,106,271	32,937,397	28,297,880	53,031,419
Unrestricted	<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>	<u>27,010,262</u>	<u>11,391,909</u>
Total Primary Government Net Position	\$ 143,023,102	\$ 137,274,053	\$ 129,353,057	\$ 121,399,980	\$ 139,807,431	\$ 165,320,847	\$ 200,809,494	\$ 250,951,673	\$ 282,696,189	\$ 303,902,667

Table II

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
EXPENSES										
Governmental Activities:										
General Government	\$ 12,826,539	\$ 13,103,376	\$ 12,619,834	\$11,457,065	\$12,520,607	\$13,065,581	\$14,008,947	\$14,203,634	\$18,080,975	\$18,978,599
Public Safety	40,998,732	41,637,796	43,903,804	45,100,531	49,442,403	50,059,790	56,882,838	52,942,419	56,259,626	62,770,182
Highways, Streets, and Bridges	16,162,586	17,134,114	16,467,551	15,839,552	17,306,415	19,712,812	18,138,965	18,407,042	19,396,275	22,327,074
Health and Welfare	14,331,807	15,163,709	15,755,447	15,498,604	17,066,704	23,047,432	23,764,716	29,200,437	24,997,976	25,468,354
Recreation and Culture	1,356,836	1,541,526	1,780,757	2,112,900	2,532,142	2,675,352	3,055,416	3,821,318	5,835,378	4,415,627
Education	102,085,334	98,805,396	96,384,547	101,432,771	101,462,249	102,174,873	110,336,931	105,381,990	105,396,996	109,630,391
Public Libraries	4,946,275	5,122,366	5,523,248	5,604,168	5,879,199	6,170,855	6,840,534	7,458,647	7,308,789	6,816,333
Economic Development	1,549,098	1,675,209	1,776,517	1,508,011	2,835,459	1,733,234	2,150,329	2,179,534	2,796,316	3,093,731
Agriculture	614,728	851,666	1,463,623	760,117	686,363	636,345	693,130	710,494	1,009,473	1,016,635
Interest on Long-Term Debt	5,135,996	4,933,867	4,568,004	4,906,177	4,967,097	5,275,494	5,157,935	4,742,879	4,790,051	6,396,879
Total Governmental Activities Expenses	<u>200,007,931</u>	<u>199,969,025</u>	<u>200,243,332</u>	<u>204,219,896</u>	<u>214,698,638</u>	<u>224,551,768</u>	<u>241,029,742</u>	<u>239,048,393</u>	<u>245,871,855</u>	<u>260,913,804</u>
Business-Type Activities:										
Water	-	-	-	-	-	-	-	-	-	-
Wastewater	6,971,250	8,004,698	8,882,464	8,572,029	8,920,270	10,636,091	10,858,273	11,534,549	12,945,882	13,340,844
Landfill	7,743,691	6,818,531	6,287,612	6,279,323	7,805,548	6,985,591	7,978,298	7,694,614	9,421,360	8,774,738
Property Management	-	373,677	570,994	575,199	572,446	527,942	569,199	469,088	557,313	553,265
Total Business-Type Activities Expenses	<u>14,714,941</u>	<u>15,196,906</u>	<u>15,741,070</u>	<u>15,426,551</u>	<u>17,298,264</u>	<u>18,149,624</u>	<u>19,405,770</u>	<u>19,698,251</u>	<u>22,924,555</u>	<u>22,668,847</u>
Total Primary Government Expenses	<u>\$ 214,722,872</u>	<u>\$ 215,165,931</u>	<u>\$ 215,984,402</u>	<u>\$ 219,646,447</u>	<u>\$ 231,996,902</u>	<u>\$ 242,701,392</u>	<u>\$ 260,435,512</u>	<u>\$ 258,746,644</u>	<u>\$ 268,796,410</u>	<u>\$ 283,582,651</u>
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
General Government	\$ 6,598,891	\$ 8,471,469	\$ 8,150,707	\$12,328,147	\$9,658,092	\$12,411,095	\$14,006,170	\$22,699,506	\$11,911,894	\$11,083,722
Public Safety	1,960,971	2,533,004	2,268,430	2,847,862	2,929,027	2,179,553	2,508,166	3,154,744	2,623,865	2,592,167
Highways, Streets, and Bridges	191,757	397,877	217,050	85,018	91,476	76,918	97,746	89,740	38,166	25,846
Other Activities	773,109	812,469	997,753	1,237,903	1,302,246	1,237,275	1,458,564	1,487,138	1,683,755	2,112,966
Operating Grants and Contributions	13,742,967	14,730,843	15,554,549	16,375,078	18,082,698	23,668,531	32,952,511	31,949,258	31,729,939	27,128,124
Capital Grants and Contributions	5,558,647	3,620,846	2,549,237	4,271,822	4,388,697	8,227,583	926,225	1,649,327	153,181	6,416,617
Total Governmental Activities Revenues	<u>28,826,342</u>	<u>30,566,508</u>	<u>29,737,726</u>	<u>37,145,830</u>	<u>36,452,236</u>	<u>47,800,955</u>	<u>51,949,382</u>	<u>61,029,713</u>	<u>48,140,800</u>	<u>49,359,442</u>

Table II

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-Type Activities:										
Charges for Services:										
Water	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Wastewater	5,654,938	5,584,673	5,999,821	6,317,783	7,111,602	8,429,367	8,904,123	10,341,226	9,676,090	9,548,705
Landfill	6,632,144	7,313,027	7,877,565	8,404,849	8,555,589	8,763,531	9,825,204	10,629,466	9,835,966	9,591,901
Property Management	-	386,868	782,635	780,600	740,061	880,579	919,535	886,628	870,480	920,374
Capital Grants and Contributions	6,496,436	2,810,889	1,199,597	782,466	6,863,455	7,412,144	9,253,500	2,954,246	3,453,493	8,794,081
Total Business-Type Activities Revenues	18,783,518	16,095,457	15,859,618	16,285,698	23,270,707	25,485,621	28,902,362	24,811,566	23,836,029	28,855,061
Total Primary Government Revenues	\$ 47,609,860	\$ 46,661,965	\$ 45,597,344	\$ 53,431,528	\$ 59,722,943	\$ 73,286,576	\$ 80,851,744	\$ 85,841,279	\$ 71,976,829	\$ 78,214,503
OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Taxes										
Property Taxes	\$ 102,727,666	\$ 106,810,382	\$ 106,490,517	\$ 114,077,543	\$ 117,898,407	\$ 121,433,103	\$ 126,825,903	\$ 129,619,991	\$ 133,571,564	\$ 116,935,718
Income Taxes	56,937,725	55,496,525	55,493,386	62,507,845	70,079,906	75,391,465	84,943,880	95,227,933	86,917,881	95,025,631
Investment Earnings	226,259	130,596	284,934	897,195	1,815,229	1,547,817	163,273	357,002	6,791,952	12,447,732
Other Revenues including Capital Asset Sales Gains (Losses)	209,749	234,129	108,004	352,294	278,029	(3,702,497)				
Grants, Entitlements, and Contributions not Restricted to Specific Programs	-	-	186,453	180,000	(905,000)	(706,000)	(950,000)	(900,000)	(500,000)	(458,206)
Transfers	-	-	-	-	-	-	-	-	-	-
Total Governmental Activities	160,101,399	162,671,632	162,563,294	178,014,877	189,166,571	193,963,888	210,983,056	224,304,926	226,781,397	223,950,875
Business-Type Activities:										
Investment Earnings	20,392	73,285	89,221	857,434	609,839	258,344	3,139,360	(2,157,381)	1,257,700	2,045,543
Other Revenues including Capital Asset Sales Gains (Losses)	-	10,000	-	-	905,000	706,000	950,000	900,000	25,000	120,000
Transfers	-	-	(186,453)	(180,000)	905,000	706,000	950,000	900,000	500,000	458,206
Total Business-Type Activities	20,392	83,285	(97,232)	677,434	1,514,839	964,344	4,089,360	(1,257,381)	1,782,700	2,623,749
Total Primary Government	\$ 160,121,791	\$ 162,754,917	\$ 162,466,062	\$ 178,692,311	\$ 190,681,410	\$ 194,928,232	\$ 215,072,416	\$ 223,047,545	\$ 228,564,097	\$ 226,574,624
CHANGE IN NET POSITION										
Governmental Activities	\$ (11,080,190)	\$ (6,730,885)	\$ (7,942,312)	\$ 10,940,811	\$ 10,920,169	\$ 17,213,075	\$ 21,902,696	\$ 46,286,246	\$ 29,050,342	\$ 12,396,513
Business-Type Activities	4,088,969	981,836	21,316	1,536,581	7,487,282	8,300,341	13,585,952	3,855,934	2,694,174	8,809,963
Total Primary Government	\$ (6,991,221)	\$ (5,749,049)	\$ (7,920,996)	\$ 12,477,392	\$ 18,407,451	\$ 25,513,416	\$ 35,488,647	\$ 50,142,180	\$ 31,744,516	\$ 21,206,476

Table III

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

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
GENERAL FUND										
Non-Spendable Fund Balance	\$ 13,335,406	\$ 10,603,047	\$ 10,215,102	\$ 10,075,089	\$ 9,812,028	\$ 6,874,368	\$ 6,348,832	\$ 6,654,445	\$ 7,704,688	\$ 8,863,021
Unrestricted Fund Balance										
Committed Fund Balance	14,683,298	16,196,482	-	-	1,360,150	2,225,000	282,492	-	10,000,000	20,000,000
Assigned Fund Balance	3,500,000	2,300,000	15,327,610	23,788,045	28,659,727	33,187,808	57,798,566	56,903,655	98,086,898	65,497,311
Unassigned Fund Balance	<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>	<u>18,238,937</u>	<u>38,555,981</u>
Total General Fund	<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>	<u>\$ 134,030,523</u>	<u>\$ 132,916,313</u>
ALL OTHER GOVERNMENTAL FUNDS										
Non-Spendable Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Fund Balance	12,254,036	17,513,461	8,420,657	21,201,499	5,713,812	33,849,131	6,591,858	29,038,509	23,003,832	46,428,642
Unrestricted Fund Balance:										
Committed Fund Balance	-	2,361,577	-	-	-	-	-	-	-	-
Assigned Fund Balance	-	-	-	-	-	-	-	-	-	952,882
Unassigned Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,477,840)</u>	<u>-</u>	<u>(3,137,307)</u>	<u>(5,201)</u>	<u>365,826</u>	<u>-</u>
Total All Other Governmental Funds	<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>	<u>\$ 23,369,658</u>	<u>\$ 47,381,524</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)**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
REVENUES										
Property Taxes	\$ 102,735,882	\$ 106,839,214	\$ 106,417,932	\$ 114,098,978	\$ 117,739,156	\$ 121,521,370	\$ 126,455,523	\$ 129,690,091	\$ 133,577,663	\$ 116,585,626
Income Taxes	53,954,296	55,806,618	57,614,306	58,909,734	66,782,105	67,934,905	81,290,908	82,987,898	86,917,881	86,288,431
Licenses and Permits	1,741,618	2,383,661	1,981,371	2,198,271	2,496,542	1,862,139	2,250,615	2,705,006	1,998,736	1,901,395
Intergovernmental	16,122,745	16,441,829	15,800,667	18,274,023	19,410,912	26,440,450	33,596,632	32,281,482	30,720,747	31,991,998
Charges for Services	7,783,110	9,831,158	9,652,569	14,300,659	11,484,299	14,042,702	15,820,032	24,045,439	14,258,944	13,913,306
Investment Earnings	200,176	109,889	244,228	752,754	1,409,236	1,165,950	131,268	310,533	6,791,952	11,537,639
Contributions and Other Revenues	-	119,614	475,240	288,302	192,858	1,129,718	142,935	372,438	1,009,192	291,534
Total Revenues	182,537,827	191,531,983	192,186,313	208,822,721	219,515,108	234,097,234	259,687,912	272,392,887	275,275,115	262,509,929
EXPENDITURES										
General Government	11,176,755	11,412,816	10,436,710	10,493,224	10,773,331	11,630,570	12,045,421	16,029,599	18,156,748	17,365,958
Public Safety	38,531,809	39,188,740	42,140,763	42,918,915	46,404,066	48,687,444	55,565,065	51,648,556	53,234,580	61,453,550
Highways, Streets, and Bridges	11,554,492	11,217,928	9,561,474	11,319,441	12,405,752	16,450,372	12,220,948	15,232,931	15,981,372	18,522,263
Health and Welfare	13,841,044	14,778,726	15,192,470	15,445,675	16,483,436	22,762,243	24,868,050	29,275,638	24,964,294	24,908,514
Recreation and Culture	1,077,710	938,744	1,048,438	2,335,160	1,985,335	1,634,471	1,700,780	2,154,863	4,266,520	5,829,221
Education	85,446,064	89,945,828	92,020,570	93,617,178	95,555,299	98,581,668	99,361,023	101,273,513	101,350,020	102,848,122
Public Libraries	4,749,675	4,882,779	5,250,869	5,442,217	5,685,417	6,010,417	6,406,619	6,230,417	6,624,333	6,816,333
Economic Development	1,528,922	1,648,873	1,741,087	1,554,079	2,786,321	1,765,447	2,146,654	2,230,762	2,799,417	3,077,454
Agriculture	605,650	840,466	1,440,998	784,580	666,360	657,772	685,321	751,390	1,006,042	1,007,349
Municipalities	667,120	671,363	674,409	684,577	695,530	710,314	733,260	771,579	782,225	833,568
Capital Outlay	26,832,434	19,720,867	9,743,836	17,890,992	22,631,912	19,483,654	30,660,641	7,447,634	7,332,874	11,720,721
Debt Service:										
Principal	9,794,710	9,784,234	10,971,475	11,722,922	12,817,374	12,878,341	14,071,884	7,799,718	11,100,972	11,468,465
Bond Issuance Cost	-	-	-	-	-	-	-	186,146	-	57,562
Interest	5,568,661	5,397,046	5,668,428	5,488,549	6,410,605	5,845,222	7,222,746	6,176,257	6,257,401	6,524,079
Total Expenditures	211,375,046	210,428,410	205,891,527	219,697,509	235,300,738	247,097,935	267,688,412	247,209,003	253,856,798	272,433,159
Deficiency of Revenues Under Expenditures	(28,837,219)	(18,896,427)	(13,705,214)	(10,874,788)	(15,785,630)	(13,000,701)	(8,000,500)	25,183,884	21,418,317	(9,923,230)
OTHER FINANCING SOURCES (USES)										
Proceeds from Capital Asset Disposal	17,600	2,088	36	88,979	-	-	-	-	-	-
Proceeds from Debt Transfer from Enterprise Fund	-	-	-	-	2,300,000	2,900,000	-	-	-	-
Proceeds from Bonds Issued	-	23,210,000	-	28,900,000	-	43,506,825	-	30,863,251	-	32,180,000
Premium on Debt Issued	3,730,456	5,209,762	-	3,484,818	-	5,333,114	-	2,337,004	-	1,201,880
Refunding Bonds Issued	31,128,617	12,243,531	-	6,347,823	-	-	-	48,760,000	-	-
Bond Issuance Cost	-	(78,558)	-	(121,445)	-	(108,768)	-	-	-	-
Advance Refunding Agent	(34,643,163)	(14,038,367)	-	(7,376,070)	-	-	-	(48,620,887)	-	-
Transfers In	18,761,837	21,431,745	19,351,635	22,092,347	20,885,973	27,381,326	23,525,316	23,786,411	22,956,261	27,189,572
Transfers Out	(18,761,837)	(21,333,604)	(19,165,183)	(21,912,347)	(21,790,973)	(28,087,327)	(24,475,317)	(24,686,410)	(24,021,158)	(27,750,565)
Total Other Financing Sources (Uses)	233,510	26,646,597	186,488	31,504,105	1,395,000	50,925,170	(950,001)	32,439,369	(1,064,897)	32,820,887
Net Change in Fund Balances	\$ (28,603,709)	\$ 7,750,170	\$ (13,518,726)	\$ 20,629,317	\$ (14,390,630)	\$ 37,924,469	\$ (8,950,501)	\$ 57,623,253	\$ 20,353,420	\$ 22,897,656
Debt Service as a Percentage of Non-capital Expenditures	7.79%	7.64%	8.29%	8.37%	9.01%	8.32%	8.67%	5.79%	7.04%	6.90%

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				
2024	\$ 13,492,205,000	n/a	\$ 3,415,555,677	\$ 709,233,787	\$ 298,900,000	320,000,000	\$ 18,235,894,464	1,204,931,442	\$ 17,030,963,022	1.046
2023	8,463,199,883	n/a	2,746,055,539	627,615,578	285,341,000	284,592,000	12,406,804,000	1,159,152,687	11,247,651,313	1.091
2022	8,024,254,277	n/a	2,631,508,736	598,353,987	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

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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Cecil County Direct Rates									
Real Property	\$0.991	\$0.991	\$0.991	\$1.041	\$1.041	\$1.041	\$ 1.041	\$ 1.028	\$ 1.014
Personal Property	2.477	2.477	2.479	2.604	2.604	2.604	2.604	2.570	2.536
¹ Total Direct Tax Rate	1.054	1.056	1.057	1.101	1.127	1.111	1.116	1.113	1.091
Towns									
Cecilton	0.220	0.220	0.237	0.237	0.237	0.232	0.232	0.228	0.227
Charlestown	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.333	0.331
Chesapeake City	0.449	0.449	0.449	0.449	0.469	0.469	0.469	0.469	0.530
Elkton	0.586	0.586	0.586	0.636	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
Perryville	0.313	0.313	0.310	0.310	0.360	0.360	0.360	0.360	0.360
Port Deposit	0.554	0.551	0.551	0.546	0.546	0.546	0.546	0.545	0.545
Rising Sun	0.406	0.406	0.480	0.480	0.470	0.460	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 2024			
Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total Assessed Value
DELMARVA POWER & LIGHT CO	UTILITY	\$ 165,530,270	1.47%
W L GORE & ASSOCIATES INC	MANUFACTURING	113,110,332	1.01%
REALTY INCOME TRUST 2	DISTRIBUTION	111,753,667	0.99%
CLPF PRINCIPIO LLC	PROP.MANAGEMENT	95,082,800	0.85%
BLC LOT B LLC		76,760,300	0.68%
MRE PROPCO LP		76,403,500	0.68%
IKEA PROPERTY INC	RETAIL	75,956,700	0.68%
COLE ID NORTH EAST MD LLC	DISTRIBUTION	73,937,500	0.66%
LIDL US OPERATIONS LLC		72,341,800	0.64%
CPUS NE GATEWAY LP		70,180,200	0.62%
Totals		<u>\$ 931,057,069</u>	<u>8.28%</u>

FISCAL YEAR 2015			
Taxpayer	Type of Business	Taxable Assessed Value	Percentage of Total Assessed Value
W.L. Gore & Associates, Inc.	Manufacturing	\$ 104,939,400	1.20%
Delmarva Power & Light Company	Utility	101,170,510	1.16%
Ikea Property Inc	Retail	75,813,300	0.87%
Mid Atlantic Distribution Center	Distribution	57,075,733	0.65%
Penn Cecil Maryland	Casino Gaming	42,268,700	0.48%
Cole ID North East MD LLC	Distribution	45,708,500	0.52%
Charlestown Crossing Apts	Property Mgmt	25,202,400	0.29%
Mason Dixon Sand & Gravel Co.	Manufacturing	21,524,700	0.25%
Chesapeake Ridge LLC	Property Mgmt	23,463,700	0.27%
Pine Valley, LLC	Property Mgmt	21,568,900	0.25%
Totals		<u>\$ 518,735,843</u>	<u>5.95%</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
2023	\$ 128,836,668	\$ 128,206,546	99.5%	\$ -	\$ 128,206,546	99.5%
2022	124,459,576	123,727,635	99.4%	441,786	124,169,421	99.8%
2021	122,195,143	121,653,870	99.6%	351,879	122,005,749	99.8%
2020	116,935,573	116,367,725	99.5%	499,429	116,867,154	99.9%
2019	113,075,267	112,524,488	99.5%	462,696	112,987,184	99.9%
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%

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	Financed Purchases	Leases	Special Assessment Bonds	Wastewater Bonds	Landfill Bonds	Property Mgmt.	Financed Purchases		of Personal Income	Per Capita ¹
2024	\$ 219,292,464	\$ 1,204,823	\$ 7,170,715	\$ 48,791	\$ 64,565,462	\$ 18,560,288	\$ 5,018,240	\$ 221,791	\$ 316,082,574	5.04%	\$ 2,991
2023	198,502,970	2,389,604	3,174,043	54,890	60,699,201	7,660,019	5,343,478	437,198	278,261,402	4.73%	2,652
2022	211,595,169	4,461,166	-	60,989	63,520,725	8,622,505	5,656,480	646,352	294,563,387	5.76%	2,848
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

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
2024	\$ 307,436,454	\$ 307,436,454	1.81%	\$ 2,909.35
2023	272,205,667	272,205,667	2.42%	2,593.87
2022	289,394,880	289,394,880	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

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, 2024**

<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	\$ -	100%	\$ -
North East	-	100%	-
Perryville	-	100%	-
Rising Sun	<u>1,393,594</u>	100%	<u>1,393,594</u>
Subtotal - Overlapping Debt			1,393,594
Cecil County Direct Debt	193,905,264	100%	<u>193,905,264</u>
Totals			<u>\$195,298,858</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 XII

**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	Coverage
				Principal	Interest				
2024	\$ 9,555,440	\$ 11,539,182	\$(1,983,742)	\$ 2,550,353	\$ 1,340,347	-51%	6,099	6,099	100%
2023	11,508,515	11,113,093	395,422	2,667,055	1,482,438	10%	6,099	6,099	100%
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%

Fiscal Year	Landfill Revenue Bonds					
	Landfill Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2024	\$ 11,748,940	\$ 8,277,083	\$ 3,471,857	\$ 828,758	\$ 485,294	264%
2023	11,093,304	9,054,411	2,038,893	816,823	366,950	172%
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%

Fiscal Year	Property Management Revenue Bonds					
	Property Mgmt Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		Coverage
				Principal	Interest	
2024	\$ 920,374	\$ 369,828	\$ 550,546	\$ 325,237	\$ 188,467	107%
2023	870,479	278,188	592,292	313,003	279,124	100%
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 XIII

**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}
2023	105,672	\$ 6,274,063,656	\$ 59,373	54,931	2.2%	\$ 336,875	14,997
2022	104,942	5,802,558,006	55,293	51,972	3.3%	305,174	15,057
2021	103,905	5,369,914,305	51,681	51,455	5.2%	286,500	14,780
2020	103,419	5,116,896,000	49,477	53,741	5.9%	257,500	14,718
2019	102,855	5,116,896,000	49,749	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

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 XIV

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

Taxpayer	Calendar Year 2024			Calendar Year 2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
W.L. Gore & Associates	2,405	1	4.49%	2,387	1	4.90%
Cecil County Board of Education	2,031	2	3.79%	2,011	2	4.13%
Perry Point VA Medical Center	1,500	3	2.80%	1,500	3	3.08%
Christiana Care/Union Hospital	1,235	4	2.30%	1,236	4	2.54%
Terumo Corp.**	1,030	5	1.92%	**		
Amazon MDT2	810	6	1.51%	**		
Cecil County Government	691	7	1.29%	573	6	1.18%
IKEA Perryville	625	8	1.17%	580	5	1.19%
Cecil College	565	9	1.05%	521	7	1.07%
Northrop Grumman	550	10	1.03%	464	9	0.95%
Walmart Stores	*			500	8	1.03%
Penn National Gaming	*			405	10	0.83%
Totals	<u>11,442</u>		<u>21.35%</u>	<u>10,177</u>		<u>20.9%</u>

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

** not ranked in 2015

*Note: Employer is not one of the ten largest employers during the year noted

Sources: Cecil County Department of Economic Development

Table XV

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

<u>Function</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>	<u>2023</u>	<u>2024</u>
General Government	110	99	105	108	116	112	112	122	140	124
Public Safety	303	315	321	322	331	337	343	315	325	343
Law Enforcement	105	105	108	111	112	114	114	105	115	107
Detention Center	70	78	74	76	70	72	72	59	56	64
EMS & Emergency Services	77	84	83	77	84	82	83	84	87	97
Other	51	48	56	58	65	69	74	67	68	75
Highways, Streets, and Bridges	68	67	61	64	64	63	64	61	63	66
Roads Maintenance	41	44	42	46	44	43	45	42	42	43
Engineering and Other	27	23	19	18	20	20	19	19	21	23
Health and Welfare	61	47	58	59	66	66	68	72	87	73
Senior Services	39	30	37	40	45	41	43	45	55	46
Other	22	17	21	19	21	25	25	27	32	27
Recreation and Culture	8	8	8	11	13	12	13	12	12	16
Economic Development	7	6	7	6	7	7	7	6	5	6
Agriculture	5	5	4	5	5	5	5	5	6	6
Water	-	-	-	-	-	-	-	-	-	-
Wastewater	15	14	16	16	17	19	20	19	20	22
Landfill	24	22	23	23	21	24	23	22	24	24
Totals	601	583	603	614	640	645	655	633	682	680

Sources: Cecil County Finance and Human Resources Departments

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

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public Safety									
Physical Arrests	2,548	2,743	3,066	3,065	3,376	2,909	2,505	2,357	2,273
911 Calls	224,643	135,127	129,993	127,484	128,889	126,764	126,856	123,995	126,816
Fire/Paramedic Calls	29,820	12,360	14,441	14,706	15,114	14,767	15,805	16,486	16,997
Building Permits Issued	202	192	198	212	348	238	347	446	235
Highways, Streets, and Bridges									
Street Resurfacing (miles)	18.07	15.49	6.35	10.11	10.85	21.72	12.05	13.02	26.02
Health and Welfare									
Participants (avg. monthly)	1,235	1,765	1,327	843	918	917	984	1,817	2,257
Meals served	18,052	29,066	33,808	33,494	41,804	41,801	83,240	67,632	51,980
Bus Passengers	100,929	101,251	97,043	102,353	111,611	86,833	41,878	54,240	75,849
Recreation and Culture									
Recreation Registrations	15,130	14,620	17,388	18,546	14,500	13,330	17,850	19,430	19,512
Recreation Programs	157	162	244	248	207	184	220	223	221
Safetyville (attendance)	64	86	71	103	84	32	53	80	116
Agriculture									
Acres under Preservation Agreements	26,382	26,497	27,079	27,798	28,945	33,742	34,450	34,909	35,251
Water									
Average Daily Consumption (thousands of gallons)	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)	580,480	578,510	539,450	580,123	681,339	819,000	681,282	659,627	636,264
Landfill									
Annual Tons of Refuse	83,449	85,172	87,706	93,118	94,561	98,972	112,821	119,932	110,820

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 XVII

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

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety										
Police Patrol Units	100	100	100	106	111	113	113	115	114	116
Paramedic Units	8	8	8	8	9	9	9	8	8	8
Ambulances	0	0	0	0	0	0	0	0	2	4
Highways, Streets, and Bridges										
Roads & Highways (miles)	600	604	604	604	606	607	607	607	607	608
Bridges	97	97	98	98	99	99	99	96	96	96
Health and Welfare										
Buses	17	17	14	17	18	20	20	20	20	20
Recreation and Culture										
Park Acreage	535	535	535	661	686	686	689	693	693	777
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	3,490	3,465	3,165	3,165	3,165	3,165	3,165	3,165	3,165	3,165
Landfill										
Remaining Built Capacity (cubic yards)	1,628,300	1,501,646	1,333,555	1,155,234	939,152	853,830	673,847	520,776	362,290	291,085

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.