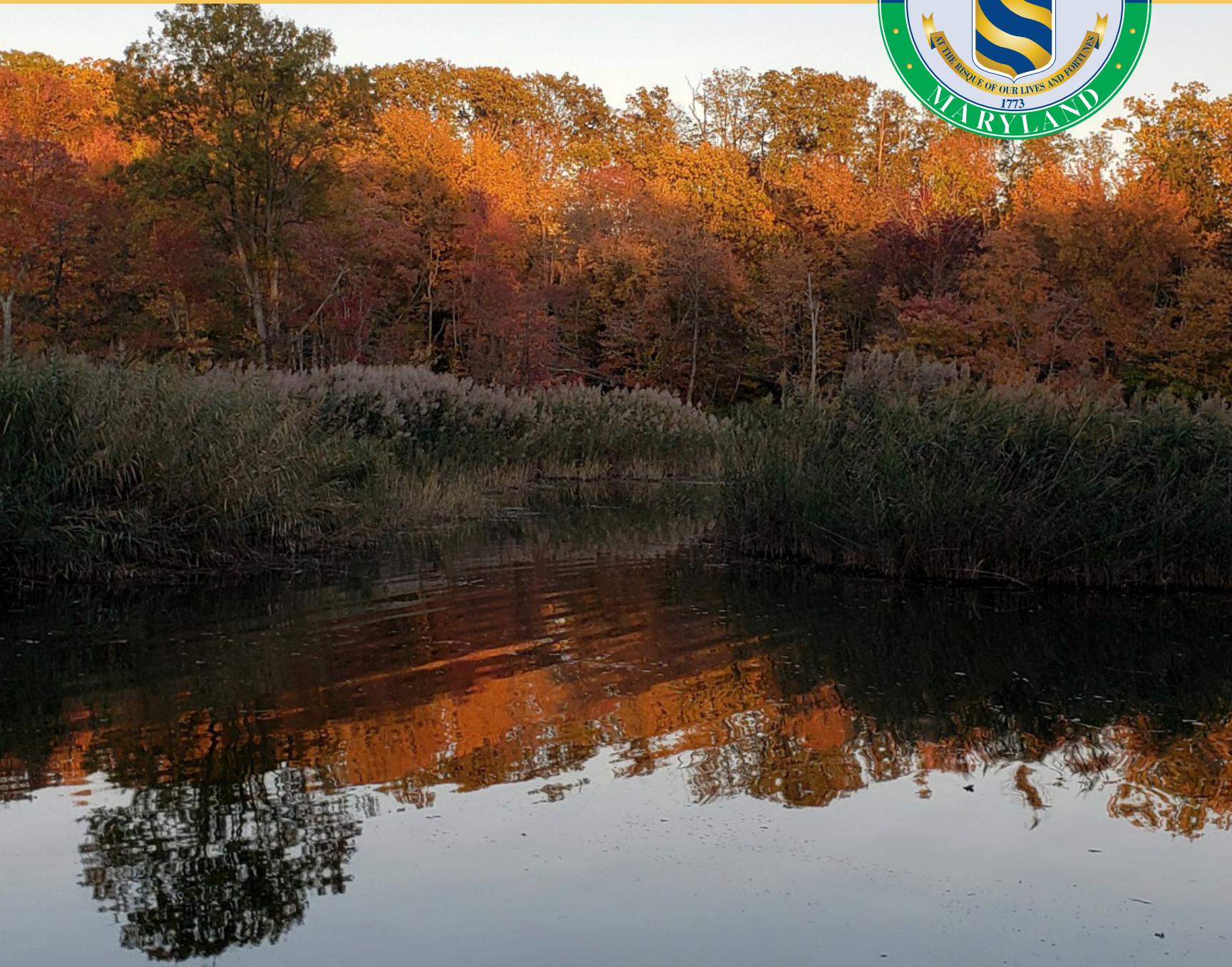


HARFORD COUNTY COMPREHENSIVE ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2020



BARRY GLASSMAN, COUNTY EXECUTIVE

HARFORD COUNTY, MARYLAND

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED

JUNE 30, 2020



Prepared by:

*Department of the Treasury
Harford County, Maryland*

*Robert F. Sandlass, Jr.
Harford County Treasurer*

*Rick Pernas, CPA
Harford County Deputy Treasurer*



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Introductory Section



October 8, 2020

Honorable Members of the County Council,
County Executive and Citizens of Harford County

The Comprehensive Annual Financial Report (CAFR) of Harford County, Maryland (the County) for the fiscal year ended June 30, 2020, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the County annually issue a report of its financial position and activity, and that an independent firm of licensed Certified Public Accountants selected by the County Council audit this report. The County is also required to undergo an annual single audit in conformity with the provisions of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Responsibility for both the accuracy of the data and the completeness and reliability of all of the information presented in these reports rests with management. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the County Government and its component units.

Management of the government is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the government are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that the financial statements will be free from material misstatement. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management.

The County's financial statements have been audited by CliftonLarsonAllen, LLP, Independent Certified Public Accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of the County for the fiscal year ended June 30, 2020 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The Independent Certified Public Accountants concluded based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the financial statements for the County for the fiscal year ended June 30, 2020, are fairly presented in conformity with GAAP. The Report of Independent Public Accountants is presented as the first component of the financial section of this report.

GAAP requires 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 can be found immediately following the Report of the Independent Public Accountants.

PROFILE OF THE GOVERNMENT

Harford County, Maryland was formed in 1773 and had a Commissioner form of government until 1972. Upon enactment of the Harford County Charter, a charter form of government became effective on December 7, 1972. A County Executive and a seven member County Council, one of whom is President of the Council, govern the County. The County Executive and President of the Council are elected at large. The other six members of the County Council are elected by in-district elections. All executive powers vested in Harford County by the Constitution, laws of the State of Maryland and County Charter are vested in the County Executive, who is the chief executive officer of the County and is responsible for the affairs of the Executive Branch assuring that they are properly and efficiently administered. All legislative powers, which may be exercised by Harford County under the Constitution, and laws of the State of Maryland, including all lawmaking powers, are vested in the County Council.

Harford County occupies a land area of 440 square miles and serves a population of 257,679. The County provides a full range of municipal services, including Public Safety, Public Works, Social Services, Parks and Recreation, Judicial, Agricultural Preservation and General Administrative Services. The County also provides funds that support public schools, the community college and libraries through its component units. The component units of the County are Harford County Public Schools, Harford Center, Inc., Harford Community College and Harford County Public Library. Additional information on the component units can be found in note 1A.

Harford County's annual operating and capital budget represents a comprehensive financial plan for the County effective each year on the first day of July. The proposed budget is submitted each year by the County Executive to the County Council and published to the public on April 15. The County Council conducts budget hearings with departments, the Harford County Public Schools and other component units and conducts public hearings prior to approving the budget and the tax rates by June 15 of each year. No expenditure of County funds may be made in excess of appropriation at the department level. A Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balances on a Budget (Non-GAAP) vs. Actual basis is presented for the three major governmental funds which adopted an annual budget, the general, highways and agricultural land preservation funds, and can be found in Exhibit 6 of this report.

FACTORS AFFECTING FINANCIAL CONDITION

The COVID-19 public health crisis has had a major impact to us all including our local economy. Record unemployment rates and mandated business closures have impacted our revenues and will surely have an impact to our future revenues as well. However, Harford County is in a strong financial position to weather this storm. Conservative budgeting and policies over the last five years have allowed Harford County to build our reserves to record numbers. This forward thinking has given Harford County the financial means to maintain our full range of municipal services, boost our local economy and help our constituents.

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the County operates.

Local economy: Harford County's convenient location on the I-95 corridor in northeastern Maryland offers easy access to prominent research institutions such as the U.S. Army Aberdeen Proving Ground, Johns Hopkins, and the University of Maryland. Desirable location combined with the County's highly skilled work force and progressive, business-friendly environment; serve to provide the draw for a wide variety of companies and industry sectors to Harford County.

The County's largest revenue source remains real property taxes. The fiscal year 2020 taxable assessable base resulted in an increase over the fiscal year 2019 assessable base of 2.8%. The estimated increase in property taxes from fiscal year 2020's approved budget to fiscal year 2021's approved budget is 3.7% or \$10.2 million. The increase is due to the properties known as "Group 2" being reassessed. These properties are reassessed by the State Department of Assessments and Taxation every three years and account for one-third of the more than two million real property accounts in the state. The 2020 assessments for "Group 2" properties were based on an evaluation of 73,106 sales that occurred within the group over the last three years. If the reassessment resulted in a property value being adjusted, any increase in value will be phased-in equally over the next three years, while any decrease in value will be fully implemented in the 2021 tax year. For the 2020 assessment, 86.4% of "Group 2" residential properties saw an increase in property value statewide. In Harford County, residential assessments increased by 5.6% and commercial assessments for Group 2 increased by 5.2% since their last assessment in December of 2017. This is the seventh year of positive assessment growth in Harford County.

Income tax revenue, the second largest revenue source in the County, is directly affected by population growth, employment levels, and personal income. Income tax revenue has shown increases beginning in 2012 through 2020 using the modified accrual basis of accounting. The year over year increase for 2017 to 2018, 2018 to 2019, and 2019 to 2020 was 2.6%, 10.7% and 1.8%. Income tax is budgeted at \$257.2 million for fiscal year 2021. The recent growth in income tax revenue is largely due to the Federal Tax Cut and Jobs Act that increased State and local taxable income by way of capping some deductions. That change is tempered by the COVID-19 economic shut down.

Long-term financial planning: The County is positioned well to handle current and future fiscal challenges, including the COVID-19 public health crisis because of years of conservative and sound financial management. The County continues to monitor the fiscal impact of the health crisis on a daily basis and will continue to temper revenue estimates and employ strategic uses of fund balance as needed. The County received the highest rating from all three bond rating agencies for its general obligation bonds sold on April 28, 2020.

Fiscal year 2021 budget, including all funds, is \$948.3 million, an increase of 4.9% or \$44.6 million from fiscal year 2020. The total 2021 General Fund Operating Budget is \$632.4 million and the Capital Budget, excluding the Water and Sewer Capital Fund is \$129.2 million.

County Executive Glassman has reinvested in our workforce, invested in education, strengthened our communities, and funded our first responders at historic levels without raising taxes.

Capital budget in fiscal year 2021 includes \$24.4 million toward 11 Harford County Public School projects. Some projects include Joppatowne high school limited renovation, roof replacement for Bel Air Middle School and Hickory Elementary, technology infrastructure and security measures. Other major capital projects budgeted for fiscal year 2021 include \$32.2 million for County road and bridge projects, \$11.4 million for stormwater remediation projects, and \$13.1 million for public safety projects including volunteer fire companies station renovation and emergency medical stations being built as well as \$10.1 million in park and recreational projects.

In an effort to continue reinvesting in our workforce, County Executive Glassman instituted a \$2,000 merit-based annual salary increase plus 2% COLA per qualifying County employee for fiscal year 2021. Equivalent increases for the States' Attorney and Circuit Court and full funding for second phase of the Sheriff's law enforcement/corrections pay plan were implemented.

The fiscal year 2021 budget included record level funding for Harford County Public Schools. The operating funding for Harford County Public Schools was fully funded at \$276.9 million is \$20.5 million over fiscal year 2020 which exceeds the required Maintenance of Effort.

The fiscal year 2021 operating budget continues its policy of maintaining a reserve of 5.0 percent of the total General and Highways Fund operating budget to preserve its high credit ratings and provide for emergencies. Any excess unassigned fund balance realized at the end of the fiscal year, above the 5.0 percent reserve, can be appropriated into the next fiscal year as one time funding for that fiscal year.

The Aberdeen Proving Ground, Maryland is Harford County's number one employer. Primarily a scientific and technical research and development facility, APG has a workforce with one of the highest concentrations of advanced degrees among military installations in the nation.

The County continues to invest 100 percent of cash held temporarily idle during the year using an equity in pooled cash system. In addition, Agricultural Land Preservation, Capital Project, Sheriff's Office Pension System (SOPS), Volunteer Fireman's Length of Service Award Program (LOSAP), and the Other Post-Employment Benefits (OPEB) trust fund, have cash that is invested separately. For fiscal year 2020, the weighted average yield on investments was 1.53 percent.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Harford County, Maryland for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2019. This was the thirty-fifth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Comprehensive Annual Financial Report continues to meet the Certificate of Achievement Program requirement, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County received its thirty-second GFOA Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning July 1, 2019. In order to qualify for the Distinguished Budget Award, the County must publish a budget document that meets program criteria as a policy document, operations guide, financial plan, and communications medium. We believe our current budget continues to conform to program requirements and have submitted it to the GFOA to determine its eligibility for another award.

The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated service of the entire staff of the Department of the Treasury. Each member of the department has my sincere appreciation for the contributions made in the preparation of this report.

I would also like to thank the County Executive and County Council for their leadership and support in planning and conducting the financial operations of the County in a responsible and progressive manner.

Respectfully submitted,



Robert F. Sandlass, Jr.
Treasurer



Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Harford County
Maryland**

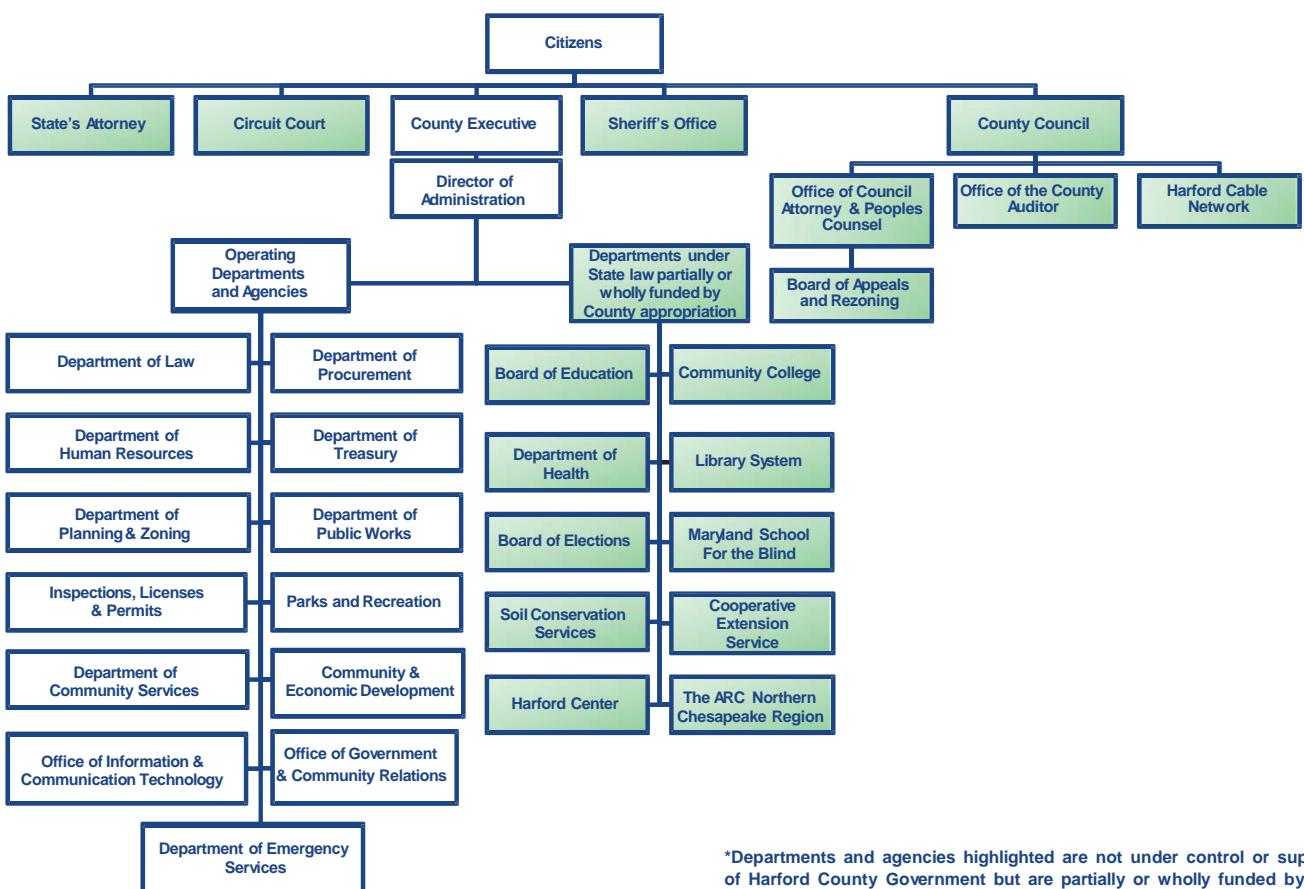
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2019

Christopher P. Monill

Executive Director/CEO

HARFORD COUNTY GOVERNMENT ORGANIZATION CHART



*Departments and agencies highlighted are not under control or supervision of Harford County Government but are partially or wholly funded by County appropriations under State law.

HARFORD COUNTY, MARYLAND
GOVERNMENTAL ORGANIZATION
CERTAIN ELECTED AND APPOINTED OFFICIALS
AS OF JUNE 30, 2020

CERTAIN ELECTED OFFICIALS

County Executive	Barry Glassman
President of the County Council	Patrick S. Vincenti
County Council Members	Andre V. Johnson Joseph M. Woods Tony "G" Giangiordano Chad R. Shrodes Robert S. Wagner Curtis L. Beulah

CERTAIN APPOINTED OFFICIALS

Director of Administration	William "Billy" Boniface
Treasurer	Robert F. Sandlass, Jr.
County Attorney	Melissa Lambert
Deputy Treasurer	Rick Pernas, CPA
Director of Community Services	Amber Shrodes
Director of Emergency Services	Edward Hopkins
Director of Human Resources	James C. Richardson
Director of Inspections, Licenses and Permits	Paul Lawder
Director of Parks and Recreation	Kathy Burley
Director of Planning and Zoning	Bradley Killian
Director of Procurement	Karen Myers
Director of Public Works	Joseph Siemek
Director of Community and Economic Development	Leonard Parrish
Director of Information and Communication Technology	Nicholas Kuba
Director of Governmental and Community Relations	Cindy Mumby

Independent Public Accountants
CliftonLarsonAllen, LLP
Certified Public Accountants
Timonium, Maryland

Bond Counsel
Miles & Stockbridge P.C.
Baltimore, Maryland

Financial Advisor
Davenport & Company
Towson, Maryland





FINANCIAL SECTION





CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

To the Honorable Members of the County Council
Harford County, Maryland

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harford County, Maryland (the County), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of Harford County Public Library, and the Harford Center, Inc., which represent 2 percent and 4 percent, respectively, of the assets and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Harford County Public Library and the Harford Center, Inc., is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. The financial statements of the Harford Center were not audited in accordance with *Government Auditing Standards*.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

To the Honorable Members of the County Council
Harford County, Maryland

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

Opinions

In our opinion, based on our audit and the report of the other auditors the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the General, Highways and Agricultural Land Preservation Funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-13, and the required supplementary information on 112-122 as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The accompanying combining and individual fund statements and budgetary comparison 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 budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Honorable Members of the County Council
Harford County, Maryland

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2020 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Baltimore, Maryland
October 5, 2020

Management's Discussion and Analysis

This section of the Comprehensive Annual Financial Report of Harford County, Maryland (the County) presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2020. We encourage readers to use the information presented here in conjunction with the accompanying letter of transmittal, the basic financial statements and the accompanying notes to those financial statements.

Financial Highlights

Government-wide:

- The County's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the fiscal year by \$776.8 million. The unrestricted portion of this is a deficit of \$145.1 million and is composed of an unrestricted deficit in the governmental activities of \$230.2 million and a balance of \$85.1 million unrestricted in the business-type activities.
- The County's net position increased \$85.2 million during the current fiscal year. The majority of the increase in the governmental activities is due to an increase of \$27.4 million from property and income taxes due to a strong economy in the first three quarters of the fiscal year and changes in tax laws, and \$7.3 million in recordation and transfer tax due to increase in activities in the housing market due to a decrease in interest rates for housing loans. The increase in the business-type activities was from a \$17.7 million increase in capital grants and contributions mainly due to connection charges, and \$2.2 million in charges for services due to increase in water and sewer rates.
- In the governmental activities, total revenues increased 7.8% while expenses increased 7.2% from the prior fiscal year, change in net position increased \$47.8 million. The business-type activities, total revenues exceeded total expenditures by \$37.3 million.

Fund Level:

- The General Fund had an increase in fund balance of \$11.8 million. The Highways Fund had an increase in fund balance of less than \$0.1 million.
- Approximately 90.9% of the total governmental fund balance, \$250.9 million, is available to meet the County's current and future needs as mandated by the appropriate level of authority within the County and are properly designated as assigned and unassigned.
- Available fund balance for the General Fund was \$141.8 million or 25.1% of total General Fund expenditures. Restricted fund balance of the General Fund was \$4.8 million or 3.3% of total fund balance, leaving \$0.9 million or 0.6% of total fund balance as nonspendable in the General Fund.
- The business-type activities operating revenue fell short of operating expenses resulting in an operating loss of \$3.3 million in the Water and Sewer fund.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the 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 other required and non-required 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 the County's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the County's assets, deferred outflows of resources, liabilities, and deferred inflows 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 and condition of the County is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the 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 governmental activities of the County include: sheriff's office, volunteer fire and rescue, corrections, public works, planning and zoning, landfill, economic development, agricultural preservation, parks and recreation, and general administrative services. The business-type activities of the County include water and sewer operations.

The government-wide financial statements include not only the County, known as the *primary government*, but also legally separate component units. The County has the following component units; Harford County Public Schools, Harford Center, Inc., Harford Community College and Harford County Public Library. Financial information for these *component units* is reported separately from the financial information presented for the primary government itself. The government-wide financial statements can be found on Exhibits 1 and 2 of this report.

Fund financial statements: A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds: *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. The governmental fund Balance Sheet including the Reconciliation to the Statement of Net Position of Governmental Activities and the Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities, provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The County maintains eight individual governmental funds, the General, Highways, Grant, Agricultural Land Preservation, Capital Project, Parks & Recreation, Stormwater Management and Beechtree Tax Increment Financing Funds. Information is presented in the governmental fund balance sheet and in the

governmental fund statement of Revenues, Expenditures, and Changes in Fund Balances for all eight governmental funds.

The County adopts an annual appropriated budget for its General Fund, Highways Fund, Parks & Recreation Fund, Agricultural Land Preservation Fund and Beechtree Tax Increment Financing Fund. A budgetary comparison statement has been provided for the General Fund, Highways Fund and Agricultural Land Preservation Fund to demonstrate compliance with this budget. The report can be found on Exhibit 6 of the Basic Financial Statements. A budgetary comparison schedule for the Parks & Recreation Fund, Stormwater Management Fund and Beechtree Tax Increment Financing Fund can be found on Exhibit D-3, D-4, and E-1, respectively.

Proprietary funds: The County maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements; the County's Water and Sewer activities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the County's various functions. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. The County uses an internal service fund to account for risk management. The basic proprietary fund financial statements can be found on Exhibits 7, 8, and 9 of this report.

Fiduciary funds: Fiduciary funds are used 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 basic fiduciary fund financial statements can be found on Exhibits 10 and 11 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are part of the basic financial statements.

Financial Analysis of the County as a Whole

The County's net position is divided into three categories; net investment in capital assets; restricted net position and unrestricted net position. The largest portion of the County's net position, \$821.1 million, reflects its investment in capital assets net of depreciation (e.g. land, development rights, construction in progress, buildings, machinery, equipment, intangibles, infrastructure and improvements), less any unmatured debt used to acquire those assets. The County uses these capital assets to provide services to citizens. Consequently, these assets are not available for future spending.

Restricted net position at \$100.7 million, are resources subject to external restrictions on how they may be used. Accounting principles generally accepted in the United States of America direct that the difference between total net position and the two categories of net position just discussed be recorded as unrestricted net position regardless of any negative balances that may result. Unrestricted net position of the total primary government is a negative \$145.1 million; business-type activities have a balance of \$85.1 million unrestricted net position while the unrestricted net position for governmental activities is a negative \$230.2 million. The major reason for negative unrestricted net position in the governmental funds relates to the building of schools. Counties in the State of Maryland issue debt for public school construction; however school buildings are recorded as assets of each public school system. Although net position, as noted earlier, is an indicator of a government's overall financial condition, the issuance of debt for Harford County Public Schools and Harford Community College construction, which increases the government's liabilities without the addition of corresponding assets, causes an imbalance on the Statement of Net Position.

The net position of governmental activities increased \$47.8 million during fiscal year 2020, while program revenues increased \$17.9 million and general revenues increased \$34.4 million over fiscal year 2019. Governmental activities general revenues for 2020 showed an increase in property taxes of \$7.8 million, an increase of income taxes of \$19.6 million, an increase of \$2.9 million in recordation taxes, an increase in transfer tax of \$4.4 million, and an increase in 911 fees of \$0.7 million.

The net position of business-type activities increased \$37.3 million during fiscal year 2020. Charges for services revenue increased \$2.2 million, 4.9% from fiscal year 2019 to 2020, due to legislation detailing a five year rate adjustment plan that became effective January 1, 2016. Expenses for the business-type activities decreased \$1.2 million, 2.3%, from the prior fiscal year.

The following tables summarize net position and the changes in net position for governmental and business-type activities:

Harford County Government - Net Position

	Governmental		Business-type		Total	
	Activities	2020	Activities	2019	Primary Government	2020
	2020	2019		2020	2019	2019
Current & Other Assets	\$ 419,666,246	\$ 346,645,988	\$ 197,738,042	\$ 166,485,631	\$ 617,404,288	\$ 513,131,619
Capital Assets	744,811,612	727,320,227	429,738,428	434,342,134	1,174,550,040	1,161,662,361
Total Assets	<u>1,164,477,858</u>	<u>1,073,966,215</u>	<u>627,476,470</u>	<u>600,827,765</u>	<u>1,791,954,328</u>	<u>1,674,793,980</u>
Deferred Outflows of Resources	76,885,596	81,014,215	8,319,322	8,671,095	85,204,918	89,685,310
Noncurrent Liabilities	836,724,726	854,969,540	139,063,424	146,416,871	975,788,150	1,001,386,411
Other Liabilities	77,929,190	39,380,904	9,356,040	14,634,749	87,285,230	54,015,653
Total Liabilities	<u>914,653,916</u>	<u>894,350,444</u>	<u>148,419,464</u>	<u>161,051,620</u>	<u>1,063,073,380</u>	<u>1,055,402,064</u>
Deferred Inflows of Resources	34,020,694	15,749,606	3,264,376	1,682,821	37,285,070	17,432,427
Net Investment in Capital Assets	502,458,772	536,321,847	318,681,176	318,187,398	821,139,948	854,509,245
Restricted	20,419,279	43,733,915	80,305,995	72,830,464	100,725,274	116,564,379
Unrestricted	(230,189,207)	(335,175,382)	85,124,781	55,746,557	(145,064,426)	(279,428,825)
Total Net Position	<u>\$ 292,688,844</u>	<u>\$ 244,880,380</u>	<u>\$ 484,111,952</u>	<u>\$ 446,764,419</u>	<u>\$ 776,800,796</u>	<u>\$ 691,644,799</u>

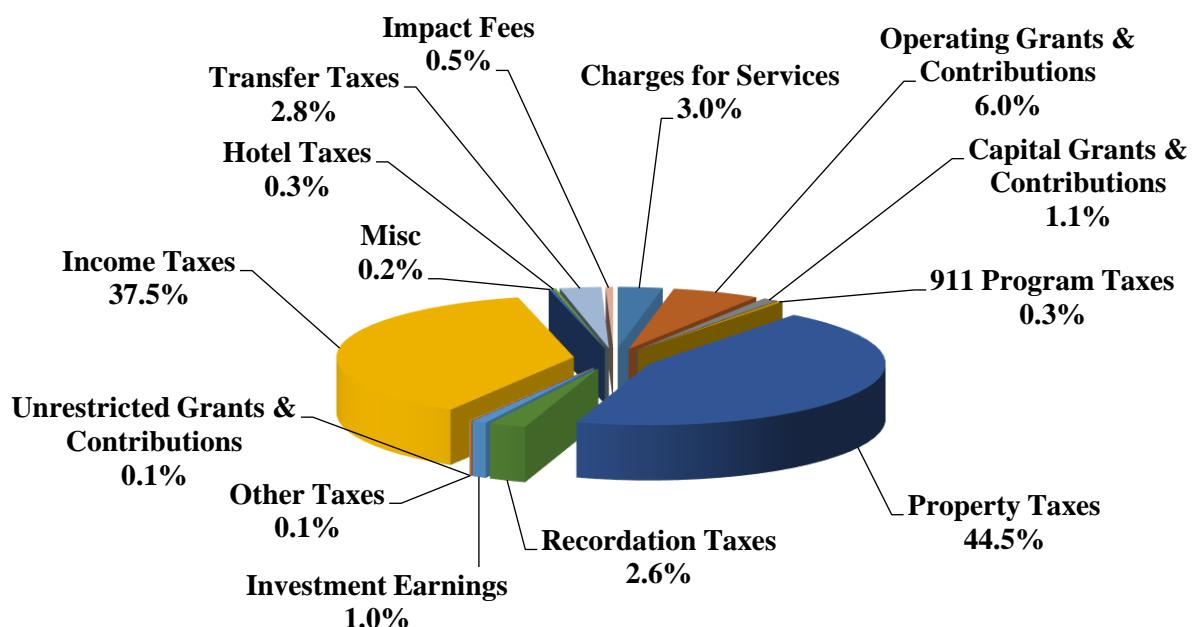
Harford County Government's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program revenues:						
Charges for Services	\$ 22,065,129	\$ 21,936,237	\$ 48,134,482	\$ 45,897,888	\$ 70,199,611	\$ 67,834,125
Operating Grants & Contributions	43,427,802	28,177,980	445,651	330,000	43,873,453	28,507,980
Capital Grants & Contributions	7,714,585	5,176,268	38,343,861	20,665,666	46,058,446	25,841,934
General revenues:						
Property Taxes	322,655,230	314,832,396	-	-	322,655,230	314,832,396
Income Taxes	272,032,442	252,411,277	-	-	272,032,442	252,411,277
Impact Fees	3,660,600	3,438,000	-	-	3,660,600	3,438,000
911 Program Taxes	2,472,064	1,767,924	-	-	2,472,064	1,767,924
Recordation Taxes	18,477,290	15,552,643	-	-	18,477,290	15,552,643
Transfer Taxes	20,434,124	16,035,648	-	-	20,434,124	16,035,648
Hotel Taxes	1,826,103	2,287,152	-	-	1,826,103	2,287,152
Other Taxes	615,310	783,577	-	-	615,310	783,577
Investment Earnings	7,329,035	8,011,491	3,585,552	4,115,871	10,914,587	12,127,362
Unrestricted Grants & Contributions	383,055	360,549	-	-	383,055	360,549
Miscellaneous	1,471,577	1,452,312	166,566	-	1,638,143	1,452,312
Total Revenues	724,564,346	672,223,454	90,676,112	71,009,425	815,240,458	743,232,879
Program Expenses:						
Agricultural Land						
Preservation	2,954,760	4,098,178	-	-	2,954,760	4,098,178
County Council	3,027,207	2,959,753	-	-	3,027,207	2,959,753
General Government	49,203,101	51,764,330	-	-	49,203,101	51,764,330
Education	322,449,454	286,146,378	-	-	322,449,454	286,146,378
Harford Center	588,303	578,036	-	-	588,303	578,036
Judicial	11,697,735	11,026,051	-	-	11,697,735	11,026,051
Libraries	19,082,017	18,725,244	-	-	19,082,017	18,725,244
Parks and Recreation	15,564,649	16,387,902	-	-	15,564,649	16,387,902
Public Safety	127,274,285	120,571,842	-	-	127,274,285	120,571,842
Public Works	78,146,898	74,092,972	-	-	78,146,898	74,092,972
Social Services	31,411,699	28,005,721	-	-	31,411,699	28,005,721
Unallocated Debt						
Interest / Other Costs	15,355,774	17,143,826	-	-	15,355,774	17,143,826
Water and Sewer	-	-	53,328,579	54,570,952	53,328,579	54,570,952
Total Expenses	676,755,882	631,500,233	53,328,579	54,570,952	730,084,461	686,071,185
Excess (Deficiency) before Special Items						
Special Item: Claims & Judgements	-	45,868,055	-	-	-	45,868,055
Change in Net Position	47,808,464	86,591,276	37,347,533	16,438,473	85,155,997	103,029,749
Net Position--Beginning	244,880,380	158,289,104	446,764,419	430,325,946	691,644,799	588,615,050
Net Position--Ending	\$ 292,688,844	\$ 244,880,380	\$ 484,111,952	\$ 446,764,419	\$ 776,800,796	\$ 691,644,799

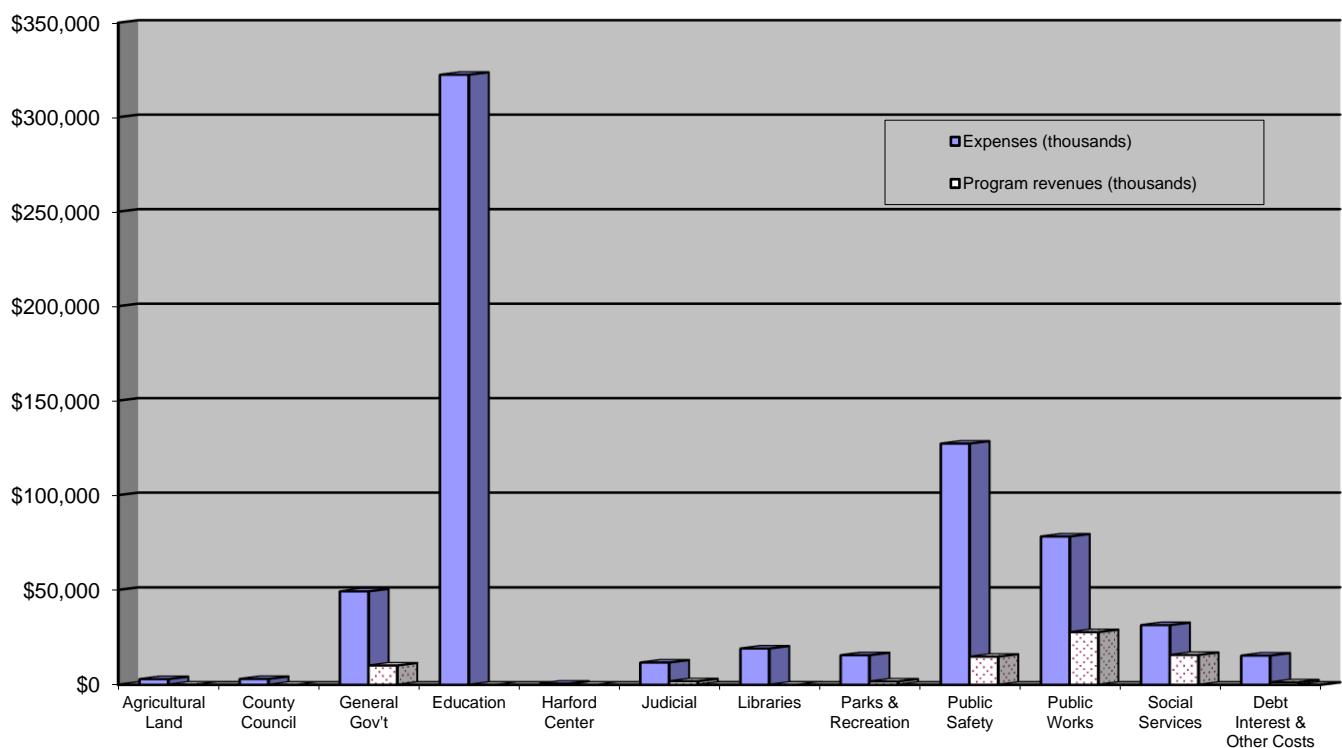
Governmental activities: The change in net position of governmental activities increased \$47.8 million during fiscal year 2020. Key elements are as follows:

- Total Government Activities expenses increased \$45.3 million or 7.2% from fiscal year 2019. The increase is due to funding Education \$36.3 million over prior year, mainly for instructional salaries to support the teachers. Public Safety increased \$6.7 million mainly due to increase in personnel costs which included insurance, retirement, and overtime. An increase in Public Works of \$4.1 million, which comprises the majority of the County workforce, received raises in fiscal year 2020.
- Property Taxes increased in fiscal year 2020 by \$7.8 million or 2.5% over prior year due to a growing economy which has translated to stronger home prices.
- The County recorded \$272.0 million in income tax revenue for fiscal year 2020. This is a \$19.6 million or 7.8% increase from fiscal year 2019 using full accrual accounting. The change was attributed to an improvement in the economy, wages and capital gains in the first three quarters of the fiscal year, and an increase in net taxable income due to a provision in the Tax Cuts and Jobs Act that limited deductions of state and local taxes from federal income taxes. Growth was tampered in the 4th quarter due to the effects of the COVID-19 economic shutdown.
- Recordation and Transfer Tax increased \$7.3 million in fiscal year 2020 over fiscal year 2019. In fiscal year 2020 the number of homes sold increased due to falling interest rates resulting in increased recordation and transfer tax revenue.
- Investment Earnings decreased by \$0.7 million due to a decrease in interest rates over fiscal year 2019.
- Operating Grants and Contributions increased \$15.2 million or 54.1% from prior fiscal year. The County received COVID-19 funding from the federal government to combat the pandemic. The funding was used for emergency operational costs and economic development assistance to business impacted by the pandemic.
- Capital Grants and Contributions increased \$2.5 million or 49.0% from prior fiscal year. The County received more contributed assets from developers in the form of donated roads. Donated roads can increase or decrease depending when the County accepts the roads from a completed housing development.

Revenues by Source-Governmental Activities



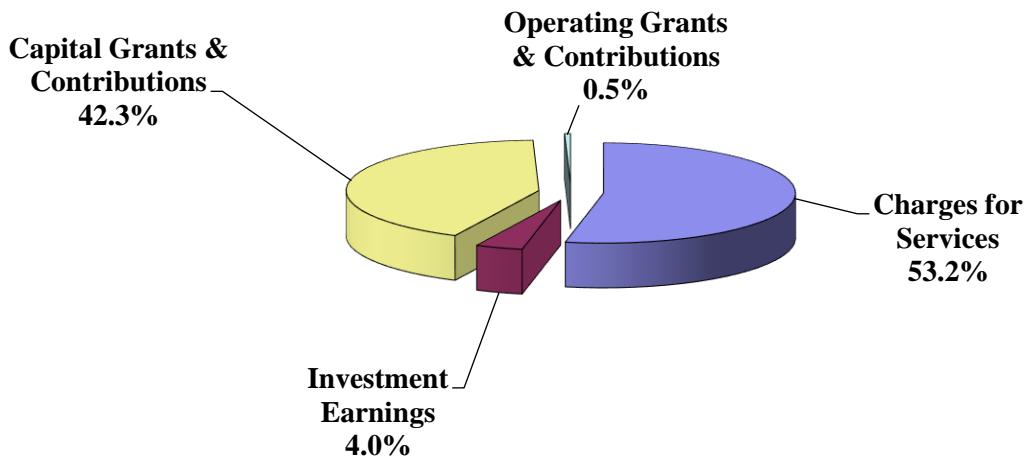
Expenses and Program Revenues-Governmental Activities



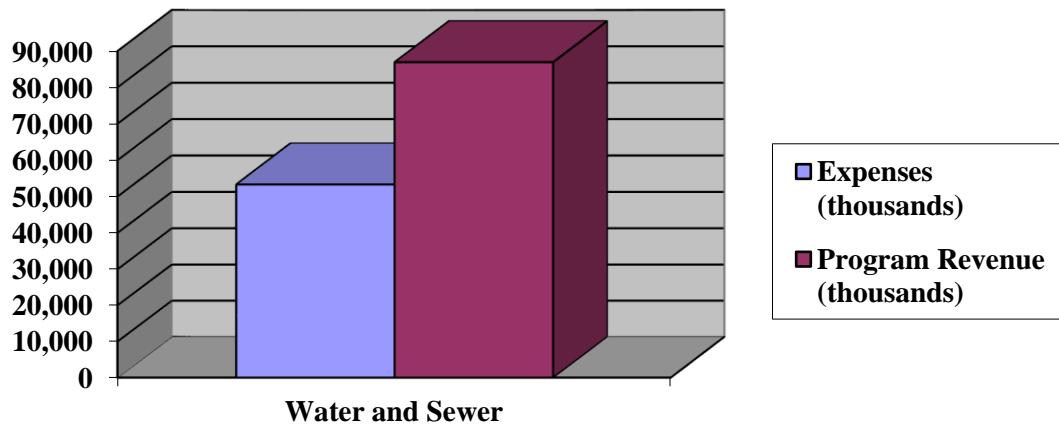
Business-type activities Business-type activities recorded an increase in net position of \$37.3 million during fiscal year 2020. Key elements are as follows:

- The increase in charges for services, \$2.2 million is attributed to an increase in the water and sewer rates.
- Investment Earnings totaled \$3.6 million, a decrease of 12.9% or \$0.5 million from fiscal year 2019 due to decrease in interest rates.
- Capital Grants and Contributions increased \$17.7 million or 85.5% from prior year due mostly to connections charges from development.

Revenues by Source-Business-type Activities



Expenses and Program Revenues-Business-type Activities



Financial Analysis of the County's Funds

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

Governmental funds The focus of the County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the government's financing requirements. In particular, *committed, assigned and unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$250.9 million. Approximately 90.9% of this total amount, or \$228.0 million, constitutes *assigned and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance, \$22.9 million, is *nonspendable or restricted* to indicate that it is not available for new spending because it has been dedicated. The nonspendable and restricted fund balance, at 9.1% of total fund balance, does not significantly affect the availability of fund resources for future use.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the assigned and unassigned fund balance of the General Fund was \$141.8 million. As a measure of the General Fund's liquidity, it is useful to compare both assigned and unassigned fund balance and total fund balance to total fund expenditures. Assigned and unassigned fund balance represents 25.1% of total General Fund expenditures, while total fund balance represents 26.2% of that same amount.

The County's General Fund total fund balance increased by \$11.8 million during the current fiscal year. The increase is mostly due to an increase in revenues of \$9.6 million with the majority from taxes which increased \$10.2 million due to an improved real estate market and a strong economy for the first three quarters of the fiscal year before COVID-19.

The Highways Fund has a total fund balance of \$22.3 million. The Highways Fund has 88.1% of its total fund balance assigned. Of this amount, 14.5% is assigned for fiscal stabilization purposes, 6.3% is assigned for encumbrances, and 48.4% is assigned for the purpose of the fund. The Highways Fund balance of \$1.5 million classified as nonspendable represents inventory. The fund balance remains approximately the same as last fiscal year increasing less than \$0.1 million.

The Grant Fund has a total fund balance of \$8.3 million all under the restricted category due to the legally binding nature of the grant agreements.

The Agricultural Land Preservation Fund has a total assigned fund balance of \$46.9 million. There is \$27.4 million assigned for Development Rights that were purchased in prior years and the remainder is assigned to the purpose of the fund. The fiscal year fund balance increased by \$8.2 million is due mostly to increase in transfer tax and investment income from the prior fiscal year of \$3.4 million as well a decrease in expenditures of \$10.1 million mainly due to less purchasing of development rights from fiscal year 2019.

The Capital Project Fund has a total fund balance of \$13.0 million. General obligation bonds of \$37.0 million were issued during fiscal year 2020 to help pay the cost of County capital projects. Of the total fund balance, \$2.5 million is restricted for dedicated revenues for Harford County Public Schools and Parks and Recreation projects and \$10.0 million is assigned. The decrease in fund balance of \$27.1 million is attributed to the forward funding of capital projects that are financed by the sale of bonds.

The Parks and Recreation Fund, Stormwater Management Fund, and Beechtree Tax Increment Financing Fund have been classified as non-major governmental funds. Total fund balance for the non-major governmental funds as of June 30, 2020 was \$12.7 million. Of the total fund balance, \$3.1 million is restricted for debt service and unspent bond proceeds and \$9.6 million is assigned to the purpose of the

funds. The increase in fund balance of \$1.1 million is mostly attributed to the levy of recordation tax in the Stormwater Management Fund which is being deferred for future stormwater management projects required by the State.

Proprietary funds The County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$84.2 million and unrestricted net position of the Internal Service Fund totaled \$20.0 million mostly due to reduced expenditures for health care as people deferred going for non-emergency treatment during the pandemic as well keeping the premium the same as prior year for the funds. Factors concerning the finances of the Water and Sewer Fund are addressed in the discussion of the County's business-type activities.

General Fund Budgetary Highlights The final budget of the General Fund for fiscal year 2020 increased by \$81.5 million over the original budget. The increase was largely contributed to having appropriation authority to make payment to the escrow agent for refunding of bonds in the amount of \$78.0 million and allocated to appropriated funds to account for expenses attributable to OPEB and retirement payouts. Revenue variances decreased from the final fiscal year 2020 budget by \$3.3 million mostly due to a bond premium that was not budgeted and a variance of \$12.2 million over estimated income tax revenue that saved the County from using \$20.5 million of appropriated fund balance. A cautious spending policy, in light of COVID-19, also led to the \$15.3 million or 2.3% decrease in actual General Fund expenditures compared to the final General Fund budget.

Capital Asset and Debt Administration

Capital assets The County's capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$1.2 billion (net of accumulated depreciation). This investment in capital assets includes land, development rights, construction in process, buildings, improvements, machinery and equipment, vehicles, intangibles and infrastructure. The total net increase in the County's capital assets for the current fiscal year is \$12.9 million.

The County's Capital Assets

(Net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 275,533,770	\$ 270,651,128	\$ 1,535,972	\$ 1,535,972	\$ 277,069,742	\$ 272,187,100
Development Rights	151,896,142	146,831,684	-	-	151,896,142	146,831,684
Construction in Process	17,723,295	23,365,346	8,858,966	4,012,963	26,582,261	27,378,309
Buildings	138,661,929	135,888,178	147,330,180	153,118,353	285,992,109	289,006,531
Improvements	25,599,443	22,126,217	216,788,839	218,291,094	242,388,282	240,417,311
Machinery and Equipment	1,497,120	1,819,598	22,256,038	23,523,403	23,753,158	25,343,001
Vehicles	13,975,207	13,476,022	1,891,496	2,066,392	15,866,703	15,542,414
Intangibles	2,965,235	3,502,504	664,456	796,304	3,629,691	4,298,808
Infrastructure	<u>116,959,471</u>	<u>109,659,550</u>	<u>30,412,481</u>	<u>30,997,653</u>	<u>147,371,952</u>	<u>140,657,203</u>
Total	<u>\$ 744,811,612</u>	<u>\$ 727,320,227</u>	<u>\$ 429,738,428</u>	<u>\$ 434,342,134</u>	<u>\$ 1,174,550,040</u>	<u>\$ 1,161,662,361</u>

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

- The Robinson Mill Road Bridge was completed in fiscal year 2020 and capitalized for \$1.8 million. The bridge opened in April 2020.
- The Harford County Courthouse Building had renovations completed to Level 3 and B and the Vestibule for \$4.3 million. The renovations were completed in November 2019.
- A new turf field at Patterson Mill High School was installed and capitalized for \$1.8 million. The field was completed in November 2019.

Additional information on Harford County's capital assets is found in Note 4C of this report.

Education Capital Expenditures:

Harford County Public Schools and Harford Community College projects made up the majority of the fiscal year 2020 General County Capital Budget. Some of the major expenditures were:

- The Roof Replacement at Aberdeen Middle School project will prevent damage to the interior of the building and prevent indoor air quality issues. In fiscal year 2020, \$1.2 million was spent of the \$1.6 million County budget.
- The Joppatowne High School project had expenditures of \$2.1 million in fiscal year 2020. The renovations include adding two science rooms, a professional food lab, a multipurpose room, ADA improvements, security improvements along with exterior door and window replacements.
- The Roye Williams HVAC Renovation project had expenditures of \$1.1 million in fiscal year 2020. The project will replace and upgrade the building's HVAC system along with installing a backup generator.

Long-term debt At the end of the current fiscal year, the County had Bonds and Installment Purchase Agreements debt outstanding of \$659.8 million. Of this amount, \$114.2 million is considered self-supporting debt, funded through various surcharges and assessments related to the operation of the water and sewer systems of the County. Also considered self-supporting are \$34.7 million in installment purchase agreements to purchase easements for agricultural land preservation, payable from special revenue funds supported through one-half of one percent of the transfer tax levy, and \$13.8 million associated with the incremental property tax revenues related to a special taxing district.

The County's Outstanding Debt

Bonds and Installment Purchase Agreements

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Installment						
Purchase Agree.	\$ 34,657,127	\$ 32,994,659	\$ -	\$ -	\$ 34,657,127	\$ 32,994,659
Bonds Payable	<u>510,934,673</u>	<u>510,848,176</u>	<u>114,206,271</u>	<u>119,780,161</u>	<u>625,140,944</u>	<u>630,628,337</u>
	<u>\$ 545,591,800</u>	<u>\$ 543,842,835</u>	<u>\$ 114,206,271</u>	<u>\$ 119,780,161</u>	<u>\$ 659,798,071</u>	<u>\$ 663,622,996</u>

The total debt of the Primary Government decreased by \$3.8 million or 0.6%, during the current fiscal year. For governmental activities, debt increased by \$1.8 million due to a general obligation bond sale of \$37.0 million, a premium of \$4.2 million and the issue of \$3.1 million of installment purchase agreements offset by principal payments and reductions of \$43.3 million. In business-type activities, debt decreased \$5.6

million, due to bond principal payments and reductions of \$8.7 million, offset by a bond sale of \$3.0 million and a premium of \$0.3 million.

During fiscal year 2020, the County earned the highest bond rating possible from all three major bond rating agencies. Moody's Investors Services, Standard and Poor's Corp., and Fitch Ratings all reaffirmed their credit ratings of 'Aaa', 'AAA' and 'AAA', respectively. Each rating service said the County's future outlook is "stable".

State statutes limit the amount of general obligation debt a government entity may issue; up to 15% of its net assessed valuation of personal and corporate property plus 6% of the net assessed valuation of real property. The current debt limitation for the County is \$1.9 billion, which is significantly in excess of the County's outstanding general obligation debt.

Additional information on the County's long-term debt is found in note 4G of this report.

Economic Factors and Next Year's Budgets and Rates

- The County Real Property Tax Rate for fiscal year 2021 remains unchanged at \$1.042 per \$100 of assessed valuation. Net property tax receipts recorded in the General Fund for fiscal year 2021 are expected to increase by 3.67% over those approved for fiscal year 2020. The increase is primarily due to a 3.32% increase in prior year reassessment values Countywide. Statewide, the assessment notices mailed to a third of property owners reflect an increase by an average of 8.9%, which represents an average increase of 7.3% for all residential property and 13.5% for all commercial property since they were last assessed in 2017. In Harford County, residential assessments increased by 5.6% and commercial assessments increased by 5.2%. The Homestead Tax Credit rate is 5% for Harford County for fiscal year 2021 and remains unchanged from the past fiscal year.
- In fiscal year 2021, the County's income tax rate stayed at 3.06%. Fiscal year 2021 income tax revenue that is budgeted is projected to increase over fiscal year 2020 income tax budgeted revenue amount by 10.15%. Income tax is budgeted at \$257.2 million for fiscal year 2021. This budget was made before the economic extent of the COVID-19 shutdown was known. While we believe the economy will recover in FY21, it is unlikely we will meet the budgeted level of growth. The county government is prepared to make up any revenue shortfall by making mid-year expenditure reductions.
- The County levies and collects a transfer tax at a rate of 1.0% of the actual consideration paid for conveyance of title to real property. This tax is imposed upon all transfers of real property within the County. Transfer tax collected is split 50% to fund school construction debt and 50% to purchase agricultural land for preservation. For fiscal year 2021, the County anticipates recording \$19.0 million in transfer tax.
- Governmental funds report the difference between their assets and deferred outflows of resources and liabilities and deferred inflows of resources as fund balance. Fund balance is reported in classifications that comprise a hierarchy outlining the order in which funds can be spent. For fiscal year 2020, the County original budget appropriated \$17.4 million in General Fund Balance to balance the 2020 budget. In fiscal year 2021, the County appropriated \$27.4 million in General Fund Balance to balance the 2021 budget.
- For fiscal year 2021, Harford County Public Schools are funded at \$276.9 million, which is \$20.5 million over fiscal year 2020 and above the required Maintenance of Effort level by \$16.7 million.
- The County's support of Harford Community College fiscal year 2021 budget totals \$20.7 million, \$17.5 for the operating budget and \$3.2 for the debt service budget. The County increased appropriation of \$0.4 million from the fiscal year 2020 operating budget.

- Harford County Public Schools fiscal year 2021 capital budget contains 11 planned projects totaling \$24.4 million to support technology for students and teachers, facility improvements, bus replacement, and life safety emergency systems. Of the total General Fund debt service budget, 58.1% is allocated for school debt.

These and other economic factors were considered when preparing the fiscal year 2021 General Fund budget, which estimates total revenues at \$632.4 million; an increase of \$37.0 million or 6.2% over fiscal year 2020 original budgeted amounts. The budget includes record level funding to our first responders, education and libraries. We also dedicated \$1 million for the prevention and treatment of opioid addiction and other behavioral health services and other support of other community organizations including Harford County Humane Society, Harford Center and the Arc. The 2021 approved budget includes a merit-based annual salary increase of \$2,000 plus 2% COLA per qualifying county employee plus equivalent increases for the States' Attorney and Circuit Court employees. The full funding for the second phase of Harford County Sheriff's Office pay plan was also approved. The County also anticipates issuing bonds during fiscal year 2021.

The County approved Bill 20-003 on March 18, 2020, which established new Harford County Water and Sewer rates that is phased in over 5 years. The increase was necessary to maintain service reliability and infrastructure integrity due to the county's aging Water and Sewer systems. The net change in the fiscal year 2021 approved budget from the 2020 fiscal year original approved budget for the Water and Sewer Operating Fund is an increase of \$2.0 million or 3.2%.

Requests for Information

This financial report is designed to provide a general overview of the County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Treasurer, Harford County Government, 220 S. Main Street, Bel Air, Maryland, 21014.

The County's component units issue their own separately audited financial statements. These statements may be obtained by directly contacting the component unit, contact information can be found on Note 1A of this report.

Basic Financial Statements

HARFORD COUNTY, MARYLAND

Statement of Net Position

June 30, 2020

Exhibit 1

	Primary Government			Component Units			
	Governmental Activities	Business-Type Activities	Total Primary Government	Harford County Public Schools	Harford Center, Inc.	Harford Community College	Harford County Public Library
ASSETS							
Equity in Pooled Cash and Investments	\$ 264,371,756	\$ 147,536,278	\$ 411,908,034	\$ -	\$ -	\$ -	\$ -
Cash and Investments	131,865	2,200	134,065	16,709,385	2,256,471	30,647,528	7,179,685
Taxes and Accounts Receivable (Net)	11,694,527	20,435,101	32,129,628	11,474,517	12,658	5,807,784	269,214
Federal and State Receivable	104,356,053	-	104,356,053	7,665,986	158,201	1,189,764	-
Internal Balances	(903,118)	903,118	-	-	-	-	-
Due From Primary Government	-	-	-	13,006,965	-	254,361	43,501
Inventories	1,472,180	2,552,926	4,025,106	687,605	-	492,740	-
Loans Receivable	2,620,355	-	2,620,355	-	-	-	-
Prepaid Items and Other Assets	-	-	-	-	59,119	540,930	315,195
Deposit with Trustee	1,443,726	-	1,443,726	-	-	1,663,035	2,331,140
Benefit Assessments	535,994	25,210,541	25,746,535	-	-	-	-
Restricted Assets - Investments	33,942,908	1,097,878	35,040,786	-	-	19,297,695	-
Capital Assets:							
Land, Development Rights & CIP	445,153,207	10,394,938	455,548,145	95,492,554	-	3,741,759	-
Other Capital Assets, Net of Depreciation	299,658,405	419,343,490	719,001,895	593,061,592	825,633	95,893,828	4,972,790
Total Assets	<u>1,164,477,858</u>	<u>627,476,470</u>	<u>1,791,954,328</u>	<u>738,098,604</u>	<u>3,312,082</u>	<u>159,529,424</u>	<u>15,111,525</u>
DEFERRED OUTFLOWS OF RESOURCES							
Loss on Refunding	13,434,413	2,490,412	15,924,825	-	-	-	-
Pension and OPEB Deferrals	63,451,183	5,828,910	69,280,093	454,446,743	-	440,256	11,990,767
Total Deferred Outflow of Resources	<u>76,885,596</u>	<u>8,319,322</u>	<u>85,204,918</u>	<u>454,446,743</u>	<u>-</u>	<u>440,256</u>	<u>11,990,767</u>
LIABILITIES							
Accounts Payable	9,966,851	1,194,523	11,161,374	12,718,379	26,768	2,056,163	333,862
Due to Component Units	13,304,827	-	13,304,827	-	-	-	-
Retainages Payable	731,016	433,480	1,164,496	-	-	-	-
Payable to State of Maryland	254,224	1,160,732	1,414,956	-	566,161	-	-
Accrued Expenses	12,416,314	1,872,475	13,988,789	427,654	143,611	1,942,304	469,567
Unearned Revenue	38,417,425	4,558	38,421,983	4,387,211	-	5,614,538	24,359
Performance Deposits	1,298,299	63,503	1,361,802	-	-	-	-
Escrow Accounts	968,401	4,604,347	5,572,748	-	-	-	-
Other Liabilities	871,833	22,422	894,255	-	-	175,675	71,794
Noncurrent Liabilities:							
Due within one year	52,803,209	9,899,494	62,702,703	5,127,420	-	202,401	13,253
Due in more than one year	783,921,517	129,163,930	913,085,447	1,319,442,075	425,000	2,468,445	26,509,018
Total Liabilities	<u>914,653,916</u>	<u>148,419,464</u>	<u>1,063,073,380</u>	<u>1,342,102,739</u>	<u>1,161,540</u>	<u>12,459,526</u>	<u>27,421,853</u>
DEFERRED INFLOWS OF RESOURCES							
Gain on Refunding	-	5,789	5,789	-	-	-	-
Pension and OPEB Deferrals	34,020,694	3,258,587	37,279,281	406,507,120	-	204,748	10,889,369
Total Deferred Inflow of Resources	<u>34,020,694</u>	<u>3,264,376</u>	<u>37,285,070</u>	<u>406,507,120</u>	<u>-</u>	<u>204,748</u>	<u>10,889,369</u>
NET POSITION							
Net Investment in Capital Assets	502,458,772	318,681,176	821,139,948	675,955,926	825,633	99,635,587	4,942,499
Restricted for:							
Highways Projects	1,182,885	-	1,182,885	-	-	-	-
Grant Programs	8,348,230	-	8,348,230	-	-	-	-
Capital Projects	3,001,989	-	3,001,989	317,393	-	-	-
Debt Service	2,560,799	-	2,560,799	-	-	-	-
Stormwater Management	529,762	-	529,762	-	-	-	-
Water & Sewer		80,305,995	80,305,995	-	-	-	-
Bond Proceeds	4,531,768	-	4,531,768	-	-	-	-
Public Safety	263,846	-	263,846	-	-	-	-
Other Purposes	-	-	-	994,251	21,500	11,835,414	136,185
Unrestricted	<u>(230,189,207)</u>	<u>85,124,781</u>	<u>(145,064,426)</u>	<u>(1,233,332,082)</u>	<u>1,303,409</u>	<u>35,834,405</u>	<u>(16,287,614)</u>
Total Net Position	<u>\$ 292,688,844</u>	<u>\$ 484,111,952</u>	<u>\$ 776,800,796</u>	<u>\$ (556,064,512)</u>	<u>\$ 2,150,542</u>	<u>\$ 147,305,406</u>	<u>\$ (11,208,930)</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement of Activities
For The Year Ended June 30, 2020

Exhibit 2

Functions/Programs	Program Revenues					Net (Expense) Revenue and Changes in Net Position					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units			
					Governmental Activities	Business-Type Activities	Total	Harford County Public Schools	Harford Center, Inc.	Harford Community College	Harford County Public Library
Primary Government:											
Governmental Activities											
Agricultural Preservation	\$ 2,954,760	\$ -	\$ 83,086	\$ -	\$ (2,871,674)	\$ -	\$ (2,871,674)	\$ -	\$ -	\$ -	\$ -
County Council	3,027,207	-	-	-	(3,027,207)	-	(3,027,207)	-	-	-	-
General Government	49,203,101	3,300,698	6,032,338	800,427	(39,069,638)	-	(39,069,638)	-	-	-	-
Education-Primary thru Comm. College	322,449,454	-	-	-	(322,449,454)	-	(322,449,454)	-	-	-	-
Harford Center	588,303	-	-	-	(588,303)	-	(588,303)	-	-	-	-
Judicial	11,697,735	7,183	1,822,812	-	(9,867,740)	-	(9,867,740)	-	-	-	-
Libraries	19,082,017	-	-	-	(19,082,017)	-	(19,082,017)	-	-	-	-
Parks, Recreation and Natural Resources	15,564,649	656,476	106,445	946,968	(13,854,760)	-	(13,854,760)	-	-	-	-
Public Safety	127,274,285	4,808,381	8,486,210	1,469,780	(112,509,914)	-	(112,509,914)	-	-	-	-
Public Works	78,146,898	12,753,003	10,472,481	4,497,410	(50,424,004)	-	(50,424,004)	-	-	-	-
Social Services	31,411,699	539,388	15,133,941	-	(15,738,370)	-	(15,738,370)	-	-	-	-
Unallocated Debt Interest / Other Costs	15,355,774	-	1,290,489	-	(14,065,285)	-	(14,065,285)	-	-	-	-
Total Governmental Activities	<u>\$ 676,755,882</u>	<u>\$ 22,065,129</u>	<u>\$ 43,427,802</u>	<u>\$ 7,714,585</u>	<u>\$ (603,548,366)</u>	<u>-</u>	<u>\$ (603,548,366)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type Activities											
Water and Sewer	53,328,579	48,134,482	445,651	38,343,861	-	33,595,415	33,595,415	-	-	-	-
Total Business-type Activities	<u>53,328,579</u>	<u>48,134,482</u>	<u>445,651</u>	<u>38,343,861</u>	<u>-</u>	<u>33,595,415</u>	<u>33,595,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 730,084,461</u>	<u>\$ 70,199,611</u>	<u>\$ 43,873,453</u>	<u>\$ 46,058,446</u>	<u>\$ (603,548,366)</u>	<u>\$ 33,595,415</u>	<u>\$ (569,952,951)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Component Units:											
Harford County Public Schools	\$ 659,131,625	\$ 7,175,788	\$ 145,235,567	\$ 55,004,253	-	-	-	\$ (451,716,017)	-	-	-
Harford Center, Inc.	3,179,719	-	2,562,733	-	-	-	-	(616,986)	-	-	-
Harford Community College	63,977,718	18,919,838	26,327,573	2,927,176	-	-	-	-	-	(15,803,131)	-
Harford County Public Library	23,147,246	463,075	3,782,297	-	-	-	-	-	-	-	(18,901,874)
Total Component Units	<u>\$ 749,436,308</u>	<u>\$ 26,558,701</u>	<u>\$ 177,908,170</u>	<u>\$ 57,931,429</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ (451,716,017)</u>	<u>\$ (616,986)</u>	<u>(15,803,131)</u>	<u>(18,901,874)</u>
General Revenues:											
Taxes:											
Property Taxes			322,655,230	-	322,655,230	-	-	-	-	-	-
Income Taxes			272,032,442	-	272,032,442	-	-	-	-	-	-
Impact Fees			3,660,600	-	3,660,600	-	-	-	-	-	-
911 Program Taxes			2,472,064	-	2,472,064	-	-	-	-	-	-
Recordation Taxes			18,477,290	-	18,477,290	-	-	-	-	-	-
Transfer Taxes			20,434,124	-	20,434,124	-	-	-	-	-	-
Hotel Taxes			1,826,103	-	1,826,103	-	-	-	-	-	-
Other Taxes			615,310	-	615,310	-	-	-	-	-	-
Investment Earnings			7,329,035	3,585,552	10,914,587	494,043	(46,921)	535,105	89,183		
Grants and Contributions not Restricted to Specific Purposes			383,055	-	383,055	402,509,126	523,633	17,726,065	17,804,908		
Miscellaneous			1,471,577	166,566	1,638,143	5,165,569	200,675	-	-		
Total General Revenues			<u>651,356,830</u>	<u>3,752,118</u>	<u>655,108,948</u>	<u>408,168,738</u>	<u>677,387</u>	<u>18,261,170</u>	<u>17,894,091</u>		
Change in Net Position			<u>47,808,464</u>	<u>37,347,533</u>	<u>85,155,997</u>	<u>(43,547,279)</u>	<u>60,401</u>	<u>2,458,039</u>	<u>(1,007,783)</u>		
Net Position--Beginning of Year, as Restated			<u>244,880,380</u>	<u>446,764,419</u>	<u>691,644,799</u>	<u>(512,517,233)</u>	<u>2,090,141</u>	<u>144,847,367</u>	<u>(10,201,147)</u>		
Net Position--Ending			<u>\$ 292,688,844</u>	<u>\$ 484,111,952</u>	<u>\$ 776,800,796</u>	<u>\$ (556,064,512)</u>	<u>\$ 2,150,542</u>	<u>\$ 147,305,406</u>	<u>\$ (11,208,930)</u>		

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Balance Sheet
Governmental Funds
June 30, 2020

Exhibit 3

	General	Highways	Grant	Agricultural Land Preservation	Capital Project	Non-major Governmental Funds	Total Governmental Funds
ASSETS							
Equity in Pooled Cash and Investments	\$ 123,521,623	\$ 20,976,592	\$ 40,844,272	\$ 19,528,982	\$ 30,545,786	\$ 10,868,834	\$ 246,286,089
Cash and Investments	128,115	3,000	-	-	-	750	131,865
Taxes and Accounts Receivable (Net)	5,866,440	544,152	-	-	56,437	351	6,467,380
Federal and State Receivable	97,524,499	491,078	4,384,182	-	1,956,294	-	104,356,053
Inventories	-	1,472,180	-	-	-	-	1,472,180
Loans Receivable	944,814	-	1,675,541	-	-	-	2,620,355
Deposit with Trustee	-	-	-	-	-	1,443,726	1,443,726
Benefit Assessment	-	-	-	-	535,994	-	535,994
Restricted Assets - Investments	4,531,768	971,917	-	27,429,897	479,564	529,762	33,942,908
TOTAL ASSETS	\$ 232,517,259	\$ 24,458,919	\$ 46,903,995	\$ 46,958,879	\$ 33,574,075	\$ 12,843,423	\$ 397,256,550
LIABILITIES							
Accounts Payable	\$ 3,938,982	\$ 361,831	\$ 407,568	\$ 29,738	\$ 5,111,591	\$ 95,155	\$ 9,944,865
Due to Component Units	-	-	-	-	13,304,827	-	13,304,827
Retainages Payable	-	-	-	-	731,016	-	731,016
Payable to State of Maryland	254,224	-	-	-	-	-	254,224
Accrued Expenditures	4,556,443	823,338	285,811	-	-	22,958	5,688,550
Unearned Revenue	80,761	-	37,862,386	-	474,278	-	38,417,425
Performance Deposits	900,679	397,620	-	-	-	-	1,298,299
Escrow Accounts	422,997	118,617	-	-	422,467	4,320	968,401
Other Liabilities	870,004	1,829	-	-	-	-	871,833
Total Liabilities	11,024,090	1,703,235	38,555,765	29,738	20,044,179	122,433	71,479,440
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	73,971,923	411,743	-	-	535,994	-	74,919,660
Total Deferred Inflows of Resources	73,971,923	411,743	-	-	535,994	-	74,919,660
FUND BALANCES							
Nonspendable	944,814	1,472,180	-	-	-	-	2,416,994
Restricted	4,795,614	1,182,885	8,348,230	-	3,001,989	3,090,561	20,419,279
Assigned	114,534,573	19,688,876	-	46,929,141	9,991,913	9,630,429	200,774,932
Unassigned	27,246,245	-	-	-	-	-	27,246,245
Total Fund Balances	147,521,246	22,343,941	8,348,230	46,929,141	12,993,902	12,720,990	250,857,450
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 232,517,259	\$ 24,458,919	\$ 46,903,995	\$ 46,958,879	\$ 33,574,075	\$ 12,843,423	

Internal Balances are a result of eliminating the internal service fund using the "look-back" method resulting in a payable in the governmental activities in the Statement of Net Position.

(903,118)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

744,811,612

Some of the County's revenues will be collected after year-end, but not available soon enough to pay for the current period expenditures, and therefore are reported as unavailable revenues in the funds.

74,919,660

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual funds. These assets and liabilities of the internal service funds are included in the statement of net position.

19,978,860

Deferred outflow of resources, including loss on refunding and pension and OPEB deferrals.

76,885,596

Deferred inflow of resources, including pension and OPEB deferrals.

(34,020,694)

Long-term liabilities, including bonds payable, compensated absences, installment purchase agreements, landfill closure, net pension liability, net OPEB liability, and accrued bond interest are not due and payable in the current period and therefore are not reported in the funds.

(839,840,522)

The accompanying notes to the basic financial statements are an integral part of this statement.

Net Position of Governmental Activities

\$ 292,688,844

HARFORD COUNTY, MARYLAND
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For The Year Ended June 30, 2020

Exhibit 4

	General	Highways	Grant	Agricultural Land Preservation	Capital Project	Non-major Governmental Funds	Governmental Funds
REVENUES							
Taxes	\$ 535,334,832	\$ 39,416,477	\$ -	\$ 10,217,062	\$ 25,615,112	\$ 4,113,476	\$ 614,696,959
Revenues from Other Agencies	3,923,809	2,562,177	31,936,881	83,086	7,032,687	-	45,538,640
Investment Income	2,289,427	305,961	10,103	3,725,041	667,577	180,139	7,178,248
Charges for Current Services	15,144,544	903,991	386,390	-	55,867	562,166	17,052,958
Miscellaneous	501,899	257,186	1,062,636	29,529	682,581	-	2,533,831
Licenses and Permits	4,586,479	-	-	-	-	-	4,586,479
Fines and Forfeitures	42,783	12,321	369,630	-	-	-	424,734
Total Revenues	<u>561,823,773</u>	<u>43,458,113</u>	<u>33,765,640</u>	<u>14,054,718</u>	<u>34,053,824</u>	<u>4,855,781</u>	<u>692,011,849</u>
EXPENDITURES							
Current:							
Agricultural Preservation	-	-	-	6,253,646	-	-	6,253,646
County Council	3,092,208	-	-	-	-	-	3,092,208
General Government	49,492,159	-	1,441,529	-	-	-	50,933,688
Education-Primary thru Comm. College	273,613,489	-	-	-	-	-	273,613,489
Harford Center	588,303	-	-	-	-	-	588,303
Judicial	9,686,225	-	2,153,003	-	-	-	11,839,228
Libraries	17,804,908	-	-	-	-	-	17,804,908
Parks, Recreation and Natural Resources	9,927,313	-	140,857	-	-	588,245	10,656,415
Public Safety	112,724,881	-	6,671,223	-	-	-	119,396,104
Public Works	19,349,024	29,290,381	4,716,347	-	-	1,160,680	54,516,432
Social Services	11,019,780	-	21,225,987	-	-	-	32,245,767
Capital Outlay	-	-	-	-	98,722,790	-	98,722,790
Debt Service:							
Principal	37,601,935	688,788	-	1,456,711	-	450,281	40,197,715
Interest	18,067,650	405,806	-	1,164,612	-	1,342,434	20,980,502
Administrative Costs	805,276	100,522	-	93,540	-	52,909	1,052,247
Total Expenditures	<u>563,773,151</u>	<u>30,485,497</u>	<u>36,348,946</u>	<u>8,968,509</u>	<u>98,722,790</u>	<u>3,594,549</u>	<u>741,893,442</u>
(Deficiency) Excess of Revenues Over Expenditures	<u>(1,949,378)</u>	<u>12,972,616</u>	<u>(2,583,306)</u>	<u>5,086,209</u>	<u>(64,668,966)</u>	<u>1,261,232</u>	<u>(49,881,593)</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	23,216,000	-	2,828,344	-	23,791,578	-	49,835,922
Transfers (Out)	(12,600,944)	(13,468,978)	-	-	(23,216,000)	(550,000)	(49,835,922)
Issuance of Bonds	-	-	-	-	37,000,000	-	37,000,000
Issuance of Refunding Bonds	64,986,408	-	-	-	-	-	64,986,408
Premium on Issuance of Bonds	16,175,700	984,512	-	-	-	389,378	17,549,590
Issuance of Installment Purchase Agreements	-	-	-	3,119,179	-	-	3,119,179
Payment to Escrow Agent for Refunding	(78,025,740)	-	-	-	-	-	(78,025,740)
Total Other Financing Sources (Uses)	<u>13,751,424</u>	<u>(12,484,466)</u>	<u>2,828,344</u>	<u>3,119,179</u>	<u>37,575,578</u>	<u>(160,622)</u>	<u>44,629,437</u>
Net Change in Fund Balances	<u>11,802,046</u>	<u>488,150</u>	<u>245,038</u>	<u>8,205,388</u>	<u>(27,093,388)</u>	<u>1,100,610</u>	<u>(5,252,156)</u>
Fund Balances--Beginning	<u>135,719,200</u>	<u>22,285,241</u>	<u>8,103,192</u>	<u>38,723,753</u>	<u>40,087,290</u>	<u>11,620,380</u>	<u>256,539,056</u>
Increase (Decrease) in Inventory	-	(429,450)	-	-	-	-	(429,450)
Fund Balances--Ending	<u>\$ 147,521,246</u>	<u>\$ 22,343,941</u>	<u>\$ 8,348,230</u>	<u>\$ 46,929,141</u>	<u>\$ 12,993,902</u>	<u>\$ 12,720,990</u>	<u>\$ 250,857,450</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund
Balances of the Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2020

Exhibit 5

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

Net change in fund balances--total governmental funds	\$ (5,252,156)
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the current period.	12,510,012
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	32,401,710
The issuance of long-term debt (e.g. bonds, notes, installment purchase agreements) proceeds provide current financial resources to governmental funds, while the repayment of the principal of the long-term debt consumes the current financial resources of government funds. Neither transaction has any effect on net position. Also, governmental funds report the premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statement of activities.	1,013,162
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(4,550,030)
Eliminating the effect of the internal service fund using the "look-back" method resulted in an increase in expenses in the governmental activities in the statement of activities.	(1,304,528)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	<u>12,990,294</u>
Change in net position of governmental activities	<u>\$ 47,808,464</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement of Revenues, Expenditures, Encumbrances
And Changes In Fund Balances
Budgetary Basis (Non-GAAP) vs. Actual
Governmental Funds
For The Year Ended June 30, 2020

Exhibit 6

		General								Highways				Variance With Final Budget			
		Budgeted Amounts		Actual Amounts		Variance With Final Budget		Budgeted Amounts		Actual Amounts		Positive (Negative)					
		Original	Final	Original	Final	Positive (Negative)	Original	Final	Original	Final	Original	Final	Positive (Negative)				
REVENUES																	
Taxes	\$	519,219,000	\$ 519,219,000	\$ 534,039,596	\$ 14,820,596	\$ 38,924,500	\$ 38,924,500	\$ 39,201,591	\$ 277,091								
Revenues from Other Agencies		4,365,000	4,365,000	3,923,809	(441,191)	3,020,000	3,020,000	2,562,177	(457,823)								
Investment Income		1,630,000	1,630,000	2,289,427	659,427	300,000	300,000	305,961	5,961								
Charges for Current Services		15,324,000	15,324,000	15,144,544	(179,456)	620,400	620,400	903,991	283,591								
Miscellaneous		9,228,390	9,228,390	9,150,707	(77,683)	6,726,096	6,726,096	7,224,580	498,484								
Licenses and Permits		4,502,600	4,502,600	4,586,479	83,879	-	-	-	-								
Fines and Forfeitures		133,400	133,400	42,783	(90,617)	41,000	41,000	12,321	(28,679)								
Total Revenues		554,402,390	554,402,390	569,177,345	14,774,955	49,631,996	49,631,996	50,210,621	578,625								
EXPENDITURES																	
Current:																	
Agricultural Preservation		-	-	-	-	-	-	-	-								
County Council		3,371,090	3,381,782	3,066,264	315,518	-	-	-	-								
General Government		60,745,517	61,944,549	56,405,573	5,538,976	-	-	-	-								
Education-Primary thru Comm. College		273,613,489	273,613,489	273,613,489	-	-	-	-	-								
Harford Center		588,303	588,303	588,303	-	-	-	-	-								
Judicial		9,985,519	10,090,551	9,601,022	489,529	-	-	-	-								
Libraries		17,804,908	17,804,908	17,804,908	-	-	-	-	-								
Parks, Recreation and Natural Resources		11,492,157	11,605,826	10,077,113	1,528,713	-	-	-	-								
Public Safety		113,992,229	115,639,059	112,442,562	3,196,497	-	-	-	-								
Public Works		21,438,441	21,483,308	19,870,079	1,613,229	40,791,315	41,480,556	34,758,353	6,722,203								
Social Services		12,422,976	12,467,189	11,031,077	1,436,112	-	-	-	-								
		525,454,629	528,618,964	514,500,390	14,118,574	40,791,315	41,480,556	34,758,353	6,722,203								
Debt Service		56,312,950	56,626,835	56,474,861	151,974	1,124,707	1,214,707	1,195,116	19,591								
Total Expenditures		581,767,579	585,245,799	570,975,251	14,270,548	41,916,022	42,695,263	35,953,469	6,741,794								
Excess/(Deficiency) of Revenues																	
Over Expenditures		(27,365,189)	(30,843,409)	(1,797,906)	29,045,503	7,715,974	6,936,733	14,257,152	7,320,419								
OTHER FINANCING SOURCES (USES)																	
Appropriated Fund Balance		17,371,610	20,535,945	-	(20,535,945)	5,753,004	6,532,245	-	(6,532,245)								
Transfers In		23,616,000	23,616,000	23,216,000	(400,000)	-	-	-	-								
Transfers (Out)		(13,622,421)	(13,622,421)	(12,600,944)	1,021,477	(13,468,978)	(13,468,978)	(13,468,978)	(13,468,978)								
Issuance of Refunding Bonds		-	78,339,625	64,986,408	(13,353,217)	-	-	-	-								
Premium on Issuance of Bonds		-	-	16,175,700	16,175,700	-	-	984,512	984,512								
Issuance of Installment Purchase Agreements		-	-	-	-	-	-	-	-								
Payment to Escrow Agent for Refunding		-	(78,025,740)	(78,025,740)	-	-	-	-	-								
Total Other Financing																	
Sources (Uses)		27,365,189	30,843,409	13,751,424	(17,091,985)	(7,715,974)	(6,936,733)	(12,484,466)	(5,547,733)								
Net Change in Fund Balances	\$	-	\$ -	\$ 11,953,518	\$ 11,953,518	\$ -	\$ -	\$ 1,772,686	\$ 1,772,686								
Fund Balance - Beginning				136,856,078				20,570,723									
Prior Year Encumbrances Cancelled				218,845				21,708									
Decrease in Inventory				-				(429,450)									
Fund Balance - Ending				\$ 149,028,441				\$ 21,935,667									

(continued)

HARFORD COUNTY, MARYLAND
Statement of Revenues, Expenditures, Encumbrances
And Changes In Fund Balances
Budgetary Basis (Non-GAAP) vs. Actual
Governmental Funds
For The Year Ended June 30, 2020

(continued)

Exhibit 6

	Agricultural Land Preservation					Variance With Final Budget Positive(Negative)	
	Budgeted Amounts		Actual Amounts				
	Original	Final					
REVENUES							
Taxes	\$ 9,650,000	\$ 9,650,000	\$ 10,217,062	\$ 567,062			
Revenues from Other Agencies	250,000	250,000	83,086	(166,914)			
Investment Income	205,000	205,000	3,725,041	3,520,041			
Charges for Current Services	-	-	-	-			
Miscellaneous	-	-	29,529	29,529			
Licenses and Permits	-	-	-	-			
Fines and Forfeitures	-	-	-	-			
Total Revenues	<u>10,105,000</u>	<u>10,105,000</u>	<u>14,054,718</u>	<u>3,949,718</u>			
EXPENDITURES							
Current:							
Agricultural Preservation	9,727,000	9,727,000	6,253,646	3,473,354			
County Council	-	-	-	-			
General Government	-	-	-	-			
Education-Primary thru Comm. College	-	-	-	-			
Harford Center	-	-	-	-			
Judicial	-	-	-	-			
Libraries	-	-	-	-			
Parks, Recreation and Natural Resources	-	-	-	-			
Public Safety	-	-	-	-			
Public Works	-	-	-	-			
Social Services	-	-	-	-			
	<u>9,727,000</u>	<u>9,727,000</u>	<u>6,253,646</u>	<u>3,473,354</u>			
Debt Service	3,000,000	3,000,000	2,714,863	285,137			
Total Expenditures	<u>12,727,000</u>	<u>12,727,000</u>	<u>8,968,509</u>	<u>3,758,491</u>			
Excess/(Deficiency) of Revenues Over Expenditures	<u>(2,622,000)</u>	<u>(2,622,000)</u>	<u>5,086,209</u>	<u>7,708,209</u>			
OTHER FINANCING SOURCES (USES)							
Appropriated Fund Balance	-	-	-	-			
Transfers In	-	-	-	-			
Transfers (Out)	-	-	-	-			
Issuance of Refunding Bonds	-	-	-	-			
Premium on Issuance of Bonds	-	-	-	-			
Issuance of Installment Purchase Agreements	2,622,000	2,622,000	3,119,179	497,179			
Payment to Escrow Agent for Refunding	-	-	-	-			
Total Other Financing Sources (Uses)	<u>2,622,000</u>	<u>2,622,000</u>	<u>3,119,179</u>	<u>497,179</u>			
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>8,205,388</u>	<u>\$ 8,205,388</u>			
Fund Balance - Beginning			38,723,753				
Prior Year Encumbrances Cancelled			-				
Decrease in Inventory			-				
Fund Balance - Ending			<u>\$ 46,929,141</u>				

HARFORD COUNTY, MARYLAND
Statement of Net Position
Proprietary Funds
June 30, 2020

Exhibit 7

	Business-Type Activities		Governmental Activities	
	Enterprise Fund, Water and Sewer		Internal Service Fund	
ASSETS				
Current Assets:				
Equity in Pooled Cash and Investments	\$	147,536,278	\$	18,085,667
Cash and Investments		2,200		-
Restricted Assets - Investments		1,097,878		-
Accounts Receivable (Net)		20,435,101		5,227,147
Inventories		2,552,926		-
Benefit Assessments		2,295,968		-
Total Current Assets		<u>173,920,351</u>		<u>23,312,814</u>
Noncurrent Assets:				
Benefit Assessments		22,914,573		-
Capital Assets, Net of Depreciation				
Land and Construction in Process		10,394,938		-
Property, Plant & Equipment		419,343,490		-
Total Capital Assets		<u>429,738,428</u>		-
Total Noncurrent Assets		452,653,001		-
Total Assets		<u>626,573,352</u>		<u>23,312,814</u>
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Refunding		2,490,412		-
Contributions Subsequent to Measurement Date		2,036,484		-
Changes of Assumptions		381,089		-
Changes in Proportion		791,204		-
Difference Between Actual and Proportionate Share of Contributions		27,014		-
Difference Between Expected and Actual Experience		2,382,131		-
Net Difference Between Projected and Actual Investment Earnings		210,988		-
Total Deferred Outflow of Resources		<u>8,319,322</u>		<u>-</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable		626,357		21,986
Accounts Payable from Restricted Assets		568,166		-
Retainage Payable from Restricted Assets		433,480		-
Payable to the State of Maryland		1,160,732		-
Accrued Expenses		1,872,475		-
Unearned Revenue		4,558		-
Performance Deposits		63,503		-
Escrow Accounts		4,604,347		-
Other Liabilities		22,422		-
Compensated Absences-Current		1,088,717		-
Bonds Payable-Current		8,810,777		-
Estimated Current Liability for Claims in Process				
Total Current Liabilities		<u>19,255,534</u>		<u>1,546,420</u>
Noncurrent Liabilities:				
Compensated Absences		1,709,189		-
Bonds Payable		105,395,494		-
Net Pension Liability		9,905,469		-
Net OPEB Liability		12,153,778		-
Estimated Liability for Claims in Process				
Total Noncurrent Liabilities		<u>129,163,930</u>		<u>1,765,548</u>
Total Liabilities		<u>148,419,464</u>		<u>3,333,954</u>
DEFERRED INFLOWS OF RESOURCES				
Gain on Refunding		5,789		-
Changes of Assumptions		264,329		-
Changes in Proportion		512,021		-
Difference Between Actual and Proportionate Share of Contributions		723		-
Difference Between Expected and Actual Experience		2,235,766		-
Net Difference Between Projected and Actual Investment Earnings		245,748		-
Total Deferred Inflow of Resources		<u>3,264,376</u>		<u>-</u>
NET POSITION				
Net Investment in Capital Assets		318,681,176		-
Restricted - Capital Projects/Debt Service		80,305,995		-
Unrestricted		84,221,663		19,978,860
Total Net Position		<u>483,208,834</u>		<u>19,978,860</u>
		\$ 903,118		
		<u>484,111,952</u>		

The net result of the look-back approach for consolidating the Internal Service fund is an interfund receivable for the business-type activities in the Statement of Net Position

Net Position of Business-Type Activities

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

Exhibit 8

	Business-Type Activities	Governmental Activities
	<u>Enterprise Fund, Water and Sewer</u>	<u>Internal Service Fund, Self Insurance</u>
Operating Revenues:		
Charges for Services	\$ -	\$ 34,786,243
Income from Water Operations	21,199,188	-
Income from Sewer Operations	25,497,614	-
Miscellaneous	1,437,680	<u>464,597</u>
Total Operating Revenues	<u>48,134,482</u>	<u>35,250,840</u>
Operating Expenses:		
General and Administrative Expenses	7,302,214	-
Operations and Maintenance-Water	12,430,955	-
Operations and Maintenance-Sewer	17,692,522	-
Insurance Claims and Expenses	-	<u>22,411,333</u>
Depreciation	13,959,293	-
Total Operating Expenses	<u>51,384,984</u>	<u>22,411,333</u>
Operating (Loss) Income	(3,250,502)	12,839,507
Non-operating Revenues (Expenses):		
Grant Revenue	445,651	-
Interest Expense	(2,816,296)	-
Interest Income	3,585,552	<u>150,787</u>
Other Expense	(431,827)	-
Other Income	166,566	-
Total Non-operating Revenue (Expenses)	<u>949,646</u>	<u>150,787</u>
Income Before Contributions	(2,300,856)	12,990,294
Capital Contributions	<u>38,343,861</u>	-
Change in Net Position	<u>36,043,005</u>	<u>12,990,294</u>
Total Net Position--Beginning	<u>447,165,829</u>	<u>6,988,566</u>
Total Net Position--Ending	<u>\$ 483,208,834</u>	<u>\$ 19,978,860</u>

Reconciliation of the Statement of Revenues, Expenses and Changes in Fund

Net Position of the Enterprise Fund to the Statement of Activities:

Net Change in Net Position -- Business-Type Activities Prior to Adjusting	\$ 36,043,005
Eliminating the effect of the internal service fund, using the "look-back" method resulted in decreased expenses in the enterprise fund	<u>1,304,528</u>
Net Change in Net Position -- Business-Type Activities	<u>\$ 37,347,533</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2020

Exhibit 9

	Business Type Activities	Governmental Activities
	Enterprise Fund, Water and Sewer	Internal Service Fund, Self Insurance
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Customers	\$ 33,003,848	\$ -
Receipts from Interfund Services Provided	- -	34,786,243
Receipts from Others for Claims	- -	464,597
Receipts from Customer Deposits and Rental Income	1,689,241	-
Proceeds from Federal and State Grants	445,651	-
Payment of Deposits to Customer	(1,010,702)	-
Payments to Employees for Services	(16,860,485)	-
Payments to Suppliers for Goods and Services	(20,448,864)	(1,397,636)
Payments for Claims	- -	(25,555,846)
Net Cash (Used In) Operating Activities	<u>(3,181,311)</u>	<u>8,297,358</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(4,532,723)	-
Principal Payments on Long Term Debt	(35,631,946)	-
Bond/Lease Service Costs	(376,979)	-
Interest Paid on Bonds/Leases	(4,584,254)	-
Proceeds from Federal and State Grants	225,185	-
Tap Fees in Excess of Connection Costs	34,960,298	-
Proceeds from Bond Sale	25,643,592	-
Premium and Accrued Interest, net of Underwriters Fees	4,992,985	-
Proceeds from Sale of Capital Assets	22,676	-
Net Cash Used By Capital and Related Financing Activities	<u>20,718,834</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	3,590,267	150,787
Net Cash Provided by Investing Activities	<u>3,590,267</u>	<u>150,787</u>
Net Increase (Decrease) in Cash and Cash Equivalents	21,127,790	8,448,145
Cash and Cash Equivalents, Beginning	127,508,566	9,637,522
Cash and Cash Equivalents, Ending (Includes Restricted Cash of \$1,097,876)	<u>\$ 148,636,356</u>	<u>\$ 18,085,667</u>
RECONCILIATION OF OPERATING (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES		
Operating (Loss) Income	\$ (3,250,502)	\$ 12,839,507
Adjustments to Reconcile Operating (Loss) Income to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	13,959,293	-
Rental Income	111,718	-
Proceeds from Federal and State Grants	445,651	-
Effect of Changes in Assets, Deferred Outflows of Resources, Liabilities, and Deferred Inflows of Resources:		
Accounts Receivable	(9,438,582)	(3,227,999)
Inventory	(333,885)	-
Contributions Subsequent to Measurement Date	534,394	-
Changes in Assumptions	(103,748)	-
Changes in Proportion	(214,454)	-
Difference Between Actual and Proportionate Share of Contributions	24,688	-
Difference Between Expected and Actual Experience	402,559	-
Net Difference Between Projected and Actual Investment Earnings	162,885	-
Accounts Payable	(311,785)	
Accrued Expenses	154,898	(31,828)
Estimated Payables for Future Claims	- -	(1,282,322)
Escrow Accounts	(5,129,405)	-
Unearned Revenue	4,174	-
Other Liabilities	(4,228)	-
Compensated Absences	(415,664)	-
Net Pension Liability	288,680	-
Net OPEB Liability	(1,652,573)	-
Changes in Assumptions	264,329	-
Changes in Proportion	43,639	-
Difference Between Actual and Proportionate Share of Contributions	67	-
Difference Between Expected and Actual Experience	1,511,935	-
Net Difference Between Projected and Actual Investment Earnings	(235,395)	-
Net Cash Provided by (Used In) Operating Activities	<u>\$ (3,181,311)</u>	<u>\$ 8,297,358</u>
NON-CASH INVESTING, CAPITAL AND FINANCING ACTIVITIES		
Developer Contributions of Capital Assets to the Water and Sewer Fund	\$ 4,106,037	\$ -

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement of Fiduciary Net Position
June 30, 2020

Exhibit 10

	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Agency Fund
ASSETS			
Equity in Pooled Cash and Investments	\$ 1,924,709	\$ 2,811,226	\$ 51,209
Cash Equivalents	1,317,964	741,351	14,031,746
Investments, at Fair Value			
Debt Securities	51,030,777	-	-
Fixed Income Fund	8,371,640	-	-
Equities and Equivalents	170,063,711	-	-
Total Investments	229,466,128	-	-
Total Assets	<u>232,708,801</u>	<u>3,552,577</u>	<u>\$ 14,082,955</u>
LIABILITIES			
Accounts Payable	35,000	7,667	\$ 51,209
Due to Beneficiaries	-	-	14,031,746
Total Liabilities	<u>35,000</u>	<u>7,667</u>	<u>\$ 14,082,955</u>
NET POSITION			
Net Position Restricted for Pensions, OPEB and Other Purposes	<u>\$ 232,673,801</u>	<u>\$ 3,544,910</u>	

The accompanying notes to the basic financial statements are an integral part of this statement.

HARFORD COUNTY, MARYLAND
Statement of Changes in Fiduciary Net Position
For Fiscal Year Ending June 30, 2020

Exhibit 11

	Pension and OPEB Trust Funds	Private Purpose Trust Funds
ADDITIONS		
Contributions and Donations	\$ -	1,830,410
Employee Contributions	608,411	-
Employer Contributions	14,339,098	-
Plan Sponsor Contributions	1,997,167	-
Total Contributions	<u>16,944,676</u>	<u>1,830,410</u>
Investment Earnings		
Net Gain in Fair Value of Investments	10,340,819	-
Interest and Dividends	176,235	82,012
Total Investment Earnings	<u>10,517,054</u>	<u>82,012</u>
Less Investment Expense	(566,018)	-
Net Investment Income	<u>9,951,036</u>	<u>82,012</u>
Total Additions	<u>26,895,712</u>	<u>1,912,422</u>
DEDUCTIONS		
Administrative Expenses	215,988	-
Benefits	15,910,158	-
Contractual Services	-	131,950
Total Deductions	<u>16,126,146</u>	<u>131,950</u>
Change in Net Position	<u>10,769,566</u>	<u>1,780,472</u>
Net Position--Beginning	221,904,235	1,764,438
Net Position --Ending	<u>\$ 232,673,801</u>	<u>\$ 3,544,910</u>

The accompanying notes to the basic financial statements are an integral part of this statement.

Notes to Basic Financial Statements

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. FINANCIAL REPORTING ENTITY

Harford County Government (the County) was formed in 1773. Under home rule, as approved during 1972, the County is governed by an elected County Executive and a seven-member County Council, with each serving separate executive and legislative functions. The accompanying financial statements include various agencies, departments, organizations, and offices which are legally part of Harford County (the Primary Government) and the County's Component Units. The Primary Government's major operations include health and social services, public safety, public works, parks and recreation, road and highways administration, agricultural preservation, and general administrative services. Harford Community College, Harford County Public Schools, Harford County Public Library, and Harford Center, Inc. are legally separate organizations included as component units.

Component units have been included within the financial reporting entity using a discrete presentation. Discrete presentations in the combined financial statements are created with separate columns for the individual component unit in the government-wide financial statements (see note below for description and for the specific factors that led to the inclusion in our financial statements) to emphasize that it is legally separate from the government. The component units have financial accountability to the County, as outlined below.

Harford County Public Schools – Operates all public schools (grades K through 12) within Harford County. Harford County Public Schools is fiscally dependent on the County as it receives the major portion of its funding from Harford County Government. It cannot issue debt or levy taxes, so it is in a financial benefit/burden relationship with the County.

Harford Center, Inc. – Operates a rehabilitation center for disabled individuals in Harford County. The Harford Center is partially funded by Harford County Government appropriations under Maryland State law. The Harford Center's 15 members of the Board of Directors are appointed by the County Executive. It cannot issue debt or levy taxes, so it is in a financial benefit/burden relationship with the County.

Harford Community College – Operates the community college in Harford County. The College is fiscally dependent on the County as it receives the major portion of its funding from Harford County Government. It cannot issue debt or levy taxes, so it is in a financial benefit/burden relationship with the County.

Harford County Public Library – Operates all public libraries within Harford County. The Library is fiscally dependent on the County as it receives the major portion of its funding from Harford County Government. It cannot issue debt or levy taxes, so it is in a financial benefit/burden relationship with the County.

Complete financial statements of individual component units can be obtained from their respective administrative offices listed below:

Harford County Public Schools
102 South Hickory Avenue
Bel Air, Maryland 21014

Harford Community College
401 Thomas Run Road
Bel Air, Maryland 21015

Harford Center, Inc.
4 North Earlton Road
Havre de Grace, Maryland 21078

Harford County Public Library
1221-A Brass Mill Road
Belcamp, Maryland 21017

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Government-wide Financial Statements: The statement of net position and the statement of changes in net position report information on all activities of the primary government and its component units, excluding fiduciary funds. The effect of interfund activity, such as transfers between funds, has been removed from these statements to minimize the double counting of internal activities. *Governmental activities*, which are normally 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. Likewise, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable or for which their relationship with the County is of such significance that exclusion would cause the County's financial statements to be misleading.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment 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 or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as *general revenues*.

Fund Financial Statements: 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 governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide, proprietary, and fiduciary fund financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, with the exception of agency funds, which have no measurement focus but utilize the accrual basis of accounting for reporting its assets and liabilities. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized when they become *susceptible to accrual*—that is, when they become both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Property taxes, income taxes, state-shared tax revenues, and interest associated with the current fiscal period are all considered to be susceptible to accrual and, so, have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The County reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. For the County, the General Fund includes such activities as public safety, education, and recreation services.

The Highways Operating Fund accounts for dedicated property tax revenues that are legally restricted to the maintenance, care, and repair of roads and bridges located outside the boundaries of the three incorporated municipalities in Harford County, all expenditures of the County Department of Public Works concerning highways and all County-related transportation expenditures.

The Grants Fund accounts for the receipt, appropriation, and expenditure of federal, state, local, and private monies designated for a particular purpose or have specific requirements associated with an eligible program cost.

The Agricultural Land Preservation Fund accounts for dedicated transfer tax revenue that is legally restricted to the purchases of County agricultural land easements.

The Capital Project Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities of all major and non-major governmental funds as well as the Public Schools, Community College, and the Public Library.

The County reports the following major proprietary fund:

The Water and Sewer Fund accounts for the operation, construction, or acquisition of capital assets and related debt service cost of the public water and sewer facilities.

Additionally, the County reports the following additional fund types:

Non-major Governmental Funds:

Parks and Recreation Special Revenue Fund: This fund was established by Council Bill 00-64 to account for the receipts and expenditures of the self-supporting activities of the Emmorton Recreation and Tennis Center, Recreation Councils, and/or the Oakington Peninsula.

Stormwater Management Special Revenue Fund: This fund was established to account for the stormwater remediation operation.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Resolution No. 005-15 authorized the recordation tax remain at a rate of \$3.30 for each \$500 or fraction thereof of the actual consideration payable or of the principal amount of the debt secured for an instrument of writing; and resolved that the revenue from such tax at the rate of \$0.55 be dedicated to fund the implementation of local watershed protection and restoration projects throughout Harford County, effective July 1, 2015.

Beechtree Tax Increment Financing (TIF): This fund accumulates the incremental property tax revenues related to the Beechtree Estates Project (Project) created in 2011 and any special tax imposed on the Project. The funds are used to pay the principal and interest on the special obligation bonds, the proceeds of which fund capital improvements within the Project. Any unused funds over contractual reserves revert to the General Fund.

Internal Service Funds:

Self-Insurance Fund: This fund was established to account for the County's self-insurance program, which covers all County government agencies.

Pension, Other Employee Benefit Trust Funds, and Length of Service Award Program:

Sheriff's Office Pension System: This trust fund was established to account for the pension system of certain law enforcement and correctional employees of the Harford County Sheriff's Office.

Firemen's Length of Service Award Program (LOSAP): This fund was established to account for the LOSAP for the volunteer fire and ambulance personnel serving the various independent volunteer fire companies in the County.

OPEB (Other Post-Employment Benefits): This trust fund was established 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.

Private Purpose Trust Funds is used to account for resources legally held in a trustee capacity and are comprised of:

Bar Library Trust Fund: The Bar Library private purpose trust fund was established in 1999 to account for all expenditures associated with the operations of the Bar Library of the Circuit Court of Harford County. Fines and appearance fees provide the source of revenues.

BVL Cooperating Parties Group: This private purpose trust fund was established in September 1996 to account for revenues collected from potentially responsible parties for the purpose of undertaking the design and construction of the remedial systems deemed necessary at the Bush Valley Landfill Site.

OT Cooperating Parties Group: This private purpose trust fund was established in May 2020 to hold and distribute funds in accordance to the terms established for the design and construction of the infrastructure deemed necessary for the Old Trails Subdivision.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Agency Funds are resources held in a purely custodial capacity and are comprised of:

Pass-Through Grants: This fund accounts for financial assistance received from other governments and transferred to another government, individual, not-for-profit, or other organization. Harford County Government serves as an agent with little or no discretion in determining how the assistance will be used.

Harford County Public Entities Healthcare Consortium: This fund was established to account for a rate stabilization reserve fund created for the Harford County Public Entities Healthcare Consortium. The consortium was formed for the purpose of pooling resources to purchase health insurance thereby reducing administrative expenses. Harford County Government serves as an agent with little or no discretion in determining how the funding will be directed.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the water and sewer function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating revenues* and *expenses* from *non-operating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water and Sewer Fund are charges to customers for usage and services. The principal operating revenues of the Self-Insurance Fund are budget allocations from contributing County programs. Operating expenses for the Water and Sewer Fund include the cost of usage and services, administrative expenses, and depreciation on capital assets. Operating expenses for the Self-Insurance Fund include insurance claims and expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted first, and then unrestricted resources as they are needed.

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

a. POOLED CASH AND INVESTMENTS

The County operates a cash and investment pool for all funds of the Primary Government. Each fund has been allocated its respective share of pooled cash and investments as reflected in the fund financial statements as "equity in pooled cash and investments." In addition to participating in the County's cash and investment pool, each fund may maintain their own separate cash and investments that are specific to the individual fund. Based on an average daily balance of each fund's equity in pooled cash and investments, investment income earned on the cash and investment pool is distributed monthly to the General, Highways, Grant, Agricultural Land Preservation, Capital Projects, Beechtree TIF, Stormwater Management, Parks and Recreation, Water and Sewer Enterprise, Self-Insurance, two Private Purpose Trust Funds, Sheriff's Office Pension Fund, Length of Service Award Program (LOSAP), Other Post Employment Benefits Trust (OPEB), and Agency Fund. Investment

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

income earned on individual funds' separate cash and investments is recorded monthly in the corresponding fund.

For purposes of the statement of cash flows, the County considers cash, equity in pooled cash and investments, and investments with maturities of three months or less, when acquired, to be cash equivalents.

State statutes authorize the County to invest in obligations of the United States Government, federal government agency obligations, secured time deposits in Maryland banks, bankers' acceptances, the Maryland Local Government Investment Pool, money market mutual funds, commercial paper, and repurchase agreements secured by direct government or agency obligations.

The Maryland Local Government Investment Pool (the "MLGIP") was created under Maryland State Law and is regulated by the Maryland State Treasurer's Office. The MLGIP may invest in any instrument in which the State Treasurer may invest. Permissible instruments are established by Sections 6-222 and 6-223 of the State Finance and Procurement Article. No direct investment may have a maturity date of more than 13 months after its acquisition. Securities of the MLGIP are valued daily on an amortized cost basis, which approximates market value, and are held to maturity under normal circumstances.

The fair value of the position in the MLGIP is the same as the value of the MLGIP net assets (shares). The MLGIP is a 2a-7 like external investment pool, which issues a publicly available financial report that includes financial statements and required supplementary information for the MLGIP. This report can be obtained by writing: Maryland Local Government Investment Pool; c/o PNC Institutional Investments Group; One East Pratt Street; Baltimore, Maryland, 21202; by calling 1-800-492-5160; or the website, www.mlgip.com.

The County has an independent third party as custodian for securities collateralizing most repurchase agreements, certificates of deposit, and all other investments. Collateralization is required on repurchase agreements and certificate of deposits at a level of 102% of market value of principal plus accrued interest. In order to mitigate risk, the County continually monitors the financial condition of this third party custodian.

Investments of the County are recorded at fair value. MLGIP investments are recorded at cost, which approximates fair value. Investments in money market funds are valued on an amortized cost basis. Changes in fair value are reported as increases or decreases in investment income in the operating statements of the appropriate fund.

Harford 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.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

b. PROPERTY TAXES RECEIVABLE AND OTHER RECEIVABLES

The County's real property tax is levied and recorded each July 1 on the assessed values certified as of that date for all taxable real property located in the County on that date. On January 1, a tax on real property constructed during the period of July 1 through December 31 is levied on the assessed value as of that date. Assessed values are established by the Maryland Department of Assessments and Taxation at assessed market value. A reassessment of all property is required to be completed every three years. All unpaid taxes on real property shall be, until paid, liens on the real property. The lien is imposed on the date the taxes are levied.

Currently, home-owner occupied real property taxes are billed in two installments. The first installment is due by September 30 and the second installment is due by December 31.

Beginning October 1, interest of 1.5% per month is charged for each month or fraction thereof that taxes remain unpaid on annual bills. Interest of 1.5% per month is not charged on the second semi-annual installment until January 1. In addition to interest, a 6% penalty is assessed on all unpaid delinquent property taxes on October 1. A penalty of 6% is imposed on the semi-annual installment overdue and in arrears on January 1. Any taxes not paid by the third Monday in June may subject the property to tax sale.

The County's real property tax rate for the year ended June 30, 2020 was \$1.042 per \$100 of assessed value for properties within the County, but not within an incorporated town, and \$0.8937 for properties within an incorporated town.

All receivables are reported at gross value and, where appropriate, reduced by the estimate considered to be uncollectible.

Inter-fund receivables and payables arise from inter-fund transactions and are recorded by all funds affected in the period in which transactions are executed. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

c. INVENTORIES

Currently all inventories are supplies that are valued at cost using the First-In/First-Out (FIFO) method. Non-spendable fund balance for the Highways Fund inventories has been reported in the governmental fund statements to reflect the non-availability of those amounts for appropriation or expenditure. Inventories in the Highways special revenue fund are accounted for by the purchase method.

d. RESTRICTED ASSETS

Certain assets of the Governmental Activities and Business-type Activities are classified as restricted assets on the Statement of Net Position. These assets include unspent bond proceeds limited by applicable bond covenants to specific capital projects, investments in strip treasuries held to maturity for the final payment on the purchase of County agricultural easements, and fees collected from users for the renewal, replacement, and expansion of the County water and sewer utility.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

e. CAPITAL ASSETS

Capital assets, including property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items) are recorded at historical cost or at estimated historical cost if actual historical cost is not available.

Donated capital assets are recorded at acquisition value at the date of donation. The government defines capital assets as assets that have an estimated useful life in excess of one year and have an individual cost that meets or exceeds the minimum capitalization thresholds it has established for that asset class. There is no minimum dollar requirement established for Land and Development Rights. Capital assets used in operations are depreciated or amortized using the straight-line method over their estimated useful lives.

Capital Assets, being depreciated or amortized:

	<u>Initial Cost in Excess of</u>
Buildings	\$ 50,000
Improvements other than Buildings	50,000
Machinery and Equipment	15,000
Vehicles	15,000
Intangibles	15,000
Infrastructure	100,000

The estimated useful lives are as follows:

<u>Assets</u>	<u>Years</u>
Buildings	25-50
Improvements other than Buildings	5-15
Machinery and Equipment	5-10
Vehicles	7
Intangibles:	
Software	5-10
Infrastructure:	
Bridges	35-45
Roads	15
Water and Sewer Lines and Improvements	10-75

The cost of normal maintenance and repair that do not add to the value of the asset or materially extend the asset's life is not capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

f. COMPENSATED ABSENCES

Vacation and personal leave benefits are earned by employees of the County based upon time in service. The rights to such benefits are vested. Employees, based on time in service, also accumulate sick leave. Accumulated sick leave benefits do not vest and are not paid unless sickness causes absence or upon retirement. At retirement, up to one-half of an employee's sick leave may be paid and the remaining balance is credited to their retirement. Vested sick leave is calculated at year-end using the terminated payments method. In the government-wide, proprietary fund, and fiduciary funds financial statements, all vacation, personal, and vested

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

sick pay are accrued when incurred. A liability for these amounts is only reported in governmental funds for the portion estimated to be due and payable at year-end.

g. LONG-TERM OBLIGATIONS

In the government-wide financial statements and proprietary fund financial statements, non-current obligations are reported as liabilities in either governmental activities, or business-type activities, in the statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount and deferred gains and losses. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

h. NET POSITION/FUND BALANCES

The government-wide financial statements utilize a net position presentation. The statement of net position reports assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position. Net position represents the difference between all other elements in a statement of financial position and should be displayed in three components: net investment in capital assets, restricted, and unrestricted. The net investment in capital component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding debt directly attributable to the acquisition, construction, or improvement of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

In the fund financial statements, fund balance for governmental funds is reported in classifications that comprise a hierarchy based primarily on the extent to which the County is bound to honor constraints on the specific purpose for which amounts in the funds can be spent. Fund balance is reported in five components – nonspendable, restricted, committed, assigned, and unassigned.

Nonspendable – This component includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

Restricted – This component consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement (compelled by external parties) that those resources be used only for the specific purposes stipulated in the legislation.

Committed – This component consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the County's highest level of decision-making authority. The highest level of decision-making action is legislation, which is enacted by the Harford County Council.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Those committed amounts cannot be used for any other purpose unless the County removes or changes the specified use by taking the same type of action it employed previously to commit those amounts.

Assigned – This component consists of amounts that are constrained by the County's intent to be used for specific purposes, but are neither restricted nor committed. The authority for assigning fund balance is expressed by the County Executive or their designee. This authority is pursuant to Article III, Section 302 of the Harford County Charter.

Unassigned – This classification represents amounts that have not been restricted, committed, or assigned to specific purposes within the general fund.

When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, then unrestricted resources (committed, assigned and unassigned) as they are needed. When unrestricted resources (committed, assigned and unassigned) are available for use, it is the County's policy to use committed resources first, then assigned, and then unassigned, as they are needed.

i. ESTIMATED LIABILITY FOR CLAIMS IN PROCESS

The liability for claims in process in the Internal Service Fund includes estimates for personal injury, worker's compensation and property damage as of June 30, 2020. The liability is based on estimates made on an individual claim basis plus an actuarial estimate of the liability for claims incurred but not reported.

j. ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

E. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLES

The County has adopted the provisions of Governmental Accounting Standard Board (GASB) issued Statement No. 95 entitled *Postponement of the Effective Dates of Certain Authoritative Guidance*. The adoption of this standard did not have a material effect on these statements.

As of year ended June 30, 2020, GASB issued Statement 84 entitled *Fiduciary Activities*, Statement No. 87 entitled *Leases*, Statement No. 90 entitled *Majority Equity Interests*, Statement No. 91 entitled *Conduit Lease Obligations*, Statement No. 92 entitled *Omnibus 2020*, Statement No. 93 entitled *Replacement of Interbank Offered Rates*, Statement No. 94 entitled *Public-Private Partnerships and Availability Payment Arrangements*, Statement No. 96 entitled *Subscription-Based Information Technology Arrangements*, and Statement 97 entitled *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The County has not yet completed the process of evaluating the impact of these pronouncements on its financial statements.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

**A. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS
BALANCE SHEET AND THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**

The governmental funds balance sheet includes a reconciliation between *fund balance – total governmental funds* and *net position – governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that “long-term liabilities, including bonds payable, compensated absences, installment purchase agreements, landfill closure, net pension liability, net OPEB liability, and accrued bond interest, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Accrued Bond Interest	\$ 6,427,764
Installment Purchase Agreements	34,657,127
Bonds Payable (Net)	510,934,673
Landfill Closure Liability	23,325,145
Compensated Absences	25,577,851
Net Pension Liability	140,264,601
Net OPEB Liability	98,653,361
	<hr style="border-top: 1px solid black;"/>
	\$ 839,840,522

Another element of that reconciliation explains that “deferred outflows of resources, including loss on refunding, contributions subsequent to measurement date, changes in assumptions, changes in proportion, differences between actual and proportionate share of contributions, net difference in projected and actual investment earnings, and the difference between expected and actual experience, are consumption of resources that is applicable to future reporting periods and therefore are not reported in the funds.” The details of this difference are as follows:

Loss on Refunding	\$ 13,434,413
Contribution Subsequent to Measurement Date	24,048,371
Changes of Assumptions	4,972,455
Changes in Proportion	13,026,328
Difference between Actual and Proportionate Share of Contributions	302,233
Difference Between Expected and Actual Experience	17,985,098
Net Difference Between Projected and Actual Investment Earnings	3,116,698
	<hr style="border-top: 1px solid black;"/>
	\$ 76,885,596

Another element of that reconciliation explains that, “deferred inflows of resources, including difference between expected and actual experience, differences between actual and proportionate share of contributions, and net difference in projected and actual investment earnings are acquisitions of resources that are applicable to future reporting periods and therefore are not reported in the funds.” The details of this difference are as follows:

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

**NOTE 2 - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS –
 CONTINUED**

Changes of Assumptions	\$ 3,334,799
Changes in Proportion	837,176
Difference Between Actual and Proportionate Share of Contributions	9,197
Difference Between Expected and Actual Experience	27,883,593
Net Difference Between Projected and Actual Investment Earnings	1,955,929
	\$ 34,020,694

B. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES AND THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between the *net change in fund balances – total governmental funds and changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that, “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.” The details of this difference are as follows:

Purchase of Capital Assets	\$ 36,565,782
Depreciation	(24,055,770)
	\$ 12,510,012

Another element of that reconciliation states that “Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.” The details of this difference are as follows:

Contributed Assets	\$ 4,995,682
Trade in Value of Assets	58,000
Disposal of Assets	(72,309)
Property Tax Unavailable Revenue	1,170,096
Income Tax Unavailable Revenue	26,306,108
Special Assessments Unavailable Revenue	(55,867)
	\$ 32,401,710

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

**NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS –
 CONTINUED**

Another element of that reconciliation states that, “The issuance of long-term debt (e.g., bonds, installment purchase agreements) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has an effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are amortized in the statements of activities.” The details of this difference are as follows:

Accrued Interest Expense	\$ 2,329,796
Amortization of Bond Premium	4,638,876
Amortization of Deferred Loss	(1,523,788)
Issuance of Bonds	(37,000,000)
Issuance of Refunding Bonds	(64,986,408)
Premium on Issuance of Bonds	(17,549,590)
Issuance of Installment Purchase Agreements	(3,119,179)
Principal Payments on General Obligation Debt	40,197,715
Principal Payments on Refunding Bonds	76,069,620
Loss on Refunding Bonds	1,956,120
	<hr/>
	\$ 1,013,162

Another element of that reconciliation states that, “Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.” The details of this difference are as follows:

Difference between Pension Expense and Contributions	\$ (6,313,196)
Difference between OPEB Expense and Contributions	(289,196)
Compensated Absences Expense	1,602,060
Consumption Method of Inventory Used in Entity Wide Statements vs. the Purchase Method used in the Fund Statements	(429,450)
Landfill Closure/Solid Waste Expense	879,752
	<hr/>
	\$ (4,550,030)

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. BUDGETARY DATA

Pursuant to the County Charter, the capital and operating budgets are presented by the County Executive to the County Council during April. The County Council holds public hearings regarding the budget and, prior to June 15, passes an annual appropriation ordinance. The legislation becomes effective July 1 and provides the spending authority at the department level for the operations of the County Government with unexpended or unencumbered appropriation authority expiring the following June 30, except in the case of Capital Projects Funds, where appropriations lapse after three years if no expenditures occur. Under Maryland State Law, Harford County Public Schools capital projects are exempt from this provision. The appropriated budgets are prepared by fund, function, and department. Expenditures and encumbrances of the funds may not legally exceed appropriations at the department level. During the fiscal year, the County Council may adopt supplemental appropriations. For the year ended June 30, 2020, supplemental appropriations adopted in the General Fund were \$81,503,960; \$779,241 in the Highways Fund; \$1,969 in the Parks and Recreation Fund; \$45,000,000 in the Grant Fund and \$737,848 in the Enterprise Fund. Throughout the year, the County Executive has the authority to approve various intradepartmental transfers, which is the legal level of budgetary control. Transfers between departments require the County Council's approval and are only completed after April 1.

Annual budgets are adopted for the General Fund, Highways Fund, Agricultural Land Preservation Fund, Parks and Recreation Fund, Stormwater Management Fund, Beechtree TIF Debt Service Fund, Enterprise Fund, Internal Service Fund, Other Post Employment Benefit Trust Fund, Firemen's LOSAP Trust Fund, and Sheriff's Office Pension Trust Fund. Budgets are not adopted for the remaining private purpose trust funds due to their nature. Enterprise Fund, Internal Service Fund, Other Post Employment Benefit Trust Fund, and Pension Trust Funds budgets are for management control only. Budgets are adopted using the same basis of accounting as that used for reporting purposes, except for the following:

- Encumbrances are treated as expenditures for budgetary accounting purposes.
- Payroll is accrued for financial statement purposes only.
- Interfund reimbursements are eliminated for financial statement purposes.

The capital budget reflects appropriations for the Capital Projects Fund at the individual project level. Expenditures and encumbrances may not legally exceed appropriations at that level and unencumbered appropriations lapse at the completion or abandonment of individual projects. The County Council and the County Executive must approve all transfers of appropriations between projects.

A Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balances; Budgetary Basis (Non-GAAP) vs. Actual is prepared for the General Fund and each major Special Revenue Fund with an annual budget. These are the General, Highways, and Agricultural Land Preservation.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED

B. RECONCILIATION OF GAAP TO BASIS OF BUDGETING

The Governmental Funds, except for Grants and Capital Project Funds, have legally adopted annual budgets. The “Statement of Revenues, Expenditures, Encumbrances and Changes in Fund Balances; Budgetary Basis (Non-GAAP) vs. Actual” is prepared on a basis consistent with those budgets. The budgets are prepared using encumbrance accounting, where encumbrances are treated as expenditures of the current period. The “Statement of Revenues, Expenditures and Changes in Fund Balances” for all major governmental funds is prepared on a basis consistent with GAAP, where encumbrances are treated as an assigned fund balance. The other fund statements are reconciled below.

As of June 30, 2020, the changes in fund balances are reconciled as follows:

	General Fund	Highways Fund
Basis of Budgeting - Net Change in Fund Balances	\$ 11,953,518	\$ 1,772,686
Basis Adjustments:		
Revenue for Budgetary, not GAAP Purposes	(7,353,572)	(6,752,508)
Encumbrances Adjustment	526,542	(975,413)
Expenditures for Budgetary, not GAAP Purposes	7,353,572	6,752,508
Expenditures for GAAP, not for Budgetary Purposes	<u>(678,014)</u>	<u>(309,123)</u>
GAAP Basis - Net Changes in Fund Balances	<u>\$ 11,802,046</u>	<u>\$ 488,150</u>

As of June 30, 2020, the ending fund balances are reconciled as follows:

	General Fund	Highways Fund
Basis of Budgeting - Fund Balances	\$ 149,028,441	\$ 21,935,667
Encumbrances	3,049,248	1,231,612
Expenditures for GAAP, not for Budgetary Purposes	<u>(4,556,443)</u>	<u>(823,338)</u>
GAAP Basis - Fund Balances	<u>\$ 147,521,246</u>	<u>\$ 22,343,941</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS

A. EQUITY IN POOLED CASH AND INVESTMENTS, CASH AND INVESTMENTS

a. DEPOSITS

PRIMARY GOVERNMENT

Custodial Credit Risk: In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. At year-end, the carrying amount of combined deposits was \$548,141 and the collected bank balance was \$4,021,914. The uninsured balances were fully collateralized by securities placed with the respective bank escrow agents and held in the County's name at the Federal Reserve. As of June 30, 2020, the County's deposits were not exposed to custodial credit risk.

The following table reconciles the County's deposits and investments to the government-wide statement of net position and the statement of fiduciary net position.

Reconciliation:

Total Primary Government - Exhibit 1		
Equity in Pooled Cash and Investments	\$	411,908,034
Cash and Investments		134,065
Restricted Assets - Cash and Investments		35,040,786
Pension and Other Post Employment Benefit Trust Funds - Exhibit 10		
Equity in Pooled Cash and Investments		1,924,709
Cash Equivalents		1,317,964
Investments		229,466,128
Private Purpose Trust Funds - Exhibit 10		
Equity in Pooled Cash and Investments		2,811,226
Cash Equivalents		741,351
Agency Funds - Exhibit 10		
Equity in Pooled Cash and Investments		51,209
Cash Equivalents		14,031,746
Total All Equity in Pooled Cash		<u>697,427,218</u>
Less: Investments - Primary Government		<u>(696,879,077)</u>
The Carrying Amount of Combined Deposits	\$	<u>548,141</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

COMPONENT UNITS

At year-end, the carrying amount of combined deposits was \$16,031,433. All of the collected bank balance was insured by the FDIC and/or by securities held by the component unit or its agent, in the component unit's name.

The following table reconciles the Component Unit's deposits and investments to the government-wide statement of net position.

Reconciliation:

Cash & Investments for Component Units--Exhibit 1:

Harford County Public Schools	\$ 16,709,385
Harford Center, Inc.	2,256,471
Harford Community College	30,647,528
Harford Community College restricted	19,297,695
Harford County Public Library	7,179,685
Total Component Unit Cash & Investments	<hr/> 76,090,764
Less: Investments--Component Units	<hr/> (60,059,331)
Cash in the Bank	<hr/> \$ 16,031,433

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

b. INVESTMENTS

PRIMARY GOVERNMENT

As of June 30, 2020, the County had the following investments and maturities.

Investment Type	Investment Maturities (Years)				
	Pooled Investments	Amount	Less than 1	1 - 5	5+
¹ Federal Agencies	\$ 30,023,619	\$ 30,023,619	\$ -	\$ -	\$ -
MLGIP	384,257,351	384,257,351	-	-	-
Mutual Funds	2,000,132	2,000,132	-	-	-
Subtotal	416,281,102	416,281,102	-	-	-
Non-Pooled Investments					
MLGIP	7,610,889	7,610,889	-	-	-
² U.S. Strip Treasuries	27,429,897	448,657	3,215,938	23,765,302	
³ Trust Fund Annuity Contract	741,351	54,471	332,057	354,823	
MLGIP - Fiduciary Funds	14,031,746	14,031,746	-	-	
Benefits and Pension Funds:					
Short-Term Investments	1,317,964	1,317,964	-	-	
³ Equities	150,837,111	150,837,111	-	-	
³ Multi-Adviser Hedge Fund	19,226,600	19,226,600	-	-	
³ Fixed Income Funds	8,371,640	8,371,640	-	-	
US Government Agencies	11,254,838	-	-	11,254,838	
Corporate Bonds	25,769,877	4,230,746	8,590,685	12,948,446	
² US Treasury Obligations	14,006,062	-	5,643,369	8,362,693	
Subtotal	280,597,975	206,129,824	17,782,049	56,686,102	
Total	\$ 696,879,077	\$ 622,410,926	\$ 17,782,049	\$ 56,686,102	

¹ These Agencies mature in Fiscal Years 2021, but are callable monthly, quarterly, and semi-annually until maturity; it is not anticipated that these Agencies will be called.

²These investments are backed by the full faith and credit of the US Government.

³These investments are unrated by the credit rating agencies.

Harford 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 inputs are quoted in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Harford County, Maryland had the following recurring fair value measurements as of June 30, 2020:

	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, 2020
Investments by fair value level:				
Pooled Investments				
Federal Agencies	\$ -	\$ 30,023,619	\$ -	\$ 30,023,619
Mutual Funds	- -	2,000,132	- -	2,000,132
Non-Pooled Investments				
U.S. Strip Treasuries	- -	27,429,897	- -	27,429,897
Other Post Employment Benefits and Pension Funds:				
Short-Term Investments	- -	1,317,964	- -	1,317,964
Equities	150,837,111	- -	- -	150,837,111
Fixed Income Funds	8,371,640	- -	- -	8,371,640
US Government Agencies	- -	11,254,838	- -	11,254,838
Corporate Bonds	- -	25,769,877	- -	25,769,877
US Treasury Obligations	- -	14,006,062	- -	14,006,062
Total investments at Fair Value	<u><u>\$ 159,208,751</u></u>	<u><u>\$ 111,802,389</u></u>	<u><u>\$ - -</u></u>	<u><u>\$ 271,011,140</u></u>
Investments carried at amortized cost:				
Pooled Investments				
MLGIP				384,257,351
Non-Pooled Investments				
MLGIP				7,610,889
Trust Fund Annuity Contract				741,351
MLGIP - Fiduciary Funds				<u><u>14,031,746</u></u>
Total investments at amortized cost:				<u><u>\$ 406,641,337</u></u>
Investments Measured at Net Asset Value:				
Multi-Strategy Adviser Hedge Fund Portfolios LLC				10,022,933
Real Estate Income Trust, Inc.				<u><u>9,203,667</u></u>
Total Investments				<u><u>\$ 696,879,077</u></u>

Debt securities (Federal agencies, U.S. Strip Treasuries, Fixed Income funds, U.S. Government Agencies, and corporate bonds) 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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Equity securities and 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. Mutual funds classified at level 2 are valued using either a discounted cash flow or market comparable technique.

Multi-Strategy Adviser Hedge Fund Portfolios LLC: Series G is designed to serve as a core hedge fund holding with the goal of providing additional diversification to an overall investment portfolio. Series G's investment objective is to seek capital appreciation. In doing so, Series G seeks to realize attractive risk-adjusted returns, net of fees and expenses, over a three- to five-year investment horizon. To achieve the objectives of Series G, SkyBridge will seek to allocate Series G's assets across certain hedge fund strategies. The current investment portfolio includes a high conviction allocation to credit strategies which represent 71% of the portfolio (56% in structured credit, 13% in distressed Corporate Credit and an additional 2% exposure to Structured Credit via Third Point Ultra) and 29% percent other assets. The Company uses the NAV provided by the Investment Funds as its measure of fair value.

Structured credit-focused managers invest in securities composed primarily of residential mortgages, commercial mortgages, corporate loans and consumer debt.

Real Estate Income Trust, Inc.: The investment strategy is to acquire primarily stabilized income-oriented commercial real estate in the United States. To a lesser extent, will also invest in real estate-related securities to provide current income and a source of liquidity for the share repurchase plan, cash management and other purposes.

The investment strategy seeks to capitalize on Blackstone's scale and real-time information provided by its real estate holdings to identify and acquire the target investments at attractive pricing. It also seeks to benefit from Blackstone's reputation and ability to transact in scale with speed and certainty, and its long-standing and extensive relationships in the real estate industry.

The investments in primarily stabilized income-oriented commercial real estate in the United States focus on a range of asset types. These may include multifamily, retail, office, hotel, and industrial assets, as well as others including, without limitation, healthcare, student housing, senior living, data centers, manufactured housing and storage properties.

The current investment portfolio includes approximately 20 percent debt securities and 80 percent real estate. The calculation of the NAV is intended to be a calculation of the fair value of the assets less any outstanding liabilities.

Investments Other than Pension, Length of Service Award Program, and Other Post-Employment Benefits:

Interest Rate Risk: As a means of limiting its exposure to fair value losses arising from rising interest rates, the County's investment policy prohibits investment of operating funds in securities maturing more than one year from the date of purchase, unless matched to a specific cash flow. Only Agricultural Land Preservation Funds will be invested in U.S. Strip Treasuries to coincide with the maturity dates on installment purchase agreements, up to thirty years in length. Because the mutual bond funds and the MLGIP funds as of June 30, 2020 have a

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS - CONTINUED

weighted average maturity of less than 3 months, they are presented as investments maturing in less than one year.

Credit Risk: In order to control credit risk, State statutes, which have been incorporated into the County's investment policy, authorize the County to invest only in obligations of the United States Government, Federal government agency obligations, secured time deposits in Maryland banks, bankers' acceptances, the MLGIP, money market mutual funds, commercial paper, and repurchase agreements secured by direct government or agency obligations. As of June 30, 2020, the County's investments in Federal agency obligations, including repurchase agreements, backed by Federal agency obligations, were rated Aaa by Moody's Investor Service; the MLGIP and the money market mutual funds were rated AAAm by Standard and Poor's.

Concentration of Credit Risk: In accordance with its investment policy, with the exception of US Treasury securities, repurchase agreements, US government agencies, and MLGIP, no more than 50% of the County's total investment portfolio is to be invested in a single security type. With the exception of overnight repurchase agreements with the County's lead bank, and the MLGIP, no more than 50% of the County's portfolio may be invested with a single institution.

Custodial Credit Risk: For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, or not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent, but not in the government's name. County and State statutes require that securities underlying all certificates of deposit, repurchase agreements, and reverse repurchase agreements have a market value of at least 102% of the cost plus accrued interest of the investment. County policies require that a third party custodian hold investment securities and the collateral underlying all investments, in the government's name. As of June 30, 2020, the County's investments were not exposed to custodial credit risk.

Other Post-Employment Benefits (OPEB), Length of Service Award Program (LOSAP), and Pension Investments:

Interest Rate Risk: The investment policies of the pension, LOSAP, and OPEB plans do not limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. Fluctuating rates of return are characteristic of the securities markets; the Fund's greatest concern is long-term appreciation of assets and consistency of portfolio returns. However, cash and cash equivalent investments, such as commercial paper, repurchase agreements, etc. are limited to maturities of one year or less.

Credit Risk: The investment manager is allowed substantial discretion within a broad framework of approved investment choices. Equity holdings may be selected from those listed on the major securities markets. The Manager(s) may invest in commercial paper, repurchase agreements, Treasury Bills, certificates of deposit, deposit accounts (with the custodian's bank) which are fully insured and/or fully collateralized, and money market funds to provide income, liquidity for expense payments, and preservation of the fund's principal value. All such assets must represent maturities of one year or less at time of purchase. Standard & Poor's and Moody's must rate commercial paper assets A-2 or P-2 respectively. The fixed income portion of the portfolio will consist primarily of fixed income securities denominated in U.S. dollars issued by the U.S. Government or U.S. corporations rated investment grade or better and having a weighted average maturity of no longer than 10 years. The Manager(s) should maintain the fixed income portion of the portfolio at a risk level roughly equivalent to the Barclays Government/Credit Intermediate-Term Bond Index. The portfolio's maximum exposure to non-benchmark sectors including foreign issues, emerging market debt and high yield securities

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

may not exceed 20% (10% for LOSAP) of its market value. Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The County does not maintain deposits that are denominated in a currency other than the United States dollar; therefore, the County is not exposed to this risk.

Concentration of Credit Risk: As a means of minimizing risk and providing a consistent return, the investment policies require diversification. U.S. corporate bonds shall be diversified by issuer type with no more than 5% of the portfolio invested in obligations of any one issuer and no more than 10% in any one outstanding debt issue. Investments by security type are to be diversified as follows:

	Fire		Sheriff		OPEB	
	Minimum	Maximum	Minimum	Maximum	Minimum	Maximum
Large Cap Equities	15	29	21	39	21	39
Mid Cap Equities	3	7	5	9	5	9
Small Cap Equities	1	5	3	7	3	7
International Equities	10	20	13	23	13	23
Fixed Income	24	46	14	26	14	26
Alternatives	0	26	0	26	0	26

COMPONENT UNITS

As of June 30, 2020, total investments of the component units, in the amount of \$60,059,331 was distributed by type as follows:

	MLGIP	Other Investments	Total
Harford County Public Schools	\$ 12,313,775	\$ -	\$ 12,313,775
Harford Center, Inc.	-	641,275	641,275
Harford Community College	28,936,081	11,934,278	40,870,359
Harford County Public Library	6,233,922	-	6,233,922
	<hr/> <u>\$ 47,483,778</u>	<hr/> <u>\$ 12,575,553</u>	<hr/> <u>\$ 60,059,331</u>

Interest Rate Risk: The component units of the County generally limit the term of investment maturities, except for the fiduciary funds of the Harford County Public Schools, which are allowed longer term maturities to match the cash flow of liabilities.

Credit Risk: The investment policies of the component units require that all investments be insured, or registered, or have underlying securities held by a custodian in the name of the component unit to protect against credit risk. The credit ratings related to the repurchase agreements are unknown, but the MLGIP, a State sponsored investment pool, is rated AAA by Standard and Poor's.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

B. RECEIVABLES, UNAVAILABLE AND UNEARNED REVENUE

a. TAXES AND ACCOUNTS RECEIVABLE

Receivables as of year-end for the government's individual major and non-major funds, including the applicable allowances for uncollectible accounts, are as follows:

	General	Highways	Capital Project	Non-major Governmental
Property Taxes	\$ 3,212,974	\$ 454,758	\$ -	\$ -
Impact Fees	55,200	-	-	-
Hotel Taxes	109,716	-	-	-
Interest Accrual	1,144	222	-	121
Service Billings	2,674,999	124,919	56,437	230
Insurance Provider	-	-	-	-
Gross Receivables	6,054,033	579,899	56,437	351
Less: Allowance for Uncollectible	(187,593)	(35,747)	-	-
	<u>\$ 5,866,440</u>	<u>\$ 544,152</u>	<u>\$ 56,437</u>	<u>\$ 351</u>

	Water and Sewer	Internal Service Fund	Total
Property Taxes	\$ -	\$ -	\$ 3,667,732
Impact Fees	-	-	55,200
Hotel Taxes	-	-	109,716
Interest Accrual	1,406,307	-	1,407,794
Service Billings	19,041,590	-	21,898,175
Insurance Provider	-	5,227,147	5,227,147
Gross Receivables	20,447,897	5,227,147	32,365,764
Less: Allowance for Uncollectible	(12,796)	-	(236,136)
	<u>\$ 20,435,101</u>	<u>\$ 5,227,147</u>	<u>\$ 32,129,628</u>

b. LOANS RECEIVABLE

Loans receivable as of year-end for the government's individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

	General	Grant	Total
Havre de Grace, Maryland	\$ 935,000	\$ -	\$ 935,000
Stuart Terrace	9,814	-	9,814
Housing Agency	-	1,391,718	1,391,718
CDBG	-	1,031,484	1,031,484
Economic Development Opportunity	-	426,897	426,897
	<u>944,814</u>	<u>2,850,099</u>	<u>3,794,913</u>
Less: Allowance for Uncollectible	-	(1,174,558)	(1,174,558)
	<u><u>944,814</u></u>	<u><u>1,675,541</u></u>	<u><u>2,620,355</u></u>

c. UNAVAILABLE REVENUE

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* reported in the governmental funds were as follows:

	General	Highways	Project	Capital
Income Taxes	\$ 71,293,494	\$ -	\$ -	\$ 71,293,494
Property Taxes Receivable	2,678,429	411,743	-	3,090,172
Special Assessments Receivable	-	-	535,994	535,994
	<u><u>73,971,923</u></u>	<u><u>411,743</u></u>	<u><u>535,994</u></u>	<u><u>74,919,660</u></u>

d. UNEARNED REVENUE

Governmental funds report *unearned revenue* when cash is received prior to being earned. At the year-end, the unearned revenue for the government's individual major funds are as follows:

	General	Grants	Project	Capital
Prepaid Property Taxes	\$ 76,790	\$ -	\$ -	\$ 76,790
Walk-in Assessment Escrow	3,971	-	-	3,971
Grant Drawdown in Excess of Expenditures	-	37,862,386	-	37,862,386
Prepaid Contribution	-	-	474,278	474,278
	<u><u>80,761</u></u>	<u><u>37,862,386</u></u>	<u><u>474,278</u></u>	<u><u>38,417,425</u></u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

C. CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital Asset Activity for the year ended June 30, 2020, was as follows:

Governmental Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated or amortized:				
Land	\$ 270,651,128	\$ 4,882,642	\$ -	\$ 275,533,770
Development Rights	146,831,684	5,064,458	-	151,896,142
Construction in Process	<u>23,365,346</u>	<u>27,753,173</u>	<u>(33,395,224)</u>	<u>17,723,295</u>
Total Capital Assets, not being depreciated or amortized	<u>440,848,158</u>	<u>37,700,273</u>	<u>(33,395,224)</u>	<u>445,153,207</u>
Capital Assets, being depreciated or amortized:				
Buildings	210,280,257	7,730,144	-	218,010,401
Improvements other than buildings	93,565,809	6,028,169	-	99,593,978
Machinery and Equipment	29,622,670	351,244	(919,588)	29,054,326
Vehicles	48,840,332	4,575,825	(2,630,235)	50,785,922
Intangibles	4,558,779	-	-	4,558,779
Infrastructure	<u>250,260,963</u>	<u>18,629,033</u>	<u>-</u>	<u>268,889,996</u>
Total Capital Assets, being depreciated or amortized	<u>637,128,810</u>	<u>37,314,415</u>	<u>(3,549,823)</u>	<u>670,893,402</u>
Less Accumulated Depreciation or Amortization for:				
Buildings	(74,392,079)	(4,956,393)	-	(79,348,472)
Improvements other than buildings	(71,439,592)	(2,554,943)	-	(73,994,535)
Machinery and Equipment	(27,803,072)	(673,722)	919,588	(27,557,206)
Vehicles	(35,364,310)	(4,004,331)	2,557,926	(36,810,715)
Intangibles	(1,056,275)	(537,269)	-	(1,593,544)
Infrastructure	<u>(140,601,413)</u>	<u>(11,329,112)</u>	<u>-</u>	<u>(151,930,525)</u>
Total Accumulated Depreciation or Amortization	<u>(350,656,741)</u>	<u>(24,055,770)</u>	<u>3,477,514</u>	<u>(371,234,997)</u>
Total Capital Assets, being depreciated or amortized, net	<u>286,472,069</u>	<u>13,258,645</u>	<u>(72,309)</u>	<u>299,658,405</u>
Governmental Activities Capital Assets, net	\$ <u>727,320,227</u>	\$ <u>50,958,918</u>	\$ <u>(33,467,533)</u>	\$ <u>744,811,612</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Business-type Activities:	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated or amortized:				
Land	\$ 1,535,972	\$ -	\$ -	\$ 1,535,972
Construction in Process	4,012,963	4,891,489	(45,486)	8,858,966
Total Capital Assets, not being depreciated	<u>5,548,935</u>	<u>4,891,489</u>	<u>(45,486)</u>	<u>10,394,938</u>
Capital Assets, being depreciated or amortized:				
Buildings	274,197,133	-	(29,434)	274,167,699
Improvements other than buildings	326,018,614	4,106,037	-	330,124,651
Machinery and Equipment	33,205,745	-	(88,405)	33,117,340
Vehicles	5,845,757	426,224	(157,916)	6,114,065
Intangibles	1,165,845	-	-	1,165,845
Infrastructure	<u>32,764,570</u>	<u>-</u>	<u>-</u>	<u>32,764,570</u>
Total Capital Assets, being depreciated or amortized	<u>673,197,664</u>	<u>4,532,261</u>	<u>(275,755)</u>	<u>677,454,170</u>
Less Accumulated Depreciation or Amortization for:				
Buildings	(121,078,780)	(5,788,173)	29,434	(126,837,519)
Improvements other than buildings	(107,727,520)	(5,608,292)	-	(113,335,812)
Machinery and Equipment	(9,682,342)	(1,267,365)	88,405	(10,861,302)
Vehicles	(3,779,365)	(578,443)	135,239	(4,222,569)
Intangibles	(369,541)	(131,848)	-	(501,389)
Infrastructure	<u>(1,766,917)</u>	<u>(585,172)</u>	<u>-</u>	<u>(2,352,089)</u>
Total Accumulated Depreciation or	<u>(244,404,465)</u>	<u>(13,959,293)</u>	<u>253,078</u>	<u>(258,110,680)</u>
Total Capital Assets, being depreciated or amortized, net	<u>428,793,199</u>	<u>(9,427,032)</u>	<u>(22,677)</u>	<u>419,343,490</u>
Business-type Activities Capital Assets, net	\$ <u>434,342,134</u>	\$ <u>(4,535,543)</u>	\$ <u>(68,163)</u>	\$ <u>429,738,428</u>

Depreciation or Amortization Expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

General Government	\$ 1,703,817
Judicial	9,059
Libraries	1,043,038
Parks and Recreation	3,273,068
Public Safety	3,598,547
Public Works	14,126,619
Social Services & Health	<u>301,622</u>
Total Depreciation or Amortization Expense -	
Governmental Activities	\$ <u>24,055,770</u>

Business-type Activities

Water and Sewer	\$ <u>13,959,293</u>
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HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

COMPONENT UNITS

Harford County Public Schools: Capital Asset Activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 9,672,942	\$ -	\$ -	\$ 9,672,942
Construction in Process	45,093,647	51,217,636	(10,491,671)	85,819,612
Total Capital Assets, not being depreciated	<u>54,766,589</u>	<u>51,217,636</u>	<u>(10,491,671)</u>	<u>95,492,554</u>
Capital Assets, being depreciated				
Land Improvements	19,314,000	107,838	-	19,421,838
Buildings and Improvements	805,939,586	11,444,299	-	817,383,885
Furniture and Equipment	48,780,914	1,097,407	(625,690)	49,252,631
Total Capital Assets, being depreciated	<u>874,034,500</u>	<u>12,649,544</u>	<u>(625,690)</u>	<u>886,058,354</u>
Accumulated Depreciation				
Land Improvements	(9,664,426)	(859,943)	-	(10,524,369)
Buildings and Improvements	(224,019,260)	(17,914,061)	-	(241,933,321)
Furniture and Equipment	(38,723,398)	(2,390,086)	574,412	(40,539,072)
Total Accumulated Depreciation	<u>(272,407,084)</u>	<u>(21,164,090)</u>	<u>574,412</u>	<u>(292,996,762)</u>
Total Capital Assets, being depreciated, net	<u>601,627,416</u>	<u>(8,514,546)</u>	<u>(51,278)</u>	<u>593,061,592</u>
Total Capital Assets, net	<u>\$ 656,394,005</u>	<u>\$ 42,703,090</u>	<u>\$ (10,542,949)</u>	<u>\$ 688,554,146</u>

The Harford Center, Inc.: Capital Asset Activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, being depreciated				
Equipment - Other	\$ 252,986	\$ 10,919	\$ (3,010)	\$ 260,895
Equipment - Transportation	865,587	140,915	(74,006)	932,496
Leasehold Improvements	735,446	115,596	-	851,042
Total Capital Assets, being depreciated	<u>1,854,019</u>	<u>267,430</u>	<u>(77,016)</u>	<u>2,044,433</u>
Accumulated Depreciation:				
Capital Assets	<u>(1,152,602)</u>	<u>(140,593)</u>	<u>74,395</u>	<u>(1,218,800)</u>
Total Capital Assets, net	<u>\$ 701,417</u>	<u>\$ 126,837</u>	<u>\$ (2,621)</u>	<u>\$ 825,633</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Harford Community College: Capital Asset Activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 3,741,759	\$ -	\$ -	\$ 3,741,759
Construction in Process	2,692,996	2,480,925	(5,173,921)	-
Total Capital Assets, not being depreciated	<u>6,434,755</u>	<u>2,480,925</u>	<u>(5,173,921)</u>	<u>3,741,759</u>
Capital Assets, being depreciated				
Buildings and Improvements	137,879,653	5,293,105	(100,847)	143,071,911
Furniture and Equipment	6,331,031	246,142	(13,981)	6,563,192
Computer Technology	4,379,137	104,468	(5,950)	4,477,655
Vehicles	877,528	195,658	(28,696)	1,044,490
Library Books	1,488,837	83,026	(34,049)	1,537,814
Total Capital Assets, being depreciated	<u>150,956,186</u>	<u>5,922,399</u>	<u>(183,523)</u>	<u>156,695,062</u>
Accumulated Depreciation				
Buildings and Improvements	(46,072,356)	(4,135,840)	100,847	(50,107,349)
Furniture and Equipment	(4,691,541)	(399,045)	12,917	(5,077,669)
Computer Technology	(3,661,936)	(249,470)	5,950	(3,905,456)
Vehicles	(631,269)	(84,444)	27,950	(687,763)
Library Books	(951,347)	(105,699)	34,049	(1,022,997)
Total Accumulated Depreciation	<u>(56,008,449)</u>	<u>(4,974,498)</u>	<u>181,713</u>	<u>(60,801,234)</u>
Total Capital Assets, being depreciated, net	<u>94,947,737</u>	<u>947,901</u>	<u>(1,810)</u>	<u>95,893,828</u>
Total Capital Assets, net as restated	<u>\$ 101,382,492</u>	<u>\$ 3,428,826</u>	<u>\$ (5,175,731)</u>	<u>\$ 99,635,587</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Harford County Public Library: Capital Asset Activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, being depreciated				
Circulating Materials	\$ 5,288,215	\$ 1,404,617	\$ (1,813,314)	\$ 4,879,518
Improvements to Buildings	2,330,713	1,035,016	(1,333)	3,364,396
Furniture and Equipment	2,789,544	358,012	(24,018)	3,123,538
Computer Equipment	2,412,590	56,216	(132,217)	2,336,589
Vehicles	482,147	-	(37,404)	444,743
Copier Equipment	166,358	10,259	-	176,617
Total Capital Assets, being depreciated	<u>13,469,567</u>	<u>2,864,120</u>	<u>(2,008,286)</u>	<u>14,325,401</u>
Accumulated Depreciation:				
Circulating Materials	(2,698,637)	(1,694,622)	1,813,314	(2,579,945)
Improvements to Buildings	(1,256,410)	(230,349)	1,333	(1,485,426)
Furniture and Equipment	(2,431,893)	(141,531)	21,638	(2,551,786)
Computer Equipment	(2,282,222)	(99,837)	132,216	(2,249,843)
Vehicles	(369,517)	(25,092)	37,404	(357,205)
Copier Equipment	(99,396)	(29,010)	-	(128,406)
Total Accumulated Depreciation	<u>(9,138,075)</u>	<u>(2,220,441)</u>	<u>2,005,905</u>	<u>(9,352,611)</u>
Total Capital Assets, net	<u>\$ 4,331,492</u>	<u>\$ 643,679</u>	<u>\$ (2,381)</u>	<u>\$ 4,972,790</u>

D. OPERATING LEASES

The County is obligated under certain leases accounted for as operating leases. All leases are subject to annual appropriations. During fiscal year 2020, rental expenditures approximated \$3,981,843. These expenditures were primarily from the General Fund. The following is a schedule, by years, of the future minimum rental payments required under operating leases that have initial or remaining non-cancelable lease terms in excess of one year as of June 30, 2020:

Year Ending June 30,	Amount
2021	\$ 3,625,638
2022	2,979,213
2023	2,118,084
2024	1,564,301
2025	1,027,469
2026-2027	<u>517,919</u>
Total Minimum Payments Required	<u>\$ 11,832,624</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

E. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

a. DUE FROM PRIMARY GOVERNMENT AND DUE TO COMPONENT UNITS

Interfund receivables and payables result from the time lag between the time reimbursable expenditures occur in the component units and when the payments are made. As of June 30, 2020, these interfund balances are:

	Due to	Due From
Primary Government:		
Capital Projects Fund	\$ 13,304,827	\$ -
Component Units:		
Harford County Public Schools	-	13,006,965
Harford Community College	-	254,361
Harford County Public Library	-	43,501
	<u><u>\$ 13,304,827</u></u>	<u><u>\$ 13,304,827</u></u>

b. INTERFUND TRANSFERS

Transfers are used to, (1) move general fund revenues to provide matching funds for various grant programs, (2) move operating fund revenues into the capital project fund as paygo monies, and (3) move revenues from capital project fund to the general fund to pay debt service. The interfund transfers for the current fiscal year are:

	Transfers In			
	General Fund	Grant Fund	Capital Project Fund	Total
Transfer Out				
General Fund	\$ -	\$ 2,828,344	\$ 9,772,600	\$ 12,600,944
Highways Fund	-	-	13,468,978	13,468,978
Capital Projects Fund	23,216,000	-	-	23,216,000
Non-major Gov't Funds	<u>-</u>	<u>-</u>	<u>550,000</u>	<u>550,000</u>
Total Transfers In	<u><u>\$ 23,216,000</u></u>	<u><u>\$ 2,828,344</u></u>	<u><u>\$ 23,791,578</u></u>	<u><u>\$ 49,835,922</u></u>

F. TAX ABATEMENTS

As of June 30, 2020, Harford County, Maryland provides tax abatements through three programs: the Payment in Lieu of Taxes (PILOT) Programs, Enterprise Zone Program and the Agricultural Preservation Program.

A Payment in Lieu of Tax Program is an agreement between a jurisdiction and a developer, business, or landowner that substitutes a negotiated payment for annual real estate and personal property taxes that are traditionally due on property.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

The PILOT for federal enclave property provides that a project developed on federal property be exempt from County and State real property taxes in consideration of the Developer's agreement to accrue a negotiated liability based on the amount of rentable square feet that it has constructed each tax year in lieu of County and State real property taxes on the project. The Tax Property Article, Section 7-211.3 of the Maryland Annotated Code is the legal authority for this program. Harford County, Maryland passed Resolution 03-09 approving the execution by the County Executive of an Agreement for Payment in Lieu of Taxes with the Developer and the Maryland Department of Transportation. The Developer plans to develop an approximately 400-acre tract of land located on Aberdeen Proving Ground (APG) known as the Government and Technology Enterprise Project (GATE). Potentially approximately two million rentable square feet of office, laboratory, research and development, and hotel/conference space is to be made available to contractors that will support the mission of APG GATE Project. The Project will be exempt from County and State real property taxes in consideration of the Developer's agreement to accrue a negotiated liability based on the amount of rentable square feet that it has constructed each tax year. The PILOT payments under this agreement shall be dedicated to the construction of transportation and related improvements located within the area of land located generally within a three mile radius from the relocated entrance gate to APG accessible from Maryland Boulevard. In no event shall the PILOT payments in any given year exceed the amount of property tax that would otherwise be due to the State and County on the completed improvements on a cumulative basis under this Agreement if this Agreement were not in place. Current assessment information is not available for this property. Without an updated assessed value, the amount by which Harford County's revenues were reduced for this reporting period cannot be determined.

The Payment in Lieu of Tax Program (PILOT) for housing structures or projects constructed under a federal, state or local government program that funds construction, or insures its financing, or provides interest subsidy, rent subsidy or rent supplements and will operate the project as affordable senior housing or housing for lower or moderate income persons. The structures and facilities on the real property are governmentally controlled as to rents, charges, rates of return and methods of operation as to operate on a nonprofit or limited distribution basis or the owner of the real property agrees to continue to maintain the real property as rental housing for lower income persons under the requirements of the government program. The Tax Property Article, Section 7-505 and Section 7-506.1 of the Maryland Annotated Code are the legal authority for these programs. Harford County, Maryland has passed a resolution for each of the fourteen PILOT agreements under this program. Each of these fourteen agreements is separately negotiated and the PILOT payment is calculated in various ways. The agreements establish monthly rental payments for the apartment units with an escalation clause in many cases. These agreements range from 10 years to no expiration date as long as the property is used as affordable senior housing or housing for lower or moderate income persons. Most of these PILOT agreements contain language that the annual PILOT payment cannot exceed the calculated County real property tax for the property.

Section 7-514(c) of the Maryland Annotated Property tax Code authorizes and empowers a local government to enter into an agreement with the owner of a facility for the generation of electricity that located in the County for a negotiated payment by the owner in lieu of taxes on the facility. Harford County, Maryland entered into such an agreement with CSFG – UCH ENERGY, LLC. The County shall accept a payment of \$4,300 per year in lieu of personal property tax. This payment shall only be used for public health and public safety programs, projects or equipment in the County. This agreement shall extend for the same twenty year term as the Energy Services Agreement (ESA), effective beginning in the County's first fiscal tax year in which the System becomes taxable. The Payment in Lieu of Tax agreement shall expire when the ownership of the personal property transfers to Upper Chesapeake Hospital at which time it will become exempt from personal property tax, but not later than the tax year ending June 30, 2035.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Harford County Maryland grants real property tax credits to property that has been preserved under one of three programs to permanently preserve farmland. Those programs are the Harford County Agricultural Preservation Program, the Maryland Agricultural Land Preservation Foundation, and the Rural Legacy Program. To qualify for a Harford County Property Tax credit the property must be located in the Agricultural district and the property must be subject to an agricultural preservation easement or an agreement not to develop the property for a shorter period of time. Under the easement program the property tax credit is calculated as the lesser of one hundred percent of the county real property tax or fifty dollars for each acre of property in the program. Under the district program, which includes properties not subject to an agricultural preservation easement, the credit is the lesser of fifty percent of the county real property tax for the property or fifty dollars for each acre of property in the program. The Tax Property Article, section 9-314 of the Maryland Annotated Code and Harford County Code sections 123-43.3, 123-43.3.1 and 123-43.3.2 are the authorization for this tax credit program.

Enterprise Zone Tax Credits are granted to an owner of qualified property located in the area designated as an Enterprise Zone by the Maryland Department of Business and Economic Development. The purpose of the zone is to encourage the creation of well-paying jobs, ensure retention and spur expansion of resident businesses, promote development and occupancy of vacant, underutilized land and buildings and support the county's commitment to revitalizing older industrial areas of Harford County. The Tax Property Article, Section 9-103 of the Maryland Annotated Code and the Harford County Code, Section 123-43.8 are the authorization for the Enterprise Zone program and corresponding tax credits. A ten-year tax credit against Harford County real property taxes on a portion of real property expansion, renovation or capital improvement is granted to properties that are approved by County Council resolution. The amount of credit is 80% of the eligible assessment in each of the first 5 years, and the credit decreases 10% annually (70%, 60%, 50%, 40%, and 30%) for the subsequent 5 years. 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. For the County to receive a reimbursement by August 31 in any calendar year, the County shall submit an annual request to the Department of Assessments and Taxation on July 1 of that year.

Tax Abatement Program	Amount of Taxes Abated
PILOT Programs	\$ 642,350
Agricultural Preservation Credits	1,510,122
Enterprise Zone Credits	1,291,188
Total	\$ 3,443,660

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

G. NON-CURRENT LIABILITIES

a. CHANGES IN NON-CURRENT LIABILITIES

PRIMARY GOVERNMENT

	Balance July 1, 2019		Principal Repayments & Reductions	Balance June 30, 2020	Due Within One Year
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Governmental Activities:					
Installment Purchase Agree. Bonds Payable	\$ 32,994,659	\$ 3,119,179	\$ (1,456,711)	\$ 34,657,127	\$ 1,035,843
General Obligation Bonds	496,928,176	119,535,997 ²	(119,374,500) ¹	497,089,673	39,939,223
Special Obligation Bonds	13,920,000	-	(75,000)	13,845,000	100,000
Landfill Closure/Solid Waste	24,204,897	96,926	(976,678)	23,325,145	327,452
Compensated Absences	27,179,911	2,653,673	(4,255,733)	25,577,851	9,854,271
Est. Liab. For Claims in Pro.	4,594,290	-	(1,282,322)	3,311,968	1,546,420
Net Pension Liability	138,091,323	3,503,894	(1,330,616)	140,264,601	-
Net OPEB Liability	<u>117,056,284</u>	<u>-</u>	<u>(18,402,923)</u>	<u>98,653,361</u>	<u>-</u>
Governmental Activities - Long-term Liabilities	<u>\$ 854,969,540</u>	<u>\$ 128,909,669</u>	<u>\$ (147,154,483)</u>	<u>\$ 836,724,726</u>	<u>\$ 52,803,209</u>
Business-type Activities:					
Bonds Payable	\$ 119,780,161	\$ 30,636,578 ²	\$ (36,210,468) ¹	\$ 114,206,271	\$ 8,810,777
Compensated Absences	3,213,570	733,122	(1,148,786)	2,797,906	1,088,717
Net Pension Liability	9,616,789	288,680	-	9,905,469	-
Net OPEB Liability	<u>13,806,351</u>	<u>-</u>	<u>(1,652,573)</u>	<u>12,153,778</u>	<u>-</u>
Business-type activities - Long-term Liabilities	<u>\$ 146,416,871</u>	<u>\$ 31,658,380</u>	<u>\$ (39,011,827)</u>	<u>\$ 139,063,424</u>	<u>\$ 9,899,494</u>

1 Includes amortization of premium of \$4,638,876 for Governmental Activities. Business-type Activities include amortization of premium of \$1,036,093

2 Includes Premium of \$17,549,590 for Governmental Activities. Business-type Activities include premium of \$4,992,985.

Installment Purchase Agreements long-term debt has typically been liquidated in the Agricultural Land Preservation special revenue fund. Governmental compensated absences typically have been liquidated in the General and other governmental funds. Special Obligation Bonds will be liquidated in the Beechtree TIF Debt Service Fund. Claims liabilities typically have been liquidated in the Self-Insurance fund. The debt limit for the primary government at June 30, 2020, was \$1,915,852,847 and the legal debt margin was \$1,418,763,174.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

COMPONENT UNITS

Non-current liabilities in the component units consist of liabilities for compensated absences, other post employment benefits (OPEB), capital leases, and notes payable. The changes and the portion due within one year are as follows:

	Beginning Balance	Changes	Ending Balance	Due Within One Year
<u>Harford County Public Schools</u>				
Capital Leases	\$ 7,509,774	\$ (578,253)	\$ 6,931,521	\$ 597,161
Compensated Absences	29,549,236	4,048,607	33,597,843	4,530,259
Net OPEB Liability	1,274,863,000	(16,827,000)	1,258,036,000	-
Net Pension Liability	24,760,092	1,244,039	26,004,131	-
	<u>\$ 1,336,682,102</u>	<u>\$ (12,112,607)</u>	<u>\$ 1,324,569,495</u>	<u>\$ 5,127,420</u>
<u>Harford Center</u>				
Note Payable	\$ -	\$ 425,000	\$ 425,000	\$ -
	<u>\$ -</u>	<u>\$ 425,000</u>	<u>\$ 425,000</u>	<u>\$ -</u>
<u>Harford Community College</u>				
Compensated Absences	\$ 1,222,164	\$ 109,792	\$ 1,331,956	\$ 202,401
Net Pension Liability	1,263,155	26,606	1,289,761	-
Net OPEB Liability	-	49,129	49,129	-
	<u>\$ 2,485,319</u>	<u>\$ 185,527</u>	<u>\$ 2,670,846</u>	<u>\$ 202,401</u>
<u>Harford County Public Library</u>				
Capital Lease	\$ 52,498	\$ (22,207)	\$ 30,291	\$ 13,253
Compensated Absences	372,159	95,419	467,578	-
Net OPEB Liability	28,688,632	(4,314,000)	24,374,632	-
Net Pension Liability	1,585,269	64,501	1,649,770	-
	<u>\$ 30,698,558</u>	<u>\$ (4,176,287)</u>	<u>\$ 26,522,271</u>	<u>\$ 13,253</u>

b. INSTALLMENT PURCHASE AGREEMENTS

PRIMARY GOVERNMENT

The County has entered into installment contracts to purchase easements for agricultural land preservation purposes. The primary source of revenue for repayment of the indebtedness is a transfer tax of one-half of one percent on all transfers of real property in the County. Under the terms of the installment contracts, which range in length from ten to twenty years, the County pays the property owner annual interest and minimal portions of the installment purchase price for the term of the agreement. The final principal payment is made with a

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

stripped-coupon U.S. Treasury obligation purchased at settlement and held to maturity. The interest rate of the stripped-coupon U.S. Treasury obligation is the interest rate used for the installment purchase agreement.

Interest rates on securities owned at June 30, 2020, range from .78% to 6.07%. The annual requirements to amortize agricultural land preservation installments outstanding as of June 30, 2020, are as follows:

AGRICULTURAL LAND PRESERVATION INSTALLMENTS

Year Ending June 30,	Principal	Interest	Total Requirement
2021	\$ 1,035,843	\$ 1,112,250	\$ 2,148,093
2022	588,853	1,068,990	1,657,843
2023	2,401,506	1,051,631	3,453,137
2024	1,665,670	943,791	2,609,461
2025	821,649	865,085	1,686,734
2026	1,137,142	836,628	1,973,770
2027	851,934	793,066	1,645,000
2028	1,048,315	762,637	1,810,952
2029	11,024,255	723,151	11,747,406
2030	2,512,401	356,533	2,868,934
2031	141,806	333,809	475,615
2032	5,705,713	329,710	6,035,423
2033	1,676,640	164,850	1,841,490
2034	49,910	113,627	163,537
2035	2,514,882	112,224	2,627,106
2036	18,279	38,341	56,620
2037	1,462,329	37,867	1,500,196
	<hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none; margin-bottom: 2px;"/> \$ 34,657,127	<hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none; margin-bottom: 2px;"/> \$ 9,644,190	<hr style="border-top: 1px solid black; border-bottom: none; border-left: none; border-right: none; margin-bottom: 2px;"/> \$ 44,301,317

For the year ended June 30, 2020, total principal and interest incurred related to agricultural land preservation installments were \$1,456,711 and \$1,164,612, respectively.

c. BONDS PAYABLE

1. General Obligation Bonds

PRIMARY GOVERNMENT

All general obligation bonds are valid and legally binding general obligations of the County and constitute an irrevocable pledge of its full faith and credit and unlimited taxing power. Governmental bonds are payable from ad valorem taxes, unlimited as to rate or amount on all real tangible, personal, and certain intangible property subject to taxation at full rates for local purposes in the County. Those portions of the Public Improvement Bonds of 2010, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020 allocated to school projects are payable in the first instance from recordation and transfer tax revenues and impact fees.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUND TYPES – CONTINUED

Business-type (Water and Sewer) bonds are payable from investment income of the Water and Sewer Fund, area connection charges, user benefit assessments, benefit assessments and surcharge assessments. In Fiscal Year 2020, the County issued \$37,000,000 in the Governmental activities and \$3,000,000 in the Business-Type activities of general obligation bonds. Also, the county issued \$64,986,408 in the Governmental activities and \$22,643,592 in the Business-Type activities of refunding bonds. As of June 30, 2020, general obligation bonds payable are comprised of the following individual issues:

	Originally Issued	Outstanding as of June 30, 2020
Governmental activities:		
Refunding Bond of 2010 - 2.5% - 5.0% - due serially to 2021	25,161,828	3,510,158
Public Improvement Bond of 2010 - Series A - 2.5% - 5.0% - due serially to 2020	67,486,509	7,416,000
Public Improvement Bond of 2012 - 2.0% - 5.0% due serially to 2032	40,000,000	25,017,620
Refunding Bond of 2012 - 2.0% - 4.0% - due serially to 2024	6,931,393	2,625,594
Public Improvement Bond of 2013 - 3.0% - 5.0% due serially to 2033	30,000,000	19,500,000
Refunding Bond of 2013 - 2.0% - 5.0% - due serially to 2028	59,750,398	40,167,057
Public Improvement Bond of 2014 - 2.0% - 5.0% due serially to 2034	33,180,257	23,220,257
Public Improvement Bond of 2015 - 3.0% - 5.0% due serially to 2034	42,000,000	31,500,000
Refunding Bond of 2015 - 2.95% - 5.0% - due serially to 2029	55,994,243	55,445,673
Public Improvement Bond of 2016 - 2.0% - 5.0% due serially to 2035	27,132,515	21,706,012
Public Improvement Bond of 2017 - 3.0% - 5.0% due serially to 2036	53,177,000	45,197,000
Public Improvement Bond of 2018 - 2.5% - 5.0% due serially to 2037	43,000,000	38,700,000
Public Improvement Bond of 2019 - 3.0% - 5.0% due serially to 2038	34,000,000	32,300,000
Public Improvement Bond of 2020 - 1.5% - 5.0% - due serially to 2039	37,000,000	37,000,000
Refunding Bond of 2020 - 5.0% - due serially to 2040	64,986,408	64,986,408
Total Bonds Outstanding	619,800,551	448,291,779
Premium	84,145,999	48,797,894
Total	\$ 703,946,550	\$ 497,089,673

The annual requirements to amortize general obligation bond debt outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Requirement
2021	\$ 39,939,223	\$ 16,021,677	\$ 55,960,900
2022	37,365,415	15,471,264	52,836,679
2023	35,781,354	13,741,052	49,522,406
2024	35,060,680	12,088,020	47,148,700
2025	34,234,996	10,674,377	44,909,373
2026-2030	154,739,148	33,849,456	188,588,604
2031-2035	82,007,336	10,255,709	92,263,045
2036-2040	29,163,627	1,481,079	30,644,706
Premium	48,797,894	-	48,797,894
	\$ 497,089,673	\$ 113,582,634	\$ 610,672,307

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUND TYPES – CONTINUED

For the year ended June 30, 2020, total principal and interest incurred related to general obligation bonds was \$114,735,624 and \$18,774,702, respectively.

Business-Type Activities:

	Originally Issued	Outstanding as of June 30, 2020
Refunding Bond of 2010 - 2.5% - 5.0% - due serially to 2021	\$ 608,172	\$ 84,842
Public Improvement Bond of 2010 - Series A - 2.5% - 5.0% - due serially to 2020	23,513,491	2,584,000
Public Improvement Bond of 2012 - 2.0% - 5.0% - due serially to 2032	15,000,000	9,382,380
Refunding Bond of 2012 - 2.0% - 4.0% - due serially to 2024	2,043,607	774,406
Public Improvement Bond of 2013 - 3.0% - 5.0% - due serially to 2033	10,000,000	7,325,000
Refunding Bond of 2013 - 2.0% - 5.0% - due serially to 2028	14,909,602	10,022,943
Public Improvement Bond of 2014 - 2.0% - 5.0% - due serially to 2034	6,819,743	5,289,743
Public Improvement Bond of 2015 - 3.0% - 5.0% - due serially to 2034	3,000,000	2,450,000
Refunding Bond of 2015 - 2.95% - 5.0% - due serially to 2029	13,925,757	13,789,327
Public Improvement Bond of 2016 - 2.0% - 5.0% - due serially to 2035	12,867,485	11,138,988
Public Improvement Bond of 2017 - 3.0% - 5.0% - due serially to 2036	1,823,000	1,643,000
Public Improvement Bond of 2018 - 2.5% - 5.0% - due serially to 2037	7,000,000	6,585,000
Public Improvement Bond of 2019 - 3.0% - 5.0% - due serially to 2038	6,000,000	5,700,000
Public Improvement Bond of 2020 - 1.5% - 5.0% - due serially to 2039	3,000,000	3,000,000
Refunding Bond of 2020 - 5.0% - due serially to 2040	<u>22,643,592</u>	<u>22,643,592</u>
Total Bonds Outstanding	<u>143,154,449</u>	<u>102,413,221</u>
Premium	<u>17,039,213</u>	<u>11,793,050</u>
Total	<u>\$ 160,193,662</u>	<u>\$ 114,206,271</u>

The annual requirements to amortize business-type activities bonded debt outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Requirement	Total
2021	\$ 8,810,777	\$ 3,575,460	\$ 12,386,237	
2022	8,379,585	3,583,090	11,962,675	
2023	8,333,646	3,193,077	11,526,723	
2024	8,249,319	2,815,096	11,064,415	
2025	8,110,004	2,379,214	10,489,218	
2026-2030	37,980,852	7,726,147	45,706,999	
2031-2035	17,992,664	1,991,354	19,984,018	
2036-2040	4,556,374	216,336	4,772,710	
Premium	11,793,050	-	11,793,050	
	<u>\$ 114,206,271</u>	<u>\$ 25,479,774</u>	<u>\$ 139,686,045</u>	

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

For the year ended June 30, 2020, total principal and interest incurred related to business-type activities was \$35,174,375 and \$2,816,296 respectively.

2. Special Obligations Bonds

PRIMARY GOVERNMENT

As of June 30, 2020, there was \$13,845,000 of Special Obligation Tax Increment Bonds payable from property tax revenue generated from assessment increases occurring since the formation of the tax increment district. This debt is included in the primary government's long term debt on the Statement of Net Position. In the future, these bonds will be paid from incremental property tax revenue and/or special district tax on the district. These bonds do not have Harford County, Maryland's full faith and credit pledged.

Governmental activities:	Originally Issued	Outstanding as of June 30, 2020
Special Obligation Bond of 2011 7.5% - due serially to 2041	\$ <u>14,000,000</u>	\$ <u>13,845,000</u>

The annual requirements to amortize special obligation bond debt outstanding as of June 30, 2020, are as follows:

Year Ending June 30,	Principal	Interest	Total Requirement
2021	\$ 100,000	\$ 1,034,625	\$ 1,134,625
2022	130,000	1,026,000	1,156,000
2023	165,000	1,014,938	1,179,938
2024	200,000	1,001,250	1,201,250
2025	240,000	984,750	1,224,750
2026-2030	1,920,000	4,558,875	6,478,875
2031-2035	3,550,000	3,552,375	7,102,375
2036-2040	5,965,000	1,796,438	7,761,438
2041	1,575,000	59,062	1,634,062
	<u>\$ 13,845,000</u>	<u>\$ 15,028,313</u>	<u>\$ 28,873,313</u>

For the year ended June 30, 2020, the total principal and interest incurred related to Special Obligation Bonds was \$75,000 and \$1,041,188, respectively.

d. CAPITAL LEASE OBLIGATIONS

COMPONENT UNITS

Harford County Public Schools: The Public Schools have entered into lease agreements as lessee to construct the administration building in the amount of \$11,400,223, which was completed in January 2006. The lease

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

agreement is for a period of twenty-five years. The debt was refinanced on May 30, 2012 at a rate of 3.27%. The term of the debt was not extended. The asset acquired and capitalized under the capital lease is as follows:

Building Cost	\$ 10,852,395
Less: Accumulated Depreciation	(3,147,194)
Net Book Value	<u><u>\$ 7,705,201</u></u>

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

Year Ending June 30,	Amount
2021	\$ 823,822
2022	823,822
2023	823,822
2024	823,822
2025	823,822
2026-2030	<u>4,119,110</u>
Total Minimum Lease Payments	8,238,220
Less : Amount Representing Interest	(1,306,699)
Present Value Minimum Lease Payments	<u><u>\$ 6,931,521</u></u>

Harford County Public Library: The Library is the lessee of copiers and related equipment under capital leases expiring through 2025. The assets and liabilities under these leases are recorded at the lower of the minimum lease payments or the fair value of the assets and amortized over the life of the lease term, typically five years. Included in property and equipment are assets under these leases with a cost of \$176,617 as of June 30, 2020. Depreciation of assets under capital leases is included in depreciation expense. The depreciation expenses relating to the leases was \$29,010 for the year ended June 30, 2020. Accumulated depreciation relating to the leases was \$128,406 as of June 30, 2020. Future minimum lease payments under capital leases are as follows:

2021	\$ 15,608
2022	7,313
2023	6,840
2024	5,112
2025	<u>440</u>
Total Minimum Lease Payments	35,313
Less : Amount Representing Interest	(5,022)
Present Value Minimum Lease Payments	<u><u>\$ 30,291</u></u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

e. NOTES PAYABLE

COMPONENT UNITS

Harford Center, Inc.: On April 30, 2020, the Center entered into a Paycheck Protection Program note payable with PNC Bank for \$425,000. Interest on the outstanding balance is accruing at 1% after 6 months from the date of this note. All or a portion of this note may be forgiven in accordance with the agreement requirements under Section 1106 of the CARES Act. At the time of the audit report, the Center has not applied for the loan forgiveness.

f. LANDFILL CLOSURE/SOLID WASTE LIABILITIES

PRIMARY GOVERNMENT

Subtitle D of the Resource Conservation and Recovery Act of 1976, as amended, provides Federal regulations for municipal solid waste landfill closure and post-closure care. The State of Maryland's laws for solid waste management parallel Federal law. The permit for the Harford Waste Disposal Center is issued by the State and is subject to renewal every five years. Federal and State laws and regulations require the County to place a final cover on the Harford Waste Disposal Center when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for a thirty-year period after closure. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, GASB Statement No. 18 requires the County to measure and recognize a portion of these closure and post-closure care costs each period based on landfill capacity used as of each balance sheet date.

As of June 30, 2020, the following changes occurred in Landfill Closure Liability recorded in Non-current Liabilities in the Statement of Net Position:

	Current Year		
	Beginning Balance	Additions (Deductions)	Ending Balance
Cumulative Liability for Open Landfills	\$ 10,226,461	\$ 96,926	\$ 10,323,387
Estimated Liability for Closed Landfills	4,439,707	(297,452)	4,142,255
Waste to Energy Liability	9,538,729	(679,226)	8,859,503
	<u>\$ 24,204,897</u>	<u>\$ (879,752)</u>	<u>\$ 23,325,145</u>

The Cumulative Liability for Open Landfills represents the cost, based on use of 83.3% of the estimated capacity. The County will recognize the remaining estimated cost of the Harford Waste Disposal Center closure and post-closure of \$2,074,094 as the remaining estimated capacity is used.

The Cumulative Liability for Open Landfills as of June 30, 2020 is \$10,323,387. Harford County has a landfill capping capital project with a remaining balance of \$1,043,185 resulting from prior appropriations to begin the closure of the older cells and has assigned fund balance of \$9,280,202 for future closure of cells and post closure costs.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

The total estimated future cost of landfill closure is calculated in current dollars. Annual reevaluation of the estimated total cost of closure and post-closure care will be made to adjust for the effects of inflation or deflation, changes in the closure or post-closure plan, and changes in federal, state and local regulatory requirements.

The Estimated Liability for Closed Landfills represents the cost for final closure and post-closure care of Harford County municipal solid waste landfills that are no longer accepting solid waste.

The County was issued a Refuse Disposal Permit (2000-WMY-0570) on October 5, 2007, which provides for construction and operation of new landfill cells at the Harford Waste Disposal Center. The total remaining service life of the permitted landfill is estimated to be 20 or more years, depending upon future waste management practices.

Harford County executed an agreement with Northeast Maryland Waste Disposal Authority to operate the Harford Waste-to-Energy facility. The agreement states that Harford County will reimburse all expenditures associated with the facility. Northeast Maryland Waste Disposal Authority has a property lease with U.S. Army for the land that the facility is built upon. In accordance with terms of the property lease, when the facility is decommissioned, the land must be restored to its original state. In Fiscal Year 2014, it was determined that the facility would be decommissioned by 2016 and thus the County recorded a long-term liability for the estimated cost of \$12,000,000 to restore the land to its original state. Decommissioning costs of \$3,140,496 were incurred, leaving a liability of \$8,859,503 at June 30, 2020. Harford County has a Waste-to-Energy facility capital project with a remaining balance of \$5,023,257, resulting from prior appropriations to begin the closure of the facility. There is an assigned fund balance of \$3,836,247 remaining for the estimated cost of the facility closure.

g. ADVANCED REFUNDING OF DEBT

On April 28, 2020, Harford County issued \$87,630,000 of Maryland Consolidated Public Improvement Refunding Bonds, Series 2020B with an effective interest rate of 1.36%, to provide resources to refund certain maturities of the 2010B bonds. These resources were placed in an irrevocable trust to provide for all future debt service payments of \$87,630,000 of general obligation bonds. Of this amount, \$64,986,408 had been recorded in the Statement of Net Position, Exhibit 1, Governmental Activities column and \$22,643,592 in the Statement of Net Position, Exhibit 1, Business-Type Activities column. As of June 30, 2020, the refunded bonds are considered defeased and have been removed from the Statement of Net Position. The reacquisition price exceeded the net carrying amount of the old debt by a net of \$2,637,702. Of this amount, a loss of \$1,956,120 has been recorded in the governmental activities and a loss of \$681,582 in the business-type activities. This amount is being recorded as a deferred outflow and amortized on a straight-line basis over the remaining life of the new debt. This advanced refunding was undertaken to reduce total debt service payments over the next 10 years by \$22,425,254 and resulted in an economic gain of \$21,074,984.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

H. FUND BALANCE – GOVERNMENTAL ACTIVITIES

	General	Highways	Grants	Agricultural Land Preservation	Capital Projects	Non-major Governmental Funds	Total
Nonspendable:							
Inventory	\$ -	\$ 1,472,180	\$ -	\$ -	\$ -	\$ -	\$ 1,472,180
Long Term Rec.	<u>944,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>944,814</u>
Sub-total	<u>944,814</u>	<u>1,472,180</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,416,994</u>
Restricted for:							
Education	-	-	-	-	2,171,564	-	2,171,564
Bond Proceeds	4,531,768	971,917	-	-	479,564	529,762	6,513,011
Debt Service	-	-	-	-	-	2,560,799	2,560,799
Public Safety	263,846	-	-	-	-	-	263,846
Highways	-	210,968	-	-	-	-	210,968
Parks and Rec	-	-	-	-	350,861	-	350,861
Grants	-	-	8,348,230	-	-	-	8,348,230
Sub-total	<u>4,795,614</u>	<u>1,182,885</u>	<u>8,348,230</u>	<u>-</u>	<u>3,001,989</u>	<u>3,090,561</u>	<u>20,419,279</u>
Assigned to:							
Approp. of Fund Bal.	24,171,251	5,547,672	-	-	4,419,929	-	34,138,852
Fiscal Stabilization Fund	31,621,750	2,859,250	-	-	-	-	34,481,000
Encumbrances:							
General Government	1,488,894	-	-	-	-	-	1,488,894
Public Safety	884,680	-	-	-	-	-	884,680
Public Works	574,780	1,231,612	-	-	-	-	1,806,392
Parks and Recreation	100,894	-	-	-	-	-	100,894
Other Post Emp. Benef.	2,096,423	245,628	-	-	-	1,811	2,343,862
Landfill Closure Costs	9,280,202	-	-	-	-	-	9,280,202
WTE Plant Closure	3,836,247	-	-	-	-	-	3,836,247
Income Tax	1,815,596	-	-	-	-	-	1,815,596
Healthcare Consortium	2,163,856	279,397	-	-	-	6,058	2,449,311
Development Rights	-	-	-	27,429,897	-	-	27,429,897
Self-Insurance	6,500,000	-	-	-	-	-	6,500,000
Stormwater Management	30,000,000	-	-	-	-	9,504,947	39,504,947
Highways	-	9,525,317	-	-	-	-	9,525,317
Ag. Preservation	-	-	-	19,499,244	-	-	19,499,244
Capital Projects	-	-	-	-	5,571,984	-	5,571,984
P&R Fund	-	-	-	-	-	117,613	117,613
Sub-total	<u>114,534,573</u>	<u>19,688,876</u>	<u>-</u>	<u>46,929,141</u>	<u>9,991,913</u>	<u>9,630,429</u>	<u>200,774,932</u>
Unassigned:							
Total Fund Balances	<u>27,246,245</u>	<u>-</u>	<u>\$ 8,348,230</u>	<u>\$ 46,929,141</u>	<u>\$ 12,993,902</u>	<u>\$ 12,720,990</u>	<u>\$ 250,857,450</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION

A. SELF-INSURANCE/RISK MANAGEMENT

PRIMARY GOVERNMENT

The County carries commercial property insurance coverage with a \$25,000 deductible on both real and personal property, and a \$10,000 deductible for physical damage to County-owned vehicles.

The County is self-insured for Workers' Compensation, General and Automobile liability losses. The self-insurance program is administered by a risk manager as established by the Harford County Code. The County carries excess coverage for these exposures, with a \$350,000 retention for General and Automobile liability claims and a \$2,500,000 retention for Workers' Compensation claims.

The pending claims liability of \$3,311,968 reported in the Internal Service fund as of June 30, 2020, is comprised of estimates of outstanding losses (including allocated loss adjustment expenses, which are the direct expenses to settle specific claims) and losses projected to be paid as of June 30, 2020. The estimated outstanding losses are the cost of unpaid claims, including case reserves, the development of known claims and claims incurred but not reported. The amounts are limited to the self-insured retention. No estimate was made for unpaid unallocated loss adjustment expenses. The losses projected to be paid are the claim disbursements, regardless of accident or report date. Historical experience and actuarial assumptions were the basis used in estimating the liabilities for unpaid claims.

There have been no significant reductions in insurance coverage from the prior year. Settlements have not exceeded insurance coverage in any of the past three fiscal years. The changes in the fund's claims liability are as follows:

Fiscal Year	Beginning of Year	Claims and Changes in Estimates			End of Year
			Payments		
2018	\$ 3,619,588	\$ 2,017,657	\$ (1,893,843)	\$ 3,743,402	
2019	3,743,402	2,850,425	(1,999,537)	4,594,290	
2020	4,594,290	(61,004)	(1,221,318)	3,311,968	

COMPONENT UNITS

Harford County Public Schools: The Public Schools are exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters for which the Public Schools participate in the Maryland Association of Boards of Education (MABE) Group Insurance Pool and the Worker's Compensation Self Insurance Fund.

These public entity risk pools are self-insurance funds for the various member Maryland Boards of Education to minimize the cost of insurance and related administrative expenses.

Coverage is provided up to specified limits and the Public Schools pay an annual premium for the coverage provided. In addition to general liability insurance, the Group Insurance Pool also provides coverage for property liability and automobile liability. Coverage above these limits is provided by third party insurance carriers. Settled claims have not exceeded commercial insurance in any of the past three fiscal years.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

Harford Community College: The College is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions, employee health and accident, and natural disasters. The College purchases commercial insurance to protect its interest in its property and equipment, insurance against employee dishonesty and liability protection.

Harford County Public Library: The Library is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Harford County Government purchases commercial insurance to cover the Library's buildings. Other claims are covered by Harford County Government's Self-Insurance fund. As a condition to this participation, the Library must provide, at Harford County Government's request, a physical inventory of all building contents, which the risk management department of the County appraises for insurance purposes. In addition, Harford County performs an inspection of all Library buildings annually. There have been no significant reductions in insurance coverage from the prior year. In addition, the amount of settlements has not exceeded insurance coverage for each of the past three fiscal years.

B. COMMITMENT AND CONTINGENCIES

PRIMARY GOVERNMENT

The County is involved in numerous lawsuits that normally occur in governmental operations, including claims for personal injury and personnel practices and disputes over contractual obligations and condemnation proceedings. The County has provided allowances for estimated probable losses on outstanding claims and incurred but not reported claims. The County is actively defending its position in each of these cases.

The County and Component Units receive significant financial assistance from the U.S. Government and the State of Maryland in the form of grants. Entitlement to grant resources is generally conditioned upon compliance with terms and conditions of the grant agreements and applicable Federal and State regulations, including the expenditure of the resources for eligible purposes. Substantially all grants are subject to financial and compliance audits in accordance with grantor requirements. Any disallowance as a result of these audits becomes a liability of the County. As of June 30, 2020, the County estimates that no material liabilities will result from such audits.

The County had \$222,414,922 authorized but unobligated capital project appropriations as of June 30, 2020, in the governmental capital fund and \$59,305,379 in the water and sewer, business-type capital fund. Further detail is provided as supplementary information, Exhibit F-1 and G-1.

COMPONENT UNITS

Harford County Public Schools: The Public Schools have been named as defendant in several lawsuits in the normal course of business, the outcomes of which are uncertain. It is anticipated by the Public Schools that an adverse decision on any or all of these suits would not have a material adverse effect on these financial statements.

The Public Schools lease certain equipment and properties for storage and other uses under long-term operating leases. Expenditures under operating leases amounted to approximately \$1,275,620 for the year ended June 30, 2020.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

Harford Community College: The College has outstanding commitments for ongoing capital projects and deferred maintenance of \$337,280 as of June 30, 2020.

The College is party to certain claims and litigation arising in the ordinary course of business. In the opinion of management, the resolution of such claims and litigation will not materially affect the College's net position.

In July 2012, the College entered into a 20-year solar power purchase agreement with Tecta Solar Harford, LLC (Tecta). Tecta will furnish, install, maintain and own four roof mounted solar electric generating facilities at the College. The College has agreed to purchase all of the electricity produced by these solar facilities according to the terms as set forth in the agreement with Tecta. In the event of default by the College, Tecta is entitled to terminate the agreement and recover a prescribed termination payment for the applicable billing year. The termination payment that would be required in year 5 would be \$1,374,530.

C. ARBITRAGE REBATE REQUIREMENTS

PRIMARY GOVERNMENT

Arbitrage rebate requirements under Internal Revenue Code Section 1.148-3 apply to the County's investment of the proceeds of the Consolidated Public Improvement Bonds of 2010, 2012, 2013, 2015, 2016, 2018, 2019 and 2020. The law requires the computation and payment of arbitrage profits on unspent proceeds of a bond issue if the current investment of these funds yields a higher rate of return than the original bond issue. The filing of this computation and payment to the Internal Revenue Service is required at the end of the fifth year of the bond issuance date and every 5 years subsequently; however, computations and filings can be made for annual periods. There is no rebuttable arbitrage to report as of June 30, 2020.

D. CONDUIT DEBT

PRIMARY GOVERNMENT

From time to time, the County has issued Maryland Industrial Development Revenue Bonds, Maryland Economic Development Revenue Bonds, and Maryland Mortgage Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities and provision of housing deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the County, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of June 30, 2020, there were 6 series of Industrial Development, Economic Development, or Mortgage Revenue Bonds outstanding. The aggregate principal amount outstanding is \$65.1 million.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

E. RETIREMENT PLANS

PRIMARY GOVERNMENT

a. PENSION PLANS - OVERVIEW

Harford County, Maryland participates in three pension plans. The first plan is comprised of the Employees/Teachers' Retirement System, the Employees/Teachers' Pension System, and the Law Enforcement Officer's Pension System, administered by the State Retirement and Pension System of Maryland. This plan is a cost-sharing multiple employer defined benefit system whose primary sponsor is the State of Maryland. The second plan is the Length of Service Award Program for Volunteer Firemen. This plan is a single employer length of service award program. The final plan is the Sheriff's Office Pension System. This plan is a single employer defined benefit system.

For the year ended June 30, 2020, the County recognized aggregated pension liabilities of \$150,170,070 and aggregated pension expense of \$11,418,777 for all three pension systems. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to the three pension systems from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 14,332,855	\$ -
Changes in Assumptions	2,630,779	3,599,128
Changes in Proportion	13,817,532	1,349,197
Differences Between Actual and Proportionate Share of Contributions	329,247	9,920
Difference Between Expected and Actual Experience	825,547	10,471,897
Net Difference between Projected and Actual Investments Earnings	3,327,686	-
Total	\$ 35,263,646	\$ 15,430,142

b. PENSION PLANS – TEACHERS AND CLASSIFIED EMPLOYEES

PRIMARY GOVERNMENT/COMPONENT UNITS

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Employees/Teachers' Retirement System, the Employees/Teachers' Pension System, and the Law Enforcement Officers' Pension System administered by the State Retirement and Pension System of Maryland (the System) and additions to/deductions from the System's fiduciary net position have been determined on the

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Plan Description: The employees of the reporting entity, other than certain correctional employees, who are covered by the Sheriff's Office Pension System, are covered by either the Employees'/Teachers' Retirement System, the Employees'/Teachers' Pension System, or the Law Enforcement Officers' Pension System. These plans are administered by the State Retirement and Pension System of Maryland (the System). The State of Maryland is the primary sponsor of this cost-sharing multiple employer defined benefit system which provides pension benefits, death and disability benefits to plan members and their beneficiaries. The State Personnel and Pensions Article of the Annotated Code of Maryland specify all plan benefits to plan members. The System issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State Retirement System, State Office Building, 301 West Preston Street, Baltimore, Maryland, 21201, by visiting their website, or by calling 410-767-4040.

Contributions: Plan members of the Employees' Retirement System contribute up to 7% of their covered salary each fiscal year. Plan members of the Employees' Pension System contribute 5% of their covered salary each fiscal year. Members of the Law Enforcement Officers' Pension System contribute 7% of their covered salary each fiscal year. The County and its component units are required to contribute at an actuarially determined rate.

The contribution requirements of plan members of the reporting entity are established and may be amended by the System Board of Trustees.

The contributions for the fiscal year ending June 30, 2020 to the System, exclusive of contributions made directly by the State of Maryland, were equal to the actuarially determined amount, as follows:

	2020	2019	2018
Primary Government	\$ 14,332,855	\$ 13,166,502	\$ 12,257,530

PRIMARY GOVERNMENT

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of June 30, 2020, the County reported a liability of \$132,246,062 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, 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, 2019, the County's proportion was 0.6411741%. This is an increase of 0.0264768% from the prior fiscal year.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

For the year ended June 30, 2020, the County recognized pension expense of \$7,669,259. As of June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
County Contributions Subsequent to the Measurement Date	\$ 14,332,855	\$ -
Changes in Assumptions	1,996,060	3,599,128
Changes in Proportion	13,817,532	1,349,197
Differences Between Actual and Proportionate Share of Contributions	329,247	9,920
Difference Between Expected and Actual Experience	- -	8,360,480
Net Difference between Projected and Actual Investments Earnings	2,590,898	- -
Total	\$ 33,066,592	\$ 13,318,725

Contributions subsequent to the measurement date in the amount of \$14,332,855, reported as deferred outflows of resources related to pensions, will be recognized as a reduction in net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2021	\$ 4,012,542
2022	(874,307)
2023	801,758
2024	1,570,572
2025	(95,553)

Actuarial Assumptions: The key actuarial assumptions used to perform the June 30, 2019, pension liability calculations are as follows:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Inflation	2.60% general, 3.10% Wage
Salary Increases	3.10% to 8.35%, Including Wage Inflation
Investment Rate of Return	7.40%
Mortality	Fully generational – Pub-2010/MP2018

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	37%	6.3%
Private Equity	13%	7.5%
Rate Sensitive	19%	1.3%
Credit Opportunity	9%	3.9%
Real Assets	14%	4.5%
Absolute Return	8%	3.0%
	100%	

Discount Rate: A single discount rate of 7.40% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.40%. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these 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 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 liability calculated using the discount rate of 7.40%, 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 (6.40%) or 1 percentage point higher (8.40%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	6.40%	7.40%	8.40%
County’s Proportionate Share of the Net Pension Liability	\$ 191,412,948	\$ 132,246,062	\$ 82,967,518

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 Financial Report for the fiscal year ended June 30, 2019. This can be found at <https://sra.maryland.gov/annual-financial-reports> .

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

COMPONENT UNITS

Harford County Public Schools: As of June 30, 2020, the Public Schools reported a liability of approximately \$26.0 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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Public Schools' 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 governmental units, actuarially determined. As of June 30, 2020, the Board's proportion for ERS was 0.13%, which was substantially the same from its proportion measured as of June 30, 2019. For the year ended June 30, 2020, the Public Schools recognized pension expense for ERS of approximately \$2.7 million. As of June 30, 2020, the Public Schools reported deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 2,726,056	\$ -
Changes in Assumptions	177,066	707,713
Changes in Proportion	2,907,897	2,005,094
Differences Between Actual and Proportionate Share of Contributions	27,664	339,626
Differences in Expected and Actual Experience	-	1,422,687
Net Difference between Projected and Actual Earnings on Pension Plan Investments	563,060	-
Total	\$ 6,401,743	\$ 4,475,120

Detailed retirement plan information for the Public Schools is available in their current year audited financial statements.

Harford Community College: As of June 30, 2020, the College reported a liability of \$1,289,761 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The College's proportion of the net pension liability was based on the College's contributions to the System in relation to total system contributions including direct aid from the State of Maryland. At June 30, 2020, the College's proportionate share was 0.0063%.

For the year ended June 30, 2020 the College recognized pension expenses of \$210,211. At June 30, 2020, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 128,983	\$ -
Changes in Assumptions	19,572	35,102
Change in Proportion	182,638	89,239
Change in Proportion Share of Contributions	3,363	67
Difference Between Expected and Actual Experience	-	80,340
Net Difference Between Projected and Actual		
Investment Earnings	27,788	-
Total	<u><u>\$ 362,344</u></u>	<u><u>\$ 204,748</u></u>

Detailed retirement plan information for the College is available in their current year audited financial statements.

Harford County Public Library: In relation to employees participating in the Employee's Retirement and Pension System at June 30, 2020, the Library reported a liability of \$1,649,770 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2019, 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 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 governmental units, actuarially determined. At June 30, 2019, the Library's proportion was approximately 0.0079987%.

For the year ended June 30, 2020, the Library recognized pension expense of \$84,112. At the measurement date of June 30, 2019, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 161,572	\$ -
Changes in Assumptions	25,848	44,899
Change in Proportion	293,619	102,333
Difference Between Expected and Actual Experience	-	100,137
Net Difference Between Projected and Actual		
Investment Earnings	33,728	-
Total	<u><u>\$ 514,767</u></u>	<u><u>\$ 247,369</u></u>

The deferred outflow of resources of \$161,572 relating to contributions subsequent to the measurement date of June 30, 2019 will be recognized as a reduction of the Library's net pension liability during the year ending June 30, 2021. The deferred outflows and inflows of resources due to change in assumptions, differences between expected and actual experience, change in proportion, and differences between projected and actual investment

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

earnings represent the Library's proportionate share of the unamortized portions of the System's original amounts.

Detailed retirement plan information for the Library is available in their current year audited financial statements.

c. PENSION PLAN – SHERIFF'S OFFICE PENSION SYSTEM

PRIMARY GOVERNMENT

1. Summary of Significant Accounting Policies

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Sheriff's Office Pension System (the SOPS) and additions to/deductions from the SOPS's fiduciary net position have been determined on the same basis as they are reported by the SOPS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. General Pension Plan Information

The County instituted and began administering a single employer defined benefit pension plan, the Sheriff's Office Pension System (the SOPS) effective July 1, 1997, for certain law enforcement and correctional employees of the Office of the Sheriff of Harford County. Harford County Government does not issue a separate financial statement for the SOPS.

Plan Description: The Internal Revenue Service issued a determination letter on September 20, 2002, which stated that the Plan and its underlying trust qualify under the applicable provision of the Internal Revenue Code, and therefore are exempt from Federal income taxes. In the opinion of the Plan Administrator, the Plan and its underlying trust have operated within the terms of the Plan and remain qualified under the applicable provisions of the Internal Revenue Code.

Management of the SOPS is vested with the Trustees of the Plan. The County Plan has five trustees who shall be the County Treasurer or Acting Treasurer, the County Attorney or Acting County Attorney, the Director or Acting Director of Human Resources and two representatives who are each selected by the covered individuals of certified law enforcement employees and certified correctional service employees.

Harford County Bill No. 97-20 assigns the authority to establish and amend the benefit provisions of the plan to the government by county ordinance.

The membership data related to the SOPS at July 1, 2019 was as follows:

Retirees and Beneficiaries Currently Receiving Benefits	92
Terminated Plan Members Entitled to, but not yet Receiving Benefits	6
Active Plan Members	128
Total	226

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

Benefits Provided: The SOPS provides retirement, disability and death benefits to plan members and their beneficiaries. Effective May 20, 2013, per Bill 13-9, the cost of living adjustment shall not exceed 3% for a participant's benefit attributable to years of creditable service earned before July 1, 2013. Effective beginning with the cost of living adjustment (COLA) for July 1, 2014, with respect to the portion of a participant's benefit attributable to years of creditable service earned on or after July 1, 2013, the COLA shall not exceed 2.5%, if the actual rate of return of the plan's assets is less than 7% the COLA shall not exceed 1% applied each July 1st for all participants in pay status for the requisite 12 months.

Contributions: Plan members are required to contribute 7% of their annual covered salary. The County is required to contribute at an actuarially determined rate, currently 30.7% of covered payroll. Per Bill 97-20, contribution requirements of the plan members and the County are established and may be amended by County legislature. Administrative costs of the SOPS are to be paid by the trust unless the County decides to do so.

3. Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. The County has hired an investment firm to manage the investments of the SOPS.

As of June 30, 2020, the ratings of the underlying investments of the Plan's debt securities were as follows:

	Rating					Total	
	Aa1/Aa2/Aa		Baa1/Baa2/		Baa3		
	AAA	3	A1/A2/A3	-			
U.S. Treasury Obligations	\$ 3,520,611	\$ -	\$ -	\$ -	\$ -	\$ 3,520,611	
U.S. Governmental Agencies	2,902,842	-	-	-	-	2,902,842	
Corporate & Foreign bonds	-	425,312	2,186,506	4,155,033	6,766,851		
Total	\$ 6,423,453	\$ 425,312	\$ 2,186,506	\$ 4,155,033	\$ 13,190,304		

Custodial Credit Risk: The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Plan's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. As of June 30, 2020, the Plan's investments were exposed to custodial credit risk, as they were uninsured, unregistered and held by the Plan's custodian.

Rate of Return: For the year ended June 30, 2020, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.24%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

4. Net Pension Liability of the County

The components of the net pension liability of the County at June 30, 2020, were as follows:

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

Total pension liability	\$ 79,946,249
Plan fiduciary net position	(65,993,076)
County's net pension liability	<u><u>\$ 13,953,173</u></u>
Plan fiduciary net position as a percentage of the total pension liability	82.55%

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2019 rolled forward to June 30, 2020 using the following actuarial assumptions, for the measurement period ending June 30, 2020:

Actuarial Cost Method	Entry Age Normal
Inflation	3%
Salary Increases	Rates Vary by Participant Service
Investment Rate of Return	7%, Net of Pension Plan Investment Expense, Including Inflation
Mortality	RP-2014 Combined Healthy tables with generational projection using the Scale MP-2016

The actuarial assumptions used were based on the results of an actuarial valuation as of July 1, 2019.

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 (3%). 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
Domestic Equity	42%	8.8%
International Equity	18%	8.0%
Fixed Income	20%	3.6%
Hedged Strategies	20%	6.6%
	<u><u>100%</u></u>	

Discount rate: The discount rate used to measure the total pension liability was 7%. 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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

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 projected benefit payments to determine the total pension liability.

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
	\$ 77,069,186	\$ 63,625,845	\$ 13,443,341
Balances at 6/30/2019			
Changes for the Year:			
Service Cost	1,793,713	-	1,793,713
Interest	5,277,242	-	5,277,242
Differences Between Expected and			
Actual Experience	(833,850)	-	(833,850)
Contributions - Employer	-	2,587,098	(2,587,098)
Contributions - Employee	-	608,411	(608,411)
Net Investment Income	-	2,579,373	(2,579,373)
Benefit Payments, Including Refunds			
of Employee Contributions	(3,360,042)	(3,360,042)	-
Administrative Expense	-	(47,609)	47,609
Net Changes	2,877,063	2,367,231	509,832
Balances at 6/30/2020	\$ 79,946,249	\$ 65,993,076	\$ 13,953,173

5. Changes in the Net Pension Liability

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the County, calculated using the discount rate of 7%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	6%	7%	8%
County's Net Pension Liability	\$ 24,866,483	\$ 13,953,173	\$ 5,028,165

6. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2020, the County recognized pension expense of \$2,658,325. As of June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 459,563	\$ -
Difference Between Expected and Actual		
Experience	719,475	1,349,751
Net Difference between Projected and Actual		
Investments Earnings	803,442	-
Total	<u><u>\$ 1,982,480</u></u>	<u><u>\$ 1,349,751</u></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><u>Year Ended June 30,</u></u>	
2021	\$ (375,041)
2022	340,377
2023	460,760
2024	206,633

d. LENGTH OF SERVICE AWARD PROGRAM – VOLUNTEER FIREMEN

PRIMARY GOVERNMENT

1. Summary of Significant Accounting Policies

Pensions: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Length of Service Award Program for Volunteer Firemen (LOSAP) and additions to/deductions from LOSAP's fiduciary net position have been determined on the same basis as they are reported by LOSAP. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. General Pension Plan Information

Harford County (the County) instituted and began administering a single employer defined benefit length of service award program (LOSAP or the Plan), for volunteer firemen and ambulance personnel on January 31, 1975. Harford County Bill No 07-46 assigns the Director of Administration and Harford County Volunteer Fire and Emergency Services Association the authority to periodically review the Plan and modify benefit provision, any benefit provision are subject to the approval of the County Executive and the County Council. LOSAP is considered part of the County's financial reporting entity and is included in the County's financial statements as a pension trust fund. Harford County Government does not issue a separate financial statement for the LOSAP.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

Plan Description: This LOSAP is different from traditional qualified retirement plans. There is a special section in the Internal Revenue Code covering this plan, 457(e)(11). The County's plan meets the requirements of this section, which means the payments to the fire fighters are not treated as "wages"; and, because the County is an "eligible employer", as defined by IRS, the plan is tax exempt.

The County Fire Chief's Association shall be responsible for administering the Volunteer Firefighter's Length of Service Award Program. The voting membership of the Fire Chief's Association is composed of the Volunteer Fire and Emergency Medical Services companies having first responder responsibilities in Harford County, Maryland.

The membership data related to the plan at September 30 2019, was as follows:

Retirees and Beneficiaries Currently Receiving Benefits	497
Terminated Plan Members Entitled to, but not yet Receiving Benefits	349
Active Plan Members	<u>1,048</u>
Total	<u><u>1,894</u></u>

Benefits Provided: Based on County statutes, the firemen and ambulance personnel are eligible to participate upon reaching the age of 55 and accumulating "50 (fifty) points", which are determined in accordance with a specific point system. Benefits vest upon 25 years of service credit. The plan generally provides \$5,000 burial benefits and certain benefits for disability. Regular benefits are calculated at \$12 per month for each of the first 25 years of service plus \$6 per month for each year in excess of 25 years. The maximum benefit is \$450 per month. Normal form of benefit is a life annuity for the volunteer with a 50% survivor benefit for the spouse of the volunteer.

Contributions: Under provisions of County statutes, the County must provide annual contributions sufficient to satisfy the actuarially determined contribution requirements. Periodic County contributions to the pension plan are determined by an actuarially determined rate. Since there are no "salaries", the rate cannot be expressed as a percentage of covered payroll. There are no participant-financed benefits in this plan.

The annual required contribution for the year ended June 30, 2020, was determined as part of the September 30, 2019 actuarial valuation using the entry age normal funding method, with a 15-year amortization of the unfunded liability. Under this method, a normal cost is calculated which would, if contributed annually, fund each volunteer's benefits during his or her career at a level dollar amount. The unfunded actuarial liability is calculated at each valuation date as the present value of all plan benefits, less current assets. The actuarial assumptions included a 6% investment rate of return compounded annually. The firemen are voluntary and, therefore, would not have a projected salary increase.

3. Investments

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. The County has hired an investment firm to manage the investments.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

As of June 30, 2020, the ratings of the underlying investments of the Plan's debt securities were as follows:

	Rating					Total
	Aa1/Aa2/Aa		Baa1/Baa2/			
	AAA	3	A1/A2/A3	Baa3		
U.S. Treasury Obligations	\$ 3,123,884	\$ -	\$ -	\$ -	\$ 3,123,884	
U.S. Governmental Agencies	2,454,148	-	-	-		2,454,148
Corporate & Foreign bonds	-	319,843	1,933,826	3,283,642		5,537,311
Total	\$ 5,578,032	\$ 319,843	\$ 1,933,826	\$ 3,283,642	\$ 11,115,343	

Custodial Credit Risk: The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Plan will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Plan's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. As of June 30, 2020 the Plan's investments were exposed to custodial credit risk as they were uninsured, unregistered and held by the Plan's custodian.

Rate of Return: For the year ended June 30, 2020, the annual money-weighted rate of return pension plan investments, net of pension plan investment expense, was 4.81%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

4. Net Pension Liability of the County

The components of the net pension liability of the County at June 30, 2020 were as follows:

Total pension liability	\$ 36,500,183
Plan fiduciary net position	(32,529,348)
County's net pension liability	\$ 3,970,835

Plan fiduciary net position as a percentage of the total pension liability 89.12%

Actuarial Assumptions: The total pension liability in the September 30, 2019 actuarial valuation rolled forward to June 30, 2020 was determined using the following actuarial assumptions, for the measurement period ending June 30, 2020:

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

Actuarial Cost Method	Entry Age Normal
Inflation	3%
Salary Increases	Not Applicable
Investment Rate of Return	6%, Net of Pension Plan Investment Expense, Including Inflation
Mortality	RP-2014 adjusted to 2006 Mortality Table with Blue Blue Collar adjustments set forward one year and with generations projection by Scale MP-2015

The actuarial assumptions used were based on the results of an actuarial valuation as of September 30, 2019.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3%). 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
Domestic Equity	30%	8.9%
International Equity	15%	8.0%
Fixed Income	35%	3.6%
Hedged Strategies	20%	6.6%
	<hr/> <hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/> <hr/>
	100%	

The LOSAP portfolio is expected to achieve a total return that exceeds the actuarial interest rate assumption over a five year moving time period. Previously the investment policy expected a total return that should exceed CPI by a minimum of 3% annually.

Discount rate: The discount rate used to measure the total pension liability was 6%. 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 these 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 projected benefit payments to determine the total pension liability.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

5. Changes in the Net Pension Liability

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
	\$ 36,252,888	\$ 30,951,437	\$ 5,301,451
Balances at 6/30/2019			
Changes for the Year:			
Service Cost	624,471	-	624,471
Interest	2,119,864	-	2,119,864
Differences Between Expected and Actual Experience	(653,406)	-	(653,406)
Contributions - Employer	-	1,997,167	(1,997,167)
Net Investment Income	-	1,450,857	(1,450,857)
Benefit Payments, Including Refunds of Member Contributions	(1,843,634)	(1,843,634)	-
Administrative Expense	-	(26,479)	26,479
Net Changes	247,295	1,577,911	(1,330,616)
Balances at 6/30/2020	\$ 36,500,183	\$ 32,529,348	\$ 3,970,835

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%, 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%) or 1 percentage point higher (7%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	5%	6%	7%
County's Net Pension Liability	\$ 9,017,477	\$ 3,970,835	\$ (118,598)

**6. Pension Expense and Deferred Outflows of Resources and Deferred
Inflows of Resources Related to Pensions**

For the year ended June 30, 2020, the County recognized pension expense of \$1,091,193. At June 30, 2020, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ 175,156	\$ -
Difference Between Expected and Actual		
Experience	106,072	761,666
Net Difference between Projected and Actual		
Investments Earnings	-	66,654
Total	<u>281,228</u>	<u>828,320</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>Year Ended June 30,</u>	
2021	\$ (178,196)
2022	(126,064)
2023	(59,037)
2024	(74,894)
2025	(108,901)

e. PENSION PLAN – HARFORD CENTER, INC.

COMPONENT UNITS

The Center participates in a retirement plan qualified under Section 401(k) of the Internal Revenue Code. All employees may participate after the first of the month following 60 days of employment. Employees may make contributions to the Plan up to a maximum amount allowed by the Internal Revenue Code. The Center did not make contributions to the Plan for the current fiscal year.

**f. RETIREMENT PLAN – HARFORD COUNTY GOVERNMENT MATCHING
CONTRIBUTION PLAN**

PRIMARY GOVERNMENT

Effective January 1, 2015 Harford County Government established a plan to help its employees save for retirement. The Plan is a defined contribution plan, which qualifies under Section 401(a) of the Internal Revenue Code. Qualifying employees must work over 500 hours of service in a plan year, must be ineligible for the Maryland State Retirement System and must defer a minimum of 7% of compensation into the Harford County 457(b) Plan to receive a matching contribution under this Plan. The Plan Administrator, Harford County, Maryland, is responsible for the day to day administration and operation of the Plan and has full discretion to interpret the Plan.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

F. OTHER POST EMPLOYMENT BENEFIT PLANS

PRIMARY GOVERNMENT

Summary of Significant Accounting Policies

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Harford County Other Post Employment Benefit (OPEB) Plan and additions to/deductions from OPEB fiduciary net position have been determined on the same basis as they are reported by OPEB. For this purpose, OPEB recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments that have a maturity at the time of purchase of one year or less, which are reported at cost.

General OPEB Plan Information

Plan Description: The County administers a single employer defined benefit post-employment health care plan, titled Other Post Employment Benefit (OPEB) Plan. The County established a trust to act solely as a funding mechanism for the employer's cost of benefits provided by the OPEB Plan. This trust fund is included solely in these financial statements and does not issue a publicly available financial report, as an Other Post- Employment Benefits Trust Fund. Management of the OPEB Trust is vested in the Board of Trustees, which consists of three ex officio members appointed by the County Executive. Those members are the County Treasurer or Acting County Treasurer, the Director of Human Resources or Acting Director of Human Resources and the Director of Administration or Acting Director of Administration.

The County's OPEB Plan is established by the Administrative Policy on Retiree Medical Benefits (APRMB) of Harford County, Maryland, effective July 1, 1994, as amended. The APRMB defines the terms, including eligibility and benefits, of the retiree health and welfare benefits provided by the County. Employees of the County who retire from active County service with a pension benefit under the Maryland State Retirement System or the Sheriff's Office Pension System may receive a subsidy toward the purchase of group health insurance. Any employee (except Sheriff uniformed personnel) hired after July 1, 2010 automatically go into the new Post Employment Health Plan (PEHP) as described below. The plan remains unchanged from fiscal year 2011 to the current fiscal year 2020.

Benefits Provided: Under the current APRMB, retirees may continue the same medical, dental, vision and life insurance coverage they are entitled to receive (including family coverage) as active employees. Employees with deferred retirements are not eligible for a subsidy. Effective July 1, 1998, the spouses of employees also receive a subsidy toward the purchase of group health benefits. Spouses receive the same subsidy as the retiree. The subsidy for retirees and their spouses for post-employment medical insurance is based on the employee's years of service with the County. From July 1, 2008 to February 28, 2009, 10 years was required to receive a subsidy. Effective March 1, 2009, the APRMB was changed to require a minimum of 20 years to receive a subsidy. This change does not apply to any Sheriff's Office personnel; and is not retroactive for any employees who retired before March 1, 2009. Any employee that does not elect to enroll in benefits at the time of the employee's retirement has forfeited the right to any future retiree medical benefits. The subsidy related to years of service for all County employees effective March 1, 2009 is shown below and has remained unchanged through the current fiscal year 2020.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

Employer Subsidy Percentage (Excluding Sheriff's Office)		
Years of Credit Service	Employees Retiring Prior to March 1, 2019	Employees Retiring On or After March 1, 2009
0 - 9 Years	0%	0%
10-14 Years	75%	0%
15-19 Years	80%	0%
20-24 Years	85%	85%
25 Years or more	90%	90%

Sheriff's Office Subsidy Percentage	
Years of Credit Service	Percentage
0 - 11 Years	0%
12-14 Years	75%
15-19 Years	80%
20-24 Years	85%
25 Years or more	90%

GASB 74 - Financial Reporting for Post-employment Benefits Other Than Pensions

The Sheriff's Office employees are also eligible for 90% subsidy for in-line-of-duty retirements with a minimum of 5 years of service. Membership in the plan consisted of the following based on the July 1, 2019 valuation data that was used to calculate the ADC for fiscal year 2021:

Plan Participants	
Retirees (Pre-Medicare)	312 *
Retirees (Medicare Age)	554 *
Active Employees	906
Total	<u><u>1,772</u></u>

*includes spouses

On July 27, 2010, Harford County, Maryland signed a Retiree Healthcare Side Agreement with the AFSCME Local 1802, Council 67 and MCEA Chapter 610. This agreement states that any employee hired after July 1, 2010, will be placed in a Post Employment Health Plan (PEHP) in lieu of the retiree health care subsidy offered by the County. Employees hired prior to July 1, 2010, were offered a one-time election from the current retiree health care subsidy to the PEHP, to the extent permitted under the Internal Revenue Code and Regulations. These changes do not apply to any Sheriff's Office personnel. The retirees under this plan may also continue the same medical, dental, vision and life insurance coverage they are entitled to receive (including family coverage) as active employees. The difference will be that the retiree will pay the entire group rate price per insurance plan out of the funds received through the PEHP. The County negotiated with the Union representatives agreeing that 8% of eligible employees' average salaries will be placed in the PEHP until otherwise specified.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

Contributions: The County is not required by law or contractual agreement to provide funding for retiree benefits other than the pay-as-you-go amount necessary to provide current benefits to retirees and eligible beneficiaries/dependents. The County may contribute to the Trust Fund those amounts that the County Council appropriates. Plan members are not required to contribute to the plan. The County contributed \$11,752,000 annual required contribution (ARC), now known as the actuarially determined contribution (ADC) during fiscal year 2020.

The funding for the PEHP will be negotiated by the County and both Unions each year. The County may contribute to the employee's accounts those amounts that the County Council appropriates based on the formula designated in the agreement. The formula to be utilized will be the annual salaries of the employees enrolled in the PEHP calculated by a percentage of those aggregate salaries that is determined by the County, AFSCME, and MCEA, which will constitute the funds to be contributed to the PEHP by the County. The funds will be equally distributed between the participants in the PEHP. There was a total of \$2,170,839 contributed to this plan and a total of 419 employees are currently enrolled as of June 30, 2020.

Employees may also elect to have the dollar value of their use or lose annual leave placed into a PEHP account. The total funds contributed under this method were \$255,576 for 130 employees. The PEHP will be administered by a third party who will maintain individual accounts, which will grow tax-free for health care expenses after an employee leaves the County.

Investments

Investment Policy: It is the policy of the Trustees for the OPEB Trust Fund to invest the Fund in a manner, which will conform to all applicable statutes governing the investment of post-employment funds while meeting the Fund's cash flow requirements. It is the policy of the Fund not to invest in any financial instrument that derives its cash flows, and therefore value, by reference to an underlying instrument, index or reference rate (derivatives). The Fund may not borrow funds for the express purpose of reinvesting those funds (leveraging).

The primary objectives, in priority order, of the OPEB Fund's investment activities shall be prudence, liquidity and return on investment. The specific responsibilities of the Board of Trustees relating to the investment management of assets include:

- conveying material events to the investment consultant;
- determining the risk tolerance and investment time horizon;
- communicating these to the appropriate parties;
- establishing reasonable and consistent investment objectives, policies and guidelines that will direct the investment of the assets;
- prudently and diligently selecting qualified investment professionals, including Investment Manager(s), Investment Consultant(s), and Custodian(s);
- quarterly evaluation of the performance of all investments;
- developing and enacting proper controls and procedures.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

As of June 30, 2020, the ratings of the underlying investments of the Plan's debt securities were as follows:

	Rating					Total
	AAA	Aa1/Aa2/Aa	3	A1/A2/A3	Baa1/Baa2/ Baa3	
U.S. Treasury Obligations	\$ 7,361,567	\$ -	\$ -	\$ -	\$ -	\$ 7,361,567
U.S. Government Agencies	5,897,848	-	-	-	-	5,897,848
Corporate & Foreign bonds	-	521,822	4,625,852	8,318,041	13,465,715	
Total	<u>13,259,415</u>	<u>521,822</u>	<u>4,625,852</u>	<u>8,318,041</u>	<u>26,725,130</u>	

Rate of Return: For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 4.62%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability of the County

The components of the net OPEB liability of the County at June 30, 2020, were as follows:

Total OPEB liability	\$ 245,872,365
Plan fiduciary net position	(134,151,377)
County's net OPEB liability	<u>\$ 111,720,988</u>

Plan fiduciary net position as a percentage of the total OPEB liability	54.56%
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Actuarial Assumptions : The total OPEB liability was determined by an actuarial valuation as of June 30 2020, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.2%
Salary increases	3.5%, average, including inflation
Investment rate of return	7.0%, net of OPEB plan investment expense
Ultimate Healthcare cost trend rate	4.0%
Mortality	MP-2019 Mortality Improvement Scale

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2019 through June 30, 2020.

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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2020 (see the discussion of investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	42%	9.0%
International Equity	18%	8.0%
Fixed Income	20%	3.6%
Hedged Strategies	20%	6.6%
	100%	

Discount Rate: The discount rate used to measure the total OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that Harford County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
	\$ 238,134,092	\$ 127,326,953	\$ 110,807,139
Balances at 6/30/2019			
Changes for the Year:			
Service Cost	3,919,887	-	3,919,887
Interest	16,357,466	-	16,357,466
Experience Losses/(Gains)	(2,844,948)	-	(2,844,948)
ER Trust Contribution	-	11,752,000	(11,752,000)
Net Investment Income	-	5,920,806	(5,920,806)
Changes in Assumption	1,012,350	-	1,012,350
Benefit Payments	(10,706,482)	(10,706,482)	-
Administrative Expense	-	(141,900)	141,900
Net Changes	7,738,273	6,824,424	913,849
Balances at 6/30/2020	\$ 245,872,365	\$ 134,151,377	\$ 111,720,988

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

Sensitivity of the net OPEB liability to changes in the discount rate. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (6%) or 1 percentage point higher (8%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
	6.0%	7.0%	8.0%
Net OPEB liability	\$ 150,268,663	\$ 111,720,988	\$ 80,607,798

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (3.0%) or 1 percentage point higher (5.0%) than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	3.0%	4.0%	5.0%
Net OPEB liability	\$ 76,986,569	\$ 111,720,988	\$ 155,516,862

GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

Membership in the OPEB plan consisted of the following based on the July 1, 2018 valuation data that was used to calculate the ADC for fiscal year 2020:

Plan Participants	
Retirees (Pre-Medicare)	307 *
Retirees (Medicare Age)	510 *
Active Employees	953
Total	<u><u>1,770</u></u>

*includes spouses

Contributions: The County contributed the \$13,639,000 actuarially determined contribution (ADC) during fiscal year 2019 and the retirees paid \$1,540,107 toward the cost of their benefits. The Trust reimbursed the County for the County's share of retirees' premiums of \$9,639,035. In addition the implicit subsidy, actuarially estimated at \$1,138,000 for fiscal year 2019, transferred from the Trust to the County, leaving the Trust Net Position of \$127,326,953.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

Trust Net Position as of June 30 was derived as follows:

Trust Net Position as of July 1, 2018	\$ 117,817,397
County Contribution	13,639,000
Net Appreciation in Fair Value of Investments	4,876,650
Interest and Dividends	2,098,752
Retirees Contributions	1,540,107
Payment for County's Share of Premiums	(9,639,035)
Payment for Retiree's Share of Premiums	(1,540,107)
Payment for Administrative and Investment Expenses	(327,811)
Estimated Hidden Subsidy Transfer	(1,138,000)
Trust Net Position as of June 30, 2019	\$ 127,326,953

The funding for the PEHP will be negotiated by the County and both Unions each year. The County may contribute to the employee's accounts those amounts that the County Council appropriates based on the formula designated in the agreement. The formula to be utilized will be the annual salaries of the employees enrolled in the PEHP calculated by a percentage of those aggregate salaries that is determined by the County, AFSCME, and MCEA, which will constitute the funds to be contributed to the PEHP by the County. The funds will be equally distributed between the participants in the PEHP. There was a total of \$1,927,630 contributed to this plan and a total of 391 employees are currently enrolled as of June 30, 2019.

Employees may also elect to have the dollar value of their use or lose annual leave placed into a PEHP account. The total funds contributed under this method were \$245,869 for 119 employees. The PEHP will be administered by a third party who will maintain individual accounts, which will grow tax-free for health care expenses after an employee leaves the County.

Net OPEB Liability of the County

The total OPEB liability is based on July 1, 2018 valuation data rolled forward to June 30, 2019 for the measurement period ending June 30, 2019. The components of the net OPEB liability of the County at June 30, 2019, were as follows:

Total OPEB liability	\$ 238,134,092
Plan fiduciary net position	(127,326,953)
County's net OPEB liability	\$ 110,807,139

Plan fiduciary net position as a percentage of the total OPEB liability	53.47%
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**HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 5 – OTHER INFORMATION – CONTINUED

Actuarial Assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2019, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.2%
Salary increases	3.5%, average, including inflation
Investment rate of return	7.0%, net of OPEB plan investment expense
Ultimate Healthcare cost trend rate	3.8%
Mortality	RP-2000 Healthy Annuitant Mortality Table for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2019.

The long-term expected rate of return of OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rate of return (expected returns, net of 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 asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2019 (see the discussion of investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	42%	8.8%
International Equity	18%	8.6%
Fixed Income	20%	3.9%
Hedged Strategies	20%	7.0%
	<hr/>	<hr/>
	100%	<hr/>

Rate of Return: For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 5.62%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate. The discount rate used to measure the total OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that the County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
	\$	\$	\$
Balances at 6/30/2018	248,680,032	117,817,397	130,862,635
Changes for the Year:			
Service Cost	4,301,469	-	4,301,469
Interest	17,085,497	-	17,085,497
Experience Losses/(Gains)	(24,559,327)	-	(24,559,327)
ER Trust Contribution	-	13,639,000	(13,639,000)
Net Investment Income	-	6,666,841	(6,666,841)
Changes in Assumption	3,403,456	-	3,403,456
Benefit Payments	(10,777,035)	(10,777,035)	-
Administrative Expense	-	(19,250)	19,250
Net Changes	(10,545,940)	9,509,556	(20,055,496)
Balances at 6/30/2019	238,134,092	127,326,953	110,807,139

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

	1% Decrease	Discount Rate	1% Increase
	6.0%	7.0%	8.0%
	\$	\$	\$
Net OPEB liability	145,387,111	110,807,139	82,389,085

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (2.8%) or 1 percentage point higher (4.8%) than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	2.80%	3.80%	4.80%
Net OPEB liability	78,949,800	110,807,139	150,334,668

For the year ended June 30, 2019, the County recognized OPEB expenses of \$12,536,890. At June 30, 2019, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 11,752,000	\$ -
Changes in Assumptions	2,722,765	-
Difference Between Expected and Actual Experience	19,541,682	19,647,462
Net Difference between Projected and Actual Investments Earnings	-	2,201,677
Total	\$ 34,016,447	\$ 21,849,139

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

<u>Year Ended June 30,</u>		
2021	\$ (523,249)	
2022	(523,247)	
2023	471,709	
2024	990,095	

COMPONENT UNITS

The Harford County Public Schools: The Public Schools administers a single-employer defined benefit plan that is used to provide postemployment benefits other than pensions (OPEB) for retirees of the Public Schools and their dependents.

In December 2007, the Public Schools created the Retiree Benefit Trust of the Board of Education of Harford County (Benefit Trust) in order to facilitate the funding or partial funding of the actuarially calculated OPEB liability. The Benefit Trust established a trust account with, and became a member of, the Maryland Association of Boards of Education Pooled OPEB Investment Trust (MABE Trust). It is a member owned trust that provides the Public Schools and the other nine-member boards a structure to pool assets to reduce investment costs and share administrative expenses. The Public Schools reserves the right to establish and amend the provisions of its relationship with the MABE Trust with respect to participants, any benefit provided thereunder, or its participation therein, in whole or in part at any time, by resolution of its governing body and upon advance notice to the Trustees of the MABE Trust.

The MABE Trust was established to pool assets of its member Boards of Education for investment purposes only. Each member of the MABE Trust is required to designate a member trustee. The member trustees of the MABE Trust shall ensure that the MABE Trust keep such records as are necessary in order to maintain a separation of the assets of the MABE Trust from the assets of trusts maintained by other governmental employers. Assets of the member trusts are reported in their respective financial statements using the economic

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

resources measurement focus and the accrual basis of accounting, under which expenses are recorded when the liability is incurred. Employer contributions are recorded in the accounting period in which they are earned and become measurable. Investments are reported at fair value and are based on published prices and quotations from major investment brokers at current exchange rates, if available.

The MABE Trust issues a publicly available audited GAAP-basis report that includes financial statements and required supplementary information for the MABE Trust. This report may be obtained by writing to the Trust Administrator, Maryland Association of Boards of Educations, 621 Ridgely Avenue, Suite 300, Annapolis, Maryland 21401-1112 or calling 410-841-5414.

Plan Membership. As of June 30, 2020, membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits Payments	2,712
Inactive Plan Members Entitled to, but not yet Receiving Benefits Payments	547
Active Plan Members	4,698
Total Participants	<u><u>7,957</u></u>

Benefits provided and contributions. The Public Schools provides medical, dental and life insurance benefits to eligible employees upon retirement. The employer's contributions are financed on a pay-as-you-go basis, and the future payment of these benefits is contingent upon the annual approval of the operating budget. Details of the postemployment benefits provided are as follows:

Medical Benefits: Retirees are eligible for continued membership in one of the school system's group medical plans. Dependent children can be covered until the child reaches age 26. Spouses are also covered. Surviving

spouses can stay in the plan, but must pay the full cost to participate. All plans include prescription drug coverage. The full Public Schools contribution is either 85%, 90% or 95% of medical insurance premiums, based on the plan chosen by the retiree. The medical benefits paid by the Public Schools for the year ended June 30, 2020 was \$32,985,423.

Dental Benefits: Retirees are eligible for continued membership in one of the school system's dental plans. Coverage is the same as described above for medical benefits. The full Public Schools contribution is 90% of dental insurance premiums, based on the plan chosen by the retiree. The dental benefits paid by the Public Schools for the year ended June 30, 2020, was \$1,333,955.

Life Insurance Benefits: The full Public Schools contribution is 90% of the life insurance premiums. The amount of insurance coverage is reduced to \$20,000 upon retirement and to \$10,000 five years after retirement. The life insurance benefits paid by the Public Schools for the year ended June 30, 2020, was \$47,622.

Whether the Public Schools pays the full contribution rate for medical, dental and life insurance benefits depends upon the retiree's hire date and their number of years of service as follows:

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

Years of Service	Participants Hired	Participants Hired
	Prior to 7/1/2006	After 7/1/2006
0 - 9	None	None
10 - 19	Full Public Schools Contribution	1/3 of Full Public Schools Contribution
20 - 29	Full Public Schools Contribution	2/3 of Full Public Schools Contribution
30 or more	Full Public Schools Contribution	Full Public Schools Contribution

The Net OPEB Plan's Fiduciary Net Position is as follows:

	<u>Increase (Decrease)</u>		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance - June 30, 2019	\$ 1,330,623,000	\$ 55,760,000	\$ 1,274,863,000
Changes for the Year:			
Service Cost	38,997,000	-	38,997,000
Interest	64,540,000	-	64,540,000
Differences Between Expected and Actual Experience	768,000	-	768,000
Assumption Changes	(84,364,000)	-	(84,364,000)
Contributions - Employer	-	34,367,000	(34,367,000)
Net Investment Income	-	2,415,000	(2,415,000)
Benefit Payments	(33,549,000)	(33,549,000)	-
Administrative Expense	-	(14,000)	14,000
Net Changes	(13,608,000)	3,219,000	(16,827,000)
Balance - June 30, 2020	\$ 1,317,015,000	\$ 58,979,000	\$ 1,258,036,000

The components of the net OPEB liability of the Board as of June 30, 2020, were as follows:

Total OPEB liability	\$ 1,317,015,000
Plan fiduciary net position	(58,979,000)
Board's net OPEB liability	\$ 1,258,036,000

Plan fiduciary net position as a percentage of the total OPEB liability 4.48%

Detailed OPEB plan information for the Public Schools is available in their current year audited financial statements.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

The Harford Community College: The College sponsors post-employment medical benefits under a single employer defined benefit plan. Any full-time employee of the College is eligible to participate in the plan. The College allows access to the plan if the retiree: (a) retires or becomes disabled with an immediate benefit from the State Retirement and Pension System of Maryland or (b) meets the minimum age eligibility requirement to begin distribution from the Maryland Optional Retirement Plan (ORP) and (c) has been actively participating within the College sponsored health plan for at least the most recent ten (10) full consecutive years and (d) has at least 10 years of employment service. Disabled participants must reach retirement eligibility. Dependents and surviving spouses of participants are allowed access to the plan but must also pay the full premium. The plan does not issue a stand-alone financial report.

A closed group of retirees receives an annual subsidy of \$4,800 or less as part of a retirement window benefit program. The window benefit ceases at 65 for some participants and continues for life for other participants. As of June 30, 2020, there were 6 eligible and participating retirees receiving an annual subsidy.

Except for the closed group mentioned above, continuation in the College's group program following retirement is at the retiree's own expense. There is no explicit subsidy. This is an implicit subsidy plan only.

Retirement Eligibility: Under the State of Maryland Employees' Pension System (EPS), members hired on or after July 1, 2011 are in the Reformed Contributory Pension System. The earliest retirement eligibility under the Reformed Contributory Pension System is the earliest of

- Rule of 90 (age plus service is at least 90),
- Age 65 with 10 years of service, or
- Age 60 with 15 years of service.

For members of EPS hired before July 1, 2011, the earliest retirement eligibility is the earliest of:

- Age 55 with 15 years of service,
- Age 62 with 5 years of service,
- Age 63 with 4 years of service,
- Age 64 with 3 years of service,
- Age 65 with 2 years of service, or
- 30 years of service (regardless of age).

There have been no changes in plan provisions (eligibility or cost-sharing) since the prior valuation.

Employees Coverd by Benefit Terms: At June 30, 2020, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefits Payments	6
Inactive Plan Members Entitled to, but not yet Receiving Benefits Payments	26
Active Plan Members	290
Total Participants	<u><u>322</u></u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

Since the prior valuation, a Trust Fund was established to prefund the actuarial accrued liability. The College has not adopted a funding policy for this Plan and will make future contributions if sufficient excess resources are available.

As of June 30, 2020, the College's annual required contribution; contributions made and net OPEB obligation were:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Increase (Decrease) Net OPEB Liability (a)-(b)
Balance - June 30, 2019	\$ 674,656	\$ 685,389	\$ (10,733)
Changes for the Year:			
Service Cost	12,585	-	12,585
Interest	46,528	-	46,528
Differences Between Expected and Actual Experience	28,745	-	28,745
Assumption Changes	28,363	-	28,363
Contributions - Employer	-	45,880	(45,880)
Contributions - Employee	-	-	-
Net Investment Income	-	12,379	(12,379)
Benefit Payments	(45,880)	(45,880)	-
Administrative Expense	-	(1,900)	1,900
Net Changes	<u>70,341</u>	<u>10,479</u>	<u>59,862</u>
Balance - June 30, 2020	<u><u>\$ 744,997</u></u>	<u><u>\$ 695,868</u></u>	<u><u>\$ 49,129</u></u>

For the year ended June 30, 2020, the College recognized OPEB expense of \$34,001. At June 30, 2020, the College reported zero for deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 23,954	\$ -
Change in Actuarial Assumptions	23,636	-
Net Difference Between Projected and Actual Investment Earnings	30,322	-
Total	<u><u>\$ 77,912</u></u>	<u><u>\$ -</u></u>

Detailed OPEB information for the College is available in their current year audited financial statements.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

The Harford County Public Library: The Library provides a portion of medical insurance benefits to eligible employees who retire from employment with the Library.

The Library established the OPEB Trust Fund to act solely as a funding mechanism for the benefits provided by this OPEB plan. The OPEB Trust Fund is used to pay medical premiums and the hidden subsidy.

Eligible participants are employees, former employees, or beneficiaries of the Library who had health coverage as an active employee. Eligible employees must retire from employment with the Library to receive OPEB benefits. The eligibility requirements for service retirement under the State Retirement and Pension System of Maryland for general employees are described below.

Under the State of Maryland Employees' Pension System, members hired on or after July 1, 2011 are in the Reformed Contributory Pension System. The earliest retirement eligibility under the Reformed Contributory Pension System is the earlier of age plus service of at least 90, age 65 with 10 years of service, or age 60 with 15 years of service. For other members of the State of Maryland Employees' Pension System, the earliest retirement eligibility is the earlier of age 55 with 15 years of service, age 62 with 5 years of service, age 63 with 4 years of service, age 64 with 3 years of service, age 65 with 2 years of service, or 30 years of service (regardless of age). Retirees must elect coverage at time of retirement. Retirees may not elect to discontinue and re-enroll at a later date.

At July 1, 2020, the following employees were covered by the benefit terms:

Retirees Currently Receiving Benefits	70
Active Employees	165
Total Plan Members	235

Benefits Provided: Pre-Medicare retirees may choose between two medical plans, both of which include prescription coverage. Once a retiree is Medicare-eligible, the retiree does not get to choose. Medicare eligible retirees must also be enrolled in both Part A and Part B of Medicare in order to enroll in this plan. Retirees only have one dental plan.

Retirees and their families pay 50% of the published rates. Surviving spouses receive the same subsidy percent as the participant. There is one retiree who is grandfathered at a subsidy rate of 80%. The Library offers the same subsidy schedule for dental as they do for healthcare.

Annual OPEB Cost and net OPEB Liability: The contribution requirements of plan members and the Library are established by the board of trustees and may be periodically amended. The required contribution is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually during the budget process. Additional contributions may be identified during the year by the board of trustees. There are no contractual terms requiring a specific funding level.

For fiscal year 2020, the Library contributed \$236,969 to the OPEB plan. Active employees are not required to contribute to the OPEB plan. There are no statutory or other legally required contribution levels.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

The Net OPEB Plan's Fiduciary Net Position is as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Increase (Decrease) (\$'000s omitted)	Net OPEB Liability (a)-(b)
Balance - June 30, 2019	\$ 32,223	\$ 3,534	\$ 28,689	
Changes for the Year:				
Service Cost	1,077	-	1,077	
Interest	1,453	-	1,453	
Differences Between Expected and Actual Experience	(443)	-	(443)	
Changes of Assumptions	(6,005)	-	(6,005)	
Contributions - Employer	-	341	(341)	
Net Investment Income	-	71	(71)	
Benefit Payments	(111)	(111)	-	
Administrative Expense	-	(16)	16	
Net Changes	<u>(4,029)</u>	<u>285</u>	<u>(4,314)</u>	
Balance - June 30, 2020	<u>\$ 28,194</u>	<u>\$ 3,819</u>	<u>\$ 24,375</u>	

Detailed OPEB plan information for the Library is available in their current year audited financial statements.

**G. COMBINED STATEMENT OF FIDUCIARY NET POSITION AND COMBINED STATEMENT
OF CHANGES IN FIDUCIARY NET POSITION FOR PENSION AND OPEB TRUST FUND**

PRIMARY GOVERNMENT

Harford County, Maryland has two pensions and one employee benefit, which are included in the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position under the column, Pension and Other Post Employment Benefit Trust Funds. These two pensions, Sheriff's Office Pension System and Firemen's LOSAP, and one employee benefit plan, Other Post-Employment Benefits, do not issue separate GAAP financial reports thus below is the Combined Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

**Combining Statement of Fiduciary Net Position
Pension and OPEB Trust Funds
June 30, 2020**

	Sheriff's Office Pension System	Firemen's LOSAP	OPEB Trust	Total
ASSETS				
Equity in Pooled Cash and Investments	\$ 138,079	\$ 137,147	\$ 1,649,483	\$ 1,924,709
Cash Equivalents	300,284	212,384	805,296	1,317,964
Investments, at Fair Value				
Debt Securities	13,190,304	11,115,343	26,725,130	51,030,777
Fixed Income Securities	2,586,764	997,349	4,787,527	8,371,640
Equity Securities	49,787,645	20,072,125	100,203,941	170,063,711
Total Investments	<u>65,564,713</u>	<u>32,184,817</u>	<u>131,716,598</u>	<u>229,466,128</u>
Total Assets	<u>66,003,076</u>	<u>32,534,348</u>	<u>134,171,377</u>	<u>232,708,801</u>
LIABILITIES				
Accounts Payable	10,000	5,000	20,000	35,000
Total Liabilities	<u>10,000</u>	<u>5,000</u>	<u>20,000</u>	<u>35,000</u>
NET POSITION RESTRICTED FOR PENSIONS				
Net Position Restricted for Pension and OPEB	<u>\$ 65,993,076</u>	<u>\$ 32,529,348</u>	<u>\$ 134,151,377</u>	<u>\$ 232,673,801</u>

**Combining Statement of Changes in Fiduciary Net Position
Pension and OPEB Trust Funds
For the Year Ended June 30, 2020**

	Sheriff's Office Pension System	Firemen's LOSAP	OPEB Trust	Total
ADDITIONS				
Contributions				
Employee Contributions	\$ 608,411	\$ -	\$ -	\$ 608,411
Employer Contributions	2,587,098	-	11,752,000	14,339,098
Plan Sponsor Contributions	-	1,997,167	-	1,997,167
Total Contributions	<u>3,195,509</u>	<u>1,997,167</u>	<u>11,752,000</u>	<u>16,944,676</u>
Investment Earnings				
Net Gain in Fair Value of Investments	2,734,577	1,530,602	6,075,640	10,340,819
Interest and Dividends	18,377	16,514	141,344	176,235
Total Investment Earnings	<u>2,752,954</u>	<u>1,547,116</u>	<u>6,216,984</u>	<u>10,517,054</u>
Less Investment Expense	(173,581)	(96,259)	(296,178)	(566,018)
Net Investment Gain	<u>2,579,373</u>	<u>1,450,857</u>	<u>5,920,806</u>	<u>9,951,036</u>
Total Additions	<u>5,774,882</u>	<u>3,448,024</u>	<u>17,672,806</u>	<u>26,895,712</u>
DEDUCTIONS				
Administrative Expenses	47,609	26,479	141,900	215,988
Benefits	3,360,042	1,843,634	10,706,482	15,910,158
Total Deductions	<u>3,407,651</u>	<u>1,870,113</u>	<u>10,848,382</u>	<u>16,126,146</u>
Change in Net Position	<u>2,367,231</u>	<u>1,577,911</u>	<u>6,824,424</u>	<u>10,769,566</u>
NET POSITION RESTRICTED FOR PENSIONS				
Net Position Restricted for Pensions and OPEB- Beginning	\$ 63,625,845	\$ 30,951,437	\$ 127,326,953	\$ 221,904,235
Net Position Restricted for Pensions and OPEB- End	<u>\$ 65,993,076</u>	<u>\$ 32,529,348</u>	<u>\$ 134,151,377</u>	<u>\$ 232,673,801</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2020

NOTE 5 – OTHER INFORMATION – CONTINUED

H. RESTATEMENTS

COMPONENT UNITS

The Harford Community College: To conform with accounting principles generally accepted in the United States of America, the College restated net position as of June 30, 2019 for a correction of the accounting for Fallston Hall Renovation Project expenses in previously issued financial statements. The change resulted in an increase in capital assets and net position of \$2,692,996, for the Fallston Hall Renovation Project expenses that should have been recorded as construction in progress, and not recognized as expense in the year ended June 30, 2019.

The effect of restatement as of June 30, 2019 are as follows:

	Balance as Previously Stated as of June 30, 2019	Effect of Correction of Error	Balances are Restated as of June 30, 2019
Construction in Progress	\$ -	\$ 2,692,996	\$ 2,692,996
Total Net Position	130,356,505	2,692,996	133,049,501
Change in Net Position	(1,717,450)	2,692,996	975,546

Required Supplementary Information

The information provided in this section is required supplementary disclosures.

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
Last 10 Fiscal Years
(Information for FY2013 and earlier is not available)

Schedule 1

	2020	2019	2018	2017	2016	2015	2014
County's Portion of the Net Pension Liability	0.641%	0.615%	0.554%	0.554%	0.555%	0.516%	0.490%
County's Proportionate Share of the Net Pension Liability	\$ 132,246,062	\$ 128,973,320	\$ 119,845,396	\$ 130,701,171	\$ 115,409,102	\$ 91,601,275	\$ 100,990,844
County's Covered Payroll	\$ 86,232,721	\$ 83,683,463	\$ 78,232,243	\$ 78,993,465	\$ 84,055,462	\$ 83,785,718	\$ N/A
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	153.36%	154.12%	153.19%	165.46%	137.30%	109.33%	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	67.79%	68.10%	66.50%	62.75%	66.00%	69.17%	64.58%

Notes to Schedule:

Benefit Changes: There were no benefit changes during the years 2014 through 2019

Changes in Assumptions:

 Inflation assumption changed as follows:

6/30/2019	2.60%
6/30/2018	2.60%
6/30/2017	2.65%
6/30/2016	2.70%
6/30/2015	2.70%
6/30/2014	2.90%

 Investment return assumptions changed as follows:

6/30/2019	7.40%
6/30/2018	7.45%
6/30/2017	7.50%
6/30/2016	7.55%
6/30/2015	7.55%
6/30/2014	7.65%

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDEULE OF PENSION PLAN INVESTMENT RETURNS
MARYLAND STATE RETIREMENT AND PENSION SYSTEM

Last 10 Fiscal Years
(Information for FY2014 and earlier is not available)

Schedule 2

	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	6.44%	8.08%	10.02%	1.15%	2.68%	14.38%

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE SHERIFF'S OFFICE PENSION SYSTEM NET PENSION LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years
(Information for FY2013 and earlier is not available)

Schedule 3

	2020*	2019*	2018*	2017*	2016*	2015*	2014*
Total Pension Liability							
Service Cost	\$ 1,794,000	\$ 1,746,000	\$ 1,724,000	\$ 1,622,000	\$ 1,622,000	\$ 1,622,000	\$ 1,412,000
Interest	5,277,000	4,998,000	4,707,000	4,512,000	4,367,000	4,176,000	3,982,000
Changes of Benefit Terms	-	-	-	-	-	54,000	68,000
Differences Between Expected and Actual Experience	(834,000)	574,000	937,000	(1,605,000)	(886,000)	(1,025,000)	-
Changes of Assumptions	-	-	-	1,379,000	-	776,000	-
Benefit Payments, Including Refunds of Employee Contributions	(3,360,000)	(3,305,000)	(3,115,000)	(3,130,000)	(2,923,000)	(2,825,000)	(2,576,000)
Net Change in Total Pension Liability	2,877,000	4,013,000	4,253,000	2,778,000	2,180,000	2,778,000	2,886,000
Total Pension Liability - Beginning	77,069,000	73,056,000	68,803,000	66,025,000	63,845,000	61,067,000	58,181,000
Total Pension Liability - Ending (a)	\$ 79,946,000	\$ 77,069,000	\$ 73,056,000	\$ 68,803,000	\$ 66,025,000	\$ 63,845,000	\$ 61,067,000
Plan Fiduciary Net Position							
Contributions - Employer	\$ 2,587,000	\$ 2,567,000	\$ 2,393,000	\$ 2,357,000	\$ 2,490,000	\$ 2,490,000	\$ 2,377,000
Contributions - Employee	608,000	572,000	543,000	504,000	499,000	485,000	452,000
Net Investment Income	2,579,000	3,510,000	5,217,000	6,284,000	(1,301,000)	1,995,000	7,089,000
Benefit Payments, Including Refunds of Employee Contributions	(3,360,000)	(3,305,000)	(3,115,000)	(3,130,000)	(2,923,000)	(2,825,000)	(2,576,000)
Administrative Expense	(47,000)	(55,000)	(47,000)	(49,000)	(48,000)	(49,000)	(54,000)
Net Change in Plan Fiduciary Net Position	2,367,000	3,289,000	4,991,000	5,966,000	(1,283,000)	2,096,000	7,288,000
Plan Fiduciary Net Position - Beginning	63,626,000	60,337,000	55,346,000	49,380,000	50,663,000	48,567,000	41,279,000
Plan Fiduciary Net Position - Ending (b)	\$ 65,993,000	\$ 63,626,000	\$ 60,337,000	\$ 55,346,000	\$ 49,380,000	\$ 50,663,000	\$ 48,567,000
County's Net Pension Liability - Ending (a) - (b)	\$ 13,953,000	\$ 13,443,000	\$ 12,719,000	\$ 13,457,000	\$ 16,645,000	\$ 13,182,000	\$ 12,500,000
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.55%	82.56%	82.59%	80.44%	74.79%	79.35%	79.53%
Covered Payroll	\$ 8,507,000	\$ 8,191,000	\$ 7,851,000	\$ 7,115,000	\$ 7,110,000	\$ 7,185,000	\$ 6,813,000
County's Net Pension Liability as a Percentage of Covered Payroll	164.01%	163.99%	162.00%	189.14%	234.11%	183.47%	183.48%
Expected Average Remaining Service Years of All Participants	5	5	5	6	6	5	6

*Numbers are rounded to the nearest 1,000.

Notes to Schedule:

Benefit Changes:

There were no changes in FY2016 to FY2020.

FY 2015 reflects a change in the crediting of pre-employment military service.

FY 2014 reflects significant changes including: increased benefit accrual rates for future service, early retirement benefits, average compensation period, limitation to annual COLA for benefits based on service earned after June 30, 2013, and line of duty disability benefits.

Change of Assumptions:

There were no changes in FY2014, FY2016, and FY2018 to FY2020.

FY 2017 reflects a change in the mortality assumption from the RP-2000 tables with fully generational projection using Scale AA to the RP-2014 tables with generational projections using the Scale MP-2016.

FY 2015 reflects a change in the assumed rates of mortality for disabled members.

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
SHERIFF'S OFFICE PENSION SYSTEM
Last 10 Fiscal Years
(Information for FY2013 and earlier is not available)

Schedule 4

	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 2,587,098	\$ 2,567,354	\$ 2,393,057	\$ 2,356,777	\$ 2,489,555	\$ 2,490,164	\$ 2,376,590
Contributions in Relation to the Actuarially Determined Contribution	<u>2,587,098</u>	<u>2,567,354</u>	<u>2,393,057</u>	<u>2,356,777</u>	<u>2,489,555</u>	<u>2,490,164</u>	<u>2,376,590</u>
Contribution Deficiency (Excess)	<u>\$ -</u>						
Covered Payroll	\$ 8,507,000	\$ 8,191,000	\$ 7,851,000	\$ 7,115,000	\$ 7,110,000	\$ 7,185,000	\$ 6,813,000
Contributions as a Percentage of Covered Payroll	30.41%	31.34%	30.48%	33.12%	35.02%	34.66%	34.88%

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. 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	20 years for gains and losses (closed), 30 years for prior plan and assumptions changes, 15 years for July 1, 2013 plan changes (closed)
Asset Valuation Method	5-year Smoothed Market
Inflation	3.0 Percent
Salary Increases	Rates Vary by Participant Service
Investment Rate of Return	7.0 percent, Net of Pension Plan Investment Expense, Including Inflation
Retirement Age	Rates Vary by Participant Age and Service
Mortality	RP-2014 Combined Healthy Tables with Generational Projection by Scale MP-2016

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION PLAN INVESTMENT RETURNS
SHERIFF'S OFFICE PENSION SYSTEM
Last 10 Fiscal Years
(Information for FY2012 and earlier is not available)

Schedule 5

	2020	2019	2018	2017	2016	2015	2014	2013
Annual money-weighted rate of return, net of investment expense	4.24%	5.96%	9.19%	12.81%	-1.93%	4.64%	17.11%	12.34%

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE LENGTH OF SERVICE AWARD PROGRAM FOR VOLUNTEER FIREMEN
NET PENSION LIABILITY AND RELATED RATIOS

Last 10 Fiscal Years
(Information for FY2013 and earlier is not available)

Schedule 6

	2020*	2019*	2018*	2017*	2016*	2015*	2014*
Total Pension Liability							
Service Cost	\$ 624,000	\$ 615,000	\$ 644,000	\$ 642,000	\$ 639,000	\$ 678,000	\$ 645,000
Interest	2,120,000	2,085,000	2,025,000	1,962,000	1,854,000	1,806,000	1,755,000
Differences between Expected and Actual Experience	(653,000)	(288,000)	97,000	172,000	(66,000)	(57,000)	-
Changes of Assumptions	-	-	-	-	1,051,000	-	-
Benefit Payments, including Refunds of Member Contributions	(1,844,000)	(1,800,000)	(1,745,000)	(1,702,000)	(1,659,000)	(1,595,000)	(1,511,000)
Net Change in Total Pension Liability	247,000	612,000	1,021,000	1,074,000	1,819,000	832,000	889,000
Total Pension Liability - Beginning	36,253,000	35,641,000	34,620,000	33,546,000	31,727,000	30,895,000	30,006,000
Total Pension Liability - Ending (a)	<u>\$ 36,500,000</u>	<u>\$ 36,253,000</u>	<u>\$ 35,641,000</u>	<u>\$ 34,620,000</u>	<u>\$ 33,546,000</u>	<u>\$ 31,727,000</u>	<u>\$ 30,895,000</u>
Plan Fiduciary Net Position							
Contributions - Plan Sponsor	\$ 1,997,000	\$ 2,073,000	\$ 1,855,000	\$ 1,768,000	\$ 1,913,000	\$ 2,031,000	\$ 1,935,000
Net Investment Income	1,451,000	1,746,000	2,054,000	2,536,000	(332,000)	840,000	2,818,000
Benefit Payments, Including Refunds of Member Contributions	(1,844,000)	(1,800,000)	(1,746,000)	(1,701,000)	(1,659,000)	(1,595,000)	(1,511,000)
Administrative Expense	(26,000)	(14,000)	(14,000)	(17,000)	(15,000)	(14,000)	(15,000)
Net Change in Plan Fiduciary Net Position	1,578,000	2,005,000	2,149,000	2,586,000	(93,000)	1,262,000	3,227,000
Plan Fiduciary Net Position - Beginning	30,951,000	28,946,000	26,797,000	24,211,000	24,304,000	23,042,000	19,815,000
Plan Fiduciary Net Position - Ending (b)	<u>\$ 32,529,000</u>	<u>\$ 30,951,000</u>	<u>\$ 28,946,000</u>	<u>\$ 26,797,000</u>	<u>\$ 24,211,000</u>	<u>\$ 24,304,000</u>	<u>\$ 23,042,000</u>
County's Net Pension Liability - Ending (a) - (b)	<u>\$ 3,971,000</u>	<u>\$ 5,302,000</u>	<u>\$ 6,695,000</u>	<u>\$ 7,823,000</u>	<u>\$ 9,335,000</u>	<u>\$ 7,423,000</u>	<u>\$ 7,853,000</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	89.12%	85.38%	81.22%	77.40%	72.17%	76.60%	74.58%
Covered Payroll	N/A						
County's Net Pension Liability as a Percentage of Covered Payroll	N/A						
Expected Average Remaining Service Years of All Participants	6	6	6	6	6	8	7

*Numbers are rounded to the nearest 1,000

Notes to Schedule:

Benefit Changes: There were no changes in FY2014 to FY2020.

Change of Assumptions :

There were no changes in FY2014, FY2015 and FY2017 to FY2020.

FY2016 reflects a change in mortality assumption from the RP-2000 tables with generational projection by scale AA to the RP-2014 adjusted to 2006 Mortality Table with generational projection by scale MP-2015.

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
LENGTH OF SERVICE AWARD PROGRAM FOR VOLUNTEER FIREMEN
Last 10 Fiscal Years
(Information for FY2013 and earlier not available)

Schedule 7

	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 1,997,167	\$ 2,072,513	\$ 1,854,906	\$ 1,767,558	\$ 1,912,843	\$ 1,981,000	\$ 1,934,886
Contributions in Relation to the Actuarially Determined Contribution	1,997,167	2,072,513	1,854,906	1,767,558	1,912,843	2,030,844	1,934,886
Contribution (Excess) Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (49,844)	\$ -
Covered Payroll	N/A						
Contributions as a Percentage of Covered Payroll	N/A						

Notes to Schedule:

Valuation Date:

Actuarially determined contribution rates are calculated as of September 30 for the second fiscal year immediately following the current fiscal year. Actuarial values are performed every year.

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal (Level Dollar)
Amortization Method	Level Payments over Closed Periods
Remaining Amortization Period	15 years
Asset Valuation Method	Market Value as of June 30, Projected to September 30
Inflation	3.0 Percent
Salary Increases	Not Applicable
Investment Rate of Return	6.0 percent, Net of Pension Plan Investment Expense, Including Inflation
Retirement Age	Upon First Eligibility for Benefits
Mortality	RP-2014 adjusted to 2006 Mortality Table with Blue Collar adjustments set forward one year with generations projected by Scale MP - 2015

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION PLAN INVESTMENT RETURNS
LENGTH OF SERVICE AWARD PROGRAM FOR VOLUNTEER FIREMEN
Last 10 Fiscal Years
(Information for FY2012 and earlier is not available)

Schedule 8

	2020	2019	2018	2017	2016	2015	2014	2013
Annual money-weighted rate of return, net of investment expense	4.81%	6.06%	7.50%	10.50%	-0.71%	4.18%	13.97%	10.00%

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE NET OTHER POST EMPLOYMENT BENEFIT LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years
(Information for FY2016 and earlier is not available)

Schedule 9

	2020	2019	2018	2017
Total OPEB Liability				
Service Cost	\$ 3,919,887	\$ 4,301,469	\$ 4,664,771	\$ 4,493,999
Interest	16,357,466	17,085,497	14,367,000	13,652,014
Experience Losses/(Gains)	(2,844,948)	(24,559,327)	29,312,522	-
Changes in Assumptions	1,012,350	3,403,456	-	-
Benefit Payments	(10,706,482)	(10,777,035)	(8,892,619)	(7,892,866)
Net Change in Total OPEB Liability	7,738,273	(10,545,940)	39,451,674	10,253,147
Total OPEB Liability - Beginning	238,134,092	248,680,032	209,228,358	198,975,211
Total OPEB Liability - Ending (a)	<u>\$ 245,872,365</u>	<u>\$ 238,134,092</u>	<u>\$ 248,680,032</u>	<u>\$ 209,228,358</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 11,752,000	\$ 13,639,000	\$ 12,333,000	\$ 9,931,000
Net Investment Income	5,920,806	6,666,841	10,018,063	11,411,408
Benefit Payments	(10,706,482)	(10,777,035)	(8,892,619)	(7,892,866)
Administrative Expense	(141,900)	(19,250)	(17,000)	(12,750)
Net Change in Plan Fiduciary Net Position	6,824,424	9,509,556	13,441,444	13,436,792
Plan Fiduciary Net Position - Beginning	127,326,953	117,817,397	104,375,953	90,939,161
Plan Fiduciary Net Position - Ending (b)	<u>\$ 134,151,377</u>	<u>\$ 127,326,953</u>	<u>\$ 117,817,397</u>	<u>\$ 104,375,953</u>
County's Net OPEB Liability - Ending (a) - (b)	<u>\$ 111,720,988</u>	<u>\$ 110,807,139</u>	<u>\$ 130,862,635</u>	<u>\$ 104,852,405</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	54.56%	53.47%	47.38%	49.89%
Covered-Employee Payroll ¹	\$ N/A	\$ N/A	\$ N/A	\$ N/A
County's Net OPEB Liability as a Percentage of Covered Payroll ¹	N/A	N/A	N/A	N/A
Expected Average Remaining Service Years of All Participants	5	5	6	6

Notes to Schedule:

Benefit Changes: There were no benefit changes FY2017 - FY2020

Change of Assumptions:

For FY2020 the medical trend was updated to the latest model released by the SOA and excludes the impact of the Cadillac Tax. Also, the mortality assumption was updated to the latest experience study on public sector employees and retirees released by the SOA.

For FY2019 the long term medical trend was updated based upon the SOA model released August 2017.

¹ OPEB does not require contributions from plan members.

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS
Last 10 Fiscal Years
(Information for FY2013 and earlier is not available)

Schedule 10

	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 11,752,000	\$ 13,639,000	\$ 12,333,000	\$ 9,931,000	\$ 10,162,000	\$ 13,794,000	\$ 13,381,000
Contributions in Relation to the Actuarially Determined Contribution	<u>11,752,000</u>	<u>13,639,000</u>	<u>12,333,000</u>	<u>9,931,000</u>	<u>10,162,000</u>	<u>13,794,000</u>	<u>13,381,000</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll ¹	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered-Employee Payroll ¹	N/A	N/A	N/A	N/A	N/A	N/A	N/A

¹ OPEB does not require contributions from plan members.

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION PLAN INVESTMENT RETURNS
OTHER POST EMPLOYMENT BENEFITS
Last 10 Fiscal Years
(Information for FY2016 and earlier is not available)

Schedule 11

	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	4.62%	5.62%	9.17%	12.39%

Combining and Individual Fund

Financial Statements

&

Schedules

Combining Statements Non-major Governmental Funds

Special Revenue Funds

Parks & Recreation Special Revenue Fund – Parks & Recreation Special Revenue Fund was established by Council Bill 00-64 to account for the receipts and expenditures of the self-supporting activities of the Emmorton Recreation and Tennis Center, Recreation Councils and the Oakington Peninsula.

Stormwater Management Special Revenue Fund – This fund was established to account for the stormwater remediation operation. Resolution No. 005-15 authorized the recordation tax remain at a rate of \$3.30 for each \$500.00 or fraction thereof of the actual consideration payable or of the principal amount of the debt secured for an instrument of writing; and resolved that the revenue from such tax at the rate of \$0.55 be dedicated to fund the implementation of local watershed protection and restoration projects throughout Harford County, effective July 1, 2015.

Debt Service Fund

The Beechtree Tax Increment Financing (TIF) – This fund accumulates the incremental property tax revenues related to the Beechtree Estates Project created in 2011 and also any special assessment tax imposed on the Beechtree Estates Project. The funds are used to pay the principal and interest on the special obligation bonds, the proceeds of which fund capital improvements within the Project. Any unused funds over contractual reserves may revert to the General Fund at the end of the fiscal year.

HARFORD COUNTY, MARYLAND
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2020

Exhibit A-1

	Special Revenue		Debt Service		Total	
	Parks and Recreation		Beechtree TIF		Non-major Governmental	
					Funds	
ASSETS						
Equity in Pooled Cash and Investments	\$ 141,975	\$ 9,609,786	\$ 1,117,073	\$ 10,868,834		
Cash and Investments	750	-	-	750		
Taxes and Accounts Receivable (Net)	25	326	-	351		
Deposit with Trustee	-	-	1,443,726	1,443,726		
Restricted Assets - Investments	-	529,762	-	529,762		
TOTAL ASSETS	\$ 142,750	\$ 10,139,874	\$ 2,560,799	\$ 12,843,423		
LIABILITIES						
Accounts Payable	\$ 6,736	\$ 88,419	\$ -	\$ 95,155		
Accrued Expenditures	6,212	16,746	-	22,958		
Escrow Accounts	4,320	-	-	4,320		
Total Liabilities	17,268	105,165	-	122,433		
FUND BALANCES						
Restricted	-	529,762	2,560,799	3,090,561		
Assigned	125,482	9,504,947	-	9,630,429		
Total Fund Balances	125,482	10,034,709	2,560,799	12,720,990		
TOTAL LIABILITIES AND FUND BALANCES	\$ 142,750	\$ 10,139,874	\$ 2,560,799	\$ 12,843,423		

HARFORD COUNTY, MARYLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2020

Exhibit A-2

	Special Revenue			Debt Service		Total Non-major Governmental Funds	
	Parks and Recreation		Stormwater Management	Beechtree TIF			
REVENUES							
Taxes	\$ -		\$ 3,079,240	\$ 1,034,236		\$ 4,113,476	
Investment Income		3,704			32,640		
Charges for Current Services		562,166			-		
Total Revenues	565,870		3,223,035		1,066,876	4,855,781	
EXPENDITURES							
Current:							
Parks, Recreation and Natural Resources		588,245			-		
Public Works		-		1,160,680			
Debt Service:							
Principal		-		375,281			
Interest		-		301,246			
Administrative Costs		-		39,850			
Total Expenditures	588,245		1,877,057		1,129,247	3,594,549	
(Deficiency) Excess of Revenues over Expenditures	(22,375)		1,345,978		(62,371)	1,261,232	
OTHER FINANCING SOURCES (USES)							
Transfers (Out)		(100,000)		(450,000)			
Premium on Issuance of Bonds		-		389,378			
Total Other Financing Sources (Uses)	(100,000)		(60,622)		-	(160,622)	
Net Change in Fund Balances	(122,375)		1,285,356		(62,371)	1,100,610	
Fund Balances - Beginning		247,857		8,749,353		2,623,170	
Fund Balances - Ending	\$ 125,482		\$ 10,034,709		\$ 2,560,799	\$ 11,620,380	
						\$ 12,720,990	

Fiduciary Funds

Private Purpose Trust Funds - used to account for resources legally held in a trustee capacity and are comprised of:

Bar Library Trust Fund – The Bar Library private purpose trust fund was established in 1999 to account for all expenditures associated with the operations of the Bar Library of the Circuit Court of Harford County. Fines and appearance fees provide the source of revenues.

BVL Cooperating Parties Group – This private purpose trust fund was established in September 1996 to account for revenues collected from potentially responsible parties for the purpose of undertaking the design and construction of the remedial systems deemed necessary at the Bush Valley Landfill site.

OT Cooperating Parties Group – This private purpose trust fund was established in May 2020 to hold and distribute funds in accordance to the terms established for the design and construction of the infrastructure deemed necessary for the Old Trails Subdivision.

Agency Funds

Pass-Through Grants – This fund accounts for financial assistance received from other governments and transferred to another government, individual, not-for-profit or other organization. Harford County Government serves as an agent with little or no discretion in determining how the assistance will be used.

Harford County Public Entities Healthcare Consortium - This fund was established to account for a rate stabilization reserve fund created for the Harford County Public Entities Healthcare Consortium. The consortium was formed for the purpose of pooling resources to purchase health insurance thereby reducing administrative expenses. Harford County Government serves as an agent with little or no discretion in determining how the funding will be directed.

HARFORD COUNTY, MARYLAND
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2020

Exhibit B-1

	Bar Library	BVL Cooperating Parties Group	OT Cooperating Parties Group	Total
ASSETS				
Equity in Pooled Cash and Investments	\$ 417,098	\$ 1,494,128	\$ 900,000	\$ 2,811,226
Cash Equivalents	-	741,351	-	741,351
Total Assets	<u>417,098</u>	<u>2,235,479</u>	<u>900,000</u>	<u>3,552,577</u>
LIABILITIES				
Accounts Payable	7,623	44	-	7,667
Total Liabilities	<u>7,623</u>	<u>44</u>	<u>-</u>	<u>7,667</u>
NET POSITION				
Held in Trust	\$ <u>409,475</u>	\$ <u>2,235,435</u>	\$ <u>900,000</u>	\$ <u>3,544,910</u>

HARFORD COUNTY, MARYLAND
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2020

Exhibit B-2

	Bar Library	BVL Cooperating Parties Group	OT Cooperating Parties Group	Total
ADDITIONS				
Contributions and Donations	\$ 137,999	\$ 792,411	\$ 900,000	\$ 1,830,410
Interest and Dividends	5,424	76,588	-	82,012
Total Additions	<u>143,423</u>	<u>868,999</u>	<u>900,000</u>	<u>1,912,422</u>
DEDUCTIONS				
Contractual Services	80,264	51,686	-	131,950
Total Deductions	<u>80,264</u>	<u>51,686</u>	<u>-</u>	<u>131,950</u>
Change in Net Position	63,159	817,313	900,000	1,780,472
NET POSITION				
Net Position - Beginning	346,316	1,418,122	-	1,764,438
Net Position - Ending	<u>\$ 409,475</u>	<u>\$ 2,235,435</u>	<u>\$ 900,000</u>	<u>\$ 3,544,910</u>

HARFORD COUNTY, MARYLAND
Statement of Changes in Assets and Liabilities
Agency Fund
For The Year Ended June 30, 2020

Exhibit B-3

	Balance July 1, 2019	Additions	Deductions	Balance June 30, 2020
PASS-THROUGH GRANTS				
ASSETS				
Equity in Pooled Cash	\$ _____ -	\$ 2,210,823	\$ 2,159,614	\$ 51,209
Total Assets	<u><u>\$ _____ -</u></u>	<u><u>\$ 2,210,823</u></u>	<u><u>\$ 2,159,614</u></u>	<u><u>\$ 51,209</u></u>
LIABILITIES				
Accounts Payable	\$ _____ -	\$ 2,210,823	\$ 2,159,614	\$ 51,209
Total Liabilities	<u><u>\$ _____ -</u></u>	<u><u>\$ 2,210,823</u></u>	<u><u>\$ 2,159,614</u></u>	<u><u>\$ 51,209</u></u>
HEALTH CARE CONSORTIUM				
ASSETS				
Cash Equivalents	\$ 11,521,781	\$ 2,744,966	\$ 235,001	\$ 14,031,746
Total Assets	<u><u>\$ 11,521,781</u></u>	<u><u>\$ 2,744,966</u></u>	<u><u>\$ 235,001</u></u>	<u><u>\$ 14,031,746</u></u>
LIABILITIES				
Due to Beneficiaries	\$ 11,521,781	\$ 2,744,966	\$ 235,001	\$ 14,031,746
Total Liabilities	<u><u>\$ 11,521,781</u></u>	<u><u>\$ 2,744,966</u></u>	<u><u>\$ 235,001</u></u>	<u><u>\$ 14,031,746</u></u>
TOTAL ALL AGENCY FUNDS				
ASSETS				
Equity in Pooled Cash	\$ _____ -	\$ 2,210,823	\$ 2,159,614	\$ 51,209
Cash Equivalents	<u><u>\$ 11,521,781</u></u>	<u><u>\$ 2,744,966</u></u>	<u><u>\$ 235,001</u></u>	<u><u>\$ 14,031,746</u></u>
Total Assets	<u><u>\$ 11,521,781</u></u>	<u><u>\$ 4,955,789</u></u>	<u><u>\$ 2,394,615</u></u>	<u><u>\$ 14,082,955</u></u>
LIABILITIES				
Accounts Payable	\$ _____ -	\$ 2,210,823	\$ 2,159,614	\$ 51,209
Due to Beneficiaries	<u><u>\$ 11,521,781</u></u>	<u><u>\$ 2,744,966</u></u>	<u><u>\$ 235,001</u></u>	<u><u>\$ 14,031,746</u></u>
Total Liabilities	<u><u>\$ 11,521,781</u></u>	<u><u>\$ 4,955,789</u></u>	<u><u>\$ 2,394,615</u></u>	<u><u>\$ 14,082,955</u></u>

SCHEDULES

Governmental Funds

General Fund

General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. For the County, the General Fund includes such activities as public safety, education, and recreation services.

Special Revenue Funds

Highways Operating Fund accounts for dedicated property tax revenues that are legally restricted to the maintenance, care, and repair of roads and bridges located outside the boundaries of the three incorporated municipalities in Harford County, all expenses of the County Department of Public Works concerning county highways, all expenses of the County and/or Sheriff's Office regarding traffic patrol and highways safety, and County-related transportation expenses.

Parks and Recreation Special Revenue Fund was established by Council Bill 00-64 to account for the receipts and expenditures of the self-supporting activities of the Emmorton Recreation and Tennis Center, Recreation Councils and the Oakington Peninsula.

Stormwater Management Special Revenue Fund was established to account for the stormwater remediation operation. Resolution No. 005-15 authorized the recordation tax remain at a rate of \$3.30 for each \$500.00 or fraction thereof of the actual consideration payable or of the principal amount of the debt secured for an instrument of writing; and resolved that the revenue from such tax at the rate of \$0.55 be dedicated to fund the implementation of local watershed protection and restoration projects throughout Harford County, effective July 1, 2015.

Debt Service Fund

The Beechtree Tax Increment Financing (TIF) accumulates the incremental property tax revenues related to the Beechtree Estates Project created in 2011 and also any special assessment tax imposed on the Beechtree Estates Project. The funds are used to pay the principal and interest on the special obligation bonds, the proceeds of which fund capital improvements within the Project. Any unused funds over contractual reserves may revert to the General Fund at the end of the fiscal year.

(continued)

SCHEDULES

Governmental Funds

(continued)

Capital Projects Fund

General County Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities of all major and non-major governmental funds as well as the Harford County Public Schools, Harford Community College and Harford County Public Library.

Proprietary Fund

Enterprise Fund

Water and Sewer Fund accounts for financial resources to be used for the operation, acquisition or construction of major capital facilities of the Water and Sewer fund.

General Fund

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2020

Exhibit C-1

	ESTIMATED REVENUES		ACTUAL REVENUES	VARIANCE	
	ORIGINAL	FINAL		POSITIVE (NEGATIVE)	ESTIMATED REVENUES
TAXES					
Admissions and Amusement Tax	\$ 548,000	\$ 548,000	\$ 410,573	\$ (137,427)	
Business Personal Property/Current Year	450,000	450,000	428,102	(21,898)	
Business Personal Property/Prior Years	(20,000)	(20,000)	520	20,520	
Corporate Property/Current Year	16,335,000	16,335,000	15,123,013	(1,211,987)	
Corporate Property/Prior Years	(735,000)	(735,000)	(337,249)	397,751	
Delinquent Tax Costs	85,000	85,000	8,605	(76,395)	
Heavy Equipment Receipts Tax - Corporate	277,000	277,000	238,314	(38,686)	
Hotel Occupancy Tax	2,280,000	2,280,000	1,826,103	(453,897)	
Impact Fees	3,500,000	3,500,000	3,660,600	160,600	
Income Taxes	233,500,000	233,500,000	245,726,334	12,226,334	
Interest on Delinquent Taxes	859,000	859,000	632,200	(226,800)	
Mobile Home Excise Tax	212,000	212,000	204,737	(7,263)	
Payment in Lieu of Taxes	491,000	491,000	545,925	54,925	
Penalty	791,000	791,000	869,793	78,793	
Railroad and Public Utilities/Current Year	14,001,000	14,001,000	15,393,513	1,392,513	
Railroad and Public Utilities/Prior Years	(1,000)	(1,000)	-	1,000	
Real Property - Full Year Levy/Current Years	249,492,000	249,492,000	250,951,689	1,459,689	
Real Property - Full Year Levy/Prior Years	(150,000)	(150,000)	4,265	154,265	
Real Property - Half Year Levy/Current Years	520,000	520,000	660,242	140,242	
Real Property - Half Year Levy/Prior Years	(20,000)	(20,000)	-	20,000	
911 Program Fee	1,790,000	1,790,000	2,472,064	682,064	
	<hr/> 524,205,000	<hr/> 524,205,000	<hr/> 538,819,343	<hr/> 14,614,343	
Less: Tax Credits and Uncollectibles					
Ag. Preservation Incentive/Easements	(1,250,000)	(1,250,000)	(1,295,236)	(45,236)	
Community Association Credit	(5,300)	(5,300)	(5,327)	(27)	
Conservation Land Tax Credit	(1,700)	(1,700)	(1,715)	(15)	
Discounts Allowed on Taxes	-	-	1,885	1,885	
Enterprise Zone Tax Credit	(1,087,000)	(1,087,000)	(1,147,737)	(60,737)	
Habitat For Humanity Tax Credit	(6,000)	(6,000)	(6,626)	(626)	
Historical Tax Credit	(1,000)	(1,000)	(3,222)	(2,222)	
Homeowner's Tax Credit - County	(301,000)	(301,000)	(297,716)	3,284	
Homestead Tax Credit - County	(189,000)	(189,000)	(181,712)	7,288	
Landfill Proximity Credit	(57,000)	(57,000)	(55,567)	1,433	
Senior/Retired Military Tax Credit	(1,630,000)	(1,630,000)	(1,431,673)	198,327	
Solar/Geothermal Energy Tax Credit	(428,000)	(428,000)	(434,281)	(6,281)	
Surviving Spouse - Fallen Hero Tax Credit	(5,000)	(5,000)	(3,539)	1,461	
Uncollectible Property Taxes	(25,000)	(25,000)	82,719	107,719	
	<hr/> (4,986,000)	<hr/> (4,986,000)	<hr/> (4,779,747)	<hr/> 206,253	
Total Taxes	<hr/> 519,219,000	<hr/> 519,219,000	<hr/> 534,039,596	<hr/> 14,820,596	

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2020
(continued)

Exhibit C-1

	ESTIMATED ORIGINAL	REVENUES FINAL	ACTUAL REVENUES	VARIANCE POSITIVE (NEGATIVE) ESTIMATED REVENUES
REVENUES FROM OTHER AGENCIES				
Build America Bond Interest Credit	1,280,000	1,280,000	1,290,489	10,489
DNR Parks PILOT	142,000	142,000	61,391	(80,609)
Jury Compensation	164,000	164,000	136,695	(27,305)
Medicare D Subsidy	279,000	279,000	313,372	34,372
Ambulance Fees	-	-	25,126	25,126
Police Protection	2,500,000	2,500,000	2,096,736	(403,264)
Total Revenues from Other Agencies	4,365,000	4,365,000	3,923,809	(441,191)
INVESTMENT INCOME				
	1,630,000	1,630,000	2,289,427	659,427
CHARGES FOR CURRENT SERVICES				
Abandoned Buildings	15,000	15,000	43,797	28,797
Administrative Fee - Cobra Insurance	800	800	284	(516)
Auto Commute - County Employees	6,100	6,100	6,566	466
Bad Check Fee	3,700	3,700	4,545	845
Board of Prisoners	318,000	318,000	194,046	(123,954)
Building Plan Review	1,200	1,200	-	(1,200)
Building Reinspection Fee	3,600	3,600	1,900	(1,700)
Child Custody	4,000	4,000	3,014	(986)
Commissions	212,000	212,000	182,933	(29,067)
Community Work Service	15,000	15,000	10,648	(4,352)
Concept Plans	1,000	1,000	9,577	8,577
County Recreation Programs	63,000	63,000	46,345	(16,655)
Design Review	100	100	-	(100)
Detention Center Commissary	430,000	430,000	439,687	9,687
Election Fees	100	100	-	(100)
Electrical Reinspection Fees	4,600	4,600	1,800	(2,800)
EMS-Ambulance Fees	300,000	300,000	656,390	356,390
Extension Preliminary Plan Approval	300	300	225	(75)
False Burglar Alarm Service Charges	85,000	85,000	84,255	(745)
False Fire Alarm Service Charges	7,000	7,000	9,191	2,191
Final Plats	17,000	17,000	12,400	(4,600)
Flying Point and Mariner Park Revenue	16,000	16,000	8,250	(7,750)
Food Service Licenses	118,000	118,000	102,155	(15,845)
Forest Conservation Plan Review	3,200	3,200	5,225	2,025
Forest Stand Delineation Review	2,400	2,400	2,766	366
GIS - Ortho Photos	100	100	-	(100)
Ground Floor Fees	18,000	18,000	19,550	1,550
Harford Cable Network	15,000	15,000	10,438	(4,562)
Hazardous Material Spill Cleanup	9,000	9,000	1,169	(7,831)

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2020
(continued)

Exhibit C-1

	ESTIMATED ORIGINAL	REVENUES FINAL	ACTUAL REVENUES	VARIANCE
				POSITIVE (NEGATIVE)
CHARGES FOR CURRENT SERVICES (continued)				ESTIMATED REVENUES
Household Waste - Private Vehicle Charge	498,000	498,000	585,068	87,068
Inmate Fees for Medical Services	4,100	4,100	1,736	(2,364)
Inspections	300	300	12,991	12,691
Mechanical Investigation Fees	800	800	750	(50)
Mechanical Reinspection Fee	700	700	550	(150)
Miscellaneous Revenue - Sheriff's Office	68,000	68,000	62,822	(5,178)
Miscellaneous Revenue - Planning & Zoning	-	-	2,400	2,400
Noxious Weed	5,500	5,500	10,037	4,537
Onsite Inspection Fees	100	100	-	(100)
Overtime Reimbursements - Sheriff	400,000	400,000	340,111	(59,889)
Percolation Tests	24,000	24,000	17,850	(6,150)
Plumbing Reinspection Fees	800	800	600	(200)
Police Reports	14,000	14,000	13,246	(754)
Public Swimming Pool & Spa Permit	20,000	20,000	17,350	(2,650)
Publication/Ad Charges	-	-	7,260	7,260
Publications	100	100	16	(84)
Recycled Batteries	13,000	13,000	8,680	(4,320)
Recycled Scrap Metal	100,000	100,000	186,211	86,211
Recycling Revenue - Misc.	5,500	5,500	7,831	2,331
Reproduction	3,000	3,000	4,060	1,060
Sale of Compost - Scarboro	40,000	40,000	33,918	(6,082)
Sale of Mulch - Scarboro	74,000	74,000	98,019	24,019
Sanitation Construction Permit Fee	15,000	15,000	12,352	(2,648)
Sanitation Permits	8,500	8,500	8,750	250
Senior Center Fees	50,000	50,000	457,333	407,333
Sheriff's Fees	382,000	382,000	298,387	(83,613)
Sheriff's Licenses	9,000	9,000	8,495	(505)
Site Plans	6,500	6,500	9,096	2,596
Social Security Payments - Inmates	29,000	29,000	16,500	(12,500)
Subdivision Plans	15,000	15,000	41,328	26,328
Subdivision Plat Review	6,700	6,700	5,250	(1,450)
Tax Lien Certification	249,000	249,000	235,600	(13,400)
Tax Lien Filing Fees	1,200	1,200	873	(327)
Tax Sale Auctioneer Fees	5,400	5,400	(80)	(5,480)
Technical Review	77,000	77,000	87,448	10,448
Telephone Service	15,000	15,000	11,498	(3,502)
Tipping Fee Landfill	11,300,000	11,300,000	10,535,691	(764,309)
Tire Disposal Fees	1,000	1,000	729	(271)
Training Academy - Sheriff's Office	9,000	9,000	12,500	3,500
Weekend Prisoner Revenue	105,000	105,000	48,804	(56,196)
Well Sampling	23,000	23,000	20,664	(2,336)

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2020
(continued)

Exhibit C-1

	ESTIMATED ORIGINAL	REVENUES FINAL	ACTUAL REVENUES	VARIANCE POSITIVE (NEGATIVE) ESTIMATED REVENUES
CHARGES FOR CURRENT SERVICES (continued)				
Work Release Revenue	46,000	46,000	27,214	(18,786)
Zoning Appeals	25,000	25,000	32,555	7,555
Zoning Certificates	4,200	4,200	3,095	(1,105)
Zoning Reclass Fee	400	400	1,800	1,400
Total Charges for Current Services	<u>15,324,000</u>	<u>15,324,000</u>	<u>15,144,544</u>	<u>(179,456)</u>
MISCELLANEOUS				
Edgewood Community Center	15,000	15,000	15,152	152
Grant Unemployment	54,000	54,000	54,914	914
Interest on Miscellaneous Invoices	8,000	8,000	517	(7,483)
Miscellaneous Revenue	384,500	384,500	142,963	(241,537)
Over and Short	27,000	27,000	(387)	(27,387)
Postage	202,000	202,000	191,460	(10,540)
Pro Rata Charges - Highways	2,978,700	2,978,700	2,978,700	-
Pro Rata Charges - Parks and Recreation	83,479	83,479	83,479	-
Pro Rata Charges - Water and Sewer	3,202,211	3,202,211	3,202,211	-
Pro Rata Charges - Self Insurance	203,000	203,000	241,628	38,628
Pro Rata Charges - CARES	-	-	572,083	572,083
Recovery from Capital Projects	174,000	174,000	29,095	(144,905)
Reimbursement of AG Credits	1,250,000	1,250,000	1,295,236	45,236
Rental Income	264,000	264,000	205,845	(58,155)
Sale of Building	49,000	49,000	-	(49,000)
Sale of Equipment	59,500	59,500	58,566	(934)
Sale of Land	91,000	91,000	-	(91,000)
Sale of Vehicles	183,000	183,000	79,245	(103,755)
Total Miscellaneous	<u>9,228,390</u>	<u>9,228,390</u>	<u>9,150,707</u>	<u>(77,683)</u>
LICENSES AND PERMITS				
Auctioneers Licenses	6,200	6,200	6,800	600
Building Inspection Services	114,000	114,000	73,099	(40,901)
Building Penalty	1,800	1,800	-	(1,800)
Building Permits	427,000	427,000	570,957	143,957
Cable TV	2,458,000	2,458,000	2,412,099	(45,901)
Dog Licenses	23,000	23,000	20,377	(2,623)
Electrical Board of Examiners	33,000	33,000	33,400	400
Electrical Penalty	3,300	3,300	-	(3,300)
Electrical Permits	401,000	401,000	448,789	47,789
Forest Harvest Permit	2,000	2,000	1,950	(50)
Kennel Licenses	1,800	1,800	1,500	(300)

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2020

(continued)

Exhibit C-1

	ESTIMATED ORIGINAL	REVENUES FINAL	ACTUAL REVENUES	VARIANCE POSITIVE (NEGATIVE) ESTIMATED REVENUES
LICENSES AND PERMITS (continued)				
Marriage Licenses	8,000	8,000	6,528	(1,472)
Marriage Licenses/Spouse Abuse	53,000	53,000	44,132	(8,868)
Massage Establishment Licenses	200	200	100	(100)
Mechanical Licenses	34,000	34,000	30,300	(3,700)
Mechanical Permits	262,000	262,000	287,054	25,054
Mobile Home Park Licenses	12,000	12,000	10,620	(1,380)
Pawnbrokers Licenses	600	600	600	-
Pet Shop/Grooming Licenses	1,100	1,100	450	(650)
Plumbing Licenses	40,000	40,000	44,935	4,935
Plumbing Permits	362,000	362,000	381,663	19,663
Refuse Licenses	11,700	11,700	10,200	(1,500)
Solicitors Licenses	2,400	2,400	1,352	(1,048)
Taxi Cab Licenses	2,700	2,700	1,780	(920)
Towing Licenses	4,800	4,800	4,250	(550)
Traders Licenses	237,000	237,000	193,544	(43,456)
 Total Licenses and Permits	 4,502,600	 4,502,600	 4,586,479	 83,879
FINES AND FORFEITURES				
Court Fines	81,000	81,000	(3,660)	(84,660)
Dog License Fines	3,400	3,400	3,305	(95)
Parking Fines	17,000	17,000	17,319	319
Parking Fines - County Lots	32,000	32,000	25,819	(6,181)
 Total Fines and Forfeitures	 133,400	 133,400	 42,783	 (90,617)
OTHER FINANCING SOURCES				
Appropriated Fund Balance	17,371,610	20,535,945	-	(20,535,945)
Operating Transfers In				
Grants	400,000	400,000	-	(400,000)
Capital Project	23,216,000	23,216,000	23,216,000	-
 Total Operating Transfers In	 23,616,000	 23,616,000	 23,216,000	 (400,000)
Issuance of Refunding Bonds	-	78,339,625	64,986,408	(13,353,217)
Premium on Issuance of Bonds	-	-	16,175,700	16,175,700
 Total Other Financing Sources	 40,987,610	 122,491,570	 104,378,108	 (18,113,462)
 Total Revenues and Other Financing Sources	 \$ 595,390,000	 \$ 676,893,960	 \$ 673,555,453	 \$ (3,338,507)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Expenditures, Encumbrances and Other Financing Uses
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2020

Exhibit C-2

	BUDGETED AMOUNTS			ACTUAL EXPENDITURES	VARIANCE POSITIVE (NEGATIVE) APPROPRIATION
	ORIGINAL		FINAL		
	\$	\$	\$		
COUNTY COUNCIL					
Board of Appeals & Rezoning	\$ 170,916	\$ 174,230	\$ 148,029	\$ 26,201	
County Council Office	1,559,275	1,562,403	1,490,750	71,653	
Harford Cable Network	847,161	851,411	769,352	82,059	
Office of County Attorney	312,103	312,103	214,081	98,022	
Office of County Auditor	481,635	481,635	444,052	37,583	
Total County Council	3,371,090	3,381,782	3,066,264	315,518	
GENERAL GOVERNMENT					
Office of the County Executive	776,515	776,515	686,346	90,169	
Director of Administration					
Budget & Management Research	805,080	823,206	704,668	118,538	
Central Services	596,346	600,308	540,260	60,048	
Citizen Affairs & Administrative Services	609,485	609,485	475,851	133,634	
Director of Administration	636,523	639,719	445,647	194,072	
Facilities & Operations	4,965,189	5,013,587	4,624,685	388,902	
Department of Procurement					
Procurement Operations	866,199	871,408	856,531	14,877	
Property Management	3,662,187	3,671,450	3,625,819	45,631	
Department of the Treasury					
Bureau of Accounting	1,827,582	1,849,947	1,716,163	133,784	
Bureau of Revenue Collections	1,093,662	1,107,743	978,269	129,474	
Office of the Treasurer	878,719	887,050	730,486	156,564	
Department of Law					
Department of Law	2,107,171	2,145,894	1,948,163	197,731	
Risk Management	265,662	268,193	194,445	73,748	
Department of Planning & Zoning					
Comprehensive Planning and Special Projects	1,295,714	1,315,991	1,134,104	181,887	
Current Planning	1,976,468	2,013,612	1,963,738	49,874	
Director of Planning & Zoning	718,143	718,188	600,793	117,395	
Department of Personnel					
Human Resources	1,049,117	1,062,511	1,022,942	39,569	
Personnel Matters	1,234,300	2,134,300	1,635,647	498,653	
Office of Government & Community Relations	620,271	623,701	527,521	96,180	
Office of Information and Communication Technology	10,963,694	11,000,427	10,508,033	492,394	
Elections					
Board of Elections	1,115,853	1,115,853	985,904	129,949	
Election Expense	1,539,167	1,539,167	809,470	729,697	
Economic Development					
Office of Economic Development	2,057,728	2,069,008	1,644,273	424,735	
Harford Transit	859,228	861,772	264,349	597,423	
Tourism & Marketing	2,080,000	2,080,000	2,028,859	51,141	

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Expenditures, Encumbrances and Other Financing Uses
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2020
(continued)

Exhibit C-2

	BUDGETED AMOUNTS		ACTUAL EXPENDITURES	VARIANCE POSITIVE (NEGATIVE) APPROPRIATION
	ORIGINAL	FINAL		
GENERAL GOVERNMENT (continued)				
Benefits	9,671,601	9,671,601	9,512,787	158,814
Insurance	697,088	697,088	697,088	-
Miscellaneous				
Appropriations to Towns	3,606,825	3,606,825	3,606,825	-
Appropriations to State	1,120,000	1,120,000	985,907	134,093
Contingency Reserve	100,000	100,000	-	100,000
Humane Society	950,000	950,000	950,000	-
Total General Government	60,745,517	61,944,549	56,405,573	5,538,976
EDUCATION-PRIMARY THRU COMMUNITY COLLEGE				
Harford County Public Schools	256,465,645	256,465,645	256,465,645	-
Harford Community College	17,147,844	17,147,844	17,147,844	-
Total Education-Primary thru Community College	273,613,489	273,613,489	273,613,489	-
HARFORD CENTER	588,303	588,303	588,303	-
JUDICIAL				
Circuit Court	1,835,799	1,931,972	1,878,343	53,629
Community Work Service	359,506	364,221	359,582	4,639
Family Court Services Division	656,303	657,946	630,140	27,806
Grand Jury	14,000	14,000	8,400	5,600
Jury Commissioner	281,300	285,574	270,872	14,702
Jury Services	278,000	201,864	179,846	22,018
Masters	221,563	228,646	217,869	10,777
State's Attorney	6,339,048	6,406,328	6,055,970	350,358
Total Judicial	9,985,519	10,090,551	9,601,022	489,529
LIBRARIES	17,804,908	17,804,908	17,804,908	-
PARKS, RECREATION AND NATURAL RESOURCES				
Department of Parks and Recreation				
Parks and Facilities	6,548,807	6,596,156	5,276,443	1,319,713
Parks & Recreation Administration	1,276,555	1,286,388	1,183,791	102,597
Recreational Services	2,858,912	2,908,154	2,828,977	79,177
Conservation of Natural Resources				
Extension Service	269,377	269,377	264,646	4,731
Soil Conservation	538,506	545,751	523,256	22,495
Total Parks, Recreation and Natural Resources	11,492,157	11,605,826	10,077,113	1,528,713

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Expenditures, Encumbrances and Other Financing Uses
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2020
(continued)

Exhibit C-2

	BUDGETED AMOUNTS		ACTUAL EXPENDITURES	VARIANCE POSITIVE (NEGATIVE) APPROPRIATION
	ORIGINAL	FINAL		
PUBLIC SAFETY				
Sheriff's Office				
Administration	6,953,931	7,353,520	6,423,830	929,690
Correctional Services	26,163,217	25,959,065	25,192,997	766,068
Court Services	7,461,503	8,139,701	8,085,505	54,196
Criminal Investigation	10,795,343	10,924,557	10,806,668	117,889
Inmate Welfare Fund	881,623	882,961	862,912	20,049
Patrol Operations	32,423,466	32,886,527	32,695,623	190,904
Department of Inspections, Licenses and Permits				
Building Services	1,164,755	1,172,006	1,099,090	72,916
Director of DILP	805,401	817,817	797,199	20,618
Electrical Services	745,731	760,072	729,227	30,845
Plumbing Services	674,924	682,972	673,115	9,857
Emergency Operations				
Administration	1,912,758	1,886,246	1,755,486	130,760
Emergency Medical Services	6,361,836	6,444,836	6,430,315	14,521
HAZMAT Response Team	485,370	485,370	373,025	112,345
Natural Disasters	100,000	100,000	-	100,000
Rescue Support	272,967	272,967	201,908	71,059
Special Operations & Technical Services & Support	2,499,132	2,510,191	2,460,298	49,893
Volunteer Fire Companies	7,037,245	7,037,245	7,033,473	3,772
911 Emergency Communications	7,253,027	7,323,006	6,821,891	501,115
Total Public Safety	<u>113,992,229</u>	<u>115,639,059</u>	<u>112,442,562</u>	<u>3,196,497</u>
PUBLIC WORKS				
Department of Public Works				
Bureau of Environmental Affairs	169,740	177,200	177,045	155
Bureau of Solid Waste Management	6,234,980	7,232,694	6,293,065	939,629
Capital Projects Management	939,010	949,927	743,071	206,856
Closed Landfills - Post Closure Costs	223,160	224,394	224,394	-
Stormwater Management	1,501,551	1,530,613	1,473,501	57,112
Transfer Station	12,370,000	11,368,480	10,959,003	409,477
Total Public Works	<u>21,438,441</u>	<u>21,483,308</u>	<u>19,870,079</u>	<u>1,613,229</u>
SOCIAL SERVICES				
Department of Community Services				
Director - Community Services	2,156,037	2,167,459	1,906,473	260,986
Office of Drug Control	1,278,141	1,283,814	1,043,445	240,369
Office on Aging	1,883,593	1,905,381	1,428,750	476,631
ARC Northern Chesapeake Region	1,866,522	1,866,522	1,866,522	-
Housing Agency Services	1,422,696	1,428,026	988,925	439,101
Health Department	3,815,987	3,815,987	3,796,962	19,025
Total Social Services	<u>12,422,976</u>	<u>12,467,189</u>	<u>11,031,077</u>	<u>1,436,112</u>

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Expenditures, Encumbrances and Other Financing Uses
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2020
(continued)

Exhibit C-2

	BUDGETED AMOUNTS		ACTUAL EXPENDITURES	VARIANCE POSITIVE (NEGATIVE) APPROPRIATION
	ORIGINAL	FINAL		
DEBT SERVICE				
Debt Service - Principal	37,601,935	37,601,935	37,601,935	-
Debt Service - Interest	18,071,015	18,071,015	18,067,650	3,365
Debt Service - Administration Costs	640,000	953,885	805,276	148,609
Total Debt Service	56,312,950	56,626,835	56,474,861	151,974
OTHER FINANCING USES				
Operating Transfers Out				
Grant	3,799,821	3,799,821	2,828,344	971,477
Capital Project	9,822,600	9,822,600	9,772,600	50,000
Total Operating Transfers Out	13,622,421	13,622,421	12,600,944	1,021,477
Payment to Escrow Agent for Refunding	-	78,025,740	78,025,740	-
Total Other Financing Uses	13,622,421	91,648,161	90,626,684	1,021,477
Total Expenditures and Other Financing Uses	<u>\$ 595,390,000</u>	<u>\$ 676,893,960</u>	<u>\$ 661,601,935</u>	<u>\$ 15,292,025</u>

Special Revenue Fund

HARFORD COUNTY, MARYLAND
Highways Special Revenues Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2020

Exhibit D-1

	\$	ESTIMATED REVENUES		\$	ACTUAL REVENUES	\$	VARIANCE POSITIVE (NEGATIVE) ESTIMATED REVENUES
		ORIGINAL	FINAL				
TAXES							
Business Personal Property/Current Year	\$ 62,500	\$ 62,500		\$ 57,496	\$ (16)		(5,004)
Business Personal Property/Prior Years	(2,500)	(2,500)					2,484
Corporate Property/Current Year	2,145,000	2,145,000		1,952,340			(192,660)
Corporate Property/Prior Years	(85,000)	(85,000)		(34,623)			50,377
Interest on Delinquent Taxes	140,000	140,000		101,843			(38,157)
Payment in Lieu of Taxes	229,000	229,000		210,968			(18,032)
Penalty	128,000	128,000		141,582			13,582
Railroad and Public Utilities/Current Year	2,051,000	2,051,000		2,262,295			211,295
Railroad and Public Utilities/Prior Years	(1,000)	(1,000)		-			1,000
Real Property-Full Year Levy/Current Year	34,875,000	34,875,000		35,119,186			244,186
Real Property-Full Year Levy/Prior Years	(25,000)	(25,000)		114			25,114
Real Property-Half Year Levy/Current Year	53,000	53,000		96,934			43,934
Real Property-Half Year Levy/Prior Years	(3,000)	(3,000)		-			3,000
	<u>39,567,000</u>	<u>39,567,000</u>		<u>39,908,119</u>			<u>341,119</u>
Less: Tax Credits and Uncollectibles							
AG Preservation Tax Credit	(200,000)	(200,000)		(214,886)			(14,886)
Enterprise Zone Tax Credits	(111,000)	(111,000)		(143,451)			(32,451)
Discount Allowed	-	-		315			315
Homeowner's Tax Credit - County	(38,000)	(38,000)		(30,616)			7,384
Community Association Credit	(700)	(700)		(681)			19
Conservation Land Tax Credit	(300)	(300)		(285)			15
Historical Tax Credit	(100)	(100)		(535)			(435)
Homestead Tax Credit - County	3,000	3,000		(29,581)			(32,581)
Landfill Proximity Credit	(9,100)	(9,100)		(9,221)			(121)
Senior/Retired Military Credit	(260,000)	(260,000)		(224,795)			35,205
Solar Energy Credit	(66,000)	(66,000)		(60,563)			5,437
Surviving Spouse -Falling Hero Credit	(800)	(800)		(870)			(70)
Habitat For Humanity Credit	(500)	(500)		(164)			336
Uncollectible Property Taxes	41,000	41,000		8,805			(32,195)
	<u>(642,500)</u>	<u>(642,500)</u>		<u>(706,528)</u>			<u>(64,028)</u>
Total Taxes	<u>38,924,500</u>	<u>38,924,500</u>		<u>39,201,591</u>			<u>277,091</u>
REVENUES FROM OTHER AGENCIES							
DNR Parks Pilot	20,000	20,000		8,293			(11,707)
Highways Users Tax	3,000,000	3,000,000		2,553,884			(446,116)
Total Revenues from Other Agencies	<u>3,020,000</u>	<u>3,020,000</u>		<u>2,562,177</u>			<u>(457,823)</u>
INVESTMENT INCOME							
	<u>300,000</u>	<u>300,000</u>		<u>305,961</u>			<u>5,961</u>

(continued)

HARFORD COUNTY, MARYLAND
Highways Special Revenues Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2020

(continued)

Exhibit D-1

	ESTIMATED ORIGINAL	REVENUES FINAL	ACTUAL REVENUES	VARIANCE POSITIVE (NEGATIVE) ESTIMATED REVENUES
CHARGES FOR CURRENT SERVICES				
Auto Maintenance - Contract	55,000	55,000	50,995	(4,005)
Auto Maintenance - Non-Contract	11,000	11,000	8,609	(2,391)
Fuel Charges - County	216,000	216,000	444,687	228,687
Inspections	148,000	148,000	151,373	3,373
Onsite Inspection Fees	97,000	97,000	108,246	11,246
Recycled Scrap Metal	3,300	3,300	2,721	(579)
Reproduction	100	100	48	(52)
Road Access Permit Fees	19,000	19,000	22,155	3,155
Signs and Linestriping	31,000	31,000	24,139	(6,861)
Technical Review	9,000	9,000	17,518	8,518
Utility Permit Fees	31,000	31,000	73,500	42,500
Total Charges for Current Services	<u>620,400</u>	<u>620,400</u>	<u>903,991</u>	<u>283,591</u>
MISCELLANEOUS				
Director of DPW - Stormwater	9,000	9,000	6,585	(2,415)
Director of DPW - Water and Sewer	212,996	212,996	212,995	(1)
Fleet Lease Revenue	3,200	3,200	1,639	(1,561)
Fuel Charges	1,880,000	1,880,000	1,884,808	4,808
Interest on Miscellaneous Invoices	3,400	3,400	947	(2,453)
Over and Short	-	-	10	10
Miscellaneous Revenue	3,500	3,500	31,473	27,973
Recovery from Capital Projects	812,000	812,000	798,736	(13,264)
Reimbursement from Other Departments	27,000	27,000	22,361	(4,639)
Reimbursement of AG Credit	200,000	200,000	214,891	14,891
Sale of Property - Vehicles	274,000	274,000	224,753	(49,247)
Vehicle Maintenance - Contract	2,607,000	2,607,000	2,904,440	297,440
Vehicle Maintenance - Non Contract	694,000	694,000	920,942	226,942
Total Miscellaneous	<u>6,726,096</u>	<u>6,726,096</u>	<u>7,224,580</u>	<u>498,484</u>
FINES AND FORFEITURES				
Vegetation Violations	41,000	41,000	12,321	(28,679)
Total Fines and Forfeitures	<u>41,000</u>	<u>41,000</u>	<u>12,321</u>	<u>(28,679)</u>
OTHER FINANCING SOURCES				
Appropriated Fund Balance	5,753,004	6,532,245	-	(6,532,245)
Premium on Issuance of Bonds	-	-	984,512	984,512
Total Other Financing Sources	<u>5,753,004</u>	<u>6,532,245</u>	<u>984,512</u>	<u>(5,547,733)</u>
Total Special Revenue Fund Revenues and Other Financing Sources	\$ <u>55,385,000</u>	\$ <u>56,164,241</u>	\$ <u>51,195,133</u>	\$ <u>(4,969,108)</u>

HARFORD COUNTY, MARYLAND
Highways Special Revenues Fund
Schedule of Expenditures, Encumbrances and Other Financing Uses
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2020

Exhibit D-2

	BUDGETED AMOUNTS		ACTUAL EXPENDITURES	VARIANCE POSITIVE(NEGATIVE) APPROPRIATION
	ORIGINAL	FINAL		
PUBLIC WORKS				
Benefits	\$ 1,209,707	\$ 1,209,707	\$ 1,168,962	\$ 40,745
Bureau of Construction Management	2,225,392	2,259,016	2,081,588	177,428
Bureau of Highways Engineering	2,419,353	2,471,775	2,196,414	275,361
Bureau of Highways Maintenance	22,126,546	22,432,958	21,372,385	1,060,573
Contingency	200,000	200,000	-	200,000
Director of Public Works	335,004	335,003	326,733	8,270
Fleet Management	9,191,903	9,194,050	6,454,255	2,739,795
Personnel Matters	297,246	797,246	452,646	344,600
Snow Removal	2,552,198	2,346,835	471,404	1,875,431
Insurance	233,966	233,966	233,966	-
Total Public Works	<u>40,791,315</u>	<u>41,480,556</u>	<u>34,758,353</u>	<u>6,722,203</u>
DEBT SERVICE				
Principal	688,788	688,788	688,788	-
Interest	405,919	405,919	405,806	113
Administrative Costs	30,000	120,000	100,522	19,478
Total Debt Service	<u>1,124,707</u>	<u>1,214,707</u>	<u>1,195,116</u>	<u>19,591</u>
OTHER FINANCING USES				
Transfers Out-Capital Projects	<u>13,468,978</u>	<u>13,468,978</u>	<u>13,468,978</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 55,385,000</u>	<u>\$ 56,164,241</u>	<u>\$ 49,422,447</u>	<u>\$ 6,741,794</u>

HARFORD COUNTY, MARYLAND
Schedule of Revenues, Expenditures, Encumbrances
And Changes In Fund Balance
Budget Basis (Non-GAAP) vs. Actual
Parks and Recreation Special Revenue Fund
For The Year Ended June 30, 2020

Exhibit D-3

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Investment Income	\$ 2,500	\$ 2,500	\$ 3,704	\$ 1,204
Charges for Current Services	<u>797,000</u>	<u>797,000</u>	<u>562,166</u>	<u>(234,834)</u>
Total Revenues	<u>799,500</u>	<u>799,500</u>	<u>565,870</u>	<u>(233,630)</u>
EXPENDITURES				
Parks, Recreation and Natural Resources	920,000	921,969	588,385	333,584
Total Expenditures	<u>920,000</u>	<u>921,969</u>	<u>588,385</u>	<u>333,584</u>
Excess of Revenues Over Expenditures	<u>(120,500)</u>	<u>(122,469)</u>	<u>(22,515)</u>	<u>99,954</u>
OTHER FINANCING SOURCES				
Appropriated Fund Balance	220,500	222,469	122,515	(99,954)
Transfers (Out)	<u>(100,000)</u>	<u>(100,000)</u>	<u>(100,000)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>120,500</u>	<u>122,469</u>	<u>22,515</u>	<u>(99,954)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
Less: Appropriated Fund Balance			(122,515)	
Fund Balance - Beginning			<u>254,455</u>	
Fund Balance - Ending			<u>\$ 131,940</u>	

HARFORD COUNTY, MARYLAND
Schedule of Revenues, Expenditures, Encumbrances
And Changes In Fund Balance
Budget Basis (Non-GAAP) vs. Actual
Stormwater Management Fund
For The Year Ended June 30, 2020

Exhibit D-4

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes	\$ 2,667,200	\$ 2,667,200	\$ 3,079,240	\$ 412,040
Investment Income	65,800	65,800	143,795	77,995
Total Revenues	<u>2,733,000</u>	<u>2,733,000</u>	<u>3,223,035</u>	<u>490,035</u>
EXPENDITURES				
Public Works	1,985,000	1,985,000	1,143,934	841,066
Total Expenditures	<u>1,985,000</u>	<u>1,985,000</u>	<u>1,143,934</u>	<u>841,066</u>
Debt Service	758,000	758,000	716,377	41,623
Excess of Revenues Over Expenditures	(10,000)	(10,000)	1,362,724	1,372,724
OTHER FINANCING SOURCES				
Appropriated Fund Balance	460,000	460,000	-	(460,000)
Transfers (Out)	(450,000)	(450,000)	(450,000)	-
Premium on Issuance on Bonds	-	-	389,378	389,378
Total Other Financing Sources (Uses)	<u>10,000</u>	<u>10,000</u>	<u>(60,622)</u>	<u>(70,622)</u>
Net Change in Fund Balance	\$ -	\$ -	1,302,102	\$ 1,302,102
Fund Balance - Beginning			8,749,353	
Fund Balance - Ending			\$ 10,051,455	

Debt Service Fund

HARFORD COUNTY, MARYLAND
Schedule of Revenues, Expenditures, Encumbrances
And Changes In Fund Balances
Budget Basis (Non-GAAP) vs. Actual
Debt Service Fund
For The Year Ended June 30, 2020

Exhibit E-1

	Budgeted Amounts			Variance With Final Budget Positive (Negative)
	Original	Final	Actual Amounts	
REVENUES				
Taxes	\$ 1,144,000	1,144,000	\$ 1,034,236	\$ (109,764)
Investment Income	23,000	23,000	32,640	9,640
Total Revenues	<u>1,167,000</u>	<u>1,167,000</u>	<u>1,066,876</u>	<u>(100,124)</u>
EXPENDITURES				
Debt Service	1,167,000	1,167,000	1,129,247	37,753
Total Expenditures	<u>1,167,000</u>	<u>1,167,000</u>	<u>1,129,247</u>	<u>37,753</u>
Excess/(Deficiency) of Revenues Over Expenditures	-	-	(62,371)	(62,371)
Other Financing Sources				
Appropriated Fund Balance	-	-	62,371	62,371
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>62,371</u>	<u>62,371</u>
Net Change in Fund Balances	\$ -	\$ -	-	\$ -
Less: Appropriated Fund Balance			(62,371)	
Fund Balance - Beginning			2,623,170	
Fund Balance - Ending			\$ 2,560,799	

Capital Projects Fund

Harford County, Maryland
General County Capital Projects Funds
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2020

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
GENERAL COUNTY			
Reforestation Proceeds	\$ 680,000	\$ 372,187	\$ 307,813
Facilities Repair Program	31,012,301	24,397,386	6,614,915
County Facility System Security Access/Fuel Dispensing	1,415,000	854,715	560,285
Site Acquisition	24,757,761	19,725,952	5,031,809
Stormwater Enhancement	900,000	693,956	206,044
Sunnyview Stream Restoration	4,692,220	525,625	4,166,595
Courthouse Building Repairs	10,034,900	8,961,843	1,073,057
Reforestation Proceeds-Critical Area	100,000	63,879	36,121
Wheel Creek Watershed Restoration	6,989,607	6,244,762	744,845
Humane Society	7,050,000	6,155,403	894,597
Safeguarding Business Operations	17,525,400	13,972,233	3,553,167
Bynum Run at St Andrews Way Stream Restoration	2,997,026	1,839,630	1,157,396
Fleet Replacement	13,040,000	12,289,291	750,709
Refresh Program	3,353,478	3,038,045	315,433
Joppatowne Area Watershed Restoration	5,800,000	1,901,104	3,898,896
Plumtree Run Watershed Restoration	7,643,452	5,379,925	2,263,527
Sams Branch Watershed Restoration	3,772,922	1,882,658	1,890,264
Stormwater Pollution Prevention	1,181,395	1,118,205	63,190
HMAN (Harford County Metro Area Network)	16,280,000	15,113,133	1,166,867
Efficiency Capital Investment Projects	1,160,400	444,490	715,910
Lilly Run Watershed Restoration	725,000	86,445	638,555
* Repairs to 45 S Main Street Building	100,000	99,489	511
* 45 South Main-Add Emergency Power System	600,000	600,000	-
Underground/Aboveground Storage Tank Management	1,144,000	607,083	536,917
Maintenance/Repair of Dams	2,455,000	534,754	1,920,246
MD 924 Small Area Corridor Plan	300,000	214,873	85,127
Riverside Area Watershed Restoration	3,585,886	280,214	3,305,672
Fleet Maintenance Facility	15,346,000	2,192,910	13,153,090
Harford County Agricultural Research and Exposition Center	1,600,000	1,320,523	279,477
County Owned Watershed Restoration Improvements	10,800,000	5,573,730	5,226,270
Watershed Restoration Assessment	6,500,000	4,212,587	2,287,413
Watershed Restoration Improvements	3,450,000	732,097	2,717,903
Watershed Restoration Maintenance	460,000	460,000	-
* Aberdeen Library Roof and Windows	388,000	383,626	4,374
Septic System Disconnection	200,000	165,747	34,253
Edgewood Library Roof Replacement	221,400	169,806	51,594
Harford Cable Network High Definition Upgrade	600,000	433,396	166,604
County Owned Stormwater Management Rehabilitation and Repair	250,000	-	250,000
Upper Bynum Run Watershed Restoration Improvements	2,000,000	239,855	1,760,145
Middle Bynum run Watershed Restoration Improvements	200,000	-	200,000
Abingdon Library Window Replacement	1,259,000	1,057,000	202,000

(continued)

Harford County, Maryland
General County Capital Projects Funds
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2020

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
GENERAL COUNTY (continued)			
Board of Education-Debt Service FY20	23,216,000	23,216,000	-
Hazard/Flood Mitigation Service	500,000	-	500,000
1201 Technology Drive	2,000,000	27,865	1,972,135
Maintenance/Repair of Dams	895,000	679,527	215,473
Total General County	239,181,148	168,261,949	70,919,199
EDUCATION			
Fire Alarm/Emergency Communications	1,137,000	928,581	208,419
* Furniture & Equipment	954,950	754,950	200,000
School Buses Fiscal Year 2002	11,699,197	10,212,354	1,486,843
Athletic Fields Repair/Renovations	577,000	517,649	59,351
Aberdeen High School North/Center For Career Opportunity	665,000	567,053	97,947
Backflow Prevention	450,000	339,509	110,491
Security Cameras	1,871,600	942,688	928,912
Integrated Business Systems	403,000	392,126	10,874
* New Elementary Capital/Vale Rd/Red Pump Elementary	29,330,080	28,080,080	1,250,000
Textbook Refresh (Math)	6,210,000	2,505,359	3,704,641
ADA Improvements	800,000	562,815	237,185
HVAC Major Repairs	7,581,682	5,460,187	2,121,495
Roofing Replacement	1,146,300	1,146,300	-
Youth's Benefit Elementary School	38,611,866	38,578,957	32,909
* Homestead Wakefield Elementary School Modernization	132,454	32,454	100,000
Relocatable Classrooms	1,066,000	188,000	878,000
Septic Pre-Treatment for Code Upgrade	2,167,926	842,513	1,325,413
Energy Efficiency Initiative Projects	114,316	-	114,316
Fallston High School HVAC Project	7,673,940	7,673,236	704
Havre de Grace High School Replacement	77,474,000	58,285,801	19,188,199
Joppatowne High School Systemic Project	7,400,000	2,120,783	5,279,217
Music Equipment Refresh Program	50,000	47,524	2,476
Playground Equipment	350,000	350,000	-
Security Initiative	640,000	638,669	1,331
Darlington Elementary School Comprehensive HVAC	1,449,948	1,344,136	105,812
North Harford Middle School Domestic Water Improvement	1,000,000	479,223	520,777
Technology Infrastructure	5,258,217	4,848,231	409,986
Center for Educational Opportunity-Air Conditioning	2,200,000	2,175,733	24,267
Prospect Mill Elementary School HVAC	2,294,000	2,294,000	-
Technology Education Lab Refresh	250,000	75,068	174,932
Riverside Elementary School HVAC Systemic Renovation	4,097,607	4,052,876	44,731

(continued)

Harford County, Maryland
General County Capital Projects Funds
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2020

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
EDUCATION (continued)			
* Roof Replacement Joppatowne High School	889,207	889,207	-
* William Paca/Old Post Elementary School Open Space Enclosure	1,261,000	1,261,000	-
* William S. James Elementary School Open Space Enclosure	691,000	691,000	-
Bel Air Elementary HVAC Systemic Renovation and Open Space Enclosure	3,485,000	3,327,373	157,627
North Harford High School Aquaculture Lab and Greenhouse	830,000	792,299	37,701
Swimming Pool Renovations	1,020,887	843,669	177,218
Roof Replacement-North Harford Elementary School	495,000	444,342	50,658
Fallston Chiller Replacement	446,000	371,906	74,094
Roof Replacement - Aberdeen Middle School	1,605,000	1,405,278	199,722
George D Lisby HVAC Systemic Renovation	4,840,000	1,102,022	3,737,978
North Bend Elementary School Central Plant and Fire Alarm	1,054,500	120,127	934,373
Roof Replacement - Hickory Elementary School	833,250	24,708	808,542
Roye Williams HVAC Systemic Renovation	6,743,000	1,121,530	5,621,470
Special Education Facilities Improvements	842,000	43,531	798,469
HCPS Facilities Repair Program	486,480	227,588	258,892
* North Harford High School Modernization	31,840,781	31,840,781	-
Total Education	272,419,188	220,943,216	51,475,972
FIRE/SAFETY			
Computer Equipment/Networks	2,241,742	2,238,827	2,915
New Emergency Operations Center Complex	37,494,525	34,699,520	2,795,005
Public Safety Communication in School Buildings	750,000	630,633	119,367
Joppa Magnolia Fire Station Expansion	1,240,000	1,240,000	-
TRT Equipment	160,000	147,697	12,303
Volunteer Fire Company Facility Repair	2,360,000	2,258,121	101,879
* 911 State Fee Fund	600,000	513,378	86,622
SCBA Replacement	1,350,000	1,196,070	153,930
Mobile/Portable Radio Upgrades	2,150,000	806,490	1,343,510
Whiteford Volunteer Fire Company-Renovation of Main Station	1,200,000	350,000	850,000
Aberdeen VFC Main Station Renovation	1,000,000	1,000,000	-
EMS Station	1,500,000	-	1,500,000
Multi-Agency Public Safety Mobile Command Center	1,800,000	-	1,800,000
Next Gen 911	5,150,000	2,089,186	3,060,814
Total Fire/Safety	58,996,267	47,169,922	11,826,345
COMMUNITY COLLEGE			
New Allied Health and Nursing Building	7,891,000	7,891,000	-
Edgewood Hall Renovations	3,464,575	3,464,575	-

(continued)

Harford County, Maryland
General County Capital Projects Funds
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2020

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
COMMUNITY COLLEGE (continued)			
Fallston Hall Renovations	3,375,000	2,615,803	759,197
Chesapeake Welcome Center	1,347,425	-	1,347,425
Total Community College	16,078,000	13,971,378	2,106,622
LIBRARY			
Jarrettsville Library	5,884,000	5,841,309	42,691
Whiteford Library Expansion	4,238,200	4,238,200	-
Darlington Feasibility Study	56,000	33,845	22,155
Havre de Grace Library Expansion	9,020,000	8,541,398	478,602
Technology	1,209,100	1,135,005	74,095
Total Library	20,407,300	19,789,757	617,543
LANDFILL			
Tollgate Landfill Gas System	1,034,679	1,033,333	1,346
Harford County Waste Disposal Center Compost Area Facilities	525,000	49,088	475,912
Harford Waste Disposal Center Landfill Capping	9,445,000	7,977,097	1,467,903
Former Spencers Landfill Closure	6,700,000	4,928,099	1,771,901
Full Cost Accounting Study	300,000	235,040	64,960
Waste to Energy Facility Closure	8,163,753	3,214,858	4,948,895
HWDC Pavement Upgrades	800,000	710,854	89,146
Tollgate Yard Trim Recycling Center 15	975,081	236,844	738,237
Scarboro Landfill Groundwater Treatment Plant	250,000	23,014	226,986
Solid Waste Facilities Repair Program	1,000,000	69,862	930,138
Environmental Studies	1,440,900	1,207,099	233,801
* Future Expansion	21,235,353	19,664,193	1,571,160
Total Landfill	51,869,766	39,349,381	12,520,385
PARKS and RECREATION			
Churchville Complex Development	8,556,830	7,961,223	595,607
Heavenly Waters Park	2,120,000	974,383	1,145,617
Schucks Road Regional Sports Complex	8,110,415	6,038,084	2,072,331
Athletic Field Improvements	15,050,000	14,697,075	352,925
Indoor Recreation Facility	1,474,000	1,111,719	362,281
* Joppatowne Area Dredging	1,090,000	686,840	403,160
Tudor Hall Rehabilitation	610,000	384,894	225,106
Bleacher Renovations	490,000	155,697	334,303
Darlington Park Development	1,985,000	1,543,308	441,692

(continued)

Harford County, Maryland
General County Capital Projects Funds
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2020

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
PARKS and RECREATION (continued)			
Mariner Point Park Renovations	636,000	420,144	215,856
Nuttal Avenue Park Development	500,000	96,215	403,785
Cedar Lane Sports Complex Improvements	2,461,000	1,315,219	1,145,781
Churchville Center Renovations	575,000	355,347	219,653
Eden Mill Park Rehabilitation	1,155,000	737,707	417,293
Facility Renovations	1,205,000	920,265	284,735
Natural Turf Improvements	1,290,000	880,231	409,769
Park Improvements	780,000	532,494	247,506
Park Land Acquisition	11,236,000	2,332,479	8,903,521
Playground Equipment	2,605,000	1,317,144	1,287,856
Anita C. Leight Center Improvements	1,005,000	574,408	430,592
Emmorton Rec and Tennis Center Improvements	1,735,000	1,393,248	341,752
Tennis/Multipurpose Courts	1,290,000	1,101,936	188,064
Equestrian Center Improvements	475,000	309,068	165,932
Backstop Renovations	270,000	23,941	246,059
Emily Bayless Graham Park	2,575,000	1,454,471	1,120,529
Gunpowder River Dredging	2,234,000	1,791,801	442,199
Parking Lot Paving	954,000	859,248	94,752
Rockfield Park Improvements	170,000	61,272	108,728
Trails and Linear Parks	15,600,000	1,704,991	13,895,009
Edgewood Rec and Community Center	225,000	47,844	177,156
Northern Regional Park	575,000	458,454	116,546
ADA Improvements	370,000	257,851	112,149
Debris-Derelict Boats	100,000	-	100,000
Disc Golf Course	50,000	46,791	3,209
Fallston Recreation Complex Improvements	325,000	324,999	1
Robert Copenhaver Park Improvements	300,000	262,396	37,604
SWM Pond Repair and Renovation	710,000	617,068	92,932
Enlarged Gymnasiums	1,200,000	600,000	600,000
Jarrettsville Recreation Center	510,775	223,369	287,406
Swan Harbor Farm Improvements	689,000	479,867	209,133
Canoe and Kayak Water Access	880,000	535,764	344,236
Flying Point Park Improvements	403,000	403,000	-
Francis Silver Park Improvements	425,000	-	425,000
Heavenly Waters Park-Soma	100,000	99,790	210
Harford Center for the Arts	50,000	-	50,000

(continued)

Harford County, Maryland
General County Capital Projects Funds
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2020

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
PARKS and RECREATION (continued)			
Demarco Memorial Park Improvements	40,000	-	40,000
Tollgate Woodshop	40,000	2,869	37,131
Bush River Dredging and DMP Site	990,000	279,243	710,757
Edgeley Grove Farm	140,000	17,600	122,400
Facility Renovations	425,000	188,107	236,893
Forest Hill Recreation Complex Improvements	800,000	-	800,000
Fox Meadows Park Improvements	450,000	181,741	268,259
Gymnasium Floor Repair and Renovation	185,000	40,147	144,853
Park Improvements	130,000	69,691	60,309
Edgewood Recreation Park	50,000	-	50,000
Rock Glenn Park	1,300,000	110,526	1,189,474
Dog Parl Construction and Improvements	90,000	46,054	43,946
Norrisville Park	125,000	103,283	21,717
Otter Point Creek Boat Launch	560,000	-	560,000
Mariner Point Park-DMP Site Remediation	100,000	99,575	425
Total Parks and Recreation	100,575,020	57,230,881	43,344,139
HIGHWAYS-ROADS			
Glen Elyn Culvert and Ponds Repair	392,500	392,500	-
Tollgate Road/West Ring Factory-Plumtree	7,423,439	5,729,347	1,694,092
Facilities Repair Program	1,107,000	1,083,340	23,660
Primrose Place	146,000	132,605	13,395
Culvert Rehabilitation	4,730,000	4,620,094	109,906
Intersection Improvements	4,366,728	3,684,749	681,979
Village of Scot's Fancy-Starmount Lane	750,000	715,128	34,872
Shucks Road Improvements	1,043,368	737,382	305,986
Drainage Improvements	1,575,000	1,531,614	43,386
Fuel Dispensing System Upgrade	950,000	949,273	727
Storm Drain Rehabilitation	1,766,231	1,664,121	102,110
Sidewalks and Handicapped Ramps	1,529,300	1,232,216	297,084
Traffic Calming and Road Safety Improvements	700,000	645,467	54,533
Safeguarding Business Operations	3,637,450	3,243,774	393,676
Fleet Replacement	14,142,000	13,955,732	186,268
700 MHZ Wireless Radio System Equipment	1,600,000	1,600,000	-
Efficiency Capital Investment Project	315,000	90,515	224,485
Guardrails Fiscal Year 2013	925,000	860,595	64,405
HMAN (Harford County Metro Area Network)	930,000	925,902	4,098
New Roads and Storm Drains	2,625,000	1,426,707	1,198,293

(continued)

Harford County, Maryland
General County Capital Projects Funds
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2020

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
HIGHWAYS-ROADS (continued)			
Refresh Program	690,500	512,512	177,988
Resurfacing Roadways	6,661,509	6,661,509	-
Landis Circle-Foxborough Farm	350,000	255,377	94,623
Traffic Signals 15	109,601	6,160	103,441
Resurfacing Roadways	5,603,106	5,597,000	6,106
Resurfacing Roadways	5,292,842	4,909,020	383,822
APG Gate Pilot	2,500,000	2,105,686	394,314
Resurfacing Roadways	5,002,435	4,526,868	475,567
Resurfacing Roadways	20,943,262	14,470,168	6,473,094
Fleet Maintenance Facility	6,226,000	561,437	5,664,563
Spesutia Road Reconstruction/Upgrade	750,000	375,578	374,422
Salt Dome	50,000	-	50,000
Trimble Road (Joppa Road to Garnett Road)	25,000	-	25,000
Woodley Road Extension to MD 715	1,250,000	7,147	1,242,853
Moores Mill Road	10,363,088	9,499,189	863,899
Total Roads	116,471,359	94,708,712	21,762,647
HIGHWAYS-BRIDGES			
Bridge Inspection Program	3,640,000	3,635,800	4,200
Bridge Rehabilitation	2,850,000	2,850,000	-
Road and Bridge Scour Repairs	1,725,000	1,519,692	205,308
Snake Lane Bridge #31	1,095,000	1,077,917	17,083
Carrs Mill Road Bridge	2,575,000	2,199,488	375,512
Glen Cove Road Bridge #156	1,550,000	960,653	589,347
Robinson Mill Road Bridge #154	2,115,000	2,009,692	105,308
Abingdon Road Bridge #169 Over CSX	1,830,000	667,374	1,162,626
Chestnut Hill Bridge #40	1,905,000	592,472	1,312,528
Phillips Mill Road Bridge #70	3,550,000	493,858	3,056,142
Bridge Rehabilitation	5,216,381	2,914,373	2,302,008
Green Road Bridge #122	1,119,087	1,015,449	103,638
Bridge Painting	500,000	489,508	10,492
Fawn Grove Road Bridge #132	10,000	5,467	4,533
New Park Road Bridge #125	1,100,000	1,022,725	77,275
Stafford Road Bridge	605,000	390,469	214,531
Glenville Road Bridge #30	410,000	8,707	401,293
Johnson Mill Road Bridge #45	350,000	199,077	150,923
Bridge Inspection Program	1,200,000	983,160	216,840
Pleasantville Road Bridge #60	225,000	225,000	-

(continued)

Harford County, Maryland
General County Capital Projects Funds
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2020

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
HIGHWAYS-BRIDGES (continued)			
Bridge Inspection Program-Under 20' Spans	100,000	-	100,000
Grier Nursery Road Bridge #43	500,000	1,680	498,320
Hookers Mill Road Bridge #13	500,000	-	500,000
Structural Evaluation	470,000	420,010	49,990
Total Bridges	<u>35,140,468</u>	<u>23,682,571</u>	<u>11,457,897</u>
Total Highways	<u>151,611,827</u>	<u>118,391,283</u>	<u>33,220,544</u>
 Total All Projects	 911,138,516	 685,107,767	 226,030,749
 *Less Closed Projects	 (89,112,825)	 (85,496,998)	 (3,615,827)
 Total Capital Project Funds	 <u>\$ 822,025,691</u>	 <u>\$ 599,610,769</u>	 <u>\$ 222,414,922</u>

Enterprise Fund

HARFORD COUNTY, MARYLAND
Water and Sewer Fund
Schedule of Capital Projects, Appropriations, and Expenditures
For the Year Ended June 30, 2020

Exhibit G-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
SEWER PROJECTS			
Bush Creek Pump Station 4th Pump	\$ 28,400,000	\$ 26,112,345	2,287,655
Utility Protection/Restoration	1,100,000	215,880	884,120
Infiltration & Inflow	3,400,000	1,374,433	2,025,567
Bynum Run Parallel Phase 6 & 7	9,120,324	7,614,701	1,505,623
Edgewood Interceptor Sewer Parallel	650,000	181,806	468,194
Infiltration & Inflow	550,000	294,653	255,347
Sod Run Facility Improvements	5,400,000	1,497,329	3,902,671
Renewal and Replacement - Sewer	1,100,000	609,909	490,091
Bill Bass Pump Station Force main Replacement	900,384	386,974	513,410
* Harford Waste Water Treatment Plant Facility Improvements	885,000	789,238	95,762
Oaklyn Manor/Joppa Area Sewer Relief	1,950,300	1,464,291	486,009
Town Center Drive Pump Station	585,000	64,081	520,919
* Ring Factory Pump Station and Fairwind Farms Abandonment	1,465,000	1,402,705	62,295
Bynum Ridge Sewer Replacement	800,000	639,972	160,028
Bio Solids Facilities Enhancements	8,900,000	5,135,574	3,764,426
Fallston Sanitation Sub-District Sewer Capacity Study	300,000	206,889	93,111
Brentwood Park Pumping Station Improvements	1,450,000	170,321	1,279,679
Delta Wastewater Treatment Plan Upgrades	225,000	-	225,000
Inventory Storage Control and Improvements	385,000	42,712	342,288
Pumping Station Improvements	465,000	6,429	458,571
Sod Run Wastewater Treatment Plant Ultraviolet Disinfection Project	3,200,000	137,801	3,062,199
Fallston Area Sewer	3,800,000	-	3,800,000
Freys Road Sewer Petition	800,000	-	800,000
Hickory Sewer Infrastructure Improvement Project	3,000,000	-	3,000,000
Magnolia Sewer Petition	85,000	1,008	83,992
Woodridge Sewer Petition	385,000	-	385,000
Total Sewer Projects	79,301,008	48,349,051	30,951,957
WATER PROJECTS			
* Abingdon Water Treatment Plant Expansion	76,535,000	75,986,192	548,808
Abingdon Road Water Main Parallel	3,300,000	271,540	3,028,460
Magnolia Booster Station	1,450,000	171,222	1,278,778
* Water Construction Unanticipated	300,000	231,147	68,853
City of Baltimore Deer Creek Pump Station	3,700,000	3,101,041	598,959
City of Baltimore Raw Water Supply	3,300,000	1,221,539	2,078,461
Renewal and Replacement Water	1,700,000	245,409	1,454,591
Water Meter Upgrade	1,710,000	1,472,076	237,924
Water Zone Improvements	830,000	334,502	495,498

(continued)

HARFORD COUNTY, MARYLAND
Water and Sewer Fund
Schedule of Capital Projects, Appropriations, and Expenditures
For the Year Ended June 30, 2020

(continued)

Exhibit G-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
WATER PROJECTS (continued)			
Replacement of Water Booster Station	2,250,000	195,295	2,054,705
Water Construction Unanticipated	460,000	220,442	239,558
* Tank Painting FY15	800,000	753,012	46,988
U.S. 40 and Rt. 159 SHA Water Relocation	3,900,000	3,256,330	643,670
Tank Painting FY16	700,000	697,339	2,661
Water System Model Study	300,000	295,144	4,856
Tank Painting FY17	2,400,000	270,671	2,129,329
Infrastructure Management	425,000	183,554	241,446
Perryman GAC Plant Improvements	1,000,000	90,034	909,966
Perryman Wellfield Improvement	350,000	-	350,000
Abingdon Water Treatment Plant PH Control System	2,750,000	12,132	2,737,868
Havre de Grace Water Treatment Plant Upgrade	1,150,000	9,742	1,140,258
SCADA Information Management Systems	1,100,000	8,076	1,091,924
U.S. 40 Water Main Replacement	200,000	-	200,000
Water and Sewer Infrastructure Improvement Project	1,100,000	-	1,100,000
Water Tank Design and Construction	300,000	-	300,000
Abingdon Water Treatment Plant Switch Gear/Generator	150,000	20,942	129,058
Central W&S Laboratory	85,000	50,181	34,819
Oak Grove Booster Station	330,000	-	330,000
Water and Sewer Facilities Repair Program	250,000	54,711	195,289
Total Water Projects	112,825,000	89,152,273	23,672,727
OTHER PROJECTS			
Safeguarding Business Operations	3,841,650	3,361,145	480,505
Fleet Replacement	6,122,000	4,267,184	1,854,816
700 MHZ Wireless Radio System Equipment	649,000	607,660	41,340
HMAN (Harford County Metro Area Network)	1,220,000	1,137,428	82,572
Refresh Program	717,000	541,014	175,986
Fuel Dispensing System Upgrade	120,000	120,000	-
Underground and Aboveground Storage Tank Management	50,000	3,425	46,575
Water and Sewer Billing Project	1,500,000	-	1,500,000
Efficiency Capital Investment Project	430,000	233,192	196,808
Fleet Maintenance Facility	1,220,000	95,201	1,124,799
Total Other Projects	15,869,650	10,366,249	5,503,401
Total Water, Sewer and Other Projects	207,995,658	147,867,573	60,128,085
*Less Closed and Capitalized Projects	(79,985,000)	(79,162,294)	(822,706)
Total Open Water, Sewer and Other Projects	<u>\$ 128,010,658</u>	<u>\$ 68,705,279</u>	<u>\$ 59,305,379</u>





STATISTICAL SECTION



Statistical Section

(Unaudited)

This part of the Harford County's comprehensive annual financial report presents detailed information as a context for understanding this year's financial statements, note disclosures, and supplementary information. This information has not been audited by the independent Certified Public Accountants.

Financial Trends

Tables 1 through 5 contain trend information that may assist the reader in assessing the County's current financial performance by placing it in historical perspective.

Revenue Capacity

Tables 6 through 9 contain information that may assist the reader in assessing the viability of the County's most significant local revenue source, property taxes.

Debt Capacity

Tables 10 through 13 present information that may assist the reader in analyzing the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

Economic & Demographic Information

Tables 14 and 15 offer economic and demographic indicators that may assist the reader in understanding the environment within which the County's financial activities take place.

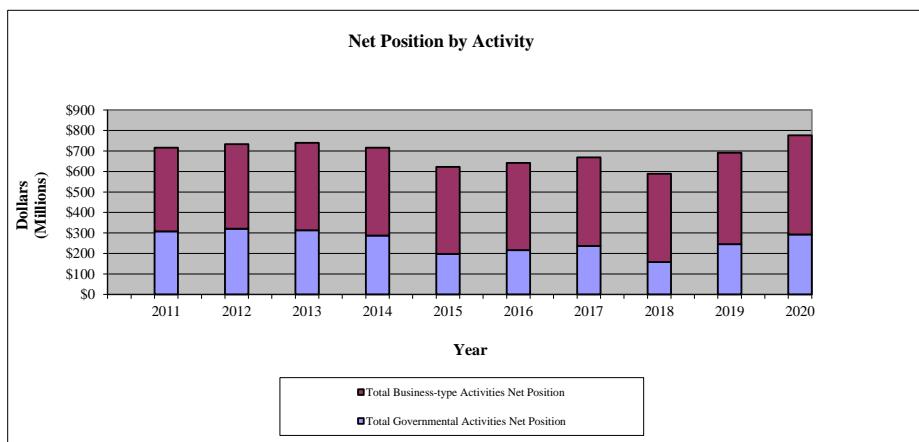
Operating Information

Tables 16 through 18 contain service and infrastructure indicators that may assist the reader in understanding how the information in the County's financial statements relates to the services the County provides and the activities it performs.

HARFORD COUNTY, MARYLAND
Net Position by Component (accrual basis of accounting)
Last Ten Fiscal Years

Table 1

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 422,414,425	\$ 434,233,561	\$ 449,378,060	\$ 436,216,089	\$ 435,846,522	\$ 476,366,433	\$ 475,161,617	\$ 518,637,112	\$ 536,321,847	\$ 502,458,772
Restricted	91,867,107	93,748,598	78,915,495	75,653,146	78,466,405	20,723,517	23,188,672	45,781,073	43,733,915	20,419,279
Unrestricted	(207,023,969)	(207,432,487)	(214,931,280)	(225,213,903)	(316,918,125)	(281,260,299)	(261,309,571)	(406,129,081)	(335,175,382)	(230,189,207)
Total Governmental Activities Net Position	\$ 307,257,563	\$ 320,549,672	\$ 313,362,275	\$ 286,655,332	\$ 197,394,802	\$ 215,829,651	\$ 237,040,718	\$ 158,289,104	\$ 244,880,380	\$ 292,688,844
Business-Type Activities										
Net Investment in Capital Assets	\$ 290,793,475	\$ 303,842,266	\$ 322,126,658	\$ 332,396,851	\$ 326,999,832	\$ 323,409,167	\$ 328,352,334	\$ 325,690,256	\$ 318,187,398	\$ 318,681,176
Restricted	65,915,265	64,575,609	49,704,209	51,921,308	54,279,937	56,778,013	60,809,692	63,302,643	72,830,464	80,305,995
Unrestricted	51,944,182	43,793,494	54,123,993	45,045,731	44,029,559	45,800,630	42,132,588	41,333,047	55,746,557	85,124,781
Total Business-type Activities Net Position	\$ 408,652,922	\$ 412,211,369	\$ 425,954,860	\$ 429,363,890	\$ 425,309,328	\$ 425,987,810	\$ 431,294,614	\$ 430,325,946	\$ 446,764,419	\$ 484,111,952
Primary Government										
Net Investment in Capital Assets	\$ 713,207,900	\$ 738,075,827	\$ 771,504,718	\$ 768,612,940	\$ 762,846,354	\$ 799,775,600	\$ 803,513,951	\$ 844,327,368	\$ 854,509,245	\$ 821,139,948
Restricted	157,782,372	158,324,207	128,619,704	127,574,454	132,746,342	77,501,530	83,998,364	109,083,716	116,564,379	100,725,274
Unrestricted	(155,079,787)	(163,638,993)	(160,807,287)	(180,168,172)	(272,888,566)	(235,459,669)	(219,176,983)	(364,796,034)	(279,428,825)	(145,064,426)
Total Primary Government Net Position	\$ 715,910,485	\$ 732,761,041	\$ 739,317,135	\$ 716,019,222	\$ 622,704,130	\$ 641,817,461	\$ 668,335,332	\$ 588,615,050	\$ 691,644,799	\$ 776,800,796



HARFORD COUNTY, MARYLAND
 Changes in Net Position (accrual basis of accounting)
 Last Ten Fiscal Years

Table 2

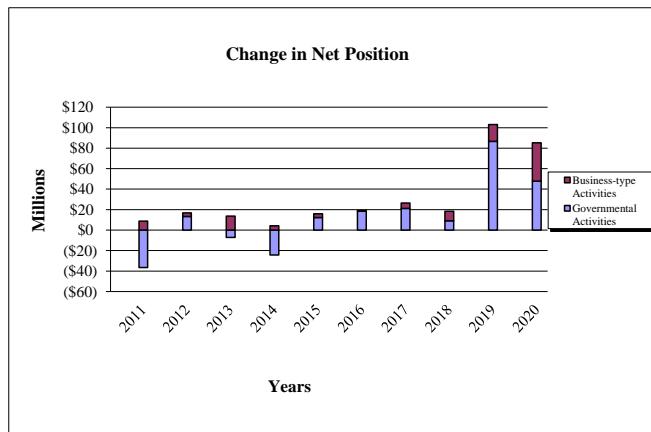
Expenses (by function)	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<i>Governmental Activities</i>										
Agricultural Preservation	\$ 3,319,578	\$ 3,432,517	\$ 3,601,838	\$ 3,398,295	\$ 3,636,451	\$ 2,861,659	\$ 3,163,287	\$ 3,283,221	\$ 4,098,178	\$ 2,954,760
County Council	2,198,979	2,597,248	2,763,150	2,536,764	2,529,133	2,576,827	2,695,411	2,682,783	2,959,753	3,027,207
General Government	38,564,852	43,655,212	46,041,421	55,642,498	58,237,782	58,699,069	49,217,926	47,956,372	51,764,330	49,203,101
Education-Primary thru Com. College	257,424,328	256,361,884	248,045,564	250,907,788	256,219,860	269,123,661	268,713,217	273,561,170	286,146,378	322,449,454
Harford Center	553,036	553,036	553,036	553,036	553,036	693,036	553,036	553,036	578,036	588,303
Judicial	10,159,127	9,666,237	9,950,169	9,982,512	10,059,178	10,213,119	10,404,012	10,316,937	11,026,051	11,697,735
Libraries	21,721,995	17,359,356	17,314,092	17,271,606	17,697,885	18,122,008	18,289,122	18,330,481	18,725,244	19,082,017
Parks, Recreation and Natural Resources	20,811,081	14,416,981	15,697,516	17,520,868	17,895,586	14,552,707	14,993,728	15,647,175	16,387,902	15,564,649
Public Safety	113,230,332	95,202,878	106,668,221	105,436,479	107,574,608	107,308,307	108,223,495	110,658,836	120,571,842	127,274,285
Public Works	63,368,723	61,916,296	60,279,965	77,195,654	68,092,544	60,737,012	58,629,180	67,707,510	74,092,972	78,146,898
Social Services	29,806,456	28,365,201	28,769,204	26,384,324	26,622,115	25,633,629	27,050,519	27,334,522	28,005,721	31,411,699
Unallocated Debt Interest/Other Costs	19,962,786	18,871,700	14,273,378	17,409,320	13,830,034	17,152,250	17,557,592	17,791,039	17,143,826	15,355,774
Total Governmental Activities	581,121,273	552,398,546	553,957,554	584,239,144	582,948,212	587,673,284	579,490,525	595,823,082	631,500,233	676,755,882
<i>Business-type Activities</i>										
Water and Sewer	41,859,508	42,953,467	50,101,124	48,734,923	48,746,983	48,596,655	51,194,393	52,524,992	54,570,952	53,328,579
Total Business-type Activities	41,859,508	42,953,467	50,101,124	48,734,923	48,746,983	48,596,655	51,194,393	52,524,992	54,570,952	53,328,579
Total Primary Government Expenses	\$ 622,980,781	\$ 595,352,013	\$ 604,058,678	\$ 632,974,067	\$ 631,695,195	\$ 636,269,939	\$ 630,684,918	\$ 648,348,074	\$ 686,071,185	\$ 730,084,461
<i>Program Revenues</i>										
<i>Governmental Activities</i>										
Charges for Services	\$ 2,375,772	\$ 2,662,846	\$ 2,778,718	\$ 2,478,640	\$ 3,300,921	\$ 3,091,390	\$ 3,271,301	\$ 3,215,494	\$ 3,353,468	\$ 3,300,698
General Government	3,636,934	3,978,388	3,701,079	3,889,979	4,177,039	3,765,058	4,043,488	4,446,967	4,882,188	4,808,381
Public Safety	12,048,111	14,151,371	13,570,360	13,843,482	14,594,676	13,278,342	10,755,836	12,058,668	12,070,856	12,753,003
Public Works	1,373,949	1,511,258	1,553,179	1,456,139	1,385,467	1,396,543	1,346,446	1,988,880	1,629,725	1,203,047
Other Activities	28,476,585	25,216,324	30,926,766	21,717,403	26,680,817	28,249,534	27,728,929	29,056,647	28,177,980	43,427,802
Operating Grants and Contributions	21,112,129	10,270,108	11,878,363	9,982,404	15,281,180	15,137,454	5,009,162	10,248,005	5,176,268	7,714,585
Total Governmental Activities Program Revenue	69,023,480	57,790,295	64,408,465	53,368,047	65,420,100	64,918,321	52,155,162	61,014,661	55,290,485	73,207,516
<i>Business-type Activities</i>										
Charges for Services	26,142,956	25,658,671	26,179,225	28,421,736	28,553,733	30,498,568	38,001,859	42,795,716	45,897,888	48,134,482
Operating Grants and Contributions	512,576	704,699	648,672	444,149	461,364	972,710	802,598	804,406	330,000	445,651
Capital Grants and Contributions	19,384,615	16,181,330	32,698,896	20,089,299	19,125,274	15,668,948	15,444,188	15,378,940	20,665,666	38,343,861
Total Business-type Activities Program Revenue	46,040,147	42,544,700	59,526,793	48,955,184	48,140,371	47,140,226	54,248,645	58,979,062	66,893,554	86,923,994
Total Primary Government Program Revenues	\$ 115,063,627	\$ 100,334,995	\$ 123,935,258	\$ 102,323,231	\$ 113,560,471	\$ 112,058,547	\$ 106,403,807	\$ 119,993,723	\$ 122,184,039	\$ 160,131,510
<i>Net (Expense) Revenue</i>										
<i>Governmental Activities</i>										
Charges for Services	\$ (512,097,793)	\$ (494,608,251)	\$ (489,549,089)	\$ (530,871,097)	\$ (517,528,112)	\$ (522,754,963)	\$ (527,335,363)	\$ (534,808,421)	\$ (576,209,748)	\$ (603,548,366)
Business-type Activities	4,180,639	(408,767)	9,425,669	220,261	(606,612)	(1,456,429)	3,054,252	6,454,070	12,322,602	33,595,415
Total Primary Government Net Expense	\$ (507,917,154)	\$ (495,017,018)	\$ (480,123,420)	\$ (530,650,836)	\$ (518,134,724)	\$ (524,211,392)	\$ (524,281,111)	\$ (528,354,351)	\$ (563,887,146)	\$ (569,952,951)

(continued)

HARFORD COUNTY, MARYLAND
Changes in Net Position (accrual basis of accounting)
Last Ten Fiscal Years
(continued)

Table 2

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
<i>Governmental Activities</i>										
Taxes										
Property Taxes	\$ 290,004,412	\$ 295,910,417	\$ 286,926,355	\$ 285,269,614	\$ 286,911,796	\$ 293,100,653	\$ 298,947,432	\$ 308,709,856	\$ 314,832,396	\$ 322,655,230
Income Taxes	158,374,084	182,590,526	169,703,257	190,722,550	206,469,855	207,466,492	211,253,182	233,759,923	252,411,277	272,032,442
Other Taxes	23,980,727	22,791,891	24,124,916	26,539,923	32,548,932	35,984,933	37,046,438	42,346,246	39,864,944	47,485,491
Investment Earnings	2,113,223	5,607,895	(520,840)	1,532,992	1,771,885	3,261,278	206,364	2,788,417	8,011,491	7,329,035
Grants and Contributions	185,216	189,543	239,369	269,076	254,020	245,326	407,167	440,319	360,549	383,055
Miscellaneous	900,953	810,088	1,888,635	2,231,878	1,849,327	1,131,130	685,847	1,759,295	1,452,312	1,471,577
Total Governmental Activities	475,558,615	507,900,360	482,361,692	506,566,033	529,805,815	541,189,812	548,546,430	589,804,056	616,932,969	651,356,830
<i>Business-type Activities</i>										
Recordation Tax	1,651,107	1,514,835	1,783,159	1,767,810	2,174,467	-	-	-	-	-
Investment Earnings	2,582,713	2,452,379	2,534,663	2,225,142	2,155,375	2,134,911	2,252,552	2,803,118	4,115,871	3,585,552
Miscellaneous	347,722	-	-	-	-	-	-	-	-	166,566
Total Business-type Activities	4,581,542	3,967,214	4,317,822	3,992,952	4,329,842	2,134,911	2,252,552	2,803,118	4,115,871	3,752,118
Total Primary Government	\$ 480,140,157	\$ 511,867,574	\$ 486,679,514	\$ 510,558,985	\$ 534,135,657	\$ 543,324,723	\$ 550,798,982	\$ 592,607,174	\$ 621,048,840	\$ 655,108,948
Special Item										
<i>Governmental Activities</i>										
Claims & Judgements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (45,868,055)	\$ 45,868,055
Total Primary Government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (45,868,055)	\$ 45,868,055
Change in Net Position										
<i>Governmental Activities</i>										
Business-type Activities	\$ (36,539,178)	\$ 13,292,109	\$ (7,187,397)	\$ (24,305,064)	\$ 12,277,703	\$ 18,434,849	\$ 21,211,067	\$ 9,127,580	\$ 86,591,276	\$ 47,808,464
Total Primary Government	\$ 8,762,181	3,558,447	13,743,491	4,213,213	3,723,230	678,482	5,306,804	9,257,188	16,438,473	37,347,533
Total Primary Government	\$ (27,776,997)	\$ 16,850,556	\$ 6,556,094	\$ (20,091,851)	\$ 16,000,933	\$ 19,113,331	\$ 26,517,871	\$ 18,384,768	\$ 103,029,749	\$ 85,155,997



HARFORD COUNTY, MARYLAND
Fund Balances, Governmental Funds (modified accrual basis of accounting)
Last Ten Fiscal Years

Table 3

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Nonspendable:										
Inventory	\$ 2,114,574	\$ 2,025,093	\$ 1,922,189	\$ 1,519,258	\$ 2,053,832	\$ 2,301,347	\$ 2,250,008	\$ 2,186,274	\$ 1,901,630	\$ 1,472,180
Prepaid	131,282	539,162	576,287	872,050	340,899	-	-	-	-	-
Long-term Receivable	538,285	471,561	398,743	327,495	253,248	1,086,229	2,178,341	1,056,216	1,000,515	944,814
	2,784,141	3,035,816	2,897,219	2,718,803	2,647,979	3,387,576	4,428,349	3,242,490	2,902,145	2,416,994
Restricted for:										
Education	13,711,336	8,358,301	2,660,492	1,955,920	3,850,435	3,885,170	3,124,681	4,670,481	2,851,912	2,171,564
Bond Proceeds	35,468,418	18,814,860	23,809,815	10,529,766	10,269,113	4,692,533	6,187,872	24,750,433	28,237,226	6,513,011
Debt Service	-	2,089,432	1,994,150	2,051,207	2,222,965	2,180,643	2,160,752	2,740,657	2,623,170	2,560,799
Public Safety	1,010,310	1,010,012	899,169	800,569	646,864	556,310	612,775	576,882	459,873	263,846
Tourism	-	-	-	-	740,827	1,383,890	1,512,400	1,892,033	653,570	-
Highways	-	-	39,518	642,710	592,430	230,604	237,065	205,966	228,978	210,968
Parks and Recreation	594,673	-	457,135	403,329	299,346	663,216	887,478	977,146	575,994	350,861
Grants	8,584,742	6,825,412	7,718,401	6,385,091	6,090,409	7,131,151	8,465,649	9,967,475	8,103,192	8,348,230
	59,369,479	37,098,017	37,578,680	22,768,592	24,712,389	20,723,517	23,188,672	45,781,073	43,733,915	20,419,279
Committed to:										
Development Rights	43,308,194	51,212,976	48,873,277	48,625,100	49,265,285	44,793,964	37,090,908	-	-	-
	43,308,194	51,212,976	48,873,277	48,625,100	49,265,285	44,793,964	37,090,908	-	-	-
Assigned to:										
Appropriation of Fund Balance	50,646,722	32,774,997	27,863,378	2,193,164	2,042,620	2,826,833	397,172	9,987,833	19,562,459	34,138,852
Fiscal Stabilization Fund	27,028,071	27,792,167	28,056,319	27,411,936	28,206,062	28,604,000	29,565,000	31,130,250	32,538,750	34,481,000
Encumbrances	18,868,628	36,579,261	47,352,361	44,988,951	33,281,886	4,473,436	24,662,673	20,921,703	4,970,284	4,280,860
Other Post Employment Benefits	-	9,529,486	7,643,503	7,378,857	3,645,046	2,978,658	4,652,291	4,928,214	2,541,056	2,343,862
Landfill Closure Costs	9,020,231	17,961,438	13,732,971	16,060,419	14,965,543	8,882,058	8,981,700	9,115,076	9,083,130	9,280,202
WTE Plant Closure	-	-	4,000,000	4,000,000	3,000,000	8,600,000	7,196,247	3,836,247	3,836,247	3,836,247
Income Tax	-	-	2,439,735	2,577,900	3,172,882	1,571,967	1,759,134	1,788,631	1,788,631	1,815,596
Healthcare Consortium	-	-	2,112,308	1,970,314	2,184,155	2,251,926	2,443,741	2,420,418	2,950,655	2,449,311
Development Rights	-	-	-	-	-	-	-	19,617,798	22,755,357	27,429,897
Debt Repayment	-	-	-	-	-	-	1,300,000	-	-	-
Self-Insurance	-	-	-	-	-	-	-	6,500,000	6,500,000	6,500,000
Stormwater Management	-	-	-	-	-	12,295,295	24,338,133	26,299,417	38,359,763	39,504,947
State Mandates	-	-	-	-	-	-	-	-	6,000,000	-
Highways	11,661,675	6,158,931	2,533,371	3,237,844	2,870,447	6,461,375	12,020,852	15,023,885	8,999,520	9,525,317
Ag Preservation	5,146,399	2,575,330	2,740,326	4,526,391	6,684,560	11,499,293	15,637,478	20,773,026	15,968,396	19,499,244
Capital Projects	-	-	-	871,781	-	-	3,229,300	-	13,582,739	5,571,984
P&R Fund	225,413	334,332	405,112	267,015	383,333	158,758	62,794	106,369	239,051	117,613
	122,597,139	133,705,942	138,879,384	115,484,572	100,436,534	90,603,599	136,246,515	172,448,867	189,676,038	200,774,932
Unassigned:	7,310,375	17,942,179	6,933,118	8,415,752	10,144,451	12,694,506	18,615,902	20,036,290	20,226,958	27,246,245
Total Fund Balance	\$ 235,369,328	\$ 242,994,930	\$ 235,161,678	\$ 198,012,819	\$ 187,206,638	\$ 172,203,162	\$ 219,570,346	\$ 241,508,720	\$ 256,539,056	\$ 250,857,450

HARFORD COUNTY, MARYLAND
Changes in Fund Balances, Governmental Funds (modified accrual basis of accounting)
Last Ten Fiscal Years

Table 4

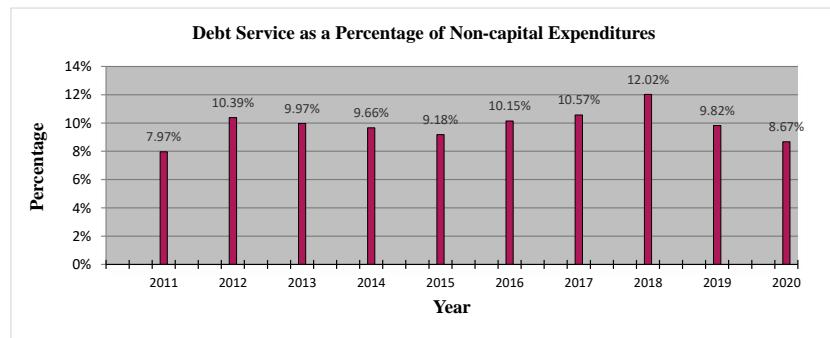
	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
REVENUES										
Taxes	\$ 480,666,752	\$ 496,535,537	\$ 495,330,898	\$ 501,523,551	\$ 513,835,241	\$ 534,559,224	\$ 548,777,295	\$ 569,724,966	\$ 596,226,344	\$ 614,696,959
Revenues from Other Agencies	43,118,868	29,749,668	33,686,277	29,595,350	33,802,477	34,278,746	30,247,886	34,464,443	31,698,332	45,538,640
Investment Income	2,079,353	5,581,671	(542,222)	1,503,056	1,732,563	3,209,914	134,002	2,644,802	7,835,240	7,178,248
Charges for Current Services	15,688,351	18,136,842	17,374,063	17,832,577	18,516,176	17,061,200	14,514,597	16,684,953	16,960,933	17,052,958
Miscellaneous	3,284,872	2,478,915	3,534,451	2,776,961	5,254,065	4,443,489	4,595,136	2,511,523	2,207,965	2,533,831
Licenses and Permits	3,302,291	3,602,640	3,637,218	3,939,672	4,637,143	4,539,298	4,567,960	4,494,635	4,634,873	4,586,479
Fines and Forfeitures	227,873	340,840	383,513	427,730	397,330	150,677	272,392	398,120	407,830	424,734
Total Revenues	548,368,360	556,426,113	553,404,198	557,598,897	578,174,995	598,242,548	603,109,268	630,923,442	659,971,517	692,011,849
EXPENDITURES										
Agricultural Preservation	188,385	7,417,674	2,486,811	249,145	3,742,534	36,513	3,041,950	1,426,023	16,339,682	6,253,646
County Council	2,191,906	2,495,986	2,750,755	2,554,700	2,528,328	2,472,194	2,575,440	2,655,247	2,979,879	3,092,208
General Government	33,984,438	39,610,270	37,250,164	41,960,700	47,122,698	43,933,540	42,769,500	46,232,647	47,820,246	50,933,688
Education-Primary thru Comm. College	225,580,152	232,933,767	234,782,980	236,262,341	238,628,914	243,470,583	249,096,116	255,127,257	262,627,257	273,613,489
Harford Center	553,036	553,036	553,036	553,036	553,036	693,036	553,036	553,036	578,036	588,303
Judicial	9,525,838	9,596,365	9,856,080	9,929,303	10,096,464	9,829,912	9,965,708	10,435,856	11,042,668	11,839,228
Libraries	15,112,147	15,692,144	16,054,666	16,158,310	16,137,189	16,279,546	16,644,574	17,100,985	17,472,912	17,804,908
Parks, Recreation and Natural Resources	10,864,188	10,853,176	11,626,440	11,970,808	11,470,033	10,222,943	9,787,552	10,234,014	10,758,514	10,656,415
Public Safety	94,157,346	91,778,607	98,418,762	98,702,584	97,415,839	95,370,670	98,209,883	102,781,583	111,051,742	119,396,104
Public Works	41,088,647	38,448,739	40,468,362	44,625,171	49,563,413	46,629,351	41,618,105	47,579,451	50,693,679	54,516,432
Social Services	27,393,475	27,337,422	31,740,859	26,067,117	25,848,168	24,557,522	25,995,605	26,677,093	27,532,864	32,245,767
Capital Outlay	89,082,362	61,703,327	53,425,443	84,079,924	79,055,063	86,949,927	50,277,858	59,164,429	68,123,819	98,722,790
Debt Service										
Principal	26,060,395	35,109,464	33,879,261	33,888,884	32,889,398	40,680,548	41,161,399	53,416,848	42,767,522	40,197,715
Interest	19,968,082	23,498,877	22,590,163	22,609,092	22,689,162	21,792,602	21,837,513	22,010,012	21,309,280	20,980,502
Administrative Cost	1,197,249	642,797	586,418	287,423	729,415	284,018	649,068	412,624	547,687	1,052,247
Total Expenditures	596,947,646	597,671,651	596,470,200	629,898,538	638,469,654	643,202,905	614,183,307	655,807,105	691,645,787	741,893,442
Excess (Deficiency) of Revenues Over Expenditures	(48,579,286)	(41,245,538)	(43,066,002)	(72,299,641)	(60,294,659)	(44,960,357)	(11,074,039)	(24,883,663)	(31,674,270)	(49,881,593)
OTHER FINANCING SOURCES (USES)										
Transfers In	34,565,953	36,423,583	55,519,578	44,180,743	31,746,904	36,406,830	37,226,572	43,652,436	48,573,812	49,835,922
Transfers (Out)	(33,068,114)	(36,423,583)	(55,519,578)	(44,180,743)	(31,746,904)	(36,406,830)	(37,226,572)	(43,652,436)	(48,573,812)	(49,835,922)
Issuance of Bonds	14,000,000	40,000,000	30,000,000	33,180,257	42,000,000	27,132,515	53,177,000	43,000,000	34,000,000	37,000,000
Issuance of Refunding Bonds	-	6,931,393	59,750,398	-	55,994,243	-	-	-	-	64,986,408
Premium on Issuance of Bonds	-	2,347,926	13,638,004	2,373,456	12,245,541	2,576,851	3,505,932	3,885,771	3,557,012	17,549,590
Issuance of Installment Purchase Agreements	-	6,995,127	2,013,095	-	3,097,591	-	1,809,630	-	9,432,238	3,119,179
Payment to Escrow Agent for Refunding	-	(7,313,825)	(70,065,844)	-	(64,383,471)	-	-	-	-	(78,025,740)
Total Other Financing Sources(Uses)	15,497,839	48,960,621	35,335,653	35,553,713	48,953,904	29,709,366	58,492,562	46,885,771	46,989,250	44,629,437
Net Change in Fund Balances	\$ (33,081,447)	\$ 7,715,083	\$ (7,730,349)	\$ (36,745,928)	\$ (11,340,755)	\$ (15,250,991)	\$ 47,418,523	\$ 22,002,108	\$ 15,314,980	\$ (5,252,156)

HARFORD COUNTY, MARYLAND
Debt Service as a Percentage of Non-Capital Expenditures - Governmental Funds
Last Ten Fiscal Years

Table 5

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Total Expenditures	\$ 596,947,646	\$ 597,671,651	\$ 596,470,200	\$ 629,898,538	\$ 638,469,654	\$ 643,202,905	\$ 614,183,307	\$ 655,807,105	\$ 691,645,787	\$ 741,893,442
⁽¹⁾ Less Capital Asset Expenditures	19,300,086	33,395,752	30,214,888	44,998,619	33,065,591	27,450,364	18,448,670	28,237,893	39,419,413	36,565,782
Non-capital Expenditures	\$ 577,647,560	\$ 564,275,899	\$ 566,255,312	\$ 584,899,919	\$ 605,404,063	\$ 615,752,541	\$ 595,734,637	\$ 627,569,212	\$ 652,226,374	\$ 705,327,660
Debt Service Expenditures										
Principal	\$ 26,060,395	\$ 35,109,464	\$ 33,879,261	\$ 33,888,884	\$ 32,889,398	\$ 40,680,548	\$ 41,161,399	\$ 53,416,848	\$ 42,767,522	\$ 40,197,715
Interest	19,968,082	23,498,877	22,590,163	22,609,092	22,689,162	21,792,602	21,837,513	22,010,012	21,309,280	20,980,502
Total Debt Service Expenditures	\$ 46,028,477	\$ 58,608,341	\$ 56,469,424	\$ 56,497,976	\$ 55,578,560	\$ 62,473,150	\$ 62,998,912	\$ 75,426,860	\$ 64,076,802	\$ 61,178,217
Debt Service as a Percentage of Non-capital Expenditures	7.97%	10.39%	9.97%	9.66%	9.18%	10.15%	10.57%	12.02%	9.82%	8.67%

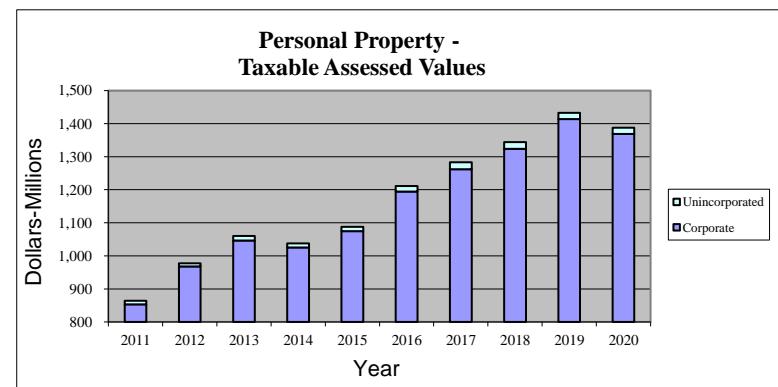
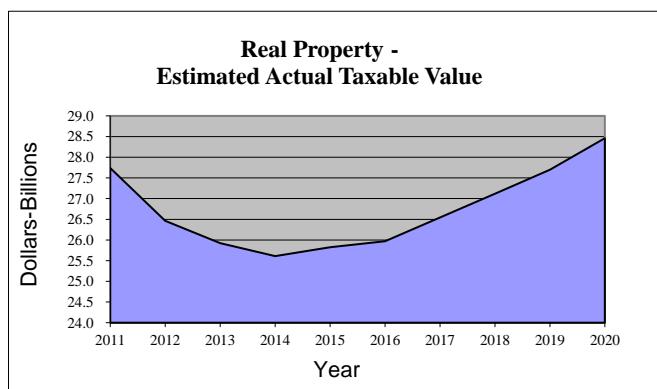
(1) Total Capital Asset Expenditures equals the Purchase of Capital Assets in that fiscal year.



HARFORD COUNTY, MARYLAND
Assessed Value and Actual Value of Taxable Property ⁽¹⁾
(Per \$100 of Assessed Value)
Last Ten Fiscal Years

Table 6

Fiscal Year Ending June 30,	Real Property				Personal Property			Total Taxable Assessed Value
	Assessed Value	Exempt Property	Taxable Assessed Value	Real Property Direct Tax Rate	Corporate Taxable Assessed Value	Unincorporated Taxable Assessed Value	Personal Property Direct Tax Rate	
2011	30,248,925,066	2,506,869,202	27,742,055,864	1.0420	853,133,530	10,730,670	2.6050	28,605,920,064
2012	28,999,153,255	2,535,432,934	26,463,720,321	1.0420	967,854,980	9,828,620	2.6050	27,441,403,921
2013	28,565,045,698	2,644,365,574	25,920,680,124	1.0420	1,046,509,272	13,921,700	2.6050	26,981,111,096
2014	28,304,103,554	2,691,553,831	25,612,549,723	1.0420	1,025,199,440	12,700,230	2.6050	26,650,449,393
2015	28,541,096,046	2,714,157,631	25,826,938,415	1.0420	1,074,588,650	13,237,060	2.6049	26,914,764,125
2016	28,720,286,982	2,750,540,908	25,969,746,074	1.0420	1,194,260,330	17,284,140	2.6049	27,181,290,544
2017	29,332,122,303	2,789,102,083	26,543,020,220	1.0420	1,262,202,190	20,640,510	2.6049	27,825,862,920
2018	29,994,476,820	2,877,927,864	27,116,548,956	1.0420	1,323,867,530	20,328,480	2.6049	28,460,744,966
2019	30,690,268,597	2,992,003,005	27,698,265,592	1.0420	1,413,596,960	18,889,590	2.6049	29,130,752,142
2020	31,533,436,375	3,072,471,445	28,460,964,930	1.0420	1,368,709,660	19,256,680	2.6049	29,848,931,270



(1) Assessed values are established by the MD Department of Assessments and Taxation at assessed market value. A reassessment of all property is required to be completed every three years; any increase in property values is phased in over a minimum of three years. Additionally, the County has a real property tax assessment cap for residential properties of 9% for Fiscal Year 2010; and 5% for Fiscal Year 2011 forward.

HARFORD COUNTY, MARYLAND
Direct and Overlapping Property Tax Rates ⁽¹⁾
(Per \$100 of Assessed Value)
Last Ten Fiscal Years

Table 7

Fiscal Year Ending June 30,	County Direct Real Property Tax Rate			Overlapping Real Property Tax Rates		
	General Fund ⁽²⁾	Special Revenue Fund ⁽³⁾	Total Direct Tax Rate	Town of Bel Air ⁽⁴⁾	City of Aberdeen ⁽⁴⁾	City of Havre de Grace ⁽⁴⁾
2011	0.8960	0.1460	1.0420	0.5000	0.6875	0.6000
2012	0.8960	0.1460	1.0420	0.5000	0.6800	0.5900
2013	0.8960	0.1460	1.0420	0.5000	0.6800	0.5800
2014	0.8960	0.1460	1.0420	0.5000	0.6800	0.5600
2015	0.8937	0.1483	1.0420	0.5000	0.6800	0.5600
2016	0.8937	0.1483	1.0420	0.5000	0.6566	0.5600
2017	0.8937	0.1483	1.0420	0.5000	0.6566	0.5697
2018	0.8937	0.1483	1.0420	0.5000	0.6502	0.5650
2019	0.8937	0.1483	1.0420	0.5000	0.6502	0.5650
2020	0.8937	0.1483	1.0420	0.5000	0.6400	0.5650
Fiscal Year Ending June 30,	County Direct Personal Property Tax Rate			Overlapping Personal Property Tax Rates		
	General Fund ⁽²⁾	Special Revenue Fund ⁽³⁾	Total Direct Tax Rate	Town of Bel Air ⁽⁴⁾	City of Aberdeen ⁽⁴⁾	City of Havre de Grace ⁽⁴⁾
2011	2.2400	0.3650	2.6050	1.1600	1.7000	1.7050
2012	2.2400	0.3650	2.6050	1.1600	1.7000	1.7050
2013	2.2400	0.3650	2.6050	1.1600	1.7000	1.7050
2014	2.2400	0.3650	2.6050	1.1600	1.7000	1.7050
2015	2.2342	0.3707	2.6049	1.1600	1.7000	1.7050
2016	2.2342	0.3707	2.6049	1.1600	1.7000	1.7050
2017	2.2342	0.3707	2.6049	1.1600	1.7000	1.7050
2018	2.2342	0.3707	2.6049	1.1600	1.7000	1.7050
2019	2.2342	0.3707	2.6049	1.1600	1.7000	1.7050
2020	2.2342	0.3707	2.6049	1.1600	1.7000	1.7050

(1) Overlapping rates are those of local municipalities that apply to property owners within Harford County. Not all overlapping rates apply to all Harford County property owners.

For example, Town of Bel Air rates apply only to the County property owners whose property is located within that municipality's geographic boundaries.

(2) Assessed against all property within Harford County.

(3) Assessed against all property within Harford County, but not in an incorporated town.

(4) Assessed against all property within these incorporated towns.

Note: The County's direct property tax rates are set by the County Council and can only be changed by the Council.

HARFORD COUNTY, MARYLAND
Principal Taxpayers
Current Fiscal Year and Ten Years Ago

Table 8

Fiscal Year 2020						
Taxpayer	Type of Business		Taxable Assessed Valuations ⁽¹⁾		County Taxes	Percentage of Total Assessed Valuation
Baltimore Gas & Electric Company	Public Utility	\$	487,141,450	\$	10,883,714	1.63%
Constellation Power Source Generation Inc.	Non-Utility Generator		84,931,130		1,897,531	0.28%
Exelon Generation Company	Non-Utility Generator		62,353,430		1,393,100	0.21%
Verizon-Maryland	Public Utility		61,149,910		1,366,211	0.20%
MCI Communication Services	Public Utility		43,239,340		966,053	0.14%
Comcast of Harford County LLC	Cable Provider		34,070,250		761,198	0.11%
Frito-Lay, Inc.	Office/Industrial Ctr.		33,241,740		742,687	0.11%
Columbia Gas Transmission	Public Utility		29,293,000		654,464	0.10%
Delmarva Power & Light Co	Public Utility		16,398,050		366,365	0.05%
Trans. Cont. Gas Pipeline			13,495,430		301,515	0.05%
			<u>865,313,730</u>		<u>\$ 19,332,838</u>	<u>2.90%</u>
Total Taxable Assessed Valuation		\$	29,848,931,270			

Fiscal Year 2011						
Taxpayer	Type of Business		Taxable Assessed Valuations ⁽¹⁾		County Taxes	Percentage of Total Assessed Valuation
Baltimore Gas & Electric Company	Public Utility	\$	310,436,160	\$	8,005,772	1.09%
Exelon Generation Company	Non-Utility Generator		75,699,643		1,971,975	0.26%
Verizon - Maryland	Public Utility		77,899,220		1,929,142	0.27%
PECO Energy Power Company	Non-Utility Generator		116,040,737		1,209,144	0.41%
Harford Mall Business Trust	Shopping Center		75,955,580		680,562	0.27%
Festival at Bel Air LLC	Shopping Center		58,274,554		607,221	0.20%
Comcast of Harford County LLC	Cable Provider		20,142,321		506,825	0.07%
Wells Fargo Northwest	Office/Industrial Ctr.		45,773,660		476,961	0.16%
Columbia Gas Transmission	Public Utility		17,291,250		450,402	0.06%
Bel Air Square LLC	Shopping Center		47,057,143		421,632	0.16%
			<u>844,570,268</u>		<u>\$ 16,259,636</u>	<u>2.95%</u>
Total Taxable Assessed Valuation		\$	28,605,920,064			

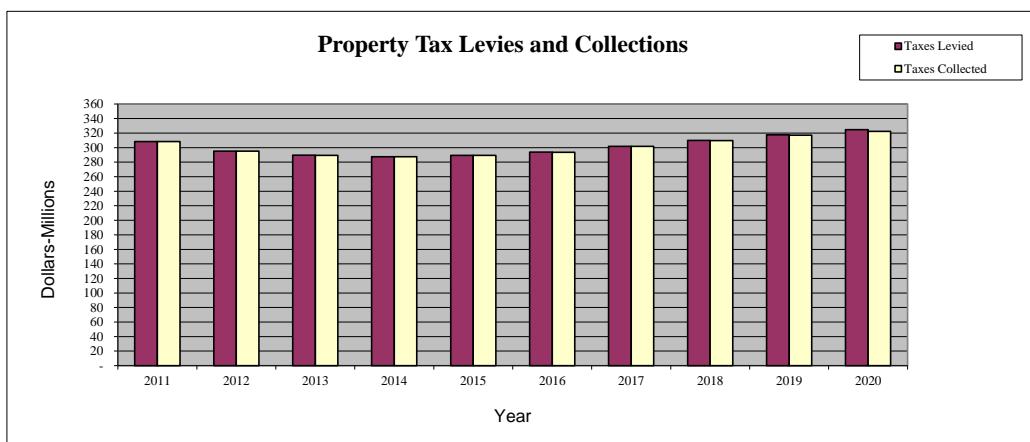
SOURCE: Harford County Department of the Treasury

(1) Total Taxable Assessed Valuations are based on information provided by the Maryland Department of Assessments and Taxation.

HARFORD COUNTY, MARYLAND
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 9

Year Ending June 30,	Taxes Levied for the Fiscal Year	Taxes Levied In Subsequent Years	Total Taxes Levied	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Delinquent Taxes to Tax Levy
				Amount	Percent		Amount	Percent		
2011	304,126,005	4,214,816	308,340,821	303,254,570	98.35%	5,079,730	308,334,300	100.00%	6,521	0.00%
2012	295,797,824	(678,269)	295,119,555	293,408,627	99.42%	1,677,733	295,086,360	99.99%	33,196	0.01%
2013	290,142,026	(633,030)	289,508,996	289,161,782	99.88%	274,576	289,436,358	99.97%	72,639	0.03%
2014	287,953,502	(403,954)	287,549,548	286,122,040	99.50%	1,362,202	287,484,242	99.98%	65,306	0.02%
2015	289,650,116	(235,472)	289,414,644	288,877,184	99.81%	439,563	289,316,747	99.97%	97,898	0.03%
2016	294,521,222	(768,673)	293,752,549	293,605,282	99.95%	70,134	293,675,416	99.97%	77,133	0.03%
2017	302,063,517	(295,723)	301,767,794	301,316,849	99.85%	333,444	301,650,293	99.96%	117,501	0.04%
2018	310,139,719	(182,216)	309,957,503	309,134,638	99.73%	663,892	309,798,530	99.95%	158,973	0.05%
2019	317,964,349	(328,789)	317,635,559	316,861,410	99.76%	293,214	317,154,624	99.85%	480,935	0.15%
2020	324,678,593	-	324,678,593	322,371,075	99.29%	-	322,371,075	99.29%	2,307,518	0.71%



HARFORD COUNTY, MARYLAND
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

Table 10

Year Ending June 30,	Governmental General Obligation Debt ⁽²⁾	Business-type General Obligation Debt	Less Amounts to be Paid with Restricted Resources ⁽³⁾	Net General Bonded Debt	Percentage of Taxable Assessed Value of Property ⁽⁴⁾	Per Capita ⁽⁴⁾
2011	506,315,389	125,771,843	181,951,421	450,135,811	1.57%	1,824
2012	518,004,780	131,616,764	193,675,340	455,946,204	1.66%	1,834
2013	513,699,874	132,469,669	193,574,381	452,595,162	1.68%	1,818
⁽⁵⁾ 2014	524,885,655	132,046,646	191,075,915	465,856,386	1.75%	1,868
2015	542,589,182	127,341,763	186,701,066	483,229,879	1.80%	1,936
2016	527,417,700	131,755,478	184,038,327	475,134,851	1.75%	1,897
2017	540,628,030	124,264,790	170,886,221	494,006,599	1.78%	1,959
2018	529,822,910	122,350,421	150,671,780	501,501,551	1.76%	1,970
2019	529,922,835	119,780,161	152,774,820	496,928,176	1.71%	1,941
2020	531,746,800	114,206,271	148,863,398	497,089,673	1.67%	1,929

(1) Bonded Debt is all debt backed by the full faith and credit and unlimited taxing authority of the County. Business-type bonds are included because they are backed by the full faith and credit and unlimited taxing authority of the County; however, business-type bonds are payable in the first instance from area connection charges, benefit assessments and surcharges. See Table 11 for specific information on business-type bonded debt.

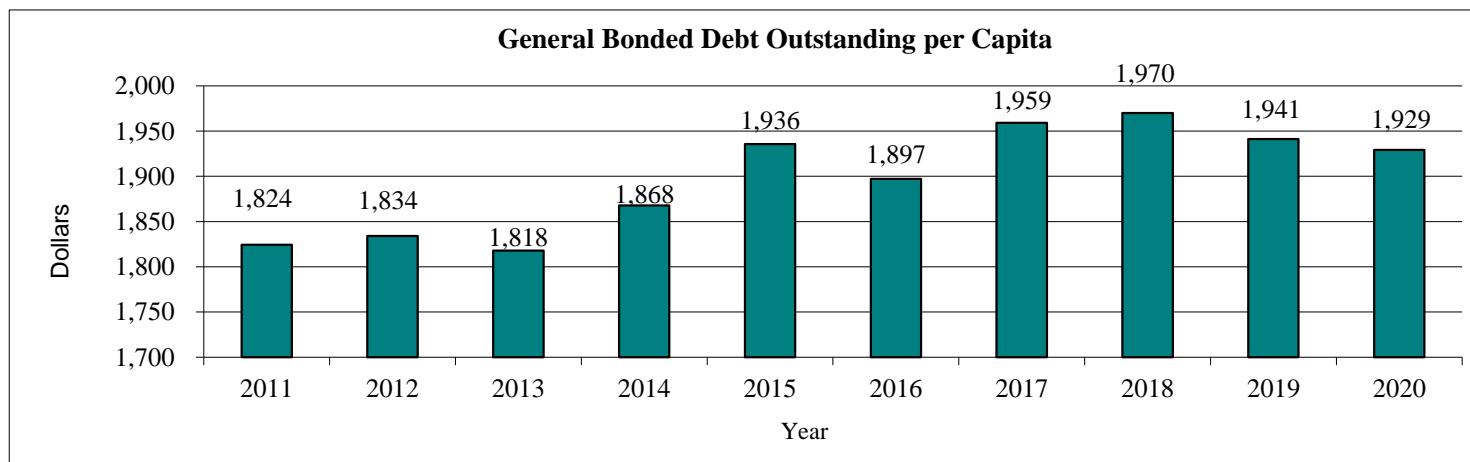
(2) Includes Notes Payable; all are backed by the full faith and credit and unlimited taxing authority of the County.

(3) Agricultural Land Preservation debt and Water and Sewer debt are subtracted from the bonded debt because Agricultural Land Preservation debt is paid from dedicated revenues in the Agricultural Land Preservation Special Revenue Fund and Water and Sewer debt is paid from the Water and Sewer Enterprise Fund.

(4) Information from Tables 6 and 14.

(5) Governmental and Business-type general obligation debt has increased by \$12,836,002 and \$1,904,224 respectively due to implementing GASB 65 which removes deferred loss/gain on refunding as an offset to liabilities and reclass as a deferred outflow/inflow of resources.

Note: Detail regarding the County's debt can be found in the notes to the financial statements.



HARFORD COUNTY, MARYLAND

Ratios of Outstanding Debt by Type ⁽¹⁾

Last Ten Fiscal Years

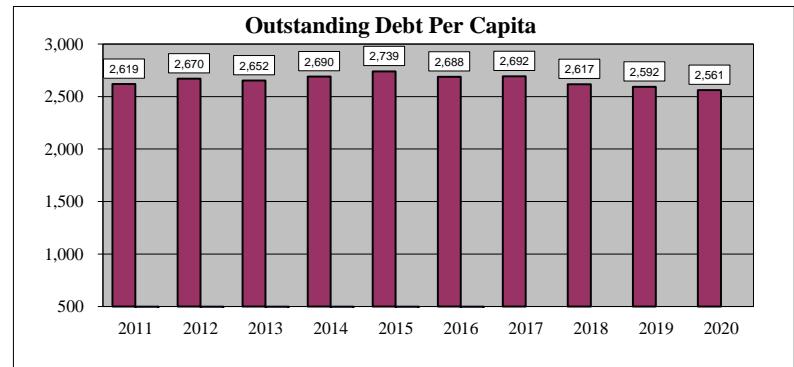
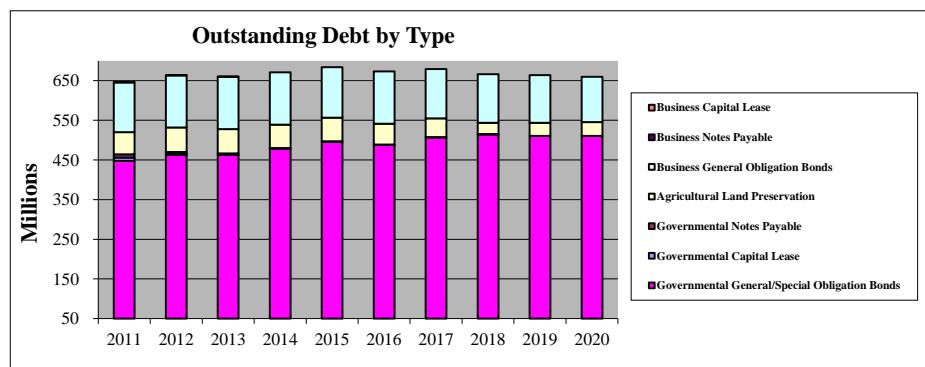
Table 11

Fiscal Year Ending June 30,	Governmental Activities					Business-type Activities					Percentage of Personal Income ⁽²⁾	Per Capita ⁽²⁾
	General/Special Obligation Bonds	Capital Lease Obligation	Notes Payable	Agricultural Land Preservation	Total Governmental Activities	General Obligation Bonds	Capital Lease Obligation	Total Business-type Activities	Total Primary Government			
2011	447,558,610	8,590,078	7,987,123	56,179,578	520,315,389	125,140,703	631,140	125,771,843	646,087,232	5.41%	2,619	
2012	462,132,841	2,941,940	4,871,422	62,058,577	532,004,780	131,235,775	380,989	131,616,764	663,621,544	5.44%	2,670	
2013	462,229,857	1,294,584	3,070,721	61,104,712	527,699,874	132,276,225	193,444	132,469,669	660,169,543	5.42%	2,652	
2014 ⁽³⁾	478,542,366	-	1,314,020	59,029,269	538,885,655	132,046,646	-	132,046,646	670,932,301	5.28%	2,690	
2015	495,916,560	-	1,313,319	59,359,303	556,589,182	127,341,763	-	127,341,763	683,930,945	5.16%	2,739	
2016	487,822,233	-	1,312,618	52,282,849	541,417,700	131,755,478	-	131,755,478	673,173,178	4.90%	2,688	
2017	506,694,682	-	1,311,917	46,621,431	554,628,030	124,264,790	-	124,264,790	678,892,820	4.76%	2,692	
2018	514,171,551	-	1,300,000	28,321,359	543,792,910	122,350,421	-	122,350,421	666,143,331	4.50%	2,617	
2019	510,848,176	-	-	32,994,659	543,842,835	119,780,161	-	119,780,161	663,622,996	4.32%	2,592	
2020	510,934,673	-	-	34,657,127	545,591,800	114,206,271	-	114,206,271	659,798,071	4.13%	2,561	

(1) All debt reported by the primary government. Details regarding the County's debt can be found in the notes to the financial statements.

(2) Information from Table 14.

(3) Governmental and Business-type general obligation debt has increased by \$12,836,002 and \$1,904,224 respectively due to implementing GASB 65 which removes deferred loss/gain on refunding as an offset to liability reclassified as a deferred outflow/inflow of resources.



HARFORD COUNTY, MARYLAND
Legal Debt Margin Information
Last Ten Fiscal Years

Table 12

Fiscal Year	Debt Limit	Total Debt Applicable to the Limit	Legal Debt Margin	Total Debt Applicable to the Limit as a % of Debt Limit
2011	1,794,102,982	450,135,811	1,343,967,171	25.09%
2012	1,734,475,759	455,946,203	1,278,529,556	26.29%
2013	1,714,305,453	452,595,162	1,261,710,291	26.40%
2014	1,692,448,434	465,856,386	1,226,592,048	27.53%
2015	1,712,790,162	483,229,879	1,229,560,283	28.21%
2016	1,739,916,435	475,134,851	1,264,781,584	27.31%
2017	1,785,007,618	494,006,599	1,291,001,019	27.68%
2018	1,828,622,339	501,501,551	1,327,120,788	27.43%
2019	1,876,768,918	496,928,176	1,379,840,742	26.48%
2020	1,915,852,847	497,089,673	1,418,763,174	25.95%

Legal Debt Margin Calculation for Fiscal Year 2020

(1) Net Assessed Value - Real Property	\$ 28,460,964,930
(2) Debt Limit=6% of Net Assessed Value - Real Property	\$ 1,707,657,896
(1) Assessed Value - Personal Property	<u>1,387,966,340</u>
(2) Debt Limit=15% of Net Assessed Value - Personal Property	<u>208,194,951</u>
Total Debt Limit	<u>1,915,852,847</u>
(3) Amount of Debt Applicable to Debt Limit	659,798,071
Less Other deductions allowed by law:	
(3) Debt Payable from Special Revenue Fund	(34,657,127)
Debt Payable from Debt Service Fund	(13,845,000)
(3) Debt Payable from Enterprise Revenues	<u>(114,206,271)</u>
Total Debt Applicable to Debt Limitation	<u>497,089,673</u>
Legal Debt Margin	\$ <u>1,418,763,174</u>

(1) Table 6

(2) Pursuant to the Local Government Article §10-203 of the Annotated Code of Maryland

(3) Table 11

HARFORD COUNTY, MARYLAND

Bond Coverage - Water and Sewer ⁽¹⁾
Including Capital Recovery Fees
Last Ten Fiscal Years

Table 13

Fiscal Year Ending June 30,	Gross Revenues ⁽²⁾	Area Connection Charges	Benefit Assessment	User Assessments and Surcharges ⁽⁵⁾	Total Gross Revenues	Operating Expense ⁽³⁾	Net Revenue Available for Debt Service	Debt Service Requirements ⁽⁴⁾			Coverage
								Principal	Interest	Total	
2011	31,237,074	4,814,179	746,977	8,593,385	45,391,615	27,598,274	17,793,341	10,346,027	4,993,322	15,339,349	1.16
2012	30,330,584	602,650	772,003	7,773,260	39,478,497	28,395,794	11,082,703	11,036,098	4,754,184	15,790,282	0.70
2013	31,145,719	808,550	860,161	7,760,565	40,574,995	34,875,138	5,699,857	9,388,778	4,407,906	13,796,684	0.41
2014	32,858,837	1,108,397	899,888	9,332,385	44,199,507	33,619,976	10,579,531	8,546,381	4,434,807	12,981,188	0.81
2015	33,344,939	1,543,075	934,765	13,913,785	49,736,564	33,211,697	16,524,867	8,269,283	4,022,016	12,291,299	1.34
2016	33,606,189	1,102,986	954,401	10,840,633	46,504,209	32,151,623	14,352,586	8,655,544	3,802,578	12,458,122	1.15
2017	41,057,009	1,485,134	976,332	11,393,358	54,911,833	34,282,770	20,629,063	8,370,350	4,066,972	12,437,322	1.66
2018	46,403,240	2,366,400	967,232	14,450,415	64,187,287	34,794,112	29,393,175	8,570,141	3,760,439	12,330,580	2.38
2019	50,792,694	3,814,022	268,178	20,267,821	75,142,715	37,128,845	38,013,870	8,191,416	3,610,197	11,801,613	3.22
2020	52,332,251	18,001,919	195,765	22,089,053	92,618,988	37,857,518	54,761,470	8,668,995	2,816,296	11,485,291	4.77

(1) Harford County Water and Sewer Enterprise Fund shown in Exhibit 8.

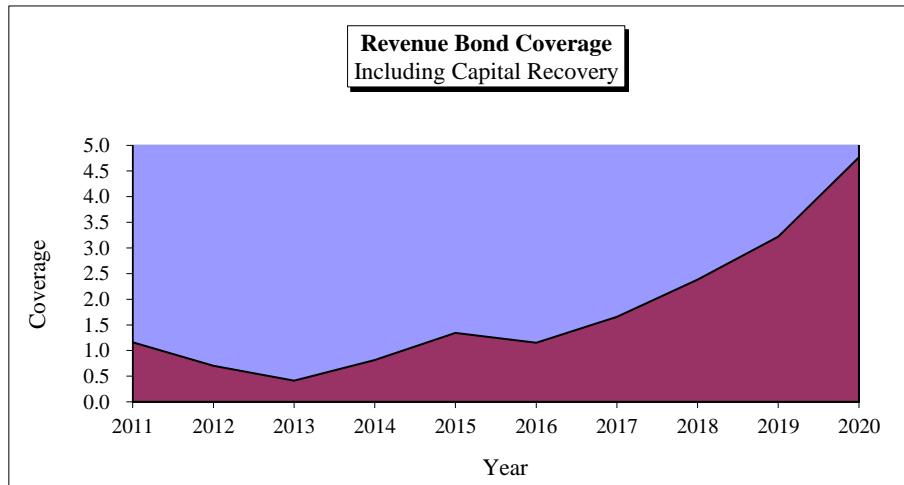
(2) Includes Total Operating Revenue, Interest Income, Recordation Tax, Grant and Transfer revenues.

(3) Includes Total Operating Expenses exclusive of Depreciation plus Other Expense.

(4) Includes Principal and Interest on Water and Sewer Bonds net of Refunded Bonds.

(5) User Assessments and Charges updated in FY 2020 for all fiscal years reported.

Note: Developer contributions of *Capital Assets* are not included in this table.



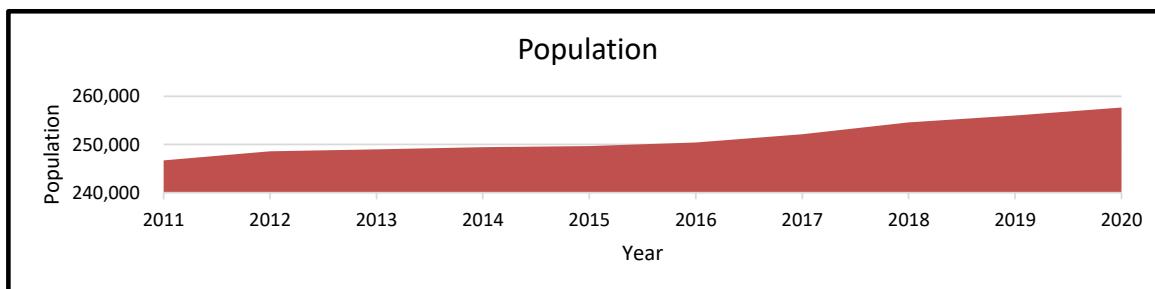
HARFORD COUNTY, MARYLAND
Demographic Statistics
Last Ten Fiscal Years

Table 14

Fiscal Year		Personal				Education of	
Ending	Population ⁽¹⁾	Per Capita	Income ⁽²⁾	(000's)	Unemployment	School	Median
June 30,		Income ⁽²⁾			Rate ⁽³⁾	Enrollment ⁽⁴⁾	Age ⁽⁵⁾
2011	246,730	48,556	11,979,041		7.3%	38,394	38.3
2012	248,585	49,231	12,236,731		7.4%	38,224	39.2
2013	248,969	49,075	12,214,370		7.5%	37,868	39.5
2014	249,430	51,082	12,736,319		6.0%	37,842	39.8
2015	249,661	53,168	13,270,163		5.5%	37,537	39.9
2016	250,439	54,868	13,736,691		4.4%	37,448	40.1
2017	252,160	56,436	14,215,587		4.2%	37,426	40.3
2018	254,560	58,841	14,942,932		4.1%	37,780	40.6
2019	256,000	59,823 ⁽⁶⁾	15,373,682 ⁽⁶⁾		3.7%	37,826	40.6
2020	257,679	61,522 ⁽⁶⁾	15,960,957 ⁽⁶⁾		7.2%	38,429	Not Available
							Not Available

SOURCE:

- (1) Population Division, U.S. Census Bureau, March 2019 provided population estimates for FY2011 thru FY2019. Harford County Department of Planning and Zoning provided population estimates for FY2020
- (2) U.S. Bureau of Economic Analysis Table CAO4
- (3) Maryland Department of Labor, Licensing and Regulation, Office of Labor Market Analysis and Information
- (4) Harford County Public Schools
- (5) Claritas, a marketing information resource company, subscribed to by the County's Department of Planning and Zoning
- (6) Personal income and per capita income for fiscal years 2019 and 2020 were estimated because data was unavailable



HARFORD COUNTY, MARYLAND

Principal Employers

Last Ten Fiscal Years

Table 15

Fiscal Year 2020			
	Number of Employees⁽¹⁾	Rank	Percentage of Total County Employment
U.S. Army Aberdeen Proving Ground	21,000	1	22.21%
Harford County Public Schools	5,231	2	5.54%
UM Upper Chesapeake Medical Center	3,305	3	3.50%
US Army Research Laboratory (ARL)	2,000	4	2.12%
Harford County Government	1,541	5	1.63%
Klein's ShopRite of Maryland	1,200	6	1.27%
Kohl's E-Fulfillment Center	1,200	7	1.27%
Rite Aid Mid-Atlantic Customer Support Center	1,065	8	1.13%
Sephora USA	1,031	9	1.09%
Harford Community College	1,011	10	1.07%
Total	<u><u>38,584</u></u>		<u><u>40.83%</u></u>
Total County Employment ⁽¹⁾	<u><u>94,501</u></u>		<u><u>100%</u></u>

Fiscal Year 2011			
	Number of Employees⁽³⁾	Rank	Percentage of Total County Employment
U.S. Army Aberdeen Proving Ground	13,984	1	20.28%
Harford County Public Schools	5,478	2	7.95%
Upper Chesapeake Health System	2,720	3	3.95%
Harford County Government	1,579	4	2.29%
Harford Community College	1,219	5	1.77%
Rite Aid Mid-Atlantic Customer Support Center	1,167	6	1.69%
Shop Rite	800	7	1.16%
Jacobs Technology	785	8	1.14%
SAIC	700	9	1.02%
Sephora USA	700	10	1.02%
Total	<u><u>29,132</u></u>		<u><u>42.27%</u></u>
Total County Employment ⁽²⁾	<u><u>68,918</u></u>		<u><u>100%</u></u>

Source:

(1) Office of Economic Development, Harford County, Maryland

(2) U.S. Census Bureau, Center for Economic Studies, June 2011

(3) Harford County Comprehensive Annual Fiscal Report Table 16 - Fiscal Year 2011

HARFORD COUNTY, MARYLAND
Capital Asset and Infrastructure Asset Statistics by Function/Program ⁽²⁾
Last Ten Fiscal Years

Table 16

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Agricultural Preservation										
Acres of Farm Land in Preservation Program	35,024	36,563	37,195	37,443	38,671	39,078	39,680	39,680	43,806	44,618
General Government										
Office Buildings	13	13	13	13	13	13	5	5	5	5
Garage	1	1	1	1	1	1	1	1	1	1
Vehicles	42	36	36	27	25	17	28	27	32	45
Education-Primary thru Community College ⁽¹⁾										
Administration Building	1	1	1	1	1	1	1	1	1	1
Alternative Education Center	1	1	1	1	1	1	1	1	1	1
Community College	1	1	1	1	1	1	1	1	1	1
Elementary Schools	32	33	33	33	33	33	33	33	33	33
High Schools	9	9	9	9	9	9	9	9	9	9
Middle Schools	9	9	9	9	9	9	9	9	9	9
Special Education	1	1	1	1	1	1	1	1	1	1
Vocational/Technical High School	1	1	1	1	1	1	1	1	1	1
Harford Center--Rehabilitation Center for Disabled	1	1	1	1	1	1	1	1	1	1
Judicial										
Courthouse	1	1	1	1	1	1	1	1	1	1
Vehicles	2	2	2	1	1	1	1	1	1	1
Libraries	11	11	11	11	11	11	11	11	11	11
Parks and Recreation										
Number of Parks	91	93	93	96	96	95	95	96	96	97
Rec, Comm. & Visitor Ctrs	8	8	8	8	8	8	8	8	8	8
Acres of Land	4,640	4,594	4,473	4,608	4,608	4,543	4,543	4,539	4,539	4,540
Vehicles	86	52	57	50	48	58	58	55	53	41
Public Safety										
Detention Center	1	1	1	1	1	1	1	1	1	1
Emergency Operations Center	1	1	1	1	1	1	1	1	1	1
Number of Stations	3	3	3	3	3	3	3	3	3	3
Sheriff's Vehicles	363	374	372	375	379	367	336	361	380	370
Firing Range	1	1	1	1	1	1	1	1	1	1
Mobile Communications Center	1	1	1	1	1	1	1	1	1	1
Emergency Operations Vehicles	9	9	11	16	16	13	13	17	21	15
Hazmat Vehicles	10	10	11	11	9	8	8	9	8	7
DILP Vehicles	27	25	25	18	17	29	21	21	22	13

(continued)

HARFORD COUNTY, MARYLAND
Capital Asset and Infrastructure Asset Statistics by Function/Program⁽²⁾
Last Ten Fiscal Years
(continued)

Table 16

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Works										
Highways										
County Maintained Roads-Paved Miles	1,002	1,008	1,011	1,013	1,017	1,018	1,023	1,027	1,029	1,032
County Maintained Roads-Unpaved Miles	46	47	46	46	46	45	45	44	44	42
Office Buildings	3	3	3	3	3	3	3	3	3	3
Equipment Sheds	8	8	8	8	8	8	8	8	8	8
Truck Bay	1	1	1	1	1	1	1	1	1	1
Salt Dome	4	4	4	4	4	4	4	4	4	4
Vehicles	332	296	291	288	303	276	253	252	278	296
Water & Sewer										
Miles of Water Mains and Laterals	691	685	683	689	691	696	703	705	711	719
Water Treatment Plants	3	3	3	3	3	3	3	3	3	3
Booster Stations	12	12	12	12	12	12	12	12	12	12
Water Tanks	13	13	12	12	12	12	12	12	12	12
Miles of Wastewater Mains and Laterals	766	770	776	784	787	792	798	801	811	817
Wastewater Treatment Plants	3	3	3	3	3	3	3	3	3	3
Wastewater Pumping Stations	55	55	56	53	50	52	51	51	51	51
Vehicles	119	109	116	120	113	103	109	108	113	122
Waste Disposal										
Waste to Energy Facility	1	1	1	1	1	1	-	-	-	-
Vehicles	20	12	11	12	9	5	-	-	-	-
Landfills										
Buildings	2	2	2	2	2	2	2	2	2	2
Pole barn/garage	2	2	2	2	2	2	2	2	2	2
Vehicles	59	55	50	45	44	35	42	41	42	39
Social Services & Health										
Senior/Activity Centers	5	5	5	5	5	5	5	5	5	5
Buses	36	31	43	43	43	43	43	38	39	33
Office Buildings	3	3	3	3	3	3	3	3	3	3
Transportation Facility	1	1	1	1	1	1	1	1	1	1
Other Vehicles	13	12	12	13	9	4	2	2	2	2

(1) Harford County does not own the Education Capital Assets but the County pays for their construction.

(2) Information from County Agencies/Component Units

HARFORD COUNTY, MARYLAND

Operating Indicators by Function ⁽¹⁾

Last Ten Fiscal Years

Table 17

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Agricultural Preservation</u>										
Number of settlements	-	9	6	-	9	-	3	-	21	7
<u>County Council</u>										
Number of bills introduced	46	67	54	49	25	44	26	43	26	32
Number of bills passed	42	57	52	43	24	42	24	41	24	32
<u>General Government</u>										
<u>Land Use</u>										
Total acres	280,727	280,727	280,727	280,727	280,727	280,727	280,727	280,727	280,726	280,726
Percent residential	17.50%	27.27%	27.27%	27.27%	27.27%	27.27%	27.27%	27.27%	27.27%	27.27%
Percent agricultural	36.70%	29.25%	29.25%	29.25%	29.25%	29.25%	29.25%	29.25%	29.25%	29.25%
Percent commercial	2.10%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%
<u>Inspections & Permits</u>										
Permits issued	14,019	14,633	15,896	18,293	19,215	19,933	17,261	17,295	17,664	16,991
Commercial construction permits	348	35	22	15	24	15	4	9	18	19
Residential construction permits	713	577	459	700	1,079	488	846	632	738	738
<u>Judicial</u>										
<u>Circuit Court</u>										
Number of cases filed (Calendar year)	2,067	2,066	2,188	2,118	1,998	1,847	1,839	1,889	1,448	1,381
<u>District Court</u>										
Number of cases filed (Calendar year)	8,372	8,202	7,658	7,623	8,228	7,826	7,738	7,645	7,883	7,827
<u>Education</u>										
<u>Board of Education</u>										
Administrators	274	266	260	256	253	254	254	254	252	226
Support	2,105	2,073	2,064	2,018	2,003	1,974	1,919	1,909	1,858	1,889
Teachers/Counselors/Mentors	3,100	3,101	3,045	2,982	3,000	2,989	2,985	2,962	2,947	2,905
Number of students	38,394	38,224	37,868	37,842	37,537	37,448	37,426	37,780	37,826	38,429
<u>Community College</u>										
Number of credit students	6,482	6,547	6,481	6,201	5,962	5,759	5,764	5,375	5,350	5,040
Faculty	480	474	471	469	450	415	407	383	374	384
Administrators	33	32	32	32	31	31	26	28	29	30
Staff	426	454	461	485	489	530	534	543	515	515
Visiting Professors	37	39	42	43	41	41	42	39	43	46
<u>Libraries</u>										
Number of registered borrowers	163,129	175,887	182,000	191,239	181,393	185,638	193,747	196,219	196,853	206,595
Circulation (000) ⁽²⁾	4,815	4,500	4,111	4,130	3,872	3,783	3,697	3,616	3,384	2,646
Materials collection (000)	1,025	994	941	941	822	979	1,090	1,113	1,052	1,080
Library personnel	239	241	241	242	243	240	242	242	242	242
<u>Parks and Recreation ⁽³⁾</u>										
Volunteer recreation councils	21	22	23	22	22	22	20	20	20	20
Number of P&R volunteers	20,165	15,439	14,396	14,297	14,250	13,271	13,571	14,308	15,694	11,561
Recreation registrations	87,694	72,953	76,456	73,359	73,066	66,074	69,625	65,122	66,089	55,286
<u>Public Safety</u>										
Number of volunteers - Fire & EMS	1,483	1,145	1,123	1,169	1,170	1,189	1,181	1,178	1,141	1,048

(continued)

HARFORD COUNTY, MARYLAND

Operating Indicators by Function ⁽¹⁾

Last Ten Fiscal Years

(continued)

Table 17

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Public Safety (continued)										
Fire & EMS responses	26,089	30,952	26,372	26,195	29,704	28,604	29,974	30,482	30,620	29,939
Police responses	145,509	150,711	135,990	137,801	227,027	296,213	273,589	284,966	222,182	170,029
911 calls	106,801	108,865	105,584	99,555	101,915	101,033	104,385	104,456	104,120	103,525
Hazardous material incidents	175	169	163	210	187	196	183	193	179	135
EOC activations/exercises	15	15	26	30	25	38	26	32	27	25
Community policing programs	314	298	298	139	134	156	122	240	244	108
Neighborhood watch programs	59	24	27	33	38	35	26	25	19	18
Public Works										
Solid Waste										
Tons of recycled materials ⁽⁴⁾	190,715	165,475	146,800	126,923	10,358	21,184	9,974	8,704	818	2,775
Tons of solid waste processed ⁽⁴⁾	142,753	141,962	167,500	133,890	140,792	120,509	12,638	12,654	17,678	16,109
Highways										
Number of snow routes	75	75	75	75	75	75	75	75	75	75
Social Services/Health										
Transportation										
Annual ridership	273,712	299,865	355,978	356,770	365,905	359,269	326,706	298,405	358,499	308,049
Vehicle miles traveled	526,957	595,480	709,276	744,346	741,767	769,333	743,196	848,951	1,030,718	881,566
Water & Sewer Operations										
Daily average water consumption in gal.(000)	11,500	12,100	12,500	12,073	9,800	9,379	9,350	9,350	9,721	9,855
Daily average effluent treatment in gal. (000)	13,000	13,300	12,500	12,073	12,714	12,126	10,712	11,854	14,300	12,027
Number of new accounts added	384	282	343	312	227	291	287	371	450	567

(1) Information from County Agencies/Component Units

(2) Library circulation amount for FY 17 updated in FY 18.

(3) In FY 2017, information for the Number of P&R volunteers and Recreation Registrations was updated to a Fiscal Year basis for FY 2010 to FY 2017. Previously, information was provided on a calendar year basis.

(4) In FY 2017, Harford County outsourced the solid waste function for the majority of the year.

HARFORD COUNTY, MARYLAND
Full-time Equivalent Government Employees by Function⁽¹⁾
Last Ten Fiscal Years

Table 18

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
County Council	22	24	22	28	28	27	27	27	27	28
General Government										
County Executive	12	11	11	11	11	4	4	4	4	4
Administration	92	63	64	65	67	49	49	50	50	50
Procurement	19	16	15	14	14	14	11	10	10	10
Treasury	49	47	48	44	44	42	42	41	41	41
Law	15	15	15	16	16	16	15	15	15	15
Planning & Zoning	43	42	42	41	41	38	37	36	36	37
Human Resources	8	8	9	7	7	9	8	8	8	9
Gov't & Community Relations	-	-	-	-	-	4	6	6	6	6
Information & Communication Technology	-	26	27	29	29	24	23	23	23	23
Conservation of Natural Resources	-	4	4	4	4	5	5	5	5	5
Economic Development	12	16	17	17	17	22	20	14	21	21
	250	248	252	248	250	227	220	212	219	221
Judicial										
Judicial	29	29	29	29	29	30	30	32	32	32
State's Attorney	56	57	57	59	59	59	59	59	59	59
	85	86	86	88	88	89	89	91	91	91
Parks and Recreation	106	106	104	102	103	94	94	86	86	85
Public Safety										
Sheriff's Office	514	514	515	525	528	535	535	529	529	537
Emergency Services	91	90	92	94	94	91	90	106	106	106
Inspections, Licenses & Permits	40	40	40	39	39	29	30	31	31	31
	645	644	647	658	661	655	655	666	666	674
Public Works										
Public Works - Administration	24	24	24	24	24	30	14	20	20	18
Public Works - Solid Waste	33	33	34	33	33	23	-	-	-	-
Public Works - Stormwater Management	-	-	-	12	12	-	-	-	-	-
Public Works - Highways	206	207	208	196	196	190	187	175	175	177
Public Works - Water & Sewer	170	170	170	171	172	170	170	170	170	169
	433	434	436	436	437	413	371	365	365	364
Social Services & Health										
Community Services	34	36	38	39	40	25	25	25	25	25
Housing Agency	8	6	6	6	7	9	8	8	-	-
	42	42	44	45	47	34	33	33	25	25
Grand Totals	1,583	1,584	1,591	1,605	1,614	1,539	1,489	1,480	1,479	1,488

(1) Information from Harford County Operating Budget; includes vacant positions.



HARFORD COUNTY

BARRY GLASSMAN, COUNTY EXECUTIVE

Maryland's New Center of Opportunity

www.harfordcountymd.gov