

# HARFORD COUNTY ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2022



**BARRY GLASSMAN, COUNTY EXECUTIVE**

# HARFORD COUNTY, MARYLAND

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FISCAL YEAR ENDED**

**JUNE 30, 2022**



*Prepared by:*

*Department of the Treasury  
Harford County, Maryland*

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

*Rick Pernas, CPA  
Harford County Deputy Treasurer*



**HARFORD COUNTY, MARYLAND**  
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# **Introductory Section**

**BARRY GLASSMAN**  
HARFORD COUNTY EXECUTIVE



**ROBERT F. SANDLASS, JR.**  
TREASURER

October 7, 2022

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

The Annual Comprehensive Financial Report (ACFR) of Harford County, Maryland (the County) for the fiscal year ended June 30, 2022, 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, 2022 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, 2022, 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 262,977. 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 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 2022 taxable assessable base resulted in an increase over the fiscal year 2021 assessable base of 1.9%. 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 2022 assessments are for "Group 1" properties and were based on an evaluation of 74,673 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 fiscal year 2023. For the 2022 assessment, 93.9% of "Group 1" residential properties saw an increase in property value statewide. In Harford County, residential assessments increased by 10.3% and commercial

assessments for Group 1 increased by 3.8% since their last assessment in December of 2019. This is the ninth 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 2022 using the modified accrual basis of accounting. The year over year increase for 2019 to 2020, 2020 to 2021, and 2021 to 2022 was 1.8%, 18.2% and 2.9%. Income tax is budgeted at \$299.8 million for fiscal year 2023. The recent growth in income tax revenue is largely due to an improving economy, lower unemployment, inflation, and a change in how pass-thru entities, such as LLCs, make their tax payments.

**Long-term financial planning:** The County has been resilient despite the pandemic and the state government shutdown 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 February 1, 2022.

Fiscal year 2023 budget, including all funds, is \$1.2 billion, an increase of 15.7% or \$165.5 million from fiscal year 2022. The total 2023 General Fund Operating Budget is \$752.6 million and the Capital Budget, excluding the Water and Sewer Capital Fund is \$262.2 million.

County Executive Glassman has invested in education, reinvested in our workforce, strengthened our communities, and funded our first responders at historic levels without raising taxes by adopting a tax rate of \$0.9779, which is \$0.05 lower than fiscal year 2022 and \$0.0423 below the constant yield tax rate. The constant yield tax rate is the tax rate that a jurisdiction would have to impose in order to obtain the same amount of property tax revenue in fiscal year 2023 as it received in fiscal year 2022.

The fiscal year 2023 budget included record level funding for Harford County Public Schools. The operating funding for Harford County Public Schools was fully funded at \$324.2 million, \$30.4 million over fiscal year 2022 which exceeds the required Maintenance of Effort level and first Kirwan requirement.

Capital budget in fiscal year 2023 includes \$85.8 million toward 18 Harford County Public School projects. Some projects include Harford Technical High School limited renovation, roof replacement for the Bakerfield Elementary School, technology infrastructure and the new building for Homestead Wakefield Elementary School. Other major capital projects budgeted for fiscal year 2023 include \$16.4 million for County road and bridge projects, \$11.3 million for watershed management projects, and \$14.0 million for public safety projects including volunteer fire companies station construction and renovations, priority repairs, life safety equipment and technology upgrades, as well as \$17.6 million in park and recreational projects.

In an effort to continue reinvesting in our workforce, County Executive Glassman instituted a merit-based annual salary increase of 3.0% plus 7.0% COLA per qualifying County employee for fiscal year 2023. Equivalent increases for the States' Attorney and Circuit Court and full funding for wage enhancements of 7.0% plus a step increase for law enforcement, corrections and civilian personnel of Harford County Sheriff's Office were implemented.

For fiscal year 2023, the county is providing \$8.9 million to Volunteer Fire companies, which is an 8.5% increase over fiscal year 2022 for each company. Along with, \$0.3 million in funding for staffing incentive programs, volunteer recruitment and retention, and continued funding for NEXT-GEN student loan relief. The Harford County Volunteer Fire and EMS Foundation is also receiving a 18.2% increase in the amount of \$6.5 million.

The fiscal year 2023 operating budget continues its policy of maintaining a reserve of 5.0% 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% 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 one hundred percent of cash held temporarily idle during the year using an equity in pooled cash system. For fiscal year 2022, the weighted average yield on investments was 0.19 percent. 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.

#### **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 Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. This was the thirty-seventh 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 annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

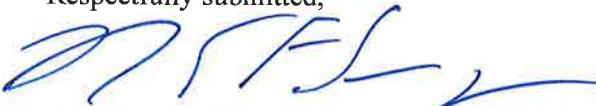
A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program requirement, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County received its thirty-fourth GFOA Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning July 1, 2021. 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 annual comprehensive 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**

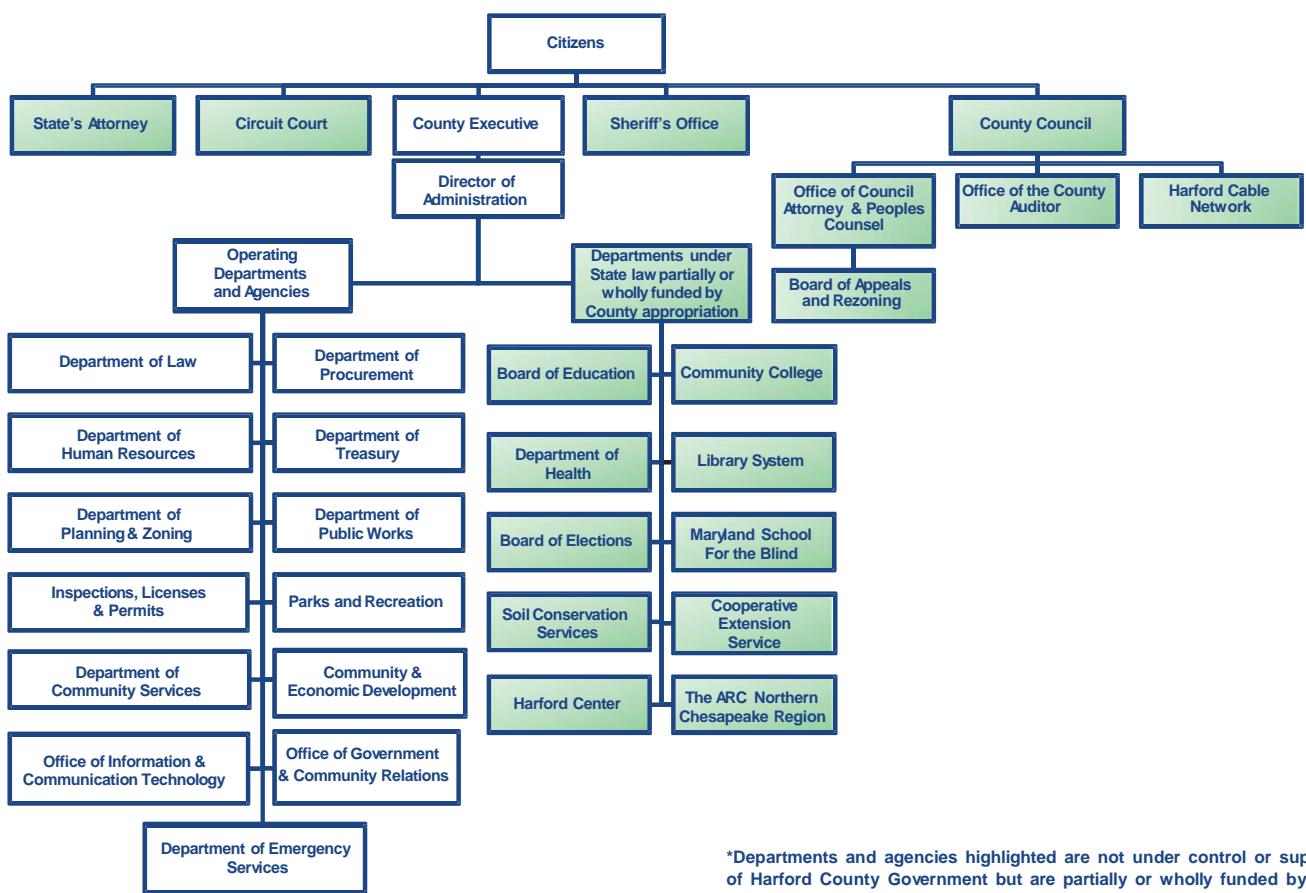
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Monell*

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, 2022**

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**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	Benjamin A. Lloyd
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	Tiffany Stephens
Director of Inspections, Licenses and Permits	Paul Lawder
Director of Parks and Recreation	Kathy Burley
Director of Planning and Zoning	Jenny B. Jarkowski
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





## INDEPENDENT AUDITORS' REPORT

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

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Harford County, Maryland (the County), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audits and the reports of 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, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparisons 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.

We did not audit the financial statements of Harford County Public Library and the Harford Center, Inc., which represent 2 percent and 3 percent of the total assets and deferred outflows and revenues of the aggregate discretely presented component units as of June 30, 2022. 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions. The financial statements of the Harford Center were not audited in accordance with *Government Auditing Standards*.

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

### ***Emphasis of Matter***

#### ***Change in Accounting Principle***

As discussed in Note 5H to the financial statements, effective July 1, 2021, the County adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-to-use lease asset and corresponding lease liability and lessors to recognize a lease receivable and corresponding deferred inflow of resources for all leases with lease terms greater than twelve months. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

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

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

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

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

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

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the County's ability to continue as a going concern for a reasonable period of time.

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

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1-13, and the required supplementary information on 110-121 as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying combining and individual fund statements and budgetary comparison schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. 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.

#### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 5, 2022, 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, 2022

## **Management's Discussion and Analysis**

This section of the Annual Comprehensive Financial Report of Harford County, Maryland (County) presents a narrative overview and analysis of the financial activities of the County for the fiscal year ended June 30, 2022. 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 \$980.3 million. The unrestricted portion of this is a deficit of \$53.5 million and is composed of an unrestricted deficit in the governmental activities of \$117.0 million and a balance of \$63.5 million unrestricted in the business-type activities.
- The County's net position increased \$118.1 million during the current fiscal year. The majority of the increase in the governmental activities is due to an increase of \$21.3 million from property and income taxes due to a recovering economy and \$3.3 million in recordation and transfer tax due to increase in activities in the housing market in part due to low interest rates for housing loans in the first half of the fiscal year. Overall expenses decreased by \$24.6 million mostly due to decrease in COVID-19 expenses compared to prior year when we were in the middle of the pandemic. The increase in the business-type activities was \$12.8 million, mainly due to connection charges and developer contributions of \$15.2 million and an increase of \$2.5 million in charges for services from prior fiscal year due to increase in water and sewer rates.
- In the governmental activities, total revenues increased 1.4% while expenses decreased 3.3% from the prior fiscal year, change in net position increased by \$105.3 million. The business-type activities, total revenues decreased by 0.8% mostly due to a reduction in capital contributions while expenses increased by \$2.6 million or 4.7% primarily due to cost of goods and services increasing overall.

#### **Fund Level:**

- The General Fund had an increase in fund balance of \$27.3 million. The Highways Fund had an increase in fund balance of \$1.3 million.
- Approximately 85.1% of the total governmental fund balance, \$302.0 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 \$197.8 million or 31.9% of total General Fund expenditures. Restricted fund balance of the General Fund was \$12.7 million or 6.0% of total fund balance, leaving \$0.8 million or 0.4% 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 \$2.1 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 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 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, and Non-major Governmental funds comprised of Parks & Recreation, Watershed 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, Agricultural Land Preservation Fund, Parks & Recreation Fund, Watershed Management 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, Watershed 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, \$871.7 million; reflects its net investment in capital assets net of depreciation (e.g. land, development rights, construction in progress, buildings, improvements, machinery and equipment, vehicles, intangibles, and infrastructure), 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 \$162.1 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 \$53.5 million; business-type activities have a balance of \$63.5 unrestricted net position while the unrestricted net position for governmental activities is a negative \$117.0 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 \$105.3 million during fiscal year 2022, while program revenues decreased \$10.4 million and general revenues increased \$21.5 million over fiscal year 2021. Governmental activities general revenues for 2022 showed an increase in property taxes of \$1.5 million, an increase of income taxes of \$19.7 million, an increase of \$2.5 million in recordation taxes, an increase in transfer tax of \$0.8 million, and offset by a decrease of \$1.3 million of investment earnings. The majority of the decrease in program revenues came from a decrease of federal grants related to the COVID-19 pandemic.

The net position of business-type activities increased \$12.8 million during fiscal year 2022. Charges for services revenue increased \$2.5 million, 4.9% from fiscal year 2021 to 2022, due to legislation increasing the rate charged for services. Expenses for the business-type activities increased \$2.6 million, 4.7%, from the prior fiscal year due to overall price increases for products and services.

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

#### Harford County Government - Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current & Other Assets	\$ 574,240,037	\$ 480,838,900	\$ 219,580,214	\$ 208,973,432	\$ 793,820,251	\$ 689,812,332
Capital Assets	832,859,949	775,970,880	423,067,423	428,793,010	1,255,927,372	1,204,763,890
Total Assets	1,407,099,986	1,256,809,780	642,647,637	637,766,442	2,049,747,623	1,894,576,222
Deferred Outflows of Resources	100,868,228	70,617,616	8,962,459	8,161,710	109,830,687	78,779,326
Noncurrent Liabilities	860,104,861	854,323,732	120,496,122	133,373,213	980,600,983	987,696,945
Other Liabilities	79,174,268	79,332,505	9,857,010	10,240,648	89,031,278	89,573,153
Total Liabilities	939,279,129	933,656,237	130,353,132	143,613,861	1,069,632,261	1,077,270,098
Deferred Inflows of Resources	101,175,765	31,562,472	8,470,886	2,298,688	109,646,651	33,861,160
Net Investment in Capital Assets	546,803,717	527,529,038	324,912,563	325,839,113	871,716,280	853,368,151
Restricted	37,708,913	32,732,079	124,386,096	122,676,261	162,095,009	155,408,340
Unrestricted	(116,999,310)	(198,052,430)	63,487,419	51,500,229	(53,511,891)	(146,552,201)
Total Net Position	\$ 467,513,320	\$ 362,208,687	\$ 512,786,078	\$ 500,015,603	\$ 980,299,398	\$ 862,224,290

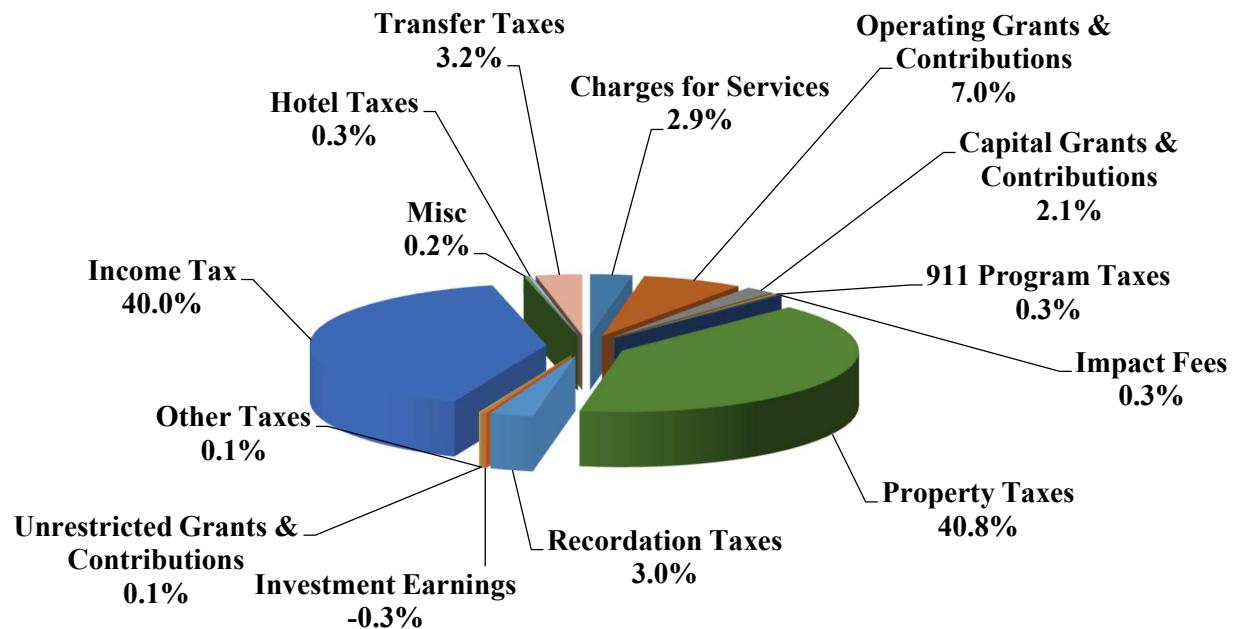
### Harford County Government's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for Services	\$ 23,783,455	\$ 21,266,817	\$ 52,780,943	\$ 50,307,823	\$ 76,564,398	\$ 71,574,640
Operating Grants & Contributions	58,344,246	74,839,796	486,602	330,000	58,830,848	75,169,796
Capital Grants & Contributions	17,605,802	13,990,259	15,195,342	18,236,943	32,801,144	32,227,202
Program revenues Total	99,733,503	110,096,872	68,462,887	68,874,766	168,196,390	178,971,638
<b>General revenues:</b>						
Property Taxes	336,638,498	335,112,342	-	-	336,638,498	335,112,342
Income Taxes	330,271,264	310,540,686	-	-	330,271,264	310,540,686
Impact Fees	2,579,400	4,000,200	-	-	2,579,400	4,000,200
911 Program Taxes	2,787,525	2,687,434	-	-	2,787,525	2,687,434
Recordation Taxes	24,493,653	22,003,340	-	-	24,493,653	22,003,340
Transfer Taxes	26,152,638	25,331,778	-	-	26,152,638	25,331,778
Hotel Taxes	2,287,207	1,684,131	-	-	2,287,207	1,684,131
Other Taxes	607,016	369,698	-	-	607,016	369,698
Investment Earnings	(2,433,863)	(1,146,492)	1,623,331	1,658,121	(810,532)	511,629
Unrestricted Grants & Contributions	410,192	403,251	-	-	410,192	403,251
Miscellaneous	1,807,970	3,115,048	277,305	402,470	2,085,275	3,517,518
<b>Total Revenues</b>	<b>825,335,003</b>	<b>814,198,288</b>	<b>70,363,523</b>	<b>70,935,357</b>	<b>895,698,526</b>	<b>885,133,645</b>
<b>Program Expenses:</b>						
Agricultural Preservation	5,715,267	4,212,983	-	-	5,715,267	4,212,983
County Council	3,263,077	3,197,307	-	-	3,263,077	3,197,307
General Government	52,153,627	63,458,317	-	-	52,153,627	63,458,317
Education-Primary thru Comm. College	332,479,006	338,437,277	-	-	332,479,006	338,437,277
Harford Center	620,193	604,012	-	-	620,193	604,012
Judicial	12,117,727	11,611,499	-	-	12,117,727	11,611,499
Libraries	20,220,623	19,529,037	-	-	20,220,623	19,529,037
Parks, Recreation and Natural	17,066,691	17,249,265	-	-	17,066,691	17,249,265
Public Safety	144,268,172	149,305,039	-	-	144,268,172	149,305,039
Public Works	83,644,249	75,572,285	-	-	83,644,249	75,572,285
Social Services	34,375,290	46,678,435	-	-	34,375,290	46,678,435
Unallocated Debt						
Interest / Other Costs	14,106,448	14,822,989	-	-	14,106,448	14,822,989
Water and Sewer	-	-	57,593,048	55,031,706	57,593,048	55,031,706
<b>Total Expenses</b>	<b>720,030,370</b>	<b>744,678,445</b>	<b>57,593,048</b>	<b>55,031,706</b>	<b>777,623,418</b>	<b>799,710,151</b>
Change in Net Position	105,304,633	69,519,843	12,770,475	15,903,651	118,075,108	85,423,494
Net Position - Beginning	362,208,687	292,688,844	500,015,603	484,111,952	862,224,290	776,800,796
Net Position - Ending	\$ 467,513,320	\$ 362,208,687	\$ 512,786,078	\$ 500,015,603	\$ 980,299,398	\$ 862,224,290

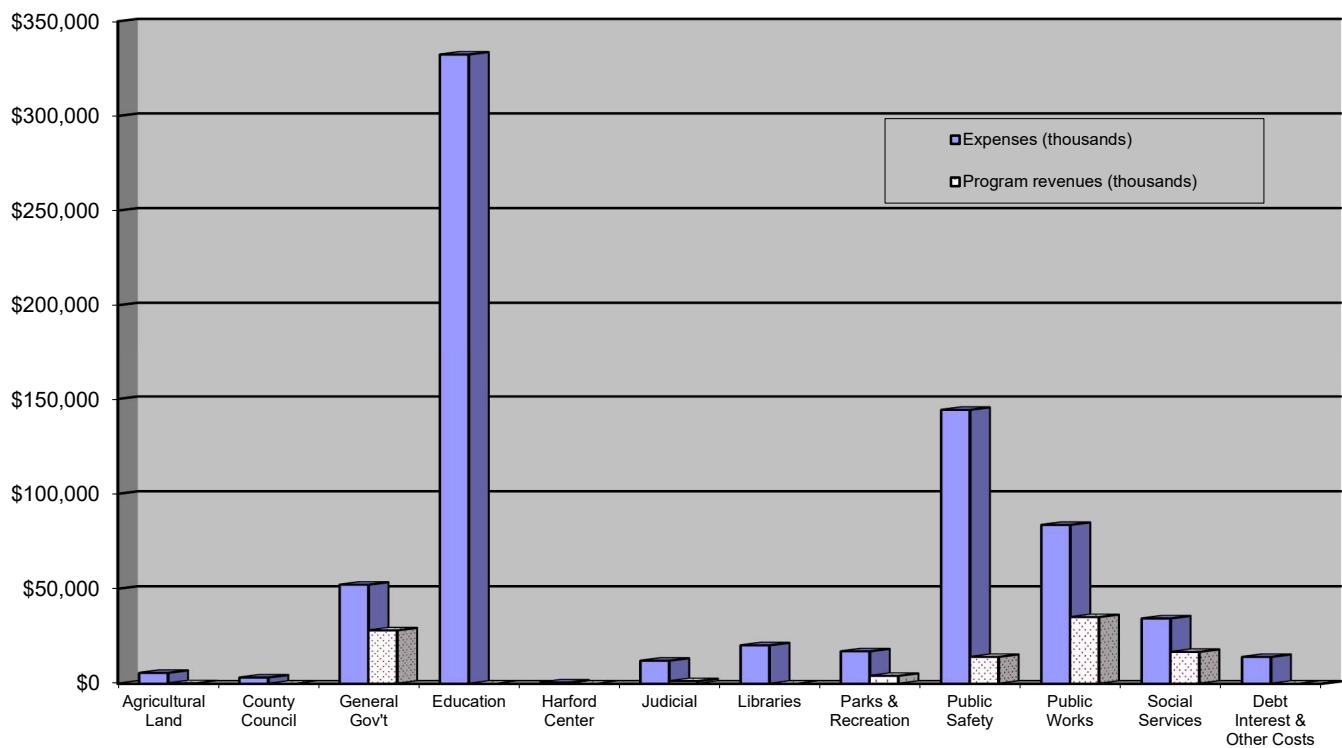
**Governmental activities:** The change in net position of governmental activities increased \$105.3 million during fiscal year 2022. Key elements are as follows:

- Total Government Activities expenses decreased \$24.6 million or 3.3% from fiscal year 2021. The decrease is due to overall less spending on specific programs that had additional expenditures in fiscal year 2021 due to the COVID-19 pandemic. The following programs that had a decrease in spending were General Government \$11.3 million, Education \$6.0 million, Public Safety \$5.0 million and Social Services \$12.3 million. These expenditures were offset by increased spending mainly in Public Works of \$8.1 million due to projects being delayed in prior years due to the pandemic.
- Property Taxes increased in fiscal year 2022 by \$1.5 million over prior year mostly due to an increase in property assessments even though there was a decrease in the property tax rate of \$.0141 per \$100 of assessed value for properties within the County, but not within the incorporated town which saw a decrease of \$.0024.
- The County recorded \$330.3 million in income tax revenue for fiscal year 2022. This is a \$19.7 million or 6.4% increase from fiscal year 2021 using the accrual basis of accounting. The change was attributed to an improvement in the economy, wages, and capital gains.
- Recordation and Transfer Tax increased \$3.3 million in fiscal year 2022 over fiscal year 2021. In fiscal year 2022 the number of homes that refinanced increased in part due to favorable interest rates resulting in increased recordation tax. A marginal increase in transfer tax revenue was due to an increase in home prices.
- Impact Fees decreased by \$1.4 million due to a slowdown of new residential construction in the county in part due to the rising construction costs that can be contributed to the remnants of COVID-19 and inflation.
- Operating Grants and Contributions decreased \$16.5 million or 22.0% 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 in fiscal year 2021 that was not received in fiscal year 2022 for those purposes.
- Capital Grants and Contributions increased \$3.6 million or 25.8% from prior fiscal year. The main increase was due to the County receiving a federal grant, ARPA, to expand the Broadband capability of the County.

## Revenues by Source-Governmental Activities



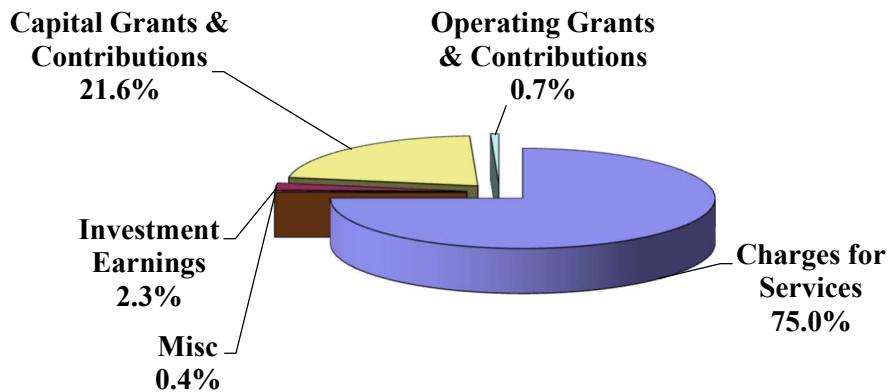
## Expenses and Program Revenues-Governmental Activities



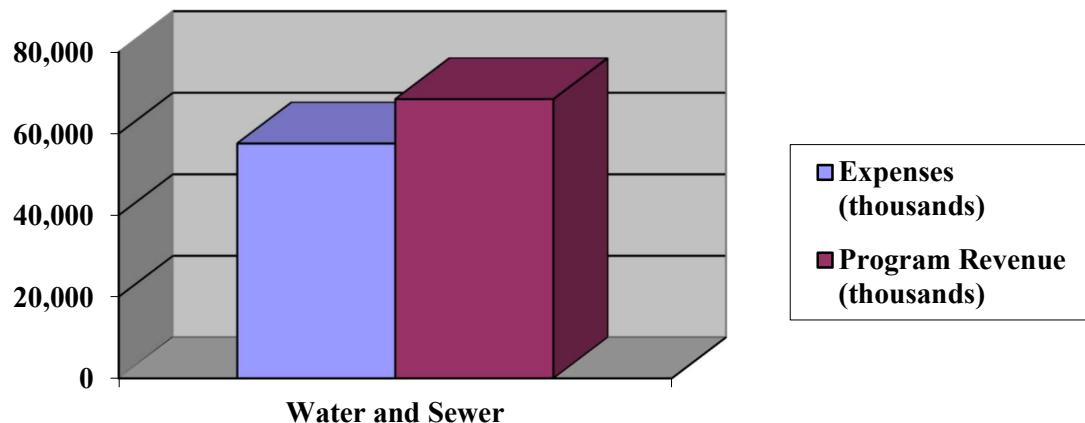
**Business-type activities** Business-type activities recorded an increase in net position of \$12.8 million during fiscal year 2022. Key elements are as follows:

- The increase in charges for services, \$2.5 million or 4.9% is attributed to an increase in the water and sewer rates.
- Capital Grants and Contributions of \$15.2 million due mostly to connections charges from development.
- Expenses grew by \$2.6 million or 4.7% which was mostly due to inflationary increases on goods and services.

**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 \$355.0 million. Approximately 85.1% of this total amount, or \$302.0 million, constitutes *assigned and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance, \$53.0 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 14.9% 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 \$197.8 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 31.9% of total General Fund expenditures, while total fund balance represents 34.1% of that same amount.

The County's General Fund total fund balance increased by \$27.3 million during the current fiscal year. The increase is mostly due to an increase in revenues of \$12.5 million with the majority from taxes which increased \$10.6 million due to an improved real estate market and a strong economy. A decrease in Transfers Out of \$4.3 million from prior year to the Capital Project Fund also added to the increase in fund balance.

The Highways Fund has a total fund balance of \$25.2 million. The Highways Fund has 86.0% of its total fund balance assigned. Of this amount, 14.4% is assigned for fiscal stabilization purposes, 41.7% is assigned for next year's budget, and 39.5% is assigned for the purpose of the fund. The Highways Fund has 7.0% fund balance as restricted, mainly due to bond proceeds of \$1.4 million. The Highways Fund balance of \$1.8 million classified as nonspendable represents inventory. The fund balance increased from last fiscal year by \$1.3 million. The increase is mostly due to decrease in paygo spending of \$3.0 million for capital projects.

The Grant Fund has a total fund balance of \$11.1 million all under the restricted category due to the legally binding nature of the grant agreements. The Grant Fund increased by \$1.1 million due to increase in federal grants being obtain for COVID-19 related grants.

The Agricultural Land Preservation Fund has a total assigned fund balance of \$47.1 million. There is \$26.5 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 decreased by \$5.9 million is due mostly to an increase in current expenditures of \$16.2 million mainly due to increased purchasing of development rights from fiscal year 2021.

The Capital Project Fund has a total fund balance of \$46.0 million. General obligation bonds of \$72.5 million were issued during fiscal year 2022 to help pay the cost of County capital projects. Of the total fund balance, \$21.1 million is restricted for dedicated revenues for Harford County Public Schools and Parks and Recreation projects and \$24.9 million is assigned for the purpose of the fund. The increase in fund balance of \$39.4 million is attributed to the issuance of debt proceeds during the year.

The Parks and Recreation Fund, Watershed Management Fund, and Beechtree Tax Increment Financing (TIF) Fund have been classified as non-major governmental funds. Total fund balance for the non-major governmental funds as of June 30, 2022, was \$14.3 million. Of the total fund balance, \$3.7 million is restricted for debt service and unspent bond proceeds and \$10.5 million is assigned to the purpose of the funds. The increase in fund balance of \$1.0 million is mostly attributed to the refunding of bonds in the prior year in the Beechtree TIF Fund which reduced the interest expense from prior year by \$0.6 million and increase in recordation tax in the Watershed Management Fund by \$0.4 million from prior year.

**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 \$62.4 million and unrestricted net position of the Internal Service Fund totaled \$21.4 million mostly due to reduced expenditures for health care as people deferred going for non-emergency treatment during the year as well as keeping the premium the same as the 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 2022 increased by \$25.8 million over the original budget. The increase was allocated to appropriated funds to account for expenses attributable to payment to escrow agent for refunding, OPEB and retirement payouts. Revenue variances increased from the final fiscal year 2022 budget by \$1.5 million mostly due to a bond premium of \$11.5 million that was not budgeted and a variance of \$30.5 million over estimated income tax revenue that saved the County from using \$43.2 million of appropriated fund balance. A cautious spending policy also led to the \$26.4 million or 3.9% 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, 2022, amounts to \$1.3 billion (net of accumulated depreciation). This investment in capital assets includes land, development rights, construction in progress, 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 \$51.2 million.

#### **Harford County Government - Capital Assets (Net of accumulated depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 297,418,617	\$ 284,986,793	\$ 1,535,972	\$ 1,535,972	\$ 298,954,589	\$ 286,522,765
Development Rights	171,389,451	153,866,418	-	-	171,389,451	153,866,418
Construction in Progress	23,780,867	32,335,465	5,419,887	11,354,463	29,200,754	43,689,928
Buildings	148,842,315	138,285,321	137,556,779	141,865,947	286,399,094	280,151,268
Improvements	33,077,820	30,981,056	225,119,475	218,939,006	258,197,295	249,920,062
Machinery and Equipment	8,300,598	2,293,889	20,240,502	21,572,558	28,541,100	23,866,447
Vehicles	19,811,108	18,686,952	3,499,925	3,148,299	23,311,033	21,835,251
Intangibles	2,529,227	2,466,610	452,744	549,455	2,981,971	3,016,065
Infrastructure	119,684,571	112,068,376	29,242,139	29,827,310	148,926,710	141,895,686
Lease Building	8,025,375	-	-	-	8,025,375	-
Total Capital Assets	\$ 832,859,949	\$ 775,970,880	\$ 423,067,423	\$ 428,793,010	\$ 1,255,927,372	\$ 1,204,763,890

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

- The Trails and Linear Parks connector trail is under construction to connect William's Street to Blake's Venture Park. In fiscal year 2022, expenditures were \$2.5 million.
- The new Fleet Maintenance Facility was completed in fiscal year 2022 and was capitalized for \$21.6 million. The building will be utilized by Harford County and Harford County Public Schools.
- The North Harford Station will provide funding to construct a new EMS station in northern Harford County. In fiscal year 2022, expenditures were \$1.8 million.

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 2022 General County Capital Budget. Some of the major expenditures were:

- The Joppatowne High School Limited Renovation project had expenditures of \$7.4 million in fiscal year 2022. The project will include systemic renovation projects which include HVAC, windows, doors and lighting along with the addition of science rooms, a foods lab and a multi-purpose room.
- Homestead Wakefield Elementary School Major Project will construct a new school to replace the three-building school. Expenditures in fiscal year 2022 totaled \$5.0 million.
- The Bel Air Middle School Roof Replacement project will replace the roof on the original building, the gym and entrance canopy which is leaking and ponding water. In fiscal year 2022, expenditures were \$1.5 million.

**Long-term debt** At the end of the current fiscal year, the County had Installment Purchase Agreements, Bonds and Lease Agreements debt outstanding of \$705.6 million. Of this amount, \$100.0 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 \$38.9 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 \$11.1 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	
	2022		2021		Primary Government	
	2022	2021	2022	2021	2022	2021
Installment Purchase	\$ 38,877,841	\$ 34,075,560	\$ -	\$ -	\$ 38,877,841	\$ 34,075,560
Bonds Payable	558,808,917	523,432,419	99,999,139	107,144,397	658,808,056	630,576,816
Lease Agreements	7,877,804	-	-	-	7,877,804	-
	\$ 605,564,562	\$ 557,507,979	\$ 99,999,139	\$ 107,144,397	\$ 705,563,701	\$ 664,652,376

The total debt of the Primary Government increased by \$40.9 million or 6.2%, during the current fiscal year. For governmental activities, debt increased by \$48.0 million due to a general obligation bond sale of

\$72.5 million, a refunding of general obligation bonds of \$17.8 million, a premium of \$12.5 million and the issue of \$5.4 million of installment purchase agreements, lease agreements \$10.9 million from implementing GASB 87 offset by principal payments and reductions of \$71.0 million. In business-type activities, debt decreased \$7.1 million, due to bond principal payments and reductions of \$17.9 million, offset by a bond sale of \$9.2 million and a premium of \$1.6 million. During fiscal year 2022, 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 \$2.0 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 2023 decreased to \$0.9779 per \$100 of assessed valuation which is \$0.05 lower than fiscal year 2022 and \$0.0423 lower than the constant yield tax rate. Net property tax receipts recorded in the General Fund for fiscal year 2023 are expected to decrease by 1.78% from those approved for fiscal year 2022. The decrease is due to the lowering of the tax rate below the constant yield. Statewide, the assessment notices mailed to a third of property owners reflect an increase by an average of 12.0%, which represents an average increase of 12.7% for all residential property and 9.7% for all commercial property since they were last assessed in 2019. In Harford County, residential assessments increased by 10.3% and commercial assessments increased by 3.8%. The Homestead Tax Credit rate is 5% for Harford County for fiscal year 2023 and remains unchanged from the past fiscal year.
- In fiscal year 2023, the County's income tax rate stayed at 3.06%. Fiscal year 2023 income tax revenue that is budgeted is projected to increase over fiscal year 2022 income tax budgeted revenue amount by 11.75%. Income tax is budgeted at \$299.8 million for fiscal year 2023. The increase in revenue is largely due to an improving economy, lower unemployment, inflation, and a change in how pass-thru-entities, such as LLC's, make their tax payments. Fiscal year 2023 will be the twelfth year of positive growth in income tax for Harford County.
- 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 2022, the County's original budget appropriated \$38.6 million in General Fund Balance to balance the 2022 budget. In fiscal year 2023, the County appropriated \$86.0 million in General Fund Balance to balance the 2023 budget.
- For fiscal year 2023, Harford County Public Schools are funded at \$324.2 million, which is \$30.4 million over fiscal year 2022, above the required Maintenance of Effort level and first Kirwan requirement.
- Harford County Public Schools fiscal year 2023 capital budget contains 18 planned projects totaling \$85.8 million for facility construction, renovations, replacements, technology for students and teachers, and special education buses. Of the total General Fund debt service budget, 57.9% is allocated for school debt.

These and other economic factors were considered when preparing the fiscal year 2023 General Fund budget, which estimates total revenues at \$752.6 million; an increase of \$93.9 million or 14.3% over fiscal

year 2022 original budgeted amounts. The budget includes record level funding to our first responders, education, and libraries. We also dedicated \$2.4 million for the prevention and treatment of opioid addiction and other behavioral health services and support of other community organizations including Harford Crisis Center and Addictions Connections Resource. The 2023 approved budget includes a merit-based annual salary increase of 3.0% plus 7.0% COLA per qualifying county employee plus equivalent increases for the States' Attorney and Circuit Court employees. The full funding for wage enhancements of 7.0% plus a step increase for law enforcement, corrections, and civilian personnel of Harford County Sheriff's Office. The County fully funded agency request for salary increases. The County also anticipates issuing bonds during fiscal year 2023.

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 2023 approved budget from the 2022 fiscal year original approved budget for the Water and Sewer Operating Fund is an increase of \$5.0 million or 7.4%.

#### **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, 2022

Exhibit 1

	<b>Primary Government</b>			<b>Component Units</b>			
	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total Primary Government</b>	<b>Harford County Public Schools</b>	<b>Harford Center, Inc.</b>	<b>Harford Community College</b>	<b>Harford County Public Library</b>
<b>ASSETS</b>							
Equity in Pooled Cash and Investments	\$ 360,008,590	\$ 180,127,150	\$ 540,135,740	\$ -	\$ -	\$ -	\$ -
Cash and Investments	26,761,531	4,000	26,765,531	85,945,414	2,516,024	43,469,526	9,855,297
Taxes and Accounts Receivable (Net)	6,303,139	11,837,482	18,140,621	22,455,718	-	3,550,670	162,460
Federal and State Receivable	160,162,744	-	160,162,744	23,864,763	561	-	-
Internal Balances	(1,038,215)	1,038,215	-	-	-	-	-
Due From Primary Government	-	-	-	5,719,228	-	194,599	35,531
Inventories	1,765,040	2,985,718	4,750,758	735,219	-	301,833	-
Lease Receivable	171,531	-	171,531	-	-	223,447	-
Loans Receivable	3,104,893	-	3,104,893	-	-	-	-
Prepaid Items and Other Assets	-	-	-	-	37,417	523,060	211,232
Deposit with Trustee	1,496,801	-	1,496,801	-	-	1,907,330	3,019,481
Benefit Assessment	502,156	22,917,638	23,419,794	-	-	-	-
Restricted Assets - Investments	15,001,827	670,011	15,671,838	-	-	22,206,581	-
Capital Assets:							
Land, Development Rights & CIP	492,588,935	6,955,859	499,544,794	72,930,816	-	6,899,614	-
Other Capital Assets, Net of Depreciation	340,271,014	416,111,564	756,382,578	671,356,296	900,992	87,873,822	4,492,667
Total Assets	<u>1,407,099,986</u>	<u>642,647,637</u>	<u>2,049,747,623</u>	<u>883,007,454</u>	<u>3,454,994</u>	<u>167,150,482</u>	<u>17,776,668</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Loss on Refunding	10,288,138	1,934,114	12,222,252	-	-	-	-
Pension and OPEB Deferrals	90,580,090	7,028,345	97,608,435	564,224,503	-	599,528	8,276,722
Total Deferred Outflow of Resources	<u>100,868,228</u>	<u>8,962,459</u>	<u>109,830,687</u>	<u>564,224,503</u>	<u>-</u>	<u>599,528</u>	<u>8,276,722</u>
<b>LIABILITIES</b>							
Accounts Payable	17,220,382	1,318,264	18,538,646	8,338,472	34,140	2,372,996	182,985
Due to Component Units	5,949,358	-	5,949,358	-	-	-	-
Retainages Payable	1,298,204	-	1,298,204	-	-	-	-
Payable to State of Maryland	98,481	1,179,993	1,278,474	-	-	-	-
Accrued Expenses	16,215,047	2,302,087	18,517,134	1,891,937	87,110	2,310,709	710,889
Unearned Revenue	35,762,046	-	35,762,046	8,316,771	-	2,228,384	12,500
Performance Deposits	1,124,334	11,352	1,135,686	-	-	-	-
Escrow Accounts	1,057,992	5,023,557	6,081,549	-	-	-	-
Other Liabilities	448,424	21,757	470,181	-	-	118,266	-
Noncurrent Liabilities:							
Due within one year	65,701,138	10,884,999	76,586,137	12,490,616	-	160,069	13,186
Due in more than one year	794,403,723	109,611,123	904,014,846	883,593,977	-	2,013,111	3,145,950
Total Liabilities	<u>939,279,129</u>	<u>130,353,132</u>	<u>1,069,632,261</u>	<u>914,631,773</u>	<u>278,104</u>	<u>9,203,535</u>	<u>4,065,510</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Gain on Refunding	-	366,498	366,498	-	-	-	-
Pension and OPEB Deferrals	101,175,765	8,104,388	109,280,153	973,210,001	-	926,599	26,285,840
Total Deferred Inflow of Resources	<u>101,175,765</u>	<u>8,470,886</u>	<u>109,646,651</u>	<u>973,210,001</u>	<u>-</u>	<u>926,599</u>	<u>26,285,840</u>
<b>NET POSITION</b>							
Net Investment in Capital Assets	546,803,717	324,912,563	871,716,280	722,933,194	900,992	94,773,436	4,462,373
Restricted for:							
Highways Projects	1,754,703	-	1,754,703	-	-	-	-
Grant Programs	11,110,876	-	11,110,876	11,047,923	-	-	-
Capital Projects	21,115,698	-	21,115,698	15,743,919	-	-	-
Debt Service	2,813,986	-	2,813,986	-	-	-	-
Watershed Management	893,609	-	893,609	-	-	-	-
Water & Sewer	-	124,386,096	124,386,096	-	-	-	-
Public Safety	20,041	-	20,041	-	-	-	-
Donor & Board Restrictions/Endowments	-	-	-	-	188,172	16,761,763	438,250
Unrestricted (deficit)	(116,999,310)	63,487,419	(53,511,891)	(1,190,334,853)	2,087,726	46,084,677	(9,198,583)
Total Net Position	<u>\$ 467,513,320</u>	<u>\$ 512,786,078</u>	<u>\$ 980,299,398</u>	<u>\$ (440,609,817)</u>	<u>\$ 3,176,890</u>	<u>\$ 157,619,876</u>	<u>\$ (4,297,960)</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, 2022

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
<b>Primary Government:</b>										
Governmental Activities										
Agricultural Preservation	\$ 5,715,267	\$ -	\$ 231,068	\$ -	\$ (5,484,199)	\$ -	\$ (5,484,199)	\$ -	\$ -	\$ -
County Council	3,263,077	-	-	-	(3,263,077)	-	(3,263,077)	-	-	-
General Government	52,153,627	3,050,397	17,990,776	7,036,178	(24,076,276)	-	(24,076,276)	-	-	-
Education-Primary thru Comm. College	332,479,006	-	-	-	(332,479,006)	-	(332,479,006)	-	-	-
Harford Center	620,193	-	-	-	(620,193)	-	(620,193)	-	-	-
Judicial	12,117,727	-	1,349,461	-	(10,768,266)	-	(10,768,266)	-	-	-
Libraries	20,220,623	-	-	-	(20,220,623)	-	(20,220,623)	-	-	-
Parks, Recreation and Natural Resources	17,066,691	865,410	81,151	3,190,005	(12,930,125)	-	(12,930,125)	-	-	-
Public Safety	144,268,172	5,026,554	4,818,434	4,263,147	(130,160,037)	-	(130,160,037)	-	-	-
Public Works	83,644,249	14,322,934	17,640,311	3,116,472	(48,564,532)	-	(48,564,532)	-	-	-
Social Services	34,375,290	518,160	16,233,045	-	(17,624,085)	-	(17,624,085)	-	-	-
Unallocated Debt Interest / Other Costs	14,106,448	-	-	-	(14,106,448)	-	(14,106,448)	-	-	-
Total Governmental Activities	<u>720,030,370</u>	<u>23,783,455</u>	<u>58,344,246</u>	<u>17,605,802</u>	<u>(620,296,867)</u>	<u>-</u>	<u>(620,296,867)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Business-type Activities										
Water and Sewer	57,593,048	52,780,943	486,602	15,195,342	-	10,869,839	10,869,839	-	-	-
Total Business-type Activities	<u>57,593,048</u>	<u>52,780,943</u>	<u>486,602</u>	<u>15,195,342</u>	<u>-</u>	<u>10,869,839</u>	<u>10,869,839</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government	<u>\$ 777,623,418</u>	<u>\$ 76,564,398</u>	<u>\$ 58,830,848</u>	<u>\$ 32,801,144</u>	<u>(620,296,867)</u>	<u>10,869,839</u>	<u>(609,427,028)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Component Units:</b>										
Harford County Public Schools	\$ 614,023,097	\$ 3,295,450	\$ 167,471,660	\$ 32,591,879				(410,664,108)	-	-
Harford Center, Inc.	2,953,492	1,852,262	999,244	-				-	(101,986)	-
Harford Community College	70,469,383	18,460,163	36,190,196	1,008,863				-	-	(14,810,161)
Harford County Public Library	19,204,373	249,672	3,397,397	-				-	-	(15,557,304)
Total Component Units	<u>\$ 706,650,345</u>	<u>\$ 23,857,547</u>	<u>\$ 208,058,497</u>	<u>\$ 33,600,742</u>				<u>(410,664,108)</u>	<u>(101,986)</u>	<u>(14,810,161)</u>
<b>General Revenues:</b>										
Taxes:										
Property Taxes			336,638,498	-	336,638,498	-	-	-	-	-
Income Taxes			330,271,264	-	330,271,264	-	-	-	-	-
Impact Fees			2,579,400	-	2,579,400	-	-	-	-	-
911 Program Taxes			2,787,525	-	2,787,525	-	-	-	-	-
Recordation Taxes			24,493,653	-	24,493,653	-	-	-	-	-
Transfer Taxes			26,152,638	-	26,152,638	-	-	-	-	-
Hotel Taxes			2,287,207	-	2,287,207	-	-	-	-	-
Other Taxes			607,016	-	607,016	-	-	-	-	-
Investment Earnings			(2,433,863)	1,623,331	(810,532)	453,294	(194,707)	312,087	18,886	
Grants and Contributions not Restricted to Specific Purposes			410,192	-	410,192	453,365,233	555,523	18,302,207	18,890,693	
Miscellaneous			1,807,970	277,305	2,085,275	22,888,146	58,456	(340,807)	-	
Total General Revenues			<u>725,601,500</u>	<u>1,900,636</u>	<u>727,502,136</u>	<u>476,706,673</u>	<u>419,272</u>	<u>18,273,487</u>	<u>18,909,579</u>	
Change in Net Position			105,304,633	12,770,475	118,075,108	66,042,565	317,286	3,463,326	3,352,275	
Net Position - Beginning			<u>362,208,687</u>	<u>500,015,603</u>	<u>862,224,290</u>	<u>(506,652,382)</u>	<u>2,859,604</u>	<u>154,156,550</u>	<u>(7,650,235)</u>	
Net Position - Ending			<u>\$ 467,513,320</u>	<u>\$ 512,786,078</u>	<u>\$ 980,299,398</u>	<u>\$ (440,609,817)</u>	<u>\$ 3,176,890</u>	<u>\$ 157,619,876</u>	<u>\$ (4,297,960)</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, 2022

**Exhibit 3**

	<b>General</b>	<b>Highways</b>	<b>Grant</b>	<b>Agricultural Land Preservation</b>	<b>Capital Project</b>	<b>Non-major Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>							
Equity in Pooled Cash and Investments	\$ 185,288,784	\$ 22,938,526	\$ 34,390,892	\$ 20,713,153	\$ 61,623,589	\$ 12,257,521	\$ 337,212,465
Cash and Investments	201,725	13,000	-	26,546,056	-	750	26,761,531
Taxes and Accounts Receivable (Net)	4,265,167	448,081	-	-	55,867	819	4,769,934
Federal and State Receivable	149,488,343	1,019,126	6,872,508	-	2,782,767	-	160,162,744
Inventories	-	1,765,040	-	-	-	-	1,765,040
Lease Receivable	171,531	-	-	-	-	-	171,531
Loans Receivable	833,412	-	2,271,481	-	-	-	3,104,893
Deposit with Trustee	-	-	-	-	-	1,496,801	1,496,801
Benefit Assessment	-	-	-	-	502,156	-	502,156
Restricted Assets - Investments	12,672,861	1,435,357	-	-	-	893,609	15,001,827
<b>TOTAL ASSETS</b>	<b>\$ 352,921,823</b>	<b>\$ 27,619,130</b>	<b>\$ 43,534,881</b>	<b>\$ 47,259,209</b>	<b>\$ 64,964,379</b>	<b>\$ 14,649,500</b>	<b>\$ 550,948,922</b>
<b>LIABILITIES</b>							
Accounts Payable	\$ 8,399,054	\$ 1,156,952	\$ 700,554	\$ 156,921	\$ 6,411,723	\$ 350,166	\$ 17,175,370
Due to Component Units	-	-	-	-	5,949,358	-	5,949,358
Retainages Payable	-	-	21,524	-	1,276,680	-	1,298,204
Payable to State of Maryland	98,481	-	-	-	-	-	98,481
Accrued Expenditures	7,539,193	745,520	333,363	-	-	37,750	8,655,826
Unearned Revenue	34,115	-	31,368,564	-	4,359,367	-	35,762,046
Performance Deposits	839,704	284,630	-	-	-	-	1,124,334
Escrow Accounts	496,405	124,116	-	-	431,717	5,754	1,057,992
Other Liabilities	447,009	1,415	-	-	-	-	448,424
<b>Total Liabilities</b>	<b>17,853,961</b>	<b>2,312,633</b>	<b>32,424,005</b>	<b>156,921</b>	<b>18,428,845</b>	<b>393,670</b>	<b>71,570,035</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable Revenue	123,787,788	84,615	-	-	502,156	-	124,374,559
Total Deferred Inflows of Resources	<b>123,787,788</b>	<b>84,615</b>	<b>-</b>	<b>-</b>	<b>502,156</b>	<b>-</b>	<b>124,374,559</b>
<b>FUND BALANCES</b>							
Nonspendable	833,412	1,765,040	-	-	-	-	2,598,452
Restricted	12,692,902	1,754,703	11,110,876	-	21,115,698	3,707,595	50,381,774
Assigned	162,950,486	21,702,139	-	47,102,288	24,917,680	10,548,235	267,220,828
Unassigned	34,803,274	-	-	-	-	-	34,803,274
<b>Total Fund Balances</b>	<b>211,280,074</b>	<b>25,221,882</b>	<b>11,110,876</b>	<b>47,102,288</b>	<b>46,033,378</b>	<b>14,255,830</b>	<b>355,004,328</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 352,921,823</b>	<b>\$ 27,619,130</b>	<b>\$ 43,534,881</b>	<b>\$ 47,259,209</b>	<b>\$ 64,964,379</b>	<b>\$ 14,649,500</b>	

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. (1,038,215)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 832,859,949

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. 124,374,559

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. 21,367,610

Deferred outflow of resources, including loss on refunding, pension and OPEB deferrals. 100,868,228

Deferred inflow of resources, including pension and OPEB deferrals. (101,175,765)

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. (864,747,374)

Net Position of Governmental Activities \$ 467,513,320

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

**HARFORD COUNTY, MARYLAND**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For The Year Ended June 30, 2022**

**Exhibit 4**

	<b>General</b>	<b>Highways</b>	<b>Grant</b>	<b>Agricultural Land Preservation</b>	<b>Capital Project</b>	<b>Non-major Governmental Funds</b>	<b>Governmental Funds</b>
<b>REVENUES</b>							
Taxes	\$ 603,463,548	\$ 38,584,917	\$ -	\$ 13,076,319	\$ 33,488,105	\$ 6,332,215	\$ 694,945,104
Revenues from Other Agencies	2,953,545	3,751,938	43,084,436	231,068	17,586,296	-	67,607,283
Investment Income	283,199	33,585	821	(2,862,181)	64,586	17,687	(2,462,303)
Charges for Current Services	16,257,210	1,392,792	375,254	-	55,867	723,761	18,804,884
Miscellaneous	808,443	339,013	585,551	31,610	25,179	-	1,789,796
Licenses and Permits	4,618,288	-	-	-	-	-	4,618,288
Fines and Forfeitures	94,712	18,379	166,034	-	-	-	279,125
Total Revenues	<u>628,478,945</u>	<u>44,120,624</u>	<u>44,212,096</u>	<u>10,476,816</u>	<u>51,220,033</u>	<u>7,073,663</u>	<u>785,582,177</u>
<b>EXPENDITURES</b>							
Current:							
Agricultural Preservation	-	-	-	19,787,429	-	-	19,787,429
County Council	3,290,680	-	-	-	-	-	3,290,680
General Government	49,747,982	-	13,428,963	-	-	-	63,176,945
Education-Primary thru Comm. College	311,887,353	-	-	-	-	-	311,887,353
Harford Center	620,193	-	-	-	-	-	620,193
Judicial	11,323,106	-	1,351,300	-	-	-	12,674,406
Libraries	18,890,693	-	-	-	-	-	18,890,693
Parks, Recreation and Natural Resources	10,615,448	-	89,958	-	-	632,682	11,338,088
Public Safety	125,250,380	-	2,874,025	-	-	-	128,124,405
Public Works	19,796,278	31,465,029	6,005,007	-	-	1,973,100	59,239,414
Social Services	11,809,241	-	20,566,260	-	-	-	32,375,501
Capital Outlay	-	-	-	-	83,456,080	-	83,456,080
Debt Service:							
Principal	40,795,390	1,352,642	-	610,449	-	1,123,268	43,881,749
Interest	16,097,907	789,126	-	1,076,730	-	954,792	18,918,555
Administrative Costs	323,026	23,793	-	289,806	-	26,404	663,029
Total Expenditures	<u>620,447,677</u>	<u>33,630,590</u>	<u>44,315,513</u>	<u>21,764,414</u>	<u>83,456,080</u>	<u>4,710,246</u>	<u>808,324,520</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>8,031,268</u>	<u>10,490,034</u>	<u>(103,417)</u>	<u>(11,287,598)</u>	<u>(32,236,047)</u>	<u>2,363,417</u>	<u>(22,742,343)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers In	20,553,733	109,678	1,213,086	-	19,043,179	-	40,919,676
Transfers Out	(9,385,086)	(10,021,179)	-	-	(19,880,000)	(1,633,411)	(40,919,676)
Issuance of Installment Purchase Agreements	-	-	-	5,412,730	-	-	5,412,730
Issuance of Bonds	-	-	-	-	72,500,000	-	72,500,000
Issuance of Refunding Bonds	17,793,395	-	-	-	-	-	17,793,395
Premium on Issuance of Bonds	11,480,082	702,236	-	-	-	298,827	12,481,145
Payment to Escrow Agent for Refunding	(21,210,080)	-	-	-	-	-	(21,210,080)
Total Other Financing Sources (Uses)	<u>19,232,044</u>	<u>(9,209,265)</u>	<u>1,213,086</u>	<u>5,412,730</u>	<u>71,663,179</u>	<u>(1,334,584)</u>	<u>86,977,190</u>
Net Change in Fund Balances	27,263,312	1,280,769	1,109,669	(5,874,868)	39,427,132	1,028,833	64,234,847
Fund Balances - Beginning	184,016,762	23,941,113	10,001,207	52,977,156	6,606,246	13,226,997	290,769,481
Fund Balances - Ending	<u>\$ 211,280,074</u>	<u>\$ 25,221,882</u>	<u>\$ 11,110,876</u>	<u>\$ 47,102,288</u>	<u>\$ 46,033,378</u>	<u>\$ 14,255,830</u>	<u>\$ 355,004,328</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, 2022**

**Exhibit 5**

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

Net change in fund balances--total governmental funds	\$	64,234,847
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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 and amortization exceeded capital outlays in the current period.

37,367,408		
------------	--	--

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

39,724,386		
------------	--	--

The issuance of long-term debt (e.g. bonds, lease agreements and installment purchase agreements) proceeds provide 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 has any 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 statement of activities.

(39,047,937)		
--------------	--	--

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.

2,438,584		
-----------	--	--

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.

(57,778)		
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Internal service funds are used by management to charge the costs of certain activities, such as insurance to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

645,123		
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Change in net position of governmental activities	\$	<u>105,304,633</u>
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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, 2022**

**Exhibit 6**

	General								Highways							
	Budgeted Amounts				Variance With Final Budget				Budgeted Amounts				Variance With Final Budget			
	Original	Final	Actual		Original	Final	Actual		Original	Final	Actual		Original	Final	Actual	
<b>REVENUES</b>																
Taxes	\$ 568,494,000	\$ 568,494,000	\$ 602,023,843	\$ 33,529,843	\$ 38,008,000	\$ 38,008,000	\$ 38,357,139	\$ 349,139								
Revenues from Other Agencies	2,680,000	2,680,000	2,953,545	273,545	3,012,000	3,012,000	3,751,938	739,938								
Investment Income	500,000	500,000	283,199	(216,801)	50,000	50,000	33,585	(16,415)								
Charges for Current Services	14,734,200	14,734,200	16,257,210	1,523,010	1,049,600	1,049,600	1,392,792	343,192								
Miscellaneous	9,534,700	9,534,700	9,821,192	286,492	7,238,000	7,238,000	8,209,285	971,285								
Licenses and Permits	4,078,100	4,078,100	4,618,288	540,188	-	-	-	-								
Fines and Forfeitures	99,000	99,000	94,712	(4,288)	11,000	11,000	18,379	7,379								
Total Revenues	<u>600,120,000</u>	<u>600,120,000</u>	<u>636,051,989</u>	<u>35,931,989</u>	<u>49,368,600</u>	<u>49,368,600</u>	<u>51,763,118</u>	<u>2,394,518</u>								
<b>EXPENDITURES</b>																
Current:																
Agricultural Preservation	-	-	-	-	-	-	-	-								
County Council	3,705,657	3,712,690	3,279,679	433,011	-	-	-	-								
General Government	62,606,708	65,574,351	56,870,876	8,703,475	-	-	-	-								
Education-Primary thru Comm. College	311,887,353	311,887,353	311,887,353	-	-	-	-	-								
Harford Center	620,193	620,193	620,193	-	-	-	-	-								
Judicial	11,733,885	12,171,064	11,159,781	1,011,283	-	-	-	-								
Libraries	18,890,693	18,890,693	18,890,693	-	-	-	-	-								
Parks, Recreation and Natural Resources	12,721,441	12,786,066	10,453,546	2,332,520	-	-	-	-								
Public Safety	129,853,007	130,909,344	125,309,206	5,600,138	-	-	-	-								
Public Works	22,205,147	22,224,970	19,930,857	2,294,113	44,628,247	45,181,247	39,003,670	6,177,577								
Social Services	13,628,922	13,652,282	11,781,397	1,870,885	-	-	-	-								
	<u>587,853,006</u>	<u>592,429,006</u>	<u>570,183,581</u>	<u>22,245,425</u>	<u>44,628,247</u>	<u>45,181,247</u>	<u>39,003,670</u>	<u>6,177,577</u>								
Debt Service	<u>59,049,994</u>	<u>59,049,994</u>	<u>57,216,323</u>	<u>1,833,671</u>	<u>2,250,574</u>	<u>2,250,574</u>	<u>2,165,561</u>	<u>85,013</u>								
Total Expenditures	<u>646,903,000</u>	<u>651,479,000</u>	<u>627,399,904</u>	<u>24,079,096</u>	<u>46,878,821</u>	<u>47,431,821</u>	<u>41,169,231</u>	<u>6,262,590</u>								
Excess (Deficiency) of Revenues Over Expenditures	(46,783,000)	(51,359,000)	8,652,085	60,011,085	2,489,779	1,936,779	10,593,887	8,657,108								
<b>OTHER FINANCING SOURCES (USES)</b>																
Appropriated Fund Balance	38,625,000	43,201,000	-	(43,201,000)	7,531,400	8,084,400	-	(8,084,400)								
Transfers In	19,880,000	19,880,000	20,553,733	673,733	-	-	109,678	109,678								
Transfers Out	(11,722,000)	(11,722,000)	(9,385,086)	2,336,914	(10,021,179)	(10,021,179)	(10,021,179)	(10,021,179)								
Issuance of Installment Purchase Agreements	-	-	-	-	-	-	-	-								
Issuance of Refunding Bonds	-	21,210,080	17,793,395	(3,416,685)	-	-	-	-								
Premium on Issuance of Bonds	-	-	11,480,082	11,480,082	-	-	702,236	702,236								
Payment to Escrow Agent for Refunding	-	(21,210,080)	(21,210,080)	-	-	-	-	-								
Total Other Financing Sources (Uses)	<u>46,783,000</u>	<u>51,359,000</u>	<u>19,232,044</u>	<u>(32,126,956)</u>	<u>(2,489,779)</u>	<u>(1,936,779)</u>	<u>(9,209,265)</u>	<u>(7,272,486)</u>								
Net Change in Fund Balances	\$ -	\$ -	27,884,129	\$ 27,884,129	\$ -	\$ -	1,384,622	\$ 1,384,622								
Fund Balance - Beginning			188,415,633				23,521,902									
Prior Year Encumbrances Cancelled			232,504				108,642									
Fund Balance - Ending			\$ 216,532,266				\$ 25,015,166									

(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, 2022**  
(continued)

**Exhibit 6**

	<b>Agricultural Land Preservation</b>				<b>Variance With Final Budget</b>	
	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>			
	<b>Original</b>	<b>Final</b>	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>						
Taxes	\$ 8,000,000	\$ 8,000,000	\$ 13,076,319	\$ 13,076,319		
Revenues from Other Agencies	500,000	500,000	231,068	(268,932)		
Investment Income	480,000	480,000	(2,862,181)	(3,342,181)		
Charges for Current Services	-	-	-	-		
Miscellaneous	-	-	31,610	31,610		
Licenses and Permits	-	-	-	-		
Fines and Forfeitures	-	-	-	-		
Total Revenues	<u>8,980,000</u>	<u>8,980,000</u>	<u>10,476,816</u>	<u>1,496,816</u>		
<b>EXPENDITURES</b>						
Current:						
Agricultural Preservation	23,949,000	23,949,000	19,787,429	4,161,571		
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>23,949,000</u>	<u>23,949,000</u>	<u>19,787,429</u>	<u>4,161,571</u>		
Debt Service	2,031,000	2,031,000	1,976,985	54,015		
Total Expenditures	<u>25,980,000</u>	<u>25,980,000</u>	<u>21,764,414</u>	<u>4,215,586</u>		
Excess (Deficiency) of Revenues Over Expenditures	<u>(17,000,000)</u>	<u>(17,000,000)</u>	<u>(11,287,598)</u>	<u>5,712,402</u>		
<b>OTHER FINANCING SOURCES (USES)</b>						
Appropriated Fund Balance	17,000,000	17,000,000	-	(17,000,000)		
Transfers In	-	-	-	-		
Transfers Out	-	-	-	-		
Issuance of Installment Purchase Agreements	-	-	5,412,730	5,412,730		
Issuance of Refunding Bonds	-	-	-	-		
Premium on Issuance of Bonds	-	-	-	-		
Payment to Escrow Agent for Refunding	-	-	-	-		
Total Other Financing Sources (Uses)	<u>17,000,000</u>	<u>17,000,000</u>	<u>5,412,730</u>	<u>(11,587,270)</u>		
Net Change in Fund Balances	\$ -	\$ -	\$ (5,874,868)	\$ (5,874,868)		
Fund Balance - Beginning			52,977,156			
Prior Year Encumbrances Cancelled			-			
Fund Balance - Ending			\$ 47,102,288			

**HARFORD COUNTY, MARYLAND**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2022**

**Exhibit 7**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Fund, Water and Sewer</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>		
<b>Current Assets:</b>		
Equity in Pooled Cash and Investments	\$ 180,127,150	\$ 22,796,125
Cash and Investments	4,000	-
Restricted Assets - Investments	670,011	-
Accounts Receivable (Net)	11,837,482	1,533,205
Inventories	2,985,718	-
Benefit Assessment	2,034,871	-
<b>Total Current Assets</b>	<b>197,659,232</b>	<b>24,329,330</b>
<b>Noncurrent Assets:</b>		
Benefit Assessment	20,882,767	-
Capital Assets, Net of Depreciation		
Land and Construction in Progress	6,955,859	-
Property, Plant & Equipment	416,111,564	-
<b>Total Capital Assets</b>	<b>423,067,423</b>	<b>-</b>
<b>Total Noncurrent Assets</b>	<b>443,950,190</b>	<b>-</b>
<b>Total Assets</b>	<b>641,609,422</b>	<b>24,329,330</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Loss on Refunding	1,934,114	-
Contributions Subsequent to Measurement Date	2,194,082	-
Changes of Assumptions	1,821,537	-
Changes in Proportion	1,434,247	-
Difference Between Expected and Actual Experience	1,578,479	-
<b>Total Deferred Outflow of Resources</b>	<b>8,962,459</b>	<b>-</b>
<b>LIABILITIES</b>		
<b>Current Liabilities:</b>		
Accounts Payable	924,916	45,012
Accounts Payable from Restricted Assets	393,348	-
Payable to the State of Maryland	1,179,993	-
Accrued Expenses	2,302,087	-
Performance Deposits	11,352	-
Escrow Accounts	5,023,557	-
Other Liabilities	21,757	-
Compensated Absences-Current	1,252,363	-
Bonds Payable-Current	9,632,636	-
Estimated Current Liability for Claims in Process	-	1,383,822
<b>Total Current Liabilities</b>	<b>20,742,009</b>	<b>1,428,834</b>
<b>Noncurrent Liabilities:</b>		
Compensated Absences	2,289,274	-
Bonds Payable	90,366,503	-
Net Pension and OPEB Liability	16,955,346	-
Estimated Liability for Claims in Process	-	1,532,886
<b>Total Noncurrent Liabilities</b>	<b>109,611,123</b>	<b>1,532,886</b>
<b>Total Liabilities</b>	<b>130,353,132</b>	<b>2,961,720</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Gain on Refunding	366,498	-
Changes of Assumptions	151,417	-
Changes in Proportion	145,464	-
Difference Between Actual and Proportionate Share of Contributions	382	-
Difference Between Expected and Actual Experience	1,894,195	-
Net Difference Between Projected and Actual Investment Earnings	5,912,930	-
<b>Total Deferred Inflow of Resources</b>	<b>8,470,886</b>	<b>-</b>
<b>NET POSITION</b>		
Net Investment in Capital Assets	324,912,563	-
Restricted - Capital Projects	124,386,096	-
Unrestricted	62,449,204	21,367,610
<b>Total Net Position</b>	<b>511,747,863</b>	<b>\$ 21,367,610</b>
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	\$ 1,038,215	
<b>Net Position of Business-Type Activities</b>	<b>\$ 512,786,078</b>	

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, 2022**

**Exhibit 8**

	<b>Business-Type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Fund, Water and Sewer</b>	<b>Internal Service Fund, Self Insurance</b>
Operating Revenues:		
Charges for Services	\$ -	\$ 30,462,255
Income from Water Operations	22,927,296	-
Income from Sewer Operations	28,191,447	-
Miscellaneous	1,662,200	42,137
Total Operating Revenues	<u>52,780,943</u>	<u>30,504,392</u>
Operating Expenses:		
General and Administrative Expenses	7,007,905	-
Operations and Maintenance-Water	13,515,114	-
Operations and Maintenance-Sewer	19,851,021	-
Insurance Claims and Expenses	-	29,887,709
Depreciation	14,483,178	-
Total Operating Expenses	<u>54,857,218</u>	<u>29,887,709</u>
Operating Income (Loss)	(2,076,275)	616,683
Nonoperating Revenues (Expenses):		
Grant Revenue	486,602	-
Interest Expense	(2,489,406)	-
Interest Income	1,623,331	28,440
Other Expense	(304,202)	-
Other Income	277,305	-
Total Nonoperating Revenue (Expenses)	<u>(406,370)</u>	<u>28,440</u>
Income (Loss) Before Capital Contributions	(2,482,645)	645,123
Capital Contributions	<u>15,195,342</u>	<u>-</u>
Change in Net Position	12,712,697	645,123
Total Net Position - Beginning	499,035,166	20,722,487
Total Net Position - Ending	<u>\$ 511,747,863</u>	<u>\$ 21,367,610</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      \$ 12,712,697

Eliminating the effect of the internal service fund, using the "look-back" method  
resulted in decreased expenses in the enterprise fund      57,778

Net Change in Net Position--Business-Type Activities      \$ 12,770,475

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, 2022**

**Exhibit 9**

	<b>Business Type Activities</b>	<b>Governmental Activities</b>
	<b>Enterprise Fund, Water and Sewer</b>	<b>Internal Service Fund, Self Insurance</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from Customers	\$ 61,468,583	\$ -
Receipts from Interfund Services Provided	- -	30,462,255
Receipts from Others for Claims	- -	42,137
Receipts from Customer Deposits and Rental Income	370,792	- -
Proceeds from Federal and State Grants	486,602	- -
Payment of Deposits to Customer	(8,540)	- -
Payments to Employees for Services	(18,589,300)	- -
Payments to Suppliers for Goods and Services	(23,023,151)	(2,004,734)
Payments for Claims	- -	(28,805,226)
Net Cash Provided By (Used For) Operating Activities	<u>20,704,986</u>	<u>(305,568)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Acquisition and Construction of Capital Assets	(3,176,102)	- -
Principal Payments on Long Term Debt	(15,786,756)	- -
Bond/Lease Service Costs	(140,045)	- -
Interest Paid on Bonds/Leases	(4,092,132)	- -
Proceeds from Federal and State Grants	- -	- -
Tap Fees in Excess of Connection Costs	10,312,019	- -
Proceeds from Bond Sale	9,171,605	- -
Premium and Accrued Interest, net of Underwriters Fees	1,593,644	- -
Proceeds from Sale of Capital Assets	- -	- -
Net Cash Used For Capital and Related Financing Activities	<u>(2,117,767)</u>	<u>- -</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investment Income	1,622,800	28,440
Net Cash Provided by Investing Activities	<u>1,622,800</u>	<u>28,440</u>
Net Increase (Decrease) in Cash and Cash Equivalents	20,210,019	(277,128)
Cash and Cash Equivalents, Beginning	160,591,142	23,073,253
Cash and Cash Equivalents, Ending (For Water & Sewer: Includes Equity and Pooled Cash of \$180,127,150, Cash and Investments of \$4,000 and Restricted Cash of \$670,011)	<u>180,801,161</u>	<u>22,796,125</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>		
Operating Income (Loss)	\$ (2,076,275)	\$ 616,683
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	14,483,178	- -
Rental Income	113,148	- -
Proceeds from Federal and State Grants	486,602	- -
Accounts Receivable	8,685,723	(988,848)
Inventory	(366,803)	- -
Contributions Subsequent to Measurement Date	14,653	- -
Changes in Assumptions	(1,537,689)	- -
Changes in Proportion	(875,008)	- -
Difference Between Actual and Proportionate Share of Contributions	4,812	- -
Difference Between Expected and Actual Experience	408,910	- -
Net Difference Between Projected and Actual Investment Earnings	905,424	- -
Accounts Payable	(20,226)	- -
Accrued Expenses	150,184	(7,530)
Estimated Payables for Future Claims	- -	74,127
Escrow Accounts	251,056	- -
Unearned Revenue	(35)	- -
Other Liabilities	697	- -
Compensated Absences	462,227	- -
Net Pension Liability	(3,242,195)	- -
Net OPEB Liability	(2,951,865)	- -
Changes in Assumptions	(56,456)	- -
Changes in Proportion	(120,843)	- -
Difference Between Actual and Proportionate Share of Contributions	(222)	- -
Difference Between Expected and Actual Experience	73,059	- -
Net Difference Between Projected and Actual Investment Earnings	5,912,930	- -
Net Cash Provided By (Used For) Operating Activities	<u>20,704,986</u>	<u>(305,568)</u>
<b>SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Developer Contributions of Capital Assets	\$ 6,225,949	\$ - -

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, 2022**

**Exhibit 10**

	<b>Pension and OPEB Trust Funds</b>	<b>Private Purpose Trust Funds</b>	<b>Custodial Funds</b>
<b>ASSETS</b>			
Equity in Pooled Cash and Investments	\$ 1,095,721	\$ 2,684,886	\$ 932,787
Cash Equivalents	997,899	628,769	25,687,990
Federal and State Receivable	-	-	-
Investments, at Fair Value			
Debt Securities	48,985,625	-	-
Fixed Income Funds	8,481,391	-	-
Equities and Equivalents	205,581,857	-	-
Total Investments	<u>263,048,873</u>	<u>-</u>	<u>-</u>
Total Assets	<u>265,142,493</u>	<u>3,313,655</u>	<u>26,620,777</u>
<b>LIABILITIES</b>			
Accounts Payable	11,500	8,692	-
Total Liabilities	<u>11,500</u>	<u>8,692</u>	<u>-</u>
<b>NET POSITION</b>			
Restricted for:			
Pension	109,016,076	-	-
OPEB	156,114,917	-	-
Individuals, organizations, and other governments	-	3,304,963	26,620,777
Total Net Position	<u>\$ 265,130,993</u>	<u>\$ 3,304,963</u>	<u>\$ 26,620,777</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 the Year Ended June 30, 2022**

**Exhibit 11**

	<b>Pension and OPEB Trust Funds</b>	<b>Private Purpose Trust Funds</b>	<b>Custodial Funds</b>
<b>ADDITIONS</b>			
Contributions			
Grant, Contributions or Seizures	\$ -	\$ -	\$ 19,858,758
Member Contributions	- -	94,981	-
Employee Contributions	806,654	-	-
Employer Contributions	14,627,085	-	-
Plan Sponsor Contributions	1,877,503	-	-
Total Contributions	<u>17,311,242</u>	<u>94,981</u>	<u>19,858,758</u>
Investment Earnings			
Net Loss in Fair Value of Investments	(41,814,060)	- -	-
Interest and Dividends	5,369,987	48,255	52,624
Total Investment Earnings	<u>(36,444,073)</u>	<u>48,255</u>	<u>52,624</u>
Less Investment Expense	(715,579)	-	-
Net Investment Income	<u>(37,159,652)</u>	<u>48,255</u>	<u>52,624</u>
Total Additions	<u>(19,848,410)</u>	<u>143,236</u>	<u>19,911,382</u>
<b>DEDUCTIONS</b>			
Administrative Expenses	88,575	- -	-
Payments to Participants or Beneficiaries	15,395,884	217,982	16,133,055
Total Deductions	<u>15,484,459</u>	<u>217,982</u>	<u>16,133,055</u>
Net Increase (Decrease) in Fiduciary Net Position	(35,332,869)	(74,746)	3,778,327
Net Position - Beginning	\$ 300,463,862	\$ 3,379,709	\$ 22,842,450
Net Position - Ending	<u>\$ 265,130,993</u>	<u>\$ 3,304,963</u>	<u>\$ 26,620,777</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, 2022**

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**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. The 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, 2022**

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**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 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*. 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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met. 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 are reported as other financing sources.

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.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

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:

*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.

*Highways 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 county highways, all expenditures of the County and/or Sheriff's Office regarding traffic patrol and highway safety, and County-related transportation expenditures.

*Grant 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.

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

*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 Harford County Public Schools, Harford Community College, and the Harford County Public Library.

The County reports the following major proprietary fund:

*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 Fund* was established by Council Bill 00-064 to account for the revenues and expenditures of the self-supporting activities of the Emmorton Recreation and Tennis Center, Recreation Councils, and the Oakington Peninsula.

*Watershed Management Fund (previously known as Stormwater Management)* was established to account for the watershed remediation operation. 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.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED**

*Beechtree Tax Increment Financing (TIF) Debt Service Fund* accumulates the incremental property tax revenues related to the Beechtree Estates Project (the Project) created in 2011 and any special assessment 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 at the end of the fiscal year.

*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* are 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.

*Custodial 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 merely as the cash conduit.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

*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.

*Seizure of Assets* - This fund was established to account for the possession of assets during the course of a criminal investigation. 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, Watershed 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 Custodial Funds. Investment income earned on individual funds' separate cash and investments is recorded monthly in the corresponding fund.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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 (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](http://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.

**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

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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, 2022, was \$1.0279 per \$100 of assessed value for properties within the County, but not within an incorporated town, and \$0.8913 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 fund are accounted for by the consumption 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, and fees collected from users for the renewal, replacement, and expansion of the County water and sewer utility.

**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 minimal capitalization thresholds it has established for that asset class. There is no minimum dollar

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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
Right to Use Leased Assets	50,000
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. Intangible right to use leased assets are amortized over the shorter of the lease term or the estimated useful life of the underlying asset.

**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 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 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.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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. 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.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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, 2022. 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. 87 entitled *Leases*, see Note 5H – Implementation of New Accounting Principle for further detail on the effect on these statements. The County also adopted Standard No. 92 entitled *Omnibus 2020*, Standard No. 93 entitled *Replacement of Interbank Offered Rates*, and Standard No. 97 entitled *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. The adoption of these standards did not have a material effect on these statements.

As of year ended June 30, 2022, GASB issued Statement No. 91 entitled *Conduit Debt Obligations*, Statement No. 94 entitled *Public-Private Partnerships and Availability Payment Arrangements*, and Statement No. 96 entitled *Subscription-Based Information Technology Arrangements*. 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, 2022**

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**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	\$ 7,559,221
Installment Purchase Agreements	38,877,841
Bonds Payable - General Obligation	489,794,585
Bonds Payable - Special Obligation	11,055,000
Bonds Payable - Premium on Issuance of Bonds	57,959,332
Leases Payable (Net)	7,877,804
Landfill Closure Liability	24,438,024
Compensated Absences	31,892,664
Net Pension Liability	128,114,871
Net OPEB Liability	67,178,032
Total	\$ 864,747,374

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	\$ 10,288,138
Contribution Subsequent to Measurement Date	25,862,010
Changes of Assumptions	21,936,788
Changes in Proportion	25,986,641
Difference Between Expected and Actual Experience	8,752,658
Net Difference Between Projected and Actual	
Investment Earnings	8,041,993
Total	\$ 100,868,228

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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

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:

Changes of Assumptions	\$ 6,629,634
Changes in Proportion	2,405,069
Difference Between Actual and Proportionate Share of Contributions	4,811
Difference Between Expected and Actual Experience	23,640,231
Net Difference Between Projected and Actual Investment Earnings	68,496,020
Total	<u><u>\$ 101,175,765</u></u>

**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	\$ 66,637,851
Depreciation and Amortization	<u>(29,270,443)</u>
Total	<u><u>\$ 37,367,408</u></u>

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	\$ 8,569,170
Trade in Value of Assets	118,000
Disposal of Assets	(28,447)
Property Tax Unavailable Revenue	(615,789)
Income Tax Unavailable Revenue	31,487,886
Lease Receivable Unavailable Revenue	171,531
Special Assessments Unavailable Revenue	22,035
Total	<u><u>\$ 39,724,386</u></u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**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 and installment purchase agreements) proceeds provide 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 has any 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 statement of activities.” The details of this difference are as follows:

Accrued Interest Expenses	\$ (308,416)
Amortization of Bond Premium	6,021,676
Amortization of Deferred Loss	(1,665,756)
Issuance of Installment Purchase Agreements	(5,412,730)
Issuance of Bonds	(72,500,000)
Issuance of Refunding Bonds	(17,793,395)
Premium on Issuance of Bonds	(12,481,145)
Principal Payments on Issuance of Installment Purchase Agreements	610,449
Principal Payments on General Obligation Bonds	39,976,166
Principal Payments on Special Obligation Bonds	310,000
Principal Payments on Lease Agreements	2,985,134
Principal Payments on Refunding Bonds	21,090,200
Loss on Refunding Bonds	119,880
<b>Total</b>	<b>\$ (39,047,937)</b>

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	\$ 561,795
Difference between OPEB Expense and Contributions	7,031,357
Compensated Absences Expense	(3,864,929)
Landfill Closure/Solid Waste Expense	(1,289,639)
<b>Total</b>	<b>\$ 2,438,584</b>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**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, 2022, supplemental appropriations adopted in the General Fund were \$25,786,080; \$553,000 in the Highways Fund; \$2,000 in the Parks and Recreation Fund; \$7,000 in the Watershed Management Fund and \$144,000 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, Watershed 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, 2022**

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**NOTE 3 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - CONTINUED**

**B. RECONCILIATION OF GAAP TO BASIS OF BUDGETING**

The Governmental Funds, except for Grant 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, 2022, the changes in fund balances are reconciled as follows:

	General Fund	Highways Fund
Basis of Budgeting - Net Change in Fund Balances	\$ 27,884,129	\$ 1,384,622
Basis Adjustments:		
Revenue for Budgetary, not GAAP Purposes	(7,573,044)	(7,642,494)
Encumbrances Adjustment	1,028,569	68,371
Expenditures for Budgetary, not GAAP Purposes	7,573,044	7,642,494
Expenditures for GAAP, not for Budgetary Purposes	<u>(1,649,386)</u>	<u>(172,224)</u>
GAAP Basis - Net Changes in Fund Balances	<u><u>\$ 27,263,312</u></u>	<u><u>\$ 1,280,769</u></u>

As of June 30, 2022, the ending fund balances are reconciled as follows:

	General Fund	Highways Fund
Basis of Budgeting - Fund Balances	\$ 216,532,266	\$ 25,015,166
Encumbrances	2,287,001	952,236
Expenditures for GAAP, not for Budgetary Purposes	<u>(7,539,193)</u>	<u>(745,520)</u>
GAAP Basis - Fund Balances	<u><u>\$ 211,280,074</u></u>	<u><u>\$ 25,221,882</u></u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**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 \$2,896,921 and the collected bank balance was \$3,362,293. 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, 2022, 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	\$	540,135,740
Cash and Investments		26,765,531
Restricted Assets - Cash and Investments		15,671,838
Pension and Other Post Employment Benefit Trust Funds - Exhibit 10		
Equity in Pooled Cash and Investments		1,095,721
Cash Equivalents		997,899
Investments		263,048,873
Private Purpose Trust Funds - Exhibit 10		
Equity in Pooled Cash and Investments		2,684,886
Cash Equivalents		628,769
Custodial Funds - Exhibit 10		
Equity in Pooled Cash and Investments		932,787
Cash Equivalents		25,687,990
Total All Equity in Pooled Cash		877,650,034
Less: Investments - Primary Government		<u>(874,753,113)</u>
The Carrying Amount of Combined Deposits	\$	<u>2,896,921</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**COMPONENT UNITS**

At year-end, the carrying amount of combined deposits was \$40,557,639. 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	\$ 85,945,414
Harford Center, Inc.	2,516,024
Harford Community College	43,469,526
Harford Community College restricted	22,206,581
Harford County Public Library	<u>9,855,297</u>
Total Component Unit Cash & Investments	<u>163,992,842</u>
Less: Investments--Component Units	<u>(123,435,203)</u>
Cash in the Bank	<u>\$ 40,557,639</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**b. INVESTMENTS**

**PRIMARY GOVERNMENT**

As of June 30, 2022, the County had the following investments and maturities.

Investment Type	Investment Maturities (Years)			
	Amount	Less than 1	1 - 5	5+
Pooled Investments				
Federal Agencies	\$ 9,705,148	\$ 9,705,148	\$ -	\$ -
MLGIP	230,133,354	230,133,354	-	-
Repurchase Agreements	300,331,514	300,331,514	-	-
Mutual Funds	2,001,672	2,001,672	-	-
<b>Subtotal</b>	<b>542,171,688</b>	<b>542,171,688</b>	<b>-</b>	<b>-</b>
Non-Pooled Investments				
MLGIP	15,671,838	15,671,838	-	-
U.S. Strip Treasuries	26,546,056	1,810,002	2,256,217	22,479,837
Trust Fund Annuity Contract	628,769	61,993	377,908	188,868
MLGIP - Fiduciary Funds	25,687,990	25,687,990	-	-
Other Post Employment Benefits and Pension Funds:				
Short-Term Investments	997,899	997,899	-	-
Equities	165,148,637	165,148,637	-	-
Multi-Adviser Hedge Fund	40,433,220	40,433,220	-	-
Fixed Income Funds	8,481,391	8,481,391	-	-
US Treasury Obligations	16,997,151	313,139	9,571,107	7,112,905
US Government Agencies	12,202,669	-	-	12,202,669
Corporate Bonds	19,785,805	1,992,284	10,491,210	7,302,311
<b>Subtotal</b>	<b>332,581,425</b>	<b>260,598,393</b>	<b>22,696,442</b>	<b>49,286,590</b>
<b>Total</b>	<b>\$ 874,753,113</b>	<b>\$ 802,770,081</b>	<b>\$ 22,696,442</b>	<b>\$ 49,286,590</b>

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, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

Harford County, Maryland had the following recurring fair value measurements as of June 30, 2022:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2022
<b>Investments by fair value level:</b>				
Pooled Investments				
Federal Agencies	\$	-	\$ 9,705,148	\$ 9,705,148
Mutual Funds		-	2,001,672	2,001,672
Non-Pooled Investments				
U.S. Strip Treasuries		-	26,546,056	26,546,056
Other Post Employment Benefits and Pension Funds				
Short-Term Investments		-	997,899	997,899
Equities	165,148,637		-	165,148,637
Fixed Income Funds	8,481,391		-	8,481,391
US Treasury Obligations		-	16,997,151	16,997,151
US Government Agencies		-	12,202,669	12,202,669
Corporate Bonds		-	19,785,805	19,785,805
Total investments at Fair Value	<u>\$ 173,630,028</u>	<u>\$ 88,236,400</u>	<u>\$ -</u>	<u>\$ 261,866,428</u>
<b>Investments carried at amortized cost:</b>				
Pooled Investments				
MLGIP				230,133,354
Repurchase Agreements				300,331,514
Non-Pooled Investments				
MLGIP				15,671,838
Trust Fund Annuity Contract				628,769
MLGIP - Fiduciary Funds				<u>25,687,990</u>
Total investments at amortized cost:				<u>572,453,465</u>
<b>Investments Measured at Net Asset Value:</b>				
Multi-Strategy Adviser Hedge Fund Portfolios LLC				12,186,967
Real Estate Income Trust, Inc.				15,118,740
Partners Group Private Equity (Master Fund), LLC				<u>13,127,513</u>
Total Investments				<u>\$ 874,753,113</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 pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

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 investments in Investment Funds which represent 85% of the portfolio (29% in Digital Assets, 22% in event driven, 21% in relative value and 13% in directional equity) 11% in Private Equity and 4% 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.

*Partners Group Private Equity (Master Fund), LLC:* The Fund employs a three-pronged “top-down” investment strategy along with a “bottom-up” investment process. First, capital market assumptions are used to guide the long-term strategic asset allocation. Second, the relative attractiveness of available investments determines our tactical asset allocation in the near term. As has been the case since the Fund's inception, the relative value views may vary across asset class, investment type, geography, or position in the capital structure. Third, thematic sourcing identifies specific opportunities that we expect to benefit from transformative trends, leading to sustainable, above-average growth. We believe that the flexibility afforded by the Fund's ability to make Direct Investments and primary and secondary Private Equity Fund Investments in a variety of markets, regions and sectors, will continue to help the Fund achieve its investment objectives.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

*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, 2022, have a 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, 2022, 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, 2022, the County's investments were not exposed to custodial credit risk.

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

*Interest Rate Risk:* The investment policies of the Sheriff 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.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

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 may not exceed 20% 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:

	<u>Minimum</u>	<u>Maximum</u>
Large Cap Equities	21	39
Mid Cap Equities	5	9
Small Cap Equities	3	7
International Equities	13	23
Fixed Income	14	26
Alternatives	0	26

**COMPONENT UNITS**

As of June 30, 2022, total investments of the component units, in the amount of \$123,435,203 was distributed by type as follows:

	MLGIP	Other Investments	Total
Harford County Public Schools	\$ 62,412,151	\$ -	\$ 62,412,151
Harford Center, Inc.	-	1,296,180	1,296,180
Harford Community College	33,998,478	16,647,528	50,646,006
Harford County Public Library	9,080,866	-	9,080,866
<b>Total</b>	<b>\$ 105,491,495</b>	<b>\$ 17,943,708</b>	<b>\$ 123,435,203</b>

*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, 2022**

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**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	\$ 1,254,289	\$ 143,607	\$ -	\$ -
Impact Fees	60,000	-	-	-
Hotel Taxes	282,708	-	-	-
Interest Accrual	10,366	1,174	-	731
Service Billings	2,742,858	326,049	55,867	88
Insurance Provider	225	-	-	-
Gross Receivables	4,350,446	470,830	55,867	819
Less: Allowance for Uncollectible	(85,279)	(22,749)	-	-
<b>Total</b>	<b>\$ 4,265,167</b>	<b>\$ 448,081</b>	<b>\$ 55,867</b>	<b>\$ 819</b>

	Water and Sewer	Internal Service Fund	Total
Property Taxes	\$ -	\$ -	\$ 1,397,896
Impact Fees	-	-	60,000
Hotel Taxes	-	-	282,708
Interest Accrual	1,310,107	-	1,322,378
Service Billings	10,582,408	-	13,707,270
Insurance Provider	-	1,533,205	1,533,430
Gross Receivables	11,892,515	1,533,205	18,303,682
Less: Allowance for Uncollectible	(55,033)	-	(163,061)
<b>Total</b>	<b>\$ 11,837,482</b>	<b>\$ 1,533,205</b>	<b>\$ 18,140,621</b>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**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:

	General	Grant	Total
Havre de Grace, Maryland	\$ 825,000	\$ -	\$ 825,000
Stuart Terrace	8,412	-	8,412
Housing Agency	-	1,397,095	1,397,095
CDBG	-	994,728	994,728
Economic Development Opportunity	-	219,546	219,546
	<u>833,412</u>	<u>2,611,369</u>	<u>3,444,781</u>
Less: Allowance for Uncollectible	-	(339,888)	(339,888)
<b>Total</b>	<b><u>833,412</u></b>	<b><u>2,271,481</u></b>	<b><u>3,104,893</u></b>

**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	Capital Project	Total
Income Taxes	\$ 122,906,867	\$ -	\$ -	\$ 122,906,867
Property Taxes Receivable	709,390	84,615	-	794,005
Special Assessments Receivable	-	-	502,156	502,156
Lease Receivable	171,531	-	-	171,531
<b>Total</b>	<b><u>123,787,788</u></b>	<b><u>84,615</u></b>	<b><u>502,156</u></b>	<b><u>124,374,559</u></b>

**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	Grant	Capital Project	Total
Prepaid Property Taxes	\$ 33,490	\$ -	\$ -	\$ 33,490
Walk-in Assessment Escrow	625	-	-	625
Grant Drawdown in Excess of Expenditures	-	31,368,564	3,885,089	35,253,653
Prepaid Contribution	-	-	474,278	474,278
<b>Total</b>	<b><u>34,115</u></b>	<b><u>31,368,564</u></b>	<b><u>4,359,367</u></b>	<b><u>35,762,046</u></b>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**C. CAPITAL ASSETS**

**PRIMARY GOVERNMENT**

Capital Asset Activity for the year ended June 30, 2022, was as follows:

<b>Governmental Activities:</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated or amortized:				
Land	\$ 284,986,793	\$ 12,431,824	\$ -	\$ 297,418,617
Development Rights	153,866,418	17,523,033	-	171,389,451
Construction in Progress	<u>32,335,465</u>	<u>29,238,749</u>	<u>(37,793,347)</u>	<u>23,780,867</u>
Total Capital Assets, not being depreciated or amortized	<u>471,188,676</u>	<u>59,193,606</u>	<u>(37,793,347)</u>	<u>492,588,935</u>
Capital Assets, being depreciated or amortized:				
Buildings	222,838,174	15,834,888	-	238,673,062
Improvements other than buildings	107,797,413	5,130,855	-	112,928,268
Machinery and Equipment	30,070,184	6,742,269	-	36,812,453
Vehicles	55,675,333	5,856,950	(3,750,365)	57,781,918
Intangibles	4,558,779	639,414	-	5,198,193
Infrastructure	275,589,023	19,720,386	-	295,309,409
Right to Use Lease Building	<u>10,862,938</u>	<sup>1</sup> -	-	<u>10,862,938</u>
Total Capital Assets, being depreciated or amortized	<u>707,391,844</u>	<u>53,924,762</u>	<u>(3,750,365)</u>	<u>757,566,241</u>
Less Accumulated Depreciation or Amortization for:				
Buildings	(84,552,853)	(5,277,894)	-	(89,830,747)
Improvements other than buildings	(76,816,357)	(3,034,091)	-	(79,850,448)
Machinery and Equipment	(27,776,295)	(735,560)	-	(28,511,855)
Vehicles	(36,988,381)	(4,704,347)	3,721,918	(37,970,810)
Intangibles	(2,092,169)	(576,797)	-	(2,668,966)
Infrastructure	(163,520,647)	(12,104,191)	-	(175,624,838)
Lease Building	-	(2,837,563)	-	(2,837,563)
Total Accumulated Depreciation or Amortization	<u>(391,746,702)</u>	<u>(29,270,443)</u>	<u>3,721,918</u>	<u>(417,295,227)</u>
Total Capital Assets, being depreciated or amortized, net	<u>315,645,142</u>	<u>24,654,319</u>	<u>(28,447)</u>	<u>340,271,014</u>
Governmental Activities Capital Assets, net	\$ <u>786,833,818</u>	\$ <u>83,847,925</u>	\$ <u>(37,821,794)</u>	\$ <u>832,859,949</u>

<sup>1</sup> The County implemented GASB Statement No. 87 effective July 1, 2021. As a result, the beginning balances include the leased assets for those qualifying leases that were in place at that date.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

<b>Business-type Activities:</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated or amortized:				
Land	\$ 1,535,972	\$ -	\$ -	\$ 1,535,972
Construction in Progress	11,354,463	1,302,870	(7,237,446)	5,419,887
Total Capital Assets, not being depreciated	<u>12,890,435</u>	<u>1,302,870</u>	<u>(7,237,446)</u>	<u>6,955,859</u>
Capital Assets, being depreciated or amortized:				
Buildings	274,167,699	1,158,348	-	275,326,047
Improvements other than buildings	337,947,431	12,305,046	-	350,252,477
Machinery and Equipment	33,761,812	61,667	(68,213)	33,755,266
Vehicles	7,275,535	1,167,106	(304,508)	8,138,133
Intangibles	1,165,845	-	-	1,165,845
Infrastructure	32,764,570	-	-	32,764,570
Total Capital Assets, being depreciated or	<u>687,082,892</u>	<u>14,692,167</u>	<u>(372,721)</u>	<u>701,402,338</u>
Less Accumulated Depreciation or Amortization for:				
Buildings	(132,301,752)	(5,467,516)	-	(137,769,268)
Improvements other than buildings	(119,008,425)	(6,124,577)	-	(125,133,002)
Machinery and Equipment	(12,189,254)	(1,393,723)	68,213	(13,514,764)
Vehicles	(4,127,236)	(815,480)	304,508	(4,638,208)
Intangibles	(616,390)	(96,711)	-	(713,101)
Infrastructure	(2,937,260)	(585,171)	-	(3,522,431)
Total Accumulated Depreciation or Amortization	<u>(271,180,317)</u>	<u>(14,483,178)</u>	<u>372,721</u>	<u>(285,290,774)</u>
Total Capital Assets, being depreciated or amortized, net	<u>415,902,575</u>	<u>208,989</u>	<u>-</u>	<u>416,111,564</u>
Business-type Activities Capital Assets, net	<u>\$ 428,793,010</u>	<u>\$ 1,511,859</u>	<u>\$ (7,237,446)</u>	<u>\$ 423,067,423</u>

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

**Governmental Activities:**

General Government	\$ 2,694,706
Judicial	115,671
Libraries	1,043,038
Parks and Recreation	3,715,589
Public Safety	4,207,063
Public Works	15,229,359
Social Services & Health	2,265,017
Total Depreciation or Amortization Expense - Governmental Activities	<u>\$ 29,270,443</u>

**Business-type Activities**

Water and Sewer	<u>\$ 14,483,178</u>
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**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**COMPONENT UNITS**

**Harford County Public Schools:** Capital Asset Activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 9,672,942	\$ -	\$ -	\$ 9,672,942
Construction in Progress	128,044,332	26,058,774	(90,845,232)	63,257,874
Total Capital Assets, not being depreciated	<u>137,717,274</u>	<u>26,058,774</u>	<u>(90,845,232)</u>	<u>72,930,816</u>
Capital Assets, being depreciated				
Land Improvements	19,953,916	197,558	-	20,151,474
Buildings	821,923,237	92,160,420	-	914,083,657
Furniture and Equipment	54,735,491	1,986,224	(1,587,714)	55,134,001
Lease Assets	-	19,942,253	-	19,942,253
Total Capital Assets, being depreciated	<u>896,612,644</u>	<u>114,286,455</u>	<u>(1,587,714)</u>	<u>1,009,311,385</u>
Accumulated Depreciation				
Land Improvements	(11,381,271)	(857,713)	-	(12,238,984)
Buildings	(260,084,672)	(18,339,241)	-	(278,423,913)
Furniture and Equipment	(41,941,359)	(2,463,413)	1,610,696	(42,794,076)
Lease Asset	(4,498,116)	-	(4,498,116)	(4,498,116)
Total Accumulated Depreciation	<u>(313,407,302)</u>	<u>(26,158,483)</u>	<u>1,610,696</u>	<u>(337,955,089)</u>
Total Capital Assets, being depreciated, net	<u>583,205,342</u>	<u>88,127,972</u>	<u>22,982</u>	<u>671,356,296</u>
Total Capital Assets, net	<u>\$ 720,922,616</u>	<u>\$ 114,186,746</u>	<u>\$ (90,822,250)</u>	<u>\$ 744,287,112</u>

**The Harford Center, Inc.:** Capital Asset Activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, being depreciated				
Equipment - Other	\$ 259,294	\$ -	\$ (67,263)	\$ 192,031
Equipment - Transportation	857,919	152,088	(53,045)	956,962
Leasehold Improvements	981,366	-	-	981,366
Total Capital Assets, being depreciated	<u>2,098,579</u>	<u>152,088</u>	<u>(120,308)</u>	<u>2,130,359</u>
Accumulated Depreciation:				
Capital Assets	(1,175,435)	(173,969)	120,037	(1,229,367)
Total Capital Assets, net	<u>\$ 923,144</u>	<u>\$ (21,881)</u>	<u>\$ (271)</u>	<u>\$ 900,992</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**Harford Community College:** Capital Asset Activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated				
Land	\$ 3,741,759	\$ -	\$ -	\$ 3,741,759
Construction in Progress	1,060,187	2,647,305	(549,637)	3,157,855
Total Capital Assets, not being depreciated	<u>4,801,946</u>	<u>2,647,305</u>	<u>(549,637)</u>	<u>6,899,614</u>
Capital Assets, being depreciated				
Buildings and Improvements	143,071,911	663,824	(758,450)	142,977,285
Furniture and Equipment	6,855,424	842,877	(78,332)	7,619,969
Computer Technology	4,620,765	134,992	(61,613)	4,694,144
Vehicles	1,087,970	45,723	(68,446)	1,065,247
Library Books	1,520,777	70,637	(162,335)	1,429,079
Total Capital Assets, being depreciated	<u>157,156,847</u>	<u>1,758,053</u>	<u>(1,129,176)</u>	<u>157,785,724</u>
Accumulated Depreciation				
Buildings and Improvements	(54,377,947)	(4,027,405)	409,324	(57,996,028)
Furniture and Equipment	(5,417,959)	(142,815)	77,143	(5,483,631)
Computer Technology	(4,113,614)	(86,997)	61,613	(4,138,998)
Vehicles	(774,672)	(100,113)	68,446	(806,339)
Library Books	(1,048,056)	(601,184)	162,334	(1,486,906)
Total Accumulated Depreciation	<u>(65,732,248)</u>	<u>(4,958,514)</u>	<u>778,860</u>	<u>(69,911,902)</u>
Total Capital Assets, being depreciated, net	<u>91,424,599</u>	<u>(3,200,461)</u>	<u>(350,316)</u>	<u>87,873,822</u>
Total Capital Assets, net as restated	<u>\$ 96,226,545</u>	<u>\$ (553,156)</u>	<u>\$ (899,953)</u>	<u>\$ 94,773,436</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**Harford County Public Library:** Capital Asset Activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, being depreciated				
Circulating Materials	\$ 4,494,295	\$ 1,427,750	\$ (1,649,726)	\$ 4,272,319
Improvements to Buildings	3,412,192	1,789	-	3,413,981
Furniture and Equipment	3,282,646	125,936	(7,886)	3,400,696
Computer Equipment	2,358,221	112,053	(53,767)	2,416,507
Vehicles	414,105	168,742	-	582,847
Leased Assets - Equipment	162,737	9,802	-	172,539
Total Capital Assets, being depreciated	<u>14,124,196</u>	<u>1,846,072</u>	<u>(1,711,379)</u>	<u>14,258,889</u>
Accumulated Depreciation:				
Circulating Materials	(2,317,048)	(1,461,128)	1,649,726	(2,128,450)
Improvements to Buildings	(1,756,405)	(261,654)	-	(2,018,059)
Furniture and Equipment	(2,707,067)	(156,960)	7,886	(2,856,141)
Computer Equipment	(2,266,309)	(60,702)	53,767	(2,273,244)
Vehicles	(302,397)	(44,005)	-	(346,402)
Leased Assets - Equipment	(131,469)	(12,457)	-	(143,926)
Total Accumulated Depreciation	<u>(9,480,695)</u>	<u>(1,996,906)</u>	<u>1,711,379</u>	<u>(9,766,222)</u>
Total Capital Assets, net	<u>\$ 4,643,501</u>	<u>\$ (150,834)</u>	<u>\$ -</u>	<u>\$ 4,492,667</u>

**D. 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, 2022, these interfund balances are:

	Due to	Due From
Primary Government:		
Capital Projects Fund	\$ 5,949,358	\$ -
Component Units:		
Harford County Public Schools	-	5,719,228
Harford Community College	-	194,599
Harford County Public Library	-	35,531
Total	<u>\$ 5,949,358</u>	<u>\$ 5,949,358</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**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, (3) move dedicated revenues mandated to be collected in the capital project fund to the general fund to pay for qualified debt service expenditures, and (4) move dedicated revenue above the contractual amount to pay the yearly debt service from the Beechtree Tax Increment Financing to the General Fund and Special Revenue Fund. The interfund transfers for the current fiscal year are:

**Transfers In**

<b>Transfer Out</b>	<b>General Fund</b>	<b>Highways Fund</b>	<b>Grant Fund</b>	<b>Capital Project Fund</b>	<b>Total</b>
General Fund	\$ -	\$ -	\$ 1,213,086	\$ 8,172,000	\$ 9,385,086
Highways Fund	-	-	-	10,021,179	10,021,179
Capital Projects Fund	19,880,000	-	-	-	19,880,000
Non-major Gov't Funds	673,733	109,678	-	850,000	1,633,411
<b>Total Transfers In</b>	<b>\$ 20,553,733</b>	<b>\$ 109,678</b>	<b>\$ 1,213,086</b>	<b>\$ 19,043,179</b>	<b>\$ 40,919,676</b>

**E. TAX ABATEMENTS**

As of June 30, 2022, 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.

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.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

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 and 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.

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.

<b>Tax Abatement Program</b>	<b>Amount of Taxes Abated</b>
PILOT Programs	\$ 452,094
Agricultural Preservation Credits	1,667,483
Enterprise Zone Credits	1,581,320
Total	<u><u>\$ 3,700,897</u></u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**F. NON-CURRENT LIABILITIES**

**a. CHANGES IN NON-CURRENT LIABILITIES**

**PRIMARY GOVERNMENT**

	Balance July 1, 2021	Additions	Principal Repayments & Reductions	Balance June 30, 2022	Due Within One Year
<b>Governmental Activities:</b>					
Installment Purchase Agree.	\$ 34,075,560	\$ 5,412,730	\$ (610,449)	\$ 38,877,841	\$ 2,567,440
Bonds Payable					
General Obligation Bonds	460,567,556	90,293,395	(61,066,366)	489,794,585	41,635,272
Special Obligation Bonds	11,365,000	-	(310,000)	11,055,000	405,000
Premium on Issuance of Bonds	51,499,863	12,481,145	(6,021,676)	57,959,332	5,184,926
Lease Agreements	10,862,938	<sup>1</sup> -	(2,985,134)	7,877,804	2,642,933
Landfill Closure/Solid Waste	23,148,385	1,507,008	(217,369)	24,438,024	247,369
Compensated Absences	28,027,735	7,075,391	(3,210,462)	31,892,664	11,634,376
Est. Liab. For Claims in Pro.	2,842,581	1,239,093	(1,164,966)	2,916,708	1,383,822
Net Pension Liability	143,303,681	19,568,894	(34,757,704)	128,114,871	-
Net OPEB Liability	99,493,371	-	(32,315,339)	67,178,032	-
Governmental Activities -					
Long-term Liabilities	<u>\$ 865,186,670</u>	<u>\$ 137,577,656</u>	<u>\$ (142,659,465)</u>	<u>\$ 860,104,861</u>	<u>\$ 65,701,138</u>
<b>Business-type Activities:</b>					
Bonds Payable					
General Obligation Bonds	\$ 96,387,445	\$ 9,171,605	\$ (16,428,635)	\$ 89,130,415	\$ 8,454,727
Premium on Issuance of Bonds	10,756,952	1,593,644	(1,481,872)	10,868,724	1,177,909
Compensated Absences	3,079,410	857,126	(394,899)	3,541,637	1,252,363
Net Pension Liability	10,921,789	-	(3,242,195)	7,679,594	-
Net OPEB Liability	12,227,617	-	(2,951,865)	9,275,752	-
Business-type activities -					
Long-term Liabilities	<u>\$ 133,373,213</u>	<u>\$ 11,622,375</u>	<u>\$ (24,499,466)</u>	<u>\$ 120,496,122</u>	<u>\$ 10,884,999</u>

<sup>1</sup> The County implemented GASB Statement No. 87 effective July 1, 2021. As a result, the beginning balances include the Lease Agreements for those qualifying leases that were in place at that date.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

Installment Purchase Agreements long-term debt has typically been liquidated in the Agricultural Land Preservation special revenue fund. Governmental Landfill Closure/Solid Waste, compensated absences, net OPEB liability and net pension liability 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, 2022, was \$2,021,122,774 and the legal debt margin was \$1,465,491,053.

**COMPONENT UNITS**

Non-current liabilities in the component units consist of liabilities for compensated absences, other post employment benefits (OPEB), 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
<b><u>Harford County Public Schools</u></b>				
Lease and Notes Payable	\$ 6,334,360	\$ 21,107,645	\$ 27,442,005	\$ 7,320,591
Compensated Absences	35,056,398	566,208	35,622,606	5,170,025
Net OPEB Liability	977,649,000	(165,389,000)	812,260,000	-
Net Pension Liability	28,736,364	(7,976,382)	20,759,982	-
<b>Total</b>	<b>\$ 1,047,776,122</b>	<b>\$ (151,691,529)</b>	<b>\$ 896,084,593</b>	<b>\$ 12,490,616</b>
<b><u>Harford Center</u></b>				
Note Payable	\$ 325,000	\$ (325,000)	\$ -	\$ -
<b>Total</b>	<b>\$ 325,000</b>	<b>\$ (325,000)</b>	<b>\$ -</b>	<b>\$ -</b>
<b><u>Harford Community College</u></b>				
Compensated Absences	\$ 1,442,524	\$ (167,802)	\$ 1,274,722	\$ 160,069
Net Pension Liability	1,358,703	(460,245)	898,458	-
<b>Total</b>	<b>\$ 2,801,227</b>	<b>\$ (628,047)</b>	<b>\$ 2,173,180</b>	<b>\$ 160,069</b>
<b><u>Harford County Public Library</u></b>				
Financing Leases	\$ 30,907	\$ (613)	\$ 30,294	\$ 13,186
Compensated Absences	482,464	(2,826)	479,638	-
Net OPEB Liability	3,207,952	(1,858,000)	1,349,952	-
Net Pension Liability	1,703,190	(403,938)	1,299,252	-
<b>Total</b>	<b>\$ 5,424,513</b>	<b>\$ (2,265,377)</b>	<b>\$ 3,159,136</b>	<b>\$ 13,186</b>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**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 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, 2022, range from 0.76% to 5.91%. The annual requirements to amortize agricultural land preservation installments outstanding as of June 30, 2022, are as follows:

**AGRICULTURAL LAND PRESERVATION INSTALLMENTS**

Year Ending	Principal	Interest	Total Requirement
June 30,	\$	\$	\$
2023	\$ 2,567,440	\$ 1,134,451	\$ 3,701,891
2024	1,831,604	1,024,127	2,855,731
2025	987,583	942,944	1,930,527
2026	1,303,076	912,009	2,215,085
2027	1,017,868	865,969	1,883,837
2028	1,214,249	833,057	2,047,306
2029	11,100,189	791,090	11,891,279
2030	2,669,335	424,454	3,093,789
2031	645,075	399,493	1,044,568
2032	9,819,383	387,126	10,206,509
2033	1,676,640	164,850	1,841,490
2034	49,910	113,627	163,537
2035	2,514,881	112,224	2,627,105
2036	18,279	38,341	56,620
2037	1,462,329	37,867	1,500,196
Total	<u>\$ 38,877,841</u>	<u>\$ 8,181,629</u>	<u>\$ 47,059,470</u>

For the year ended June 30, 2022, total principal and interest incurred related to agricultural land preservation installment was \$610,449 and \$1,076,730, respectively.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**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 2012-2022 allocated to school projects are payable in the first instance from recordation and transfer tax revenues and impact fees.

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 2022, the County issued \$72,500,000 in the Governmental activities and \$2,500,000 in the Business-Type activities of general obligation bonds. As of June 30, 2022, general obligation bonds payable are comprised of the following individual issues:

<b>Governmental activities:</b>	<b>Originally Issued</b>	<b>Outstanding as of June 30, 2022</b>
Refunding Bond of 2012 - 2.0% - 4.0% - due serially to 2024	\$ 6,931,393	\$ 1,281,722
Public Improvement Bond of 2013 - 3.0% - 5.0% due serially to 2033	30,000,000	16,500,000
Refunding Bond of 2013 - 2.0% - 5.0% - due serially to 2028	59,750,398	26,029,757
Public Improvement Bond of 2014 - 2.0% - 5.0% due serially to 2034	33,180,257	19,900,257
Public Improvement Bond of 2015 - 3.0% - 5.0% due serially to 2034	42,000,000	27,300,000
Refunding Bond of 2015 - 2.95% - 5.0% - due serially to 2029	55,994,243	44,458,244
Public Improvement Bond of 2016 - 2.0% - 5.0% due serially to 2035	27,132,515	18,992,760
Public Improvement Bond of 2017 - 3.0% - 5.0% due serially to 2036	53,177,000	39,877,000
Public Improvement Bond of 2018 - 2.5% - 5.0% due serially to 2037	43,000,000	34,400,000
Public Improvement Bond of 2019 - 3.0% - 5.0% due serially to 2038	34,000,000	28,900,000
Public Improvement Bond of 2020 - 1.5% - 5.0% - due serially to 2039	37,000,000	33,300,000
Refunding Bond of 2020 - 5.0% - due serially to 2031	64,986,408	58,957,200
Public Improvements Bond of 2021 - 1.3% - 5.0% - due serially to 2040	52,215,000	49,604,250
Refunding Bond of 2022 - 5.0% - due serially to 2032	17,793,395	17,793,395
Public Improvements Bond of 2022 - 2.5% - 5.0% - due serially to 2041	72,500,000	72,500,000
<b>Total Bonds Outstanding</b>	<b>\$ 629,660,609</b>	<b>\$ 489,794,585</b>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUND TYPES – CONTINUED**

The annual requirements to amortize general obligation bond debt outstanding as of June 30, 2022, are as follows:

Year Ending June 30,	Principal	Interest	Total Requirement
2023	\$ 41,635,272	\$ 18,629,024	\$ 60,264,296
2024	40,878,234	16,353,744	57,231,978
2025	40,074,368	14,634,598	54,708,966
2026	39,111,478	12,842,459	51,953,937
2027	37,611,979	11,256,576	48,868,555
2028-2032	161,332,744	34,011,432	195,344,176
2033-3037	89,482,510	10,601,997	100,084,507
2038-2042	39,668,000	1,855,612	41,523,612
Total	<u>\$ 489,794,585</u>	<u>\$ 120,185,442</u>	<u>\$ 609,980,027</u>

For the year ended June 30, 2022, total principal and interest incurred related to general obligation bonds was \$61,066,366 and \$17,280,500, respectively. The principal incurred is made of regular principal payments of \$39,976,166 and principal payment on refunding bonds of \$21,090,200.

**Business-Type Activities:**

	Originally Issued	Outstanding as of June 30, 2022
Refunding Bond of 2012 - 2.0% - 4.0% - due serially to 2024	\$ 2,043,607	\$ 378,278
Public Improvement Bond of 2013 - 3.0% - 5.0% due serially to 2033	10,000,000	6,425,000
Refunding Bond of 2013 - 2.0% - 5.0% - due serially to 2028	14,909,602	6,495,243
Public Improvement Bond of 2014 - 2.0% - 5.0% due serially to 2034	6,819,743	4,699,743
Public Improvement Bond of 2015 - 3.0% - 5.0% due serially to 2034	3,000,000	2,205,000
Refunding Bond of 2015 - 2.95% - 5.0% - due serially to 2029	13,925,757	11,056,756
Public Improvement Bond of 2016 - 2.0% - 5.0% due serially to 2035	12,867,485	10,117,240
Public Improvement Bond of 2017 - 3.0% - 5.0% due serially to 2036	1,823,000	1,503,000
Public Improvement Bond of 2018 - 2.5% - 5.0% due serially to 2037	7,000,000	6,090,000
Public Improvement Bond of 2019 - 3.0% - 5.0% due serially to 2038	6,000,000	5,100,000
Public Improvement Bond of 2020 - 1.5% - 5.0% - due serially to 2039	3,000,000	2,700,000
Refunding Bond of 2020 - 5.0% - due serially to 2031	22,643,592	20,542,800
Public Improvements Bond of 2021 - 1.3% - 5.0% - due serially to 2040	2,785,000	2,645,750
Refunding Bond of 2022 - 5.0% - due serially to 2032	6,671,605	6,671,605
Public Improvements Bond of 2022 - 2.5% - 5.0% - due serially to 2041	2,500,000	2,500,000
Total Bonds Outstanding	<u>\$ 115,989,391</u>	<u>\$ 89,130,415</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

The annual requirements to amortize business-type activities bonded debt outstanding as of June 30, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2023	\$ 8,454,727	\$ 3,456,110	\$ 11,910,837
2024	8,356,766	3,066,872	11,423,638
2025	8,225,632	2,611,743	10,837,375
2026	8,088,522	2,352,583	10,441,105
2027	7,808,021	2,032,940	9,840,961
2028-2032	33,382,257	5,541,961	38,924,218
2033-2037	12,072,490	1,164,608	13,237,098
2038-2042	2,742,000	109,352	2,851,352
<b>Total</b>	<b>\$ 89,130,415</b>	<b>\$ 20,336,169</b>	<b>\$ 109,466,584</b>

For the year ended June 30, 2022, total principal and interest incurred related to business-type activities was \$16,428,635 and \$2,489,406 respectively.

**2. Special Obligations Bonds**

**PRIMARY GOVERNMENT**

As of June 30, 2022, there was \$11,055,000 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.

<b>Governmental activities:</b>	<u>Originally Issued</u>	<u>Outstanding as of June 30, 2022</u>
Refunding Special Obligation Bond of 2021		
4% - due serially to 2041	\$ <u>11,365,000</u>	\$ <u>11,055,000</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

The annual requirements to amortize special obligation bond debt outstanding as of June 30, 2022, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2023	\$ 405,000	\$ 432,075	\$ 837,075
2024	415,000	417,700	832,700
2025	430,000	400,800	830,800
2026	450,000	383,200	833,200
2027	465,000	364,900	829,900
2028-2032	2,630,000	1,523,400	4,153,400
2033-3037	3,200,000	942,000	4,142,000
2038-2041	3,060,000	250,800	3,310,800
<b>Total</b>	<b>\$ 11,055,000</b>	<b>\$ 4,714,875</b>	<b>\$ 15,769,875</b>

For the year ended June 30, 2022, the total principal and interest incurred related to Special Obligation Bonds was \$310,000 and \$411,727, respectively.

**d. LEASE AGREEMENTS**

**PRIMARY GOVERNMENT**

The County has entered into various lease agreements as lessee primarily for office space. Most leases have initial terms of up to five years, and contain one or more renewals at the County's option, generally for five-year periods. The County has generally included these renewal periods in the lease term when it is reasonably certain that the County will exercise the renewal option. The County's leases generally do not include termination options for either party to the lease or restrictive financial or other covenants. Certain real estate leases require additional payments for common area maintenance, real estate taxes, and insurance, which are expenses as incurred as variable lease payments. The County's lease arrangements do not contain any material residual value guarantees. As the interest rate implicit in the County's leases is not readily determinable, the County utilizes its incremental borrowing rate to discount the lease payments which ranges from 1.21% to 2.80%. The assets acquired and capitalized under the right to use leases is as follows:

Lease Building Cost	\$ 10,862,938
Less: Accumulated Depreciation	(2,837,563)
<b>Net Book Value</b>	<b>\$ 8,025,375</b>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

The annual requirements to amortize lease agreements outstanding as of June 30, 2022, are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2023	\$ 2,642,933	\$ 119,178	\$ 2,762,111
2024	2,199,007	74,514	2,273,521
2025	1,807,853	39,712	1,847,565
2026	862,700	16,858	879,558
2027	281,660	5,570	287,230
2028 - 2032	83,651	3,316	86,967
	<u>\$ 7,877,804</u>	<u>\$ 259,148</u>	<u>\$ 8,136,952</u>

For the year ended June 30, 2022, the total principal and interest incurred related to lease agreements was \$2,985,134 and \$149,598, respectively.

**COMPONENT UNITS**

**Harford County Public Schools:** The Public Schools have entered into a special financing agreement in the amount of \$11,400,223 to construct the administration building, which was completed in January 2006. The agreement is for a period of twenty-five years. The debt was refinanced on May 30, 2012 at a rate of 3.27% and again on March 1, 2022 at a rate of 1.71%. The term of the debt was not extended.

The Public Schools leases certain equipment and properties for storage and other uses under long-term leases. The terms of the leases range from 3 years to 10 years with discount rates ranging from 1.2% to 2.64%.

Right-to-use assets acquired through outstanding leases are shown below.

Lease Assets	\$ 19,942,253
Less: Accumulated Depreciation	(4,498,116)
Net Book Value	<u>15,444,137</u>

The future minimum lease and debt obligations and the net present value of these minimum payments as of June 30, 2022, were as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 7,774,081
2024	5,847,353
2025	4,710,227
2026	2,840,753
2027	2,089,539
2028-2032	<u>5,708,382</u>
Total Minimum Payments	28,970,335
Less: Amount Representing Interest	(1,528,330)
Present Value Minimum Lease Payments	<u>\$ 27,442,005</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**Harford County Public Library:** The Library is the lessee of equipment under financing lease agreements expiring through 2027. 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 depreciated over the life of the lease term. Included in capital assets are assets under these leases with a cost of \$172,539 as of June 30, 2022. Depreciation expense relating to the leases was \$12,457 for the year ended June 30, 2022. Accumulated depreciation relating to the leases was \$143,926 as of June 30, 2022.

The future minimum lease payments under the financing leases are as follows:

Year Ending June 30,	Amount
2023	\$ 14,306
2024	12,578
2025	2,508
2026	2,068
2027	516
Total Minimum Lease Payments	31,976
Less: Amount Representing Interest	(1,682)
Present Value Minimum Lease Payments	\$ 30,294

**e. NOTES PAYABLE**

**COMPONENT UNITS**

**Harford Center, Inc.:** During the year ended June 30, 2021, the Center received Paycheck Protection Program (PPP) notes in the amount of \$325,000. The PPP loans were received from the U.S. Federal government under the Coronavirus Aid, Relief and Economic Security (CARES) Act passed by Congress. The terms of the notes require the proceeds to be spent on eligible expenses, which are primarily payroll related costs. Part or all of the notes may be forgiven based on meeting certain conditions as set forth in the note agreement. Any portion of the PPP notes that are not forgiven must be repaid over two years after a six-month deferral period at an interest rate of 1.0%.

During fiscal year 2022, the Center submitted its application for forgiveness for the \$325,000 PPP loan to the financial institution issuing the loan and received full forgiveness. The Center recognized the entire PPP funds received of \$325,000 as a federal grant related to eligible expenses incurred.

**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

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

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, 2022, the following changes occurred in Landfill Closure Liability recorded in Non-current Liabilities in the Statement of Net Position:

	Beginning Balance	Additions (Deductions)	Ending Balance
Cumulative Liability for Open Landfills	\$ 10,426,461	\$ 1,507,008	\$ 11,933,469
Estimated Liability for Closed Landfills	3,862,421	(217,369)	3,645,052
Waste to Energy Liability	8,859,503	-	8,859,503
	<hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/>	<hr/> <hr/> <hr/> <hr/>
	\$ 23,148,385	\$ 1,289,639	\$ 24,438,024

The Cumulative Liability for Open Landfills represents the cost, based on use of 83.8% of the estimated capacity. The County will recognize the remaining estimated cost of the Harford Waste Disposal Center closure and post-closure of \$2,300,410 as the remaining estimated capacity is used.

The Cumulative Liability for Open Landfills as of June 30, 2022 is \$11,933,469. Harford County has a landfill capping capital project with a remaining balance of \$1,717,904 resulting from prior appropriations to begin the closure of the older cells and has assigned fund balance of \$10,215,565 for future closure of cells and post closure costs.

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 \$3,140,497 were incurred, leaving a liability of \$8,859,503 at June 30, 2022. Harford County has a Waste-to-Energy facility capital project with sufficient appropriation authority to close this facility for the total amount of the liability.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**g. ADVANCED REFUNDING OF DEBT**

On February 1, 2022, Harford County issued \$24,465,000 of Maryland Consolidated Public Improvement Refunding Bonds, Series 2022B with an effective interest rate of 1.437%, to provide resources to refund certain maturities of the 2012 bonds. These resources were placed in an irrevocable trust to provide for all future debt service payments of \$24,465,000 of general obligation bonds. Of this amount, \$17,793,395 had been recorded in the Statement of Net Position, Exhibit 1, Governmental Activities column and \$6,671,605 in the Statement of Net Position, Exhibit 1, Business-Type Activities column. As of June 30, 2022, 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 \$262,554. Of this amount, a Loss of \$119,880 has been recorded in the governmental activities and a gain of \$382,433 in the business-type activities. This amount is being netted against the new debt 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 \$2,562,875 and resulted in an economic gain of \$2,121,332.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED**

**G. FUND BALANCE – GOVERNMENTAL ACTIVITIES**

	General	Highways	Grant	Agricultural Land Preservation	Capital Projects	Non-major Governmental Funds	Total
<b>Nonspendable:</b>							
Inventory	\$ -	\$ 1,765,040	\$ -	\$ -	\$ -	\$ -	\$ 1,765,040
Long Term Rec.	<u>833,412</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>833,412</u>
Sub-total	<u>833,412</u>	<u>1,765,040</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,598,452</u>
<b>Restricted for:</b>							
Education	- -	- -	- -	- -	17,602,092	- -	17,602,092
Bond Proceeds	12,672,861	1,435,357	- -	- -	- -	893,609	15,001,827
Debt Service	- -	- -	- -	- -	- -	2,813,986	2,813,986
Public Safety	20,041	- -	- -	- -	- -	- -	20,041
Highways - PILOT	- -	319,346	- -	- -	- -	- -	319,346
Parks and Rec	- -	- -	- -	- -	3,513,606	- -	3,513,606
Grants	<u>- -</u>	<u>- -</u>	<u>11,110,876</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>11,110,876</u>
Sub-total	<u>12,692,902</u>	<u>1,754,703</u>	<u>11,110,876</u>	<u>- -</u>	<u>21,115,698</u>	<u>3,707,595</u>	<u>50,381,774</u>
<b>Assigned to:</b>							
Approp. of Fund Bal.	81,139,994	9,053,263	- -	- -	513,555	- -	90,706,812
Fiscal Stabilization Fund	37,628,500	3,120,000	- -	- -	- -	- -	40,748,500
<b>Encumbrances:</b>							
General Government	242,894	- -	- -	- -	- -	- -	242,894
Judicial	8,224	- -	- -	- -	- -	- -	8,224
Public Safety	1,784,182	- -	- -	- -	- -	- -	1,784,182
Public Works	197,153	952,236	- -	- -	- -	- -	1,149,389
Parks and Recreation	54,548	- -	- -	- -	- -	- -	54,548
Landfill Closure Costs	10,215,565	- -	- -	- -	- -	- -	10,215,565
Income Tax	1,679,426	- -	- -	- -	- -	- -	1,679,426
Watershed Management	30,000,000	- -	- -	- -	- -	10,425,053	40,425,053
Highways	- -	8,576,640	- -	- -	- -	- -	8,576,640
Development Rights	- -	- -	- -	26,546,056	- -	- -	26,546,056
Ag. Preservation	- -	- -	- -	20,556,232	- -	- -	20,556,232
Capital Projects	- -	- -	- -	- -	24,404,125	- -	24,404,125
P&R Fund	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>123,182</u>	<u>123,182</u>
Sub-total	<u>162,950,486</u>	<u>21,702,139</u>	<u>- -</u>	<u>47,102,288</u>	<u>24,917,680</u>	<u>10,548,235</u>	<u>267,220,828</u>
<b>Unassigned:</b>							
	<u>34,803,274</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>- -</u>	<u>34,803,274</u>
Total Fund Balances	<u>\$ 211,280,074</u>	<u>\$ 25,221,882</u>	<u>\$ 11,110,876</u>	<u>\$ 47,102,288</u>	<u>\$ 46,033,378</u>	<u>\$ 14,255,830</u>	<u>\$ 355,004,328</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION**

**A. SELF-INSURANCE/RISK MANAGEMENT**

**PRIMARY GOVERNMENT**

The County carries commercial property insurance coverage with a \$50,000 deductible on both real and personal property, and a \$25,000 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 \$1,500,000 retention for Workers' Compensation claims.

The pending claims liability of \$2,916,708 reported in the Internal Service fund as of June 30, 2022, 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, 2022. 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			End of Year
		Estimates	Payments		
2020	\$ 4,594,290	\$ (61,004)	\$ (1,221,318)	\$	3,311,968
2021	3,311,968	1,701,076	(2,170,463)		2,842,581
2022	2,842,581	1,239,093	(1,164,966)		2,916,708

**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 coverage in any of the past three fiscal years.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**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 County purchases commercial insurance to cover the Library's buildings. Other claims are covered by the County's Self-Insurance fund. As a condition to this participation, the Library must provide, at the County's request, a physical inventory of all building contents, which the risk management department of the County appraises for insurance purposes. In addition, the 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, 2022, the County estimates that no material liabilities will result from such audits.

The County had \$257,746,724 authorized but unobligated capital project appropriations as of June 30, 2022, in the governmental capital fund and \$83,095,849 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.

**Harford Community College:** The College has outstanding commitments for ongoing capital projects and deferred maintenance of 1,773,136 as of June 30, 2022.

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.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

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 10 would be \$1,069,992.

**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 2012, 2013, 2016, 2017, 2019, 2020, 2021 and 2022. 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, 2022.

**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, 2022, there were 1 series of Industrial Development, Economic Development, or Mortgage Revenue Bonds outstanding. The aggregate principal amount outstanding is \$46.1 million.

**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' Retirement and Pension System, and the Law Enforcement Officers 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.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

For the year ended June 30, 2022, the County recognized aggregated pension liabilities of \$135,794,465, and aggregated pension expense of \$19,805,345 for all three pension systems. At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to the three pension systems from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contributions Subsequent to the Measurement Date	\$ 16,258,092	\$ -
Changes in Assumptions	21,789,532	6,781,051
Changes in Proportion	27,420,888	2,550,533
Differences Between Actual and Proportionate Share of Contributions	-	5,193
Difference Between Expected and Actual Experience	560,295	9,759,534
Net Difference between Projected and Actual Investments Earnings	8,041,993	52,875,499
<b>Total</b>	<b>\$ 74,070,800</b>	<b>\$ 71,971,810</b>

**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' Retirement and Pension System, and the Law Enforcement Officers Pension System administered by the State Retirement and Pension System of Maryland (System), and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*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' Retirement and 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 employers 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, 120 East Baltimore Street, Baltimore, Maryland, 21202, by visiting their website, or by calling 410-625-5555.

*Contributions:* Plan members of the Employees' Retirement and Pension System contribute 7.0% of their covered salary each fiscal year. Members of the Law Enforcement Officers Pension System contribute 7.0% of

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

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, 2022, to the System, exclusive of contributions made directly by the State of Maryland, were equal to the actuarially determined amount, as follows:

	2022	2021	2020
Primary Government	\$ 16,258,092	\$ 16,610,259	\$ 14,332,855

**PRIMARY GOVERNMENT**

*Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:* As of June 30, 2022, the County reported a liability of \$113,088,022 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participants members, actuarially determined. As of June 30, 2021, the County's proportion was 0.7538044%. This is an increase of 0.085314% from the prior fiscal year.

For the year ended June 30, 2022, the County recognized pension expense of \$11,425,497. As of June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contributions Subsequent to the Measurement Date	\$ 16,258,092	-
Changes in Assumptions	21,789,532	2,061,698
Changes in Proportion	27,420,888	2,550,533
Differences Between Actual and Proportionate Share of Contributions	-	5,193
Difference Between Expected and Actual Experience	-	7,887,809
Net Difference between Projected and Actual Investments Earnings	52,875,499	
<b>Total</b>	<b>\$ 65,468,512</b>	<b>\$ 65,380,732</b>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 5 – OTHER INFORMATION – CONTINUED**

Contributions subsequent to the measurement date in the amount of \$16,258,092 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:

Year Ended June 30,		
2023	\$	(3,935,891)
2024	(3,167,076)	
2025	(4,833,216)	
2026	(7,951,420)	
2027	3,717,291	
Total	<u><u>\$</u></u>	<u><u>(16,170,312)</u></u>

*Actuarial Assumptions:* The key actuarial assumptions used to perform the June 30, 2021, pension liability calculations are as follows:

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Inflation	2.25% general, 2.75% wage
Salary Increases	2.75% to 9.25%, including wage inflation
Discount Rate	6.80%
Investment Rate of Return	6.80%
Mortality	Fully generational – PB-2010/MP2018

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%	5.2%
Private Equity	13%	6.5%
Rate Sensitive	19%	-0.3%
Credit Opportunity	9%	2.8%
Real Assets	14%	4.3%
Absolute Return	8%	1.8%
Total	<u><u>100%</u></u>	

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 5 – OTHER INFORMATION – CONTINUED**

*Discount Rate:* A single discount rate of 6.8% 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 6.8%. 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 6.8%, 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 (5.8%) or 1 percentage point higher (7.8%) than the current rate:

	1% Decrease 5.8%	Discount Rate 6.8%	1% Increase 7.8%
County's Proportionate Share of the Net Pension Liability	\$ 192,604,773	\$ 113,088,022	\$ 47,129,427

*Pension plan fiduciary net position:* Detailed information about the pension plan's fiduciary net position is available in the separately issued System's Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This can be found at <https://sra.maryland.gov/annual-financial-reports> .

**COMPONENT UNITS**

**Harford County Public Schools:** As of June 30, 2022, the Public Schools reported a liability of approximately \$20.8 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, 2021, 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 Public Schools 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, 2022, the Public Schools proportion for ERS was 0.14%, which was substantially the same from its proportion measured as of June 30, 2021. For the year ended June 30, 2022, the Public Schools recognized pension expense for ERS of approximately \$1.0 million. As of June 30, 2022, the Public Schools reported deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contributions Subsequent to the Measurement Date	\$ 3,257,995	\$ -
Changes in Assumptions	3,984,530	405,401
Changes in Proportion	3,591,978	409,454
Differences Between Actual and Proportionate Share of Contributions	- 1,006	1,006
Differences in Expected and Actual Experience	- 1,295,889	1,295,889
Net Difference between Projected and Actual Earnings on Pension Plan Investments	- 9,636,251	9,636,251
<b>Total</b>	<b>\$ 10,834,503</b>	<b>\$ 11,748,001</b>

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

**Harford Community College:** As of June 30, 2022, the College reported a liability of \$898,458 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2022, the College's proportionate share was 0.005989%.

For the year ended June 30, 2022 the College recognized pension expenses of \$35,096. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contributions Subsequent to the Measurement Date	\$ 131,047	\$ -
Changes in Assumptions	173,769	20,107
Change in Proportion	79,080	41,716
Change in Proportion Share of Contributions	14	42
Difference Between Expected and Actual Experience	- 67,788	67,788
Net Difference Between Projected and Actual Investment Earnings	- 409,480	409,480
<b>Total</b>	<b>\$ 383,910</b>	<b>\$ 539,133</b>

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

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

**Harford County Public Library:** In relation to employees participating in the State Retirement and Pension System (System) at June 30, 2022, the Library reported a liability of \$1,299,252 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2021, the Library's proportion was approximately 0.0086604%.

For the year ended June 30, 2022, the Library recognized pension expense of \$99,304. At the measurement date of June 30, 2021, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contributions Subsequent to the Measurement Date	\$ 212,221	\$ -
Changes in Assumptions	250,546	25,719
Change in Proportion	329,955	72,773
Difference Between Expected and Actual Experience	-	92,143
Net Difference Between Projected and Actual		
Investment Earnings	-	608,205
Total	<u><u>\$ 792,722</u></u>	<u><u>\$ 798,840</u></u>

The deferred outflow of resources of \$212,221 relating to contributions subsequent to the measurement date of June 30, 2021 will be recognized as a reduction of the Library's net pension liability during the year ending June 30, 2023. 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 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 (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.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

**2. General Pension Plan Information**

The County instituted and began administering a single employer defined benefit pension plan, the Sheriff's Office Pension System (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 of Human Resources 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, 2021 was as follows:

Retirees and Beneficiaries Currently Receiving Benefits	102
Terminated Plan Members Entitled to, but not yet Receiving Benefits	5
Active Plan Members	<u>125</u>
Total	<u><u>232</u></u>

*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 3.0% 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 7.0% 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 7.0% of their annual covered salary. The County is required to contribute at an actuarially determined rate, currently 31.8% 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.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

As of June 30, 2022, the ratings of the underlying investments of the Plan's debt securities were as follows:

	Rating				
	Aa1/Aa2/A		Baa1/Baa2/		
	AAA	a3	A1/A2/A3	Baa3	Total
U.S. Treasury Obligations	\$ 4,580,768	\$ -	\$ -	\$ -	\$ 4,580,768
U.S. Governmental Agencies	3,369,521	-	-	-	3,369,521
Corporate Bonds	-	143,653	2,009,203	3,436,093	5,588,949
Total	<u>\$ 7,950,289</u>	<u>\$ 143,653</u>	<u>\$ 2,009,203</u>	<u>\$ 3,436,093</u>	<u>\$ 13,539,238</u>

*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, 2022, 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, 2022, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was -11.91%. 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, 2022, were as follows:

Total pension liability	\$ 93,065,702
Plan fiduciary net position	<u>(74,206,782)</u>
County's net pension liability	<u>\$ 18,858,920</u>
Plan fiduciary net position as a percentage of the total pension liability	79.74%

*Actuarial Assumptions:* The total pension liability was determined by an actuarial valuation as of July 1, 2021 rolled forward to June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement:

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

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	Healthy: Pub-2010 Safety (headcount-weighted) for Employees and for Healthy Retirees mortality tables with generational projection by Scale MP2019 Disabled: Pub-2010 Safety (headcount-weighted) for Disabled Retirees mortality tables with generational projection by Scale MP2019

The actuarial assumptions used were based on the results of an actuarial valuation as of July 1, 2021.

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 (3.0%). 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%	7.8%
Fixed Income	20%	3.5%
Hedged Strategies	20%	4.8%
<b>Total</b>	<b><u>100%</u></b>	

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

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a)-(b)
	\$	\$	\$
<b>Balances at 6/30/2021</b>	<b>82,769,390</b>	<b>84,863,575</b>	<b>(2,094,185)</b>
<b>Changes for the Year:</b>			
Service Cost	2,403,019	-	2,403,019
Interest	5,661,895	-	5,661,895
Changes of Benefit Terms	6,510,703	-	6,510,703
Differences Between Expected and			
Actual Experience	(508,965)	-	(508,965)
Contributions - Employer	-	2,829,085	(2,829,085)
Contributions - Employee	-	806,654	(806,654)
Net Investment Income	-	(10,458,505)	10,458,505
Benefit Payments, Including Refunds			
of Employee Contributions	(3,770,340)	(3,770,340)	-
Administrative Expense	-	(63,687)	63,687
<b>Net Changes</b>	<b>10,296,312</b>	<b>(10,656,793)</b>	<b>20,953,105</b>
<b>Balances at 6/30/2022</b>	<b>93,065,702</b>	<b>74,206,782</b>	<b>18,858,920</b>

**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 7.0%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1 percentage point higher (8.0%) than the current rate:

	1% Decrease	Discount Rate	1% Increase
	6.0%	7.0%	8.0%
	\$	\$	\$
County's Net Pension Liability	31,490,258	18,858,920	8,503,447

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

For the year ended June 30, 2022, the County recognized pension expense of \$8,303,933. As of June 30, 2022, 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, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes in Assumptions	\$ -	\$ 474,371
Difference Between Expected and Actual		
Experience	114,865	834,251
Net Difference between Projected and Actual		
Investments Earnings	<u>5,231,010</u>	-
Total	<u>\$ 5,345,875</u>	<u>\$ 1,308,622</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>	
2023	\$ 525,176
2024	271,049
2025	64,418
2026	<u>3,176,610</u>
Total	<u>\$ 4,037,253</u>

**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 LOSAP.

*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

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 5 – OTHER INFORMATION – CONTINUED**

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 Chiefs Association shall be responsible for administering LOSAP. The voting membership of the Fire Chiefs 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, 2021 was as follows:

Retirees and Beneficiaries Currently Receiving Benefits	515
Terminated Plan Members Entitled to, but not yet Receiving Benefits	330
Active Plan Members	<u>1,208</u>
Total	<u><u>2,053</u></u>

*Benefits Provided:* Based on County statutes, 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 \$13 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 \$475 per month. Normal form of benefit is a life annuity for the volunteer with a 75% 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, 2022, was determined as part of the September 30, 2021, 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.

As of June 30, 2022, the ratings of the underlying investments of the Plan’s debt securities were as follows:

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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## **NOTE 5 – OTHER INFORMATION – CONTINUED**

	Rating						Total	
	Aa1/Aa2/Aa			Baa1/Baa2/				
	AAA	3	A1/A2/A3	Baa3	Baa3	Baa3		
U.S. Treasury Obligations	\$ 1,842,435	\$ -	\$ -	\$ -	\$ -	\$ 1,842,435		
U.S. Governmental Agencies	1,506,695	-	-	-	-	-	1,506,695	
Corporate Bonds	-	-	861,976	1,755,362	1,755,362	2,617,338		
Total	\$ 3,349,130	\$ -	\$ 861,976	\$ 1,755,362	\$ 1,755,362	\$ 5,966,468		

**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, 2022 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, 2022, the annual money-weighted rate of return pension plan investments, net of pension plan investment expense, was -11.83%. 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, 2022 were as follows:

Total pension liability	\$ 38,656,817
Plan fiduciary net position	<u>(34,809,294)</u>
County's net pension liability	\$ 3,847,523

Plan fiduciary net position as a percentage of the total pension liability 90.05%

*Actuarial Assumptions:* The total pension liability in the September 30, 2021 actuarial valuation rolled forward to June 30, 2022 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Inflation	3%
Salary Increases	Not Applicable
Investment Rate of Return	7%, Net of Pension Plan Investment Expense, Including Inflation
Mortality	Pub-2010 Safety Employees/Retirees/Survivors Headcount-Weighted Mortality with generational projection using scale MP2022

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 5 – OTHER INFORMATION – CONTINUED**

The actuarial assumptions used were based on the results of an actuarial valuation as of September 30, 2021.

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	42%	8.8%
International Equity	18%	7.8%
Fixed Income	20%	3.5%
Hedged Strategies	20%	4.8%
Total	<u>100%</u>	

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 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 assumption, 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, 2022**

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**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)
	\$	\$	\$
<b>Balances at 6/30/2021</b>	<u>\$ 43,212,386</u>	<u>\$ 40,074,837</u>	<u>\$ 3,137,549</u>
<b>Changes for the Year:</b>			
Service Cost	534,102	-	534,102
Interest	2,947,669	-	2,947,669
Differences Between Expected and Actual Experience	(737,717)	-	(737,717)
Changes of Assumptions	(5,093,979)		(5,093,979)
Contributions - Plan Sponsor	-	1,877,503	(1,877,503)
Net Investment Income	-	(4,926,914)	4,926,914
Benefit Payments, Including Refunds of Member Contributions	(2,205,644)	(2,205,644)	-
Administrative Expense	-	(10,488)	10,488
<b>Net Changes</b>	<u>(4,555,569)</u>	<u>(5,265,543)</u>	<u>709,974</u>
<b>Balances at 6/30/2022</b>	<u>\$ 38,656,817</u>	<u>\$ 34,809,294</u>	<u>\$ 3,847,523</u>

*Sensitivity of the net pension liability to changes in the discount rate:* The following presents the net pension liability of the County, calculated using the discount rate of 7%, 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
	6.0%	7.0%	8.0%
County's Net Pension Liability	\$ 8,740,825	\$ 3,847,523	\$ (166,900)

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

For the year ended June 30, 2022, the County recognized pension expense of \$75,915. At June 30, 2022, 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**  
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**NOTE 5 – OTHER INFORMATION – CONTINUED**

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions	\$ -	\$ 4,244,982
Difference Between Expected and Actual		
Experience	445,430	1,037,474
Net Difference between Projected and Actual		
Investments Earnings	2,810,983	-
Total	<u><u>\$ 3,256,413</u></u>	<u><u>\$ 5,282,456</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>	
2023	\$ (555,930)
2024	(571,787)
2025	(605,792)
2026	679,412
2027	(971,946)
Total	<u><u>\$ (2,026,043)</u></u>

**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 90 days of employment. Employees may make contributions to the Plan up to a maximum amount allowed by the Internal Revenue Code. The Center made contributions to the Plan in the amount of \$5,000 for the years ended June 30, 2022 and 2021.

**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**  
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**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:* Beginning in fiscal year 2008, 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 Retirement Health Savings (RHS), formerly known as Post Employment Health Plan (PEHP), as described below. The plan remains unchanged from fiscal year 2011 to the current fiscal year 2022.

*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 2022.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 5 – OTHER INFORMATION – CONTINUED**

Employer Subsidy Percentage (Excluding Sheriff's Office)		
Years of Credit Service	Employees Retiring Prior to March 1, 2009	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, 2021 valuation data that was used to calculate the ADC for fiscal year 2023:

Plan Participants	
Retirees (Pre-Medicare)	287 *
Retirees (Medicare Age)	644 *
Active Employees	858
Total	<u><u>1,789</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 Retirement Health Savings (RHS), formerly known as 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 RHS, 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 RHS. The County negotiated with the Union representatives agreeing that 8% of eligible employees' average salaries will be placed in the RHS until otherwise specified.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**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 \$11,798,000 annual required contribution (ARC), now known as the actuarially determined contribution (ADC) during fiscal year 2022.

The funding for the RHS 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 RHS 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 RHS by the County. The funds will be equally distributed between the participants in the RHS. There was a total of \$3,476,250 contributed to this plan and a total of 515 employees are currently enrolled as of June 30, 2022.

Employees may also elect to have the dollar value of their use or lose annual leave placed into a RHS account. The total funds contributed under this method were \$341,845 for 133 employees. The RHS 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 (derivative instruments). 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.

As of June 30, 2022, the ratings of the underlying investments of the Plan's debt securities were as follows:

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

	Rating				Total
	AAA	Aa1/Aa2/Aa	A1/A2/A3	Baa1/Baa2/ Baa3	
U.S. Treasury Obligations	\$ 10,573,948	3	-	-	\$ 10,573,948
U.S. Government Agencies	7,326,453	-	-	-	7,326,453
Corporate Bonds	-	278,241	4,198,363	7,102,914	11,579,518
Total	<u>\$ 17,900,401</u>	<u>\$ 278,241</u>	<u>\$ 4,198,363</u>	<u>\$ 7,102,914</u>	<u>\$ 29,479,919</u>

Rate of Return: For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -11.97%. 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, 2022, were as follows:

Total OPEB liability	\$ 212,484,501
Plan fiduciary net position	<u>(156,114,917)</u>
County's net OPEB liability	<u>\$ 56,369,584</u>
Plan fiduciary net position as a percentage of the total OPEB liability	73.47%

Actuarial Assumptions : The total OPEB liability was determined by an actuarial valuation as of June 30 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
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, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2021 through June 30, 2022.

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, 2022 (see the discussion of investment policy) are summarized in the following table:

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	42%	8.8%
International Equity	18%	7.8%
Fixed Income	20%	3.5%
Hedged Strategies	20%	4.8%
<b>Total</b>	<b>100%</b>	

**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 OPEB	Plan Fiduciary	Net OPEB
	Liability	Net Position	Liability
	(a)	(b)	(a)-(b)
<b>Balances at 6/30/2021</b>	<b>\$ 251,979,234</b>	<b>\$ 175,525,450</b>	<b>\$ 76,453,784</b>
<b>Changes for the Year:</b>			
Service Cost	3,684,121	-	3,684,121
Interest	17,285,935	-	17,285,935
Experience Losses/(Gains)	(51,044,889)	-	(51,044,889)
ER Trust Contribution	-	11,798,000	(11,798,000)
Net Investment Income	-	(21,774,233)	21,774,233
Benefit Payments	(9,419,900)	(9,419,900)	-
Administrative Expense	-	(14,400)	14,400
<b>Net Changes</b>	<b>(39,494,733)</b>	<b>(19,410,533)</b>	<b>(20,084,200)</b>
<b>Balances at 6/30/2022</b>	<b>\$ 212,484,501</b>	<b>\$ 156,114,917</b>	<b>\$ 56,369,584</b>

*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%
County's Net OPEB Liability	\$ 86,811,838	\$ 56,369,584	\$ 31,524,554

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

*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%
County's Net OPEB Liability	\$ 28,689,703	\$ 56,369,584	\$ 90,814,949

**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, 2020 valuation data that was used to calculate the ADC for fiscal year 2022:

Plan Participants	
Retirees (Pre-Medicare)	296 *
Retirees (Medicare Age)	599 *
Active Employees	888
Total	<u><u>1,783</u></u>

\*includes spouses

Contributions: The County contributed \$11,893,000 actuarially determined contribution (ADC) during fiscal year 2021 and the retirees paid \$1,424,831 toward the cost of their benefits. The Trust reimbursed the County for the County's share of retirees' premiums of \$9,360,731, leaving the Trust Net Position of \$175,525,450.

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

Trust Net Position as of July 1, 2021	\$ 134,151,377
County Contribution	11,893,000
Net Appreciation in Fair Value of Investments	37,058,463
Interest and Dividends	2,131,516
Retirees Contributions	1,424,831
Payment for County's Share of Premiums	(9,360,731)
Payment for Retiree's Share of Premiums	(1,424,831)
Payment for Administrative and Investment Expenses	<u>(348,175)</u>
Trust Net Position as of June 30, 2022	<u><u>\$ 175,525,450</u></u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

**Net OPEB Liability of the County**

The components of the net OPEB liability of the County at June 30, 2021, were as follows:

Total OPEB liability	\$ 251,979,234
Plan fiduciary net position	<u>(175,525,450)</u>
County's net OPEB liability	<u><u>\$ 76,453,784</u></u>

Plan fiduciary net position as a percentage of the total OPEB liability	69.66%
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*Actuarial Assumptions* : The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5%
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, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2020 through June 30, 2021.

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, 2021 (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%	7.8%	
Fixed Income	20%	3.5%	
Hedged Strategies	<u>20%</u>	<u>4.8%</u>	
Total	<u><u>100%</u></u>		

*Rate of Return*: For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 27.01%. 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.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
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**NOTE 5 – OTHER INFORMATION – CONTINUED**

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 OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
	\$ 245,872,365	\$ 134,151,377	\$ 111,720,988
<b>Balances at 6/30/2020</b>			
<b>Changes for the Year:</b>			
Service Cost	3,883,889	-	3,883,889
Interest	16,888,951	-	16,888,951
Experience Losses/(Gains)	(5,305,240)	-	(5,305,240)
ER Trust Contribution	-	11,893,000	(11,893,000)
Net Investment Income	-	38,855,304	(38,855,304)
Benefit Payments	(9,360,731)	(9,360,731)	-
Administrative Expense	-	(13,500)	13,500
<b>Net Changes</b>	<b>6,106,869</b>	<b>41,374,073</b>	<b>(35,267,204)</b>
<b>Balances at 6/30/2021</b>	<b>\$ 251,979,234</b>	<b>\$ 175,525,450</b>	<b>\$ 76,453,784</b>

*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%	
County's Net OPEB Liability	\$ 114,981,951	\$ 76,453,784	\$ 45,300,355	

*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	
	3.0%	4.0%	5.0%
County's Net OPEB Liability	\$ 41,811,763	\$ 76,453,784	\$ 119,948,173

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

For the year ended June 30, 2021, the County recognized OPEB expenses of \$4,086,331. At June 30, 2021, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Contributions Subsequent to the Measurement Date	\$ 11,798,000	\$ -
Changes in Assumptions	1,968,793	-
Difference Between Expected and Actual Experience	9,770,842	15,774,892
Net Difference between Projected and Actual Investments Earnings	-	21,533,451
<b>Total</b>	<b>\$ 23,537,635</b>	<b>\$ 37,308,343</b>

Contributions subsequent to the measurement date in the amount of \$11,798,000, reported as deferred outflows of resources related to OPEB, will be recognized as a reduction in net OPEB liability in the subsequent fiscal year. Other 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>	
2023	\$ (6,226,301)
2024	(5,707,914)
2025	(6,698,133)
2026	(6,936,360)
<b>Total</b>	<b>\$ (25,568,708)</b>

**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

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

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 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, 2022, membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	3,001
Inactive Plan Members Entitled to, but not yet Receiving Benefit Payments	143
Active Plan Members	<u>4,836</u>
Total Participants	<u><u>7,980</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, 2022 was \$21,656,253.

*Dental Benefits:* Retirees are eligible for continued membership in one of the school system's group 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, 2022, was \$1,379,326.

*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, 2022, was \$54,421.

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

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:

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*

\*Upon eligibility for Medicare (usually at age 65 or if eligible due to disability) retiree's and/or their Medicare-eligible dependents are required to convert to coverage which supplements Medicare.

The components of the net OPEB liability of the Public Schools as of June 30, 2022, were as follows:

Total OPEB liability	\$ 878,897,000
Plan fiduciary net position	(66,637,000)
Public Schools net OPEB liability	<u><u>\$ 812,260,000</u></u>

Plan fiduciary net position as a percentage of the total OPEB liability	7.58%
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The Net OPEB Plan's Fiduciary Net Position is as follows:

	<u><u>Increase (Decrease)</u></u> (\$'000s omitted)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
	\$ 1,052,377	\$ 74,728	\$ 977,649
Balance - June 30, 2021			
Changes for the Year:			
Service Cost	46,446	-	46,446
Interest	23,508	-	23,508
Differences Between Expected and Actual Experience	(1,352)	-	(1,352)
Changes of Assumptions	(220,992)	-	(220,992)
Contributions - Employer	-	23,090	(23,090)
Net Investment Income	-	(10,078)	10,078
Benefit Payments	(21,090)	(21,090)	-
Administrative Expense	-	(13)	13
Net Changes	<u><u>(173,480)</u></u>	<u><u>(8,091)</u></u>	<u><u>(165,389)</u></u>
Balance - June 30, 2022	<u><u>\$ 878,897</u></u>	<u><u>\$ 66,637</u></u>	<u><u>\$ 812,260</u></u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

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

**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, 2022, there were 5 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 Covered by Benefit Terms:* At June 30, 2022, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	5
Inactive Plan Members Entitled to, but not yet Receiving Benefit Payments	26
Active Plan Members	269
Total Participants	<u><u>300</u></u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

A Trust Fund has been 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, 2022, the College's annual required contribution; contributions made and net OPEB obligation were:

	Total OPEB Liability (a)	Increase (Decrease) (\$'000s omitted)	Plan Fiduciary Net Position (b)	Net OPEB (Asset) Liability (a)-(b)
Balance - June 30, 2021	\$ 777,695	\$ 881,409	\$ (103,714)	
Changes for the Year:				
Service Cost	19,019	-	19,019	
Interest	50,621	-	50,621	
Contributions - Employer	-	36,416	(36,416)	
Net Investment Income	-	(123,771)	123,771	
Differences Between Expected and Actual Experience	(100,176)	-	(100,176)	
Changes of Assumptions	34,825	-	34,825	
Benefit Payments	(36,416)	(36,416)	-	
Administrative Expense	-	(1,495)	1,495	
Net Changes	(32,127)	(125,266)	93,139	
Balance - June 30, 2022	<u><u>\$ 745,568</u></u>	<u><u>\$ 756,143</u></u>	<u><u>\$ (10,575)</u></u>	

For the year ended June 30, 2022, the College recognized OPEB expense of \$26,070. At June 30, 2022, the College reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Change in Assumptions	\$ 42,042	\$ -
Differences Between Expected and Actual Experience	14,372	80,141
Net Difference Between Projected and Actual Investment Earnings	159,204	85,306
Total	<u><u>\$ 215,618</u></u>	<u><u>\$ 165,447</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, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

**The Harford County Public Library:** The Library provides a portion of medical insurance benefits to eligible employees hired prior to July 1, 2019 and have not chosen to participate in the PEHP plan 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.

Eligible participants are retirees and/or their beneficiaries who had health coverage as an active employee but chose not to participate in the PEHP. Eligible employees must retire from employment with the Library to receive OPEB benefits. To be considered a retiree for healthcare benefits an employee must file the necessary paperwork at the State Retirement and Pension System of Maryland.

At July 1, 2021, the following employees were covered by the benefit terms:

Retirees Currently Receiving Benefits	83
Active Employees	76
Total Plan Members	<u>159</u>

*Benefits Provided:* Pre-Medicare retirees may choose between three medical plans, which include prescription coverage. Once a retiree is Medicare-eligible there is only one plan available. 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 it does 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 2022, the Library contributed \$280,334 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, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

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

	Total OPEB Liability (a)	Increase (Decrease) (\$'000s omitted)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance - June 30, 2021	\$ 8,317	\$ 5,109	\$ 3,208	
Changes for the Year:				
Service Cost	222		-	222
Interest	498		-	498
Differences Between Expected and Actual Experience	(2,084)		-	(2,084)
Changes of Assumptions	(746)		-	(746)
Contributions - Employer	-		484	(484)
Net Investment Income	-		(717)	717
Benefit Payments	(204)		(204)	-
Administrative Expense	-		(19)	19
Net Changes	<u>(2,314)</u>		<u>(456)</u>	<u>(1,858)</u>
Balance - June 30, 2022	<u>\$ 6,003</u>		<u>\$ 4,653</u>	<u>\$ 1,350</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, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

**Combining Statement of Fiduciary Net Position**

**Pension and OPEB Trust Funds**

**June 30, 2022**

	Sheriff's Office Pension System	Firemen's LOSAP	OPEB Trust	Total
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 365,193	\$ 201,979	\$ 528,549	\$ 1,095,721
Cash Equivalents	235,617	266,360	495,922	997,899
Investments, at Fair Value				
Debt Securities	13,539,238	5,966,468	29,479,919	48,985,625
Fixed Income Funds	2,553,681	1,210,300	4,717,410	8,481,391
Equities and Equivalents	57,520,853	27,167,887	120,893,117	205,581,857
Total Investments	<u>73,613,772</u>	<u>34,344,655</u>	<u>155,090,446</u>	<u>263,048,873</u>
Total Assets	<u>74,214,582</u>	<u>34,812,994</u>	<u>156,114,917</u>	<u>265,142,493</u>
<b>LIABILITIES</b>				
Accounts Payable	7,800	3,700	-	11,500
Total Liabilities	<u>7,800</u>	<u>3,700</u>	<u>-</u>	<u>11,500</u>
<b>NET POSITION</b>				
Net Position Restricted for Pension and OPEB	<u>\$ 74,206,782</u>	<u>\$ 34,809,294</u>	<u>\$ 156,114,917</u>	<u>\$ 265,130,993</u>

**Combining Statement of Changes in Fiduciary Net Position**

**Pension and OPEB Trust Funds**

**For the Year Ended June 30, 2022**

	Sheriff's Office Pension System	Firemen's LOSAP	OPEB Trust	Total
<b>ADDITIONS</b>				
Contributions				
Employee Contributions	\$ 806,654	-	-	\$ 806,654
Employer Contributions	2,829,085	-	11,798,000	14,627,085
Plan Sponsor Contributions	-	1,877,503	-	1,877,503
Total Contributions	<u>3,635,739</u>	<u>1,877,503</u>	<u>11,798,000</u>	<u>17,311,242</u>
Investment Earnings				
Net Loss in Fair Value of Investments	(11,662,089)	(5,410,248)	(24,741,723)	(41,814,060)
Interest and Dividends	1,417,698	594,466	3,357,823	5,369,987
Total Investment Earnings	<u>(10,244,391)</u>	<u>(4,815,782)</u>	<u>(21,383,900)</u>	<u>(36,444,073)</u>
Less Investment Expense	(214,114)	(111,132)	(390,333)	(715,579)
Net Investment Income	<u>(10,458,505)</u>	<u>(4,926,914)</u>	<u>(21,774,233)</u>	<u>(37,159,652)</u>
Total Additions	<u>(6,822,766)</u>	<u>(3,049,411)</u>	<u>(9,976,233)</u>	<u>(19,848,410)</u>
<b>DEDUCTIONS</b>				
Administrative Expenses	63,687	10,488	14,400	88,575
Benefits	3,770,340	2,205,644	9,419,900	15,395,884
Total Deductions	<u>3,834,027</u>	<u>2,216,132</u>	<u>9,434,300</u>	<u>15,484,459</u>
Change in Net Position	<u>(10,656,793)</u>	<u>(5,265,543)</u>	<u>(19,410,533)</u>	<u>(35,332,869)</u>
<b>NET POSITION</b>				
Net Position Restricted for Pensions and OPEB- Beginning	<u>\$ 84,863,575</u>	<u>\$ 40,074,837</u>	<u>\$ 175,525,450</u>	<u>\$ 300,463,862</u>
Net Position Restricted for Pensions and OPEB- End	<u>\$ 74,206,782</u>	<u>\$ 34,809,294</u>	<u>\$ 156,114,917</u>	<u>\$ 265,130,993</u>

**HARFORD COUNTY, MARYLAND**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2022**

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**NOTE 5 – OTHER INFORMATION – CONTINUED**

**H. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLE**

**PRIMARY GOVERNMENT**

The County has adopted GASB Statement No. 87, Leases. This GASB Statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The required changes are reflected in the County's financial statements and notes to those statements. Adoption of the new standard resulted in the following additions to the opening balances in the statement of net position, which had no impact on net position.

	<u>Governmental Activities</u>
Lease Receivable	\$ 198,634
Lease Building	10,862,938
Deferred Inflow of Resources	198,634
Lease Payable	10,862,938

**I. CHANGE IN ACCOUNTING PRINCIPLE**

**PRIMARY GOVERNMENT**

The Purchase Method of accounting for inventories in the Highways Fund for the Fund Statements has changed to the Consumption Method of accounting for inventories. Previously, the Purchase Method of accounting in inventories was used for the Fund Statements and the Consumption Method of accounting for inventories was used for the Entity Wide Statements. This change will allow for greater consistency and improve understandability. There was no effect on the beginning fund balance at both the entity wide and fund levels.

## *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 is not available)**

**Schedule 1**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's Portion of the Net Pension Liability	0.754%	0.668%	0.641%	0.615%	0.554%	0.554%	0.555%	0.516%	0.490%
County's Proportionate Share of the Net Pension Liability	\$ 113,088,022	\$ 151,087,921	\$ 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	\$ 93,570,411	\$ 88,593,541	\$ 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	120.86%	170.54%	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	76.57%	66.13%	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 2022

*Changes in Assumptions:*

Inflation assumption changed as follows:

6/30/2022	2.25%
6/30/2018-6/30/2021	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:

6/30/2022	6.80%
6/30/2019-6/30/2021	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**  
**SCHEDULE OF COUNTY CONTRIBUTIONS**  
**MARYLAND STATE RETIREMENT AND PENSION SYSTEM**  
**Last 10 Fiscal Years**  
**(Information for FY2013 is not available)**

**Schedule 2**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 16,258,092	\$ 16,610,259	\$ 14,332,855	\$ 13,166,502	\$ 12,257,530	\$ 11,280,505	\$ 10,791,576	\$ 11,705,062	\$ 12,028,358
Contributions in Relation to the Actuarially Determined Contribution	16,258,092	16,610,259	14,332,855	13,166,502	12,257,530	11,280,505	10,791,576	11,705,062	12,028,358
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 97,125,319	\$ 93,570,411	\$ 88,593,541	\$ 86,232,721	\$ 83,683,463	\$ 78,232,243	\$ 78,993,465	\$ 84,055,462	\$ 83,785,718
Contributions as a Percentage of Covered Payroll	16.74%	17.75%	16.18%	15.27%	14.65%	14.42%	13.66%	13.93%	14.36%

**Notes to Schedule:**

Valuation Date:

Actuarially determined contribution amounts are calculated as of the end of the fiscal year (June 30) 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	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization period	25 years closed schedule ending June 30, 2039; 17 years remaining
Asset Valuation Method	5-year Smoothed Market
Inflation	2.25% general, 2.75% wage
Salary Increases	2.75% to 9.25%, including wage inflation
Investment Rate of Return	6.80%
Retirement Age	Rates Vary by Participant Age and Service
Mortality	Fully generational - PB-2010/MP2018

**HARFORD COUNTY, MARYLAND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION PLAN INVESTMENT RETURNS**  
**MARYLAND STATE RETIREMENT AND PENSION SYSTEM**  
**Last 10 Fiscal Years**  
**(Information for FY2014 and earlier is not available)**

**Schedule 3**

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	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	26.69%	3.50%	6.44%	8.08%	10.02%	1.16%	2.68%	14.38%

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

**Schedule 4**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Service Cost	\$ 2,403,019	\$ 1,934,762	\$ 1,793,713	\$ 1,745,542	\$ 1,723,970	\$ 1,621,696	\$ 1,621,758	\$ 1,621,882	\$ 1,411,599
Interest	5,661,895	5,469,042	5,277,242	4,998,244	4,707,153	4,512,191	4,366,894	4,175,857	3,982,000
Changes of Benefit Terms	6,510,703	-	-	-	-	-	-	54,206	70,000
Differences Between Expected and Actual Experience	(508,965)	(155,899)	(833,850)	574,317	937,210	(1,604,845)	(886,332)	(1,025,313)	-
Changes of Assumptions	-	(790,619)	-	-	-	1,378,695	-	776,282	-
Benefit Payments, Including Refunds of Employee Contributions	(3,770,340)	(3,634,145)	(3,360,042)	(3,304,800)	(3,114,982)	(3,130,152)	(2,923,123)	(2,824,515)	(2,576,248)
Net Change in Total Pension Liability	10,296,312	2,823,141	2,877,063	4,013,303	4,253,351	2,777,585	2,179,197	2,778,399	2,887,351
Total Pension Liability - Beginning	82,769,390	79,946,249	77,069,186	73,055,883	68,802,532	66,024,947	63,845,750	61,067,351	58,180,000
Total Pension Liability - Ending (a)	\$ 93,065,702	\$ 82,769,390	\$ 79,946,249	\$ 77,069,186	\$ 73,055,883	\$ 68,802,532	\$ 66,024,947	\$ 63,845,750	\$ 61,067,351
<b>Plan Fiduciary Net Position</b>									
Contributions - Employer	\$ 2,829,085	\$ 2,710,626	\$ 2,587,098	\$ 2,567,354	\$ 2,393,057	\$ 2,356,777	\$ 2,489,555	\$ 2,490,164	\$ 2,376,590
Contributions - Employee	806,654	624,192	608,411	572,139	543,245	504,456	499,165	485,297	451,766
Net Investment Income	(10,458,505)	19,221,674	2,579,373	3,509,540	5,216,966	6,283,967	(1,300,945)	1,994,942	7,088,964
Benefit Payments, Including Refunds of Employee Contributions	(3,770,340)	(3,634,145)	(3,360,042)	(3,304,800)	(3,114,982)	(3,130,152)	(2,923,123)	(2,824,515)	(2,576,248)
Administrative Expense	(63,687)	(51,848)	(47,609)	(55,298)	(47,326)	(49,292)	(47,558)	(49,460)	(53,240)
Net Change in Plan Fiduciary Net Position	(10,656,793)	18,870,499	2,367,231	3,288,935	4,990,960	5,965,756	(1,282,906)	2,096,428	7,287,832
Plan Fiduciary Net Position - Beginning	84,863,575	65,993,076	63,625,845	60,336,910	55,345,950	49,380,194	50,663,100	48,566,672	41,278,840
Plan Fiduciary Net Position - Ending (b)	\$ 74,206,782	\$ 84,863,575	\$ 65,993,076	\$ 63,625,845	\$ 60,336,910	\$ 55,345,950	\$ 49,380,194	\$ 50,663,100	\$ 48,566,672
County's Net Pension (Asset) Liability - Ending (a) - (b)	\$ 18,858,920	\$ (2,094,185)	\$ 13,953,173	\$ 13,443,341	\$ 12,718,973	\$ 13,456,582	\$ 16,644,753	\$ 13,182,650	\$ 12,500,679
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.74%	102.53%	82.55%	82.56%	82.59%	80.44%	74.79%	79.35%	79.53%
Covered Payroll	\$ 8,899,000	\$ 9,075,000	\$ 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	211.92%	-23.08%	164.02%	164.12%	162.00%	189.13%	234.10%	183.47%	183.48%
Expected Average Remaining Service Years of All Participants	5	5	5	5	5	6	6	5	6

**Notes to Schedule:**

*Benefit Changes:*

FY 2022 reflects significant changes including: normal retirement changed to age 62 or 20 years of service; benefit formula changed to 2.5% for 1-20, 2% for 21-25 and 1% for 26-30 years of service; military service multiplied by appropriate percent from benefit formula after 20 years of service; final average earnings changed to 3 years; and increased participant contributions to 9% effective 7/1/21.

There were no changes in FY2016 to FY2021.

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:*

FY 2022 updated turnover and retirement rates to reflect benefit changes.

FY 2021 Mortality changed from RP-2014 to Pub-2010 Safety.

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 is not available)**

**Schedule 5**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 2,829,085	\$ 2,710,626	\$ 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>2,829,085</u>	<u>2,710,626</u>	<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	\$ 8,899,000	\$ 9,075,000	\$ 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	31.79%	29.87%	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	Pub-2010 Safety Employees/Survivors Headcount-Weighted Mortality with generational projection using scale MP2020

**HARFORD COUNTY, MARYLAND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION PLAN INVESTMENT RETURNS**  
**SHERIFF'S OFFICE PENSION SYSTEM**  
**Last 10 Fiscal Years**

**Schedule 6**

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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Annual money-weighted rate of return, net of investment expense	-11.91%	29.04%	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 NET PENSION LIABILITY AND RELATED RATIOS**  
**LENGTH OF SERVICE AWARD PROGRAM FOR VOLUNTEER FIREMEN**  
**Last 10 Fiscal Years**  
**(Information for FY2013 is not available)**

**Schedule 7**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>									
Service Cost	\$ 534,102	\$ 875,915	\$ 624,471	\$ 615,292	\$ 644,327	\$ 641,506	\$ 638,884	\$ 677,920	\$ 644,795
Interest	2,947,669	2,125,666	2,119,864	2,084,466	2,024,849	1,961,742	1,853,894	1,805,872	1,755,000
Changes of benefit terms	-	5,211,638	-	-	-	-	-	-	-
Differences between Expected and Actual Experience	(737,717)	643,801	(653,406)	(288,027)	97,369	172,167	(65,985)	(56,599)	-
Changes of Assumptions	(5,093,979)	-	-	-	-	-	1,050,936	-	-
Benefit Payments, including Refunds of Member Contributions	(2,205,644)	(2,144,817)	(1,843,634)	(1,799,894)	(1,745,944)	(1,701,351)	(1,659,153)	(1,594,505)	(1,510,673)
Net Change in Total Pension Liability	(4,555,569)	6,712,203	247,295	611,837	1,020,601	1,074,064	1,818,576	832,688	889,122
Total Pension Liability - Beginning	43,212,386	36,500,183	36,252,888	35,641,051	34,620,450	33,546,386	31,727,810	30,895,122	30,006,000
Total Pension Liability - Ending (a)	\$ 38,656,817	\$ 43,212,386	\$ 36,500,183	\$ 36,252,888	\$ 35,641,051	\$ 34,620,450	\$ 33,546,386	\$ 31,727,810	\$ 30,895,122
<b>Plan Fiduciary Net Position</b>									
Contributions - Plan Sponsor	\$ 1,877,503	\$ 1,883,255	\$ 1,997,167	\$ 2,072,513	\$ 1,854,906	\$ 1,767,558	\$ 1,912,843	\$ 2,030,844	\$ 1,934,886
Net Investment Income	(4,926,914)	7,824,892	1,450,857	1,746,377	2,053,899	2,535,660	(331,941)	840,113	2,818,129
Benefit Payments, Including Refunds of Member Contributions	(2,205,644)	(2,144,817)	(1,843,634)	(1,799,894)	(1,745,944)	(1,701,351)	(1,659,153)	(1,594,505)	(1,510,673)
Administrative Expense	(10,488)	(17,841)	(26,479)	(13,738)	(13,588)	(16,468)	(15,246)	(13,710)	(15,129)
Net Change in Plan Fiduciary Net Position	(5,265,543)	7,545,489	1,577,911	2,005,258	2,149,273	2,585,399	(93,497)	1,262,742	3,227,213
Plan Fiduciary Net Position - Beginning	40,074,837	32,529,348	30,951,437	28,946,179	26,796,906	24,211,507	24,305,004	23,042,262	19,815,049
Plan Fiduciary Net Position - Ending (b)	\$ 34,809,294	\$ 40,074,837	\$ 32,529,348	\$ 30,951,437	\$ 28,946,179	\$ 26,796,906	\$ 24,211,507	\$ 24,305,004	\$ 23,042,262
County's Net Pension Liability - Ending (a) - (b)	\$ 3,847,523	\$ 3,137,549	\$ 3,970,835	\$ 5,301,451	\$ 6,694,872	\$ 7,823,544	\$ 9,334,879	\$ 7,422,806	\$ 7,852,860
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.05%	92.74%	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	6	6	8	7

**Notes to Schedule:**

*Benefit Changes:* There were no changes in FY2014 to FY2020 and FY2022.

In FY2021, the benefit multiplier increased from \$12 per month to \$13 per month for each of the first 25 years of service. The maximum benefit increased from \$450 per month to \$475 per month. All surviving spouse annuity percentages increased from 50% to 75%.

*Change of Assumptions:* There were no changes in FY2014, FY2015 and FY2017 to FY2021.

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.

In FY2022, the discount rate was updated to 7% and mortality tables updated to Pub-2010 Safety Employees/Retirees/Survivors Headcount-Weighted Mortality with generational projection using scale MP2020.

**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 is not available)**

**Schedule 8**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 1,877,503	\$ 1,883,255	\$ 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	1,877,503	1,883,255	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	7.0 percent, Net of Pension Plan Investment Expense, Including Inflation
Retirement Age	Upon First Eligibility for Benefits
Mortality	Pub-2010 Safety Employees/Retirees/Survivors Headcount-Weighted Mortality with generational projection using scale MP2020.

**HARFORD COUNTY, MARYLAND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF PENSION PLAN INVESTMENT RETURNS**  
**LENGTH OF SERVICE AWARD PROGRAM FOR VOLUNTEER FIREMEN**  
**Last 10 Fiscal Years**

**Schedule 9**

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Annual money-weighted rate of return, net of investment expense	-11.83%	23.86%	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 NET LIABILITY AND RELATED RATIOS**  
**OTHER POST EMPLOYMENT BENEFITS**  
**Last 10 Fiscal Years**  
**(Information for FY2016 and earlier is not available)**

**Schedule 10**

	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>						
Service Cost	\$ 3,684,121	\$ 3,883,889	\$ 3,919,887	\$ 4,301,469	\$ 4,664,771	\$ 4,493,999
Interest	17,285,935	16,888,951	16,357,466	17,085,497	14,367,000	13,652,014
Experience Losses/(Gains)	(51,044,889)	(5,305,240)	(2,844,948)	(24,559,327)	29,312,522	-
Changes in Assumptions	-	-	1,012,350	3,403,456	-	-
Benefit Payments	(9,419,900)	(9,360,731)	(10,706,482)	(10,777,035)	(8,892,619)	(7,892,866)
Net Change in Total OPEB Liability	(39,494,733)	6,106,869	7,738,273	(10,545,940)	39,451,674	10,253,147
Total OPEB Liability - Beginning	251,979,234	245,872,365	238,134,092	248,680,032	209,228,358	198,975,211
Total OPEB Liability - Ending (a)	<u>\$ 212,484,501</u>	<u>\$ 251,979,234</u>	<u>\$ 245,872,365</u>	<u>\$ 238,134,092</u>	<u>\$ 248,680,032</u>	<u>\$ 209,228,358</u>
<b>Plan Fiduciary Net Position</b>						
Contributions - Employer	\$ 11,798,000	\$ 11,893,000	\$ 11,752,000	\$ 13,639,000	\$ 12,333,000	\$ 9,931,000
Net Investment Income	(21,774,233)	38,855,304	5,920,806	6,666,841	10,018,063	11,411,408
Benefit Payments	(9,419,900)	(9,360,731)	(10,706,482)	(10,777,035)	(8,892,619)	(7,892,866)
Administrative Expense	(14,400)	(13,500)	(141,900)	(19,250)	(17,000)	(12,750)
Net Change in Plan Fiduciary Net Position	(19,410,533)	41,374,073	6,824,424	9,509,556	13,441,444	13,436,792
Plan Fiduciary Net Position - Beginning	175,525,450	134,151,377	127,326,953	117,817,397	104,375,953	90,939,161
Plan Fiduciary Net Position - Ending (b)	<u>\$ 156,114,917</u>	<u>\$ 175,525,450</u>	<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>\$ 56,369,584</u>	<u>\$ 76,453,784</u>	<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	73.47%	69.66%	54.56%	53.47%	47.38%	49.89%
Covered-Employee Payroll <sup>1</sup>	\$ N/A					
County's Net OPEB Liability as a Percentage of Covered Payroll <sup>1</sup>	N/A	N/A	N/A	N/A	N/A	N/A
Expected Average Remaining Service Years of All Participants	5	5	5	5	5	6

**Notes to Schedule:**

*Benefit Changes:* There were no benefit changes FY2017 - FY2022

*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.

<sup>1</sup> 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 is not available)**

**Schedule 11**

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 11,798,000	\$ 11,893,000	\$ 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	11,798,000	11,893,000	11,752,000	13,639,000	12,333,000	9,931,000	10,162,000	13,794,000	13,381,000
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll <sup>1</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered-Employee Payroll <sup>1</sup>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Notes to Schedule:**

*Benefit Changes:* None

*Change of Assumptions:* In FY 2022, the mortality assumption was updated to the latest SOA public sector experience study rates. The medical trend was updated. The trend was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model baseline assumptions. The prior valuation used the SOA model as updated in November 2016 and included the impact of the Cadillac Tax. The current valuation uses the model as updated in September 2019 and doesn't include the impact.

Methods and assumptions used to determine contribution rates:

Valuation Date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percentage of Payroll, closed
Remaining amortization period	19
Asset valuation method	Market Value of Assets
Investment rate of return	7.00%
Payroll growth rate	3.50%
Inflation	2.50%
Healthcare cost trend rate	The trend is 4.90% for 2021, 5.10% for 2022, and the ultimate trend is 4.00%.

<sup>1</sup> 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 12**

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	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	-11.97%	27.01%	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 Fund – This fund was established by Council Bill 00-064 to account for the revenues and expenditures of the self-supporting activities of the Emmorton Recreation and Tennis Center, Recreation Councils and the Oakington Peninsula.

Watershed Management Fund (previously known as Stormwater Management) – This fund was established to account for the watershed 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 (the Project) created in 2011 and any special assessment 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 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, 2022**

**Exhibit A-1**

	<b>Special Revenue</b>		<b>Debt Service</b>		<b>Total</b>	
	<b>Parks and Recreation</b>		<b>Beechtree TIF</b>		<b>Non-major Governmental</b>	
	<b>Watershed Management</b>	<b>Funds</b>	<b>893,609</b>	<b>1,496,801</b>	<b>12,257,521</b>	<b>819</b>
<b>ASSETS</b>						
Equity in Pooled Cash and Investments	\$ 161,406	\$ 10,778,930	\$ 1,317,185	\$ -	\$ 12,257,521	\$ 750
Cash and Investments	750	-	-	-	-	819
Taxes and Accounts Receivable (Net)	88	731	-	-	-	1,496,801
Deposit with Trustee	-	-	-	1,496,801	-	893,609
Restricted Assets - Investments	-	893,609	-	-	-	893,609
<b>TOTAL ASSETS</b>	<b>\$ 162,244</b>	<b>\$ 11,673,270</b>	<b>\$ 2,813,986</b>	<b>\$ -</b>	<b>\$ 14,649,500</b>	<b>\$ 14,649,500</b>
<b>LIABILITIES</b>						
Accounts Payable	\$ 21,089	\$ 329,077	\$ -	\$ -	\$ 350,166	\$ 350,166
Accrued Expenditures	12,219	25,531	-	-	-	37,750
Escrow Accounts	5,754	-	-	-	-	5,754
Total Liabilities	<b>39,062</b>	<b>354,608</b>	<b>-\$ 2,813,986</b>	<b>-\$ 393,670</b>	<b>-\$ 393,670</b>	<b>-\$ 393,670</b>
<b>FUND BALANCES</b>						
Restricted	-	893,609	2,813,986	-	3,707,595	3,707,595
Assigned	123,182	10,425,053	-	-	10,548,235	10,548,235
Total Fund Balances	<b>123,182</b>	<b>11,318,662</b>	<b>2,813,986</b>	<b>-\$ 2,813,986</b>	<b>-\$ 14,255,830</b>	<b>-\$ 14,255,830</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 162,244</b>	<b>\$ 11,673,270</b>	<b>\$ 2,813,986</b>	<b>\$ -</b>	<b>\$ 14,649,500</b>	<b>\$ 14,649,500</b>

**HARFORD COUNTY, MARYLAND**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Non-major Governmental Funds**  
**For the Year Ended June 30, 2022**

**Exhibit A-2**

	<b>Special Revenue</b>		<b>Debt Service</b>		<b>Total</b>	
	<b>Parks and Recreation</b>		<b>Beechtree TIF</b>		<b>Non-major Governmental</b>	
	<b>Watershed Management</b>	<b>Funds</b>	<b>Watershed Management</b>	<b>Funds</b>	<b>Watershed Management</b>	<b>Funds</b>
<b>REVENUES</b>						
Taxes	\$ -	\$ 4,081,867	\$ 2,250,348	\$ 6,332,215		
Investment Income	186	14,744	2,757	17,687		
Charges for Current Services	723,761	-	-	723,761		
Total Revenues	<u>723,947</u>	<u>4,096,611</u>	<u>2,253,105</u>	<u>7,073,663</u>		
<b>EXPENDITURES</b>						
Current:						
Parks, Recreation and Natural Resources	632,682	-	-	632,682		
Public Works	-	1,973,100	-	1,973,100		
Debt Service:						
Principal	-	813,268	310,000	1,123,268		
Interest	-	543,065	411,727	954,792		
Administrative Costs	-	9,309	17,095	26,404		
Total Expenditures	<u>632,682</u>	<u>3,338,742</u>	<u>738,822</u>	<u>4,710,246</u>		
Excess (Deficiency) of Revenues over Expenditures	<u>91,265</u>	<u>757,869</u>	<u>1,514,283</u>	<u>2,363,417</u>		
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers Out	-	(850,000)	(783,411)	(1,633,411)		
Premium on Issuance of Bonds	-	298,827	-	298,827		
Total Other Financing Sources (Uses)	<u>-</u>	<u>(551,173)</u>	<u>(783,411)</u>	<u>(1,334,584)</u>		
Net Change in Fund Balances	91,265	206,696	730,872	1,028,833		
Fund Balances - Beginning	31,917	11,111,966	2,083,114	13,226,997		
Fund Balances - Ending	<u>\$ 123,182</u>	<u>\$ 11,318,662</u>	<u>\$ 2,813,986</u>	<u>\$ 14,255,830</u>		

## ***Fiduciary Funds***

**Private Purpose Trust Funds** – are 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.

**Custodial 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 merely as the cash conduit.

*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.

*Seizure of Assets* – This fund was established to account for the possession of assets during the course of a criminal investigation. 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, 2022**

**Exhibit B-1**

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	<b>Bar Library</b>	<b>BVL Cooperating Parties Group</b>	<b>OT Cooperating Parties Group</b>	<b>Total</b>
<b>ASSETS</b>				
Equity in Pooled Cash and Investments	\$ 390,308	\$ 1,500,705	\$ 793,873	\$ 2,684,886
Cash Equivalents	- 390,308	628,769 2,129,474	- 793,873	628,769 3,313,655
Total Assets				
<b>LIABILITIES</b>				
Accounts Payable	4,540	4,152	-	8,692
Total Liabilities	4,540	4,152	-	8,692
<b>NET POSITION</b>				
Restricted for Individuals, Organizations, and Other Governments	\$ 385,768	\$ 2,125,322	\$ 793,873	\$ 3,304,963

**HARFORD COUNTY, MARYLAND**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Private Purpose Trust Funds**  
**For the Year Ended June 30, 2022**

**Exhibit B-2**

	<b>Bar Library</b>	<b>BVL Cooperating Parties Group</b>	<b>OT Cooperating Parties Group</b>	<b>Total</b>
<b>ADDITIONS</b>				
Member Contributions	\$ 94,981	\$ -	\$ -	\$ 94,981
Interest and Dividends	485	47,770	-	48,255
Total Additions	<u>95,466</u>	<u>47,770</u>	<u>-</u>	<u>143,236</u>
<b>DEDUCTIONS</b>				
Payments to Participants or Beneficiaries	86,064	70,291	61,627	217,982
Total Deductions	<u>86,064</u>	<u>70,291</u>	<u>61,627</u>	<u>217,982</u>
Net Increase (Decrease) in Fiduciary Net Position	9,402	(22,521)	(61,627)	(74,746)
Net Position - Beginning	376,366	2,147,843	855,500	3,379,709
Net Position - Ending	<u>\$ 385,768</u>	<u>\$ 2,125,322</u>	<u>\$ 793,873</u>	<u>\$ 3,304,963</u>

**HARFORD COUNTY, MARYLAND**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2022**

**Exhibit B-3**

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	<b>Healthcare Consortium</b>	<b>Seizure of Assets</b>	<b>Total</b>
<b>ASSETS</b>			
Equity in Pooled Cash	\$ -	\$ 932,787	\$ 932,787
Cash Equivalents	25,687,990	-	25,687,990
Federal and State Receivable	-	-	-
Total Assets	<u>25,687,990</u>	<u>932,787</u>	<u>26,620,777</u>
<b>NET POSITION</b>			
Net Position Restricted for Individuals, Organizations, and Governments	<u>\$ 25,687,990</u>	<u>\$ 932,787</u>	<u>\$ 26,620,777</u>

**HARFORD COUNTY, MARYLAND**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Year Ended June 30, 2022**

**Exhibit B-4**

	<b>Pass-Through Grants</b>	<b>Healthcare Consortium</b>	<b>Seizure of Assets</b>	<b>Total</b>
<b>ADDITIONS</b>				
Grant, Contributions or Seizures	\$ 828,248	\$ 18,541,683	\$ 488,827	\$ 19,858,758
Interest and Dividends	- 828,248	51,526 18,593,209	1,098 489,925	52,624 19,911,382
Total Additions				
<b>DEDUCTIONS</b>				
Payments to Participants or Beneficiaries	828,248	15,200,000	104,807	16,133,055
Total Deductions	828,248	15,200,000	104,807	16,133,055
Net Increase (Decrease) in Fiduciary Net Position	- \$ -	3,393,209	385,118	3,778,327
Net Position - Beginning		22,294,781	547,669	22,842,450
Net Position - Ending	\$ - \$ -	\$ 25,687,990	\$ 932,787	\$ 26,620,777

# ***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 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 county highways, all expenditures of the County and/or Sheriff's Office regarding traffic patrol and highway safety, and County-related transportation expenditures.

Parks and Recreation Fund was established by Council Bill 00-064 to account for the revenues and expenditures of the self-supporting activities of the Emmorton Recreation and Tennis Center, Recreation Councils and the Oakington Peninsula.

Watershed Management (previously known as Stormwater Management) was established to account for the watershed remediation operation. 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.

### ***Debt Service Fund***

The Beechtree Tax Increment Financing (TIF) accumulates the incremental property tax revenues related to the Beechtree Estates Project (the Project) created in 2011 and any special assessment 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 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 the operation, construction, or acquisition of capital assets and related debt service cost of the public water and sewer facilities.

## *General Fund*

**HARFORD COUNTY, MARYLAND**  
**General Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2022**

**Exhibit C-1**

<b>REVENUES</b>	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
Taxes				
Admissions and Amusement Tax	\$ 370,000	\$ 370,000	\$ 394,066	\$ 24,066
Business Personal Property/Current Year	424,000	424,000	347,219	(76,781)
Business Personal Property/Prior Years	500	500	449	(51)
Corporate Property/Current Year	15,500,000	15,500,000	16,211,214	711,214
Corporate Property/Prior Years	(100,000)	(100,000)	29,557	129,557
Delinquent Tax Costs	75,000	75,000	59,108	(15,892)
Heavy Equipment Receipts Tax - Corporate	225,000	225,000	400,953	175,953
Hotel Occupancy Tax	1,950,000	1,950,000	2,287,207	337,207
Impact Fees	3,500,000	3,500,000	2,579,400	(920,600)
Income Taxes	268,250,000	268,250,000	298,783,378	30,533,378
Interest on Delinquent Taxes	700,000	700,000	824,448	124,448
Mobile Home Excise Tax	210,000	210,000	212,950	2,950
Payment in Lieu of Taxes	550,000	550,000	602,410	52,410
Penalty	825,000	825,000	789,080	(35,920)
Railroad and Public Utilities/Current Year	15,400,000	15,400,000	17,580,634	2,180,634
Real Property - Full Year Levy/Current Years	262,295,000	262,295,000	263,143,654	848,654
Real Property - Full Year Levy/Prior Years	5,000	5,000	(4,410)	(9,410)
Real Property - Half Year Levy/Current Years	700,000	700,000	415,507	(284,493)
911 Program Fee	2,750,000	2,750,000	2,787,525	37,525
	<u>573,629,500</u>	<u>573,629,500</u>	<u>607,444,349</u>	<u>33,814,849</u>
Less: Tax Credits and Uncollectibles				
Ag. Preservation Incentive/Easements	(1,325,000)	(1,325,000)	(1,439,705)	(114,705)
Community Association Credit	(5,500)	(5,500)	(5,324)	176
Conservation Land Tax Credit	(2,000)	(2,000)	(1,234)	766
Discounts Allowed on Taxes	-	-	374	374
Enterprise Zone Tax Credit	(1,460,000)	(1,460,000)	(1,402,947)	57,053
Habitat For Humanity Tax Credit	(5,000)	(5,000)	(3,865)	1,135
Historical Tax Credit	(3,000)	(3,000)	(4,475)	(1,475)
Homeowner's Tax Credit - County	(270,000)	(270,000)	(269,071)	929
Homestead Tax Credit - County	(230,000)	(230,000)	(298,304)	(68,304)
Landfill Proximity Credit	(55,000)	(55,000)	(59,115)	(4,115)
Senior/Retired Military Tax Credit	(1,500,000)	(1,500,000)	(1,568,768)	(68,768)
Solar/Geothermal Energy Tax Credit	(430,000)	(430,000)	(397,732)	32,268
Uncollectible Property Taxes	150,000	150,000	29,660	(120,340)
	<u>(5,135,500)</u>	<u>(5,135,500)</u>	<u>(5,420,506)</u>	<u>(285,006)</u>
Total Taxes	<u>568,494,000</u>	<u>568,494,000</u>	<u>602,023,843</u>	<u>33,529,843</u>

(continued)

**HARFORD COUNTY, MARYLAND**  
**General Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2022**  
(continued)

**Exhibit C-1**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
Revenues from Other Agencies				
DNR Parks PILOT	80,000	80,000	88,140	8,140
Jury Compensation	150,000	150,000	102,480	(47,520)
Medicare D Subsidy	350,000	350,000	310,690	(39,310)
Police Protection	2,100,000	2,100,000	2,114,839	14,839
State 911 Fee	-	-	337,396	337,396
Total Revenues from Other Agencies	<u>2,680,000</u>	<u>2,680,000</u>	<u>2,953,545</u>	<u>273,545</u>
Investment Income	500,000	500,000	283,199	(216,801)
Charges for Current Services				
Abandoned Buildings	25,000	25,000	33,185	8,185
Administrative Fee - Cobra Insurance	400	400	573	173
Auto Commute - County Employees	6,100	6,100	3,567	(2,533)
Bad Check Fee	4,000	4,000	4,675	675
Board of Prisoners	175,000	175,000	194,972	19,972
Building Reinspection Fee	2,000	2,000	2,150	150
Child Custody	3,000	3,000	2,915	(85)
Commissions	180,000	180,000	182,836	2,836
Community Work Service	10,000	10,000	10,471	471
Concept Plans	10,000	10,000	3,705	(6,295)
County Recreation Programs	50,000	50,000	85,526	35,526
Detention Center Commissary	430,000	430,000	411,407	(18,593)
Electrical Reinspection Fees	2,000	2,000	2,150	150
EMS-Ambulance Fees	650,000	650,000	849,412	199,412
Extension Preliminary Plan Approval	100	100	25	(75)
False Burglar Alarm Service Charges	75,000	75,000	88,326	13,326
False Fire Alarm Service Charges	10,000	10,000	1,880	(8,120)
Final Plats	15,000	15,000	18,730	3,730
Flying Point and Mariner Park Revenue	15,000	15,000	34,927	19,927
Food Service Licenses	100,000	100,000	107,585	7,585
Forest Conservation Plan Review	3,000	3,000	23,892	20,892
Forest Stand Delineation Review	2,000	2,000	14,542	12,542
Ground Floor Fees	15,000	15,000	4,050	(10,950)
Harford TV	9,000	9,000	340	(8,660)
Hazardous Material Spill Cleanup	3,000	3,000	7,469	4,469
Household Waste - Private Vehicle Charge	600,000	600,000	578,881	(21,119)
Inmate Fees for Medical Services	2,000	2,000	2,197	197
Inspections	11,500	11,500	9,023	(2,477)
Mechanical Investigation Fees	1,000	1,000	-	(1,000)

(continued)

**HARFORD COUNTY, MARYLAND**

**General Fund**

**Schedule of Revenues and Other Financing Sources**

**Budgetary (Non-GAAP) Basis**

**For The Year Ended June 30, 2022**

(continued)

**Exhibit C-1**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>AMOUNTS</b>	
Charges for Current Services (continued)				
Mechanical Reinspection Fee	500	500	1,000	500
Miscellaneous Revenue - Sheriff's Office	55,000	55,000	71,139	16,139
Noxious Weed	10,000	10,000	23,250	13,250
Overtime Reimbursements - Sheriff	300,000	300,000	361,233	61,233
Percolation Tests	18,000	18,000	26,050	8,050
Plumbing Reinspection Fees	700	700	850	150
Police Reports	13,000	13,000	33,966	20,966
Public Swimming Pool & Spa Permit	20,000	20,000	28,200	8,200
Publications	100	100	1	(99)
Publication/Ad Charges	20,000	20,000	22,009	2,009
Recycled Batteries	7,000	7,000	3,225	(3,775)
Recycled Scrap Metal	180,000	180,000	139,290	(40,710)
Recycling Revenue - Misc.	5,000	5,000	4,525	(475)
Reproduction	2,100	2,100	2,320	220
Sale of Compost - Scarboro	35,000	35,000	23,104	(11,896)
Sale of Mulch - Scarboro	100,000	100,000	82,970	(17,030)
Sanitation Construction Permit Fee	10,000	10,000	11,424	1,424
Sanitation Permits	7,000	7,000	8,820	1,820
Senior Center Fees	285,000	285,000	208,676	(76,324)
Sheriff's Fees	250,000	250,000	223,104	(26,896)
Sheriff's Licenses	7,000	7,000	7,665	665
Site Plans	10,000	10,000	63,892	53,892
Social Security Payments - Inmates	15,000	15,000	7,400	(7,600)
Subdivision Plans	25,000	25,000	67,976	42,976
Subdivision Plat Review	7,000	7,000	7,350	350
Tax Lien Certification	235,000	235,000	255,780	20,780
Tax Lien Filing Fees	1,200	1,200	810	(390)
Tax Sale Auctioneer Fees	2,800	2,800	1,840	(960)
Technical Review	80,000	80,000	68,869	(11,131)
Telephone Service	12,000	12,000	10,897	(1,103)
Tipping Fee Landfill	10,500,000	10,500,000	11,640,711	1,140,711
Tire Disposal Fees	700	700	743	43
Training Academy - Sheriff's Office	10,000	10,000	70,025	60,025
Weekend Prisoner Revenue	30,000	30,000	45,455	15,455
Well Sampling	20,000	20,000	13,840	(6,160)
Work Release Revenue	15,000	15,000	-	(15,000)
Zoning Appeals	31,000	31,000	33,990	2,990
Zoning Certificates	3,000	3,000	3,400	400
Zoning Reclass Fee	2,000	2,000	2,000	-
Total Charges for Current Services	<u>14,734,200</u>	<u>14,734,200</u>	<u>16,257,210</u>	<u>1,523,010</u>

(continued)

**HARFORD COUNTY, MARYLAND**  
**General Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2022**  
(continued)

**Exhibit C-1**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>AMOUNTS</b>	
Miscellaneous				
Edgewood Community Center	15,000	15,000	15,201	201
Grant Unemployment	55,000	55,000	51,997	(3,003)
Interest on Miscellaneous Invoices	6,000	6,000	2,558	(3,442)
Lease Income	-	-	27,103	27,103
Lease Interest	-	-	4,266	4,266
Miscellaneous Revenue	171,824	171,824	144,299	(27,525)
Over and Short	20,000	20,000	(1,071)	(21,071)
Postage	200,000	200,000	206,748	6,748
Pro Rata Charges - Highways	3,370,820	3,370,820	3,370,820	-
Pro Rata Charges - Parks and Recreation	66,241	66,241	66,241	-
Pro Rata Charges - Stormwater Management	103,413	103,413	-	(103,413)
Pro Rata Charges - Water and Sewer	3,599,065	3,599,065	3,599,065	-
Pro Rata Charges - Self Insurance	262,337	262,337	262,337	-
Recovery from Capital Projects	25,000	25,000	15,836	(9,164)
Reimbursement of AG Credits	1,325,000	1,325,000	1,439,705	114,705
Rental Income	200,000	200,000	278,932	78,932
Sale of Equipment	40,000	40,000	99,977	59,977
Sale of Vehicles	75,000	75,000	237,178	162,178
Total Miscellaneous	<hr/> 9,534,700	<hr/> 9,534,700	<hr/> 9,821,192	<hr/> 286,492
Licenses and Permits				
Auctioneers Licenses	7,000	7,000	6,765	(235)
Building Inspection Services	100,000	100,000	244,540	144,540
Building Penalty	500	500	3,500	3,000
Building Permits	490,000	490,000	427,977	(62,023)
Cable TV	2,000,000	2,000,000	2,294,155	294,155
Dog Licenses	22,000	22,000	16,754	(5,246)
Electrical Board of Examiners	33,000	33,000	29,305	(3,695)
Electrical Penalty	2,000	2,000	250	(1,750)
Electrical Permits	440,000	440,000	451,353	11,353
Forest Harvest Permit	2,000	2,000	1,675	(325)
Kennel Licenses	1,500	1,500	800	(700)
Marriage Licenses	7,000	7,000	9,001	2,001
Marriage Licenses/Spouse Abuse	45,000	45,000	60,846	15,846
Massage Establishment Licenses	200	200	250	50
Mechanical Licenses	30,000	30,000	32,160	2,160
Mechanical Permits	260,000	260,000	352,164	92,164
Mobile Home Park Licenses	12,000	12,000	11,879	(121)
Pawnbrokers Licenses	200	200	600	400

(continued)

**HARFORD COUNTY, MARYLAND**  
**General Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2022**  
(continued)

**Exhibit C-1**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>AMOUNTS</b>	
Licenses and Permits (continued)				
Pet Shop/Grooming Licenses	500	500	1,500	1,000
Plumbing Licenses	45,000	45,000	46,965	1,965
Plumbing Permits	370,000	370,000	326,538	(43,462)
Plumbing Penalty	200	200	-	(200)
Refuse Licenses	12,000	12,000	18,550	6,550
Solicitors Licenses	1,500	1,500	720	(780)
Taxi Cab Licenses	2,000	2,000	1,280	(720)
Towing Licenses	4,500	4,500	5,350	850
Traders Licenses	190,000	190,000	273,411	83,411
Total Licenses and Permits	<u>4,078,100</u>	<u>4,078,100</u>	<u>4,618,288</u>	<u>540,188</u>
Fines and Forfeitures				
Court Fines	50,000	50,000	72,633	22,633
Dog License Fines	4,000	4,000	1,720	(2,280)
Parking Fines	20,000	20,000	10,515	(9,485)
Parking Fines - County Lots	25,000	25,000	9,844	(15,156)
Total Fines and Forfeitures	<u>99,000</u>	<u>99,000</u>	<u>94,712</u>	<u>(4,288)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriated Fund Balance	38,625,000	43,201,000	-	(43,201,000)
Operating Transfers In:				
Beechtree TIF Debt Service Fund	-	-	673,733	673,733
Capital Project	<u>19,880,000</u>	<u>19,880,000</u>	<u>19,880,000</u>	<u>-</u>
Total Operating Transfers In	<u>19,880,000</u>	<u>19,880,000</u>	<u>20,553,733</u>	<u>673,733</u>
Issuance of Refunding Bonds	-	21,210,080	17,793,395	(3,416,685)
Premium on Issuance of Bonds	-	-	11,480,082	11,480,082
Total Other Financing Sources (Uses)	<u>58,505,000</u>	<u>84,291,080</u>	<u>49,827,210</u>	<u>(34,463,870)</u>
Total Revenues and Other Financing Sources (Uses)	<u>\$ 658,625,000</u>	<u>\$ 684,411,080</u>	<u>\$ 685,879,199</u>	<u>\$ 1,468,119</u>

**HARFORD COUNTY, MARYLAND**  
**General Fund**  
**Schedule of Expenditures, Encumbrances and Other Financing Sources (Uses)**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2022**

**Exhibit C-2**

<b>EXPENDITURES</b>	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
Current:				
County Council				
Board of Appeals & Rezoning	\$ 192,465	\$ 194,619	\$ 181,142	\$ 13,477
County Council Office	1,747,068	1,749,219	1,533,005	216,214
HarfordTV	909,786	912,514	815,907	96,607
Office of County Attorney	330,733	330,733	256,469	74,264
Office of County Auditor	525,605	525,605	493,156	32,449
Total County Council	<u>3,705,657</u>	<u>3,712,690</u>	<u>3,279,679</u>	<u>433,011</u>
General Government				
Office of the County Executive	879,619	879,619	801,723	77,896
Director of Administration				
Budget & Management Research	852,152	861,516	583,796	277,720
Central Services	662,372	665,044	533,742	131,302
Citizen Affairs & Administrative Services	630,942	630,942	448,464	182,478
Director of Administration	634,444	639,505	503,242	136,263
Facilities & Operations	5,667,570	5,693,997	5,160,732	533,265
Property Management	1,285,336	1,291,381	1,132,998	158,383
Department of Procurement				
Procurement Operations	991,008	992,641	848,351	144,290
Department of the Treasury				
Bureau of Accounting	2,038,514	2,040,642	1,794,256	246,386
Bureau of Revenue Collections	1,220,194	1,237,842	1,164,126	73,716
Office of the Treasurer	744,365	754,144	747,734	6,410
Department of Law				
Department of Law	2,262,101	2,276,017	1,515,800	760,217
Risk Management	243,835	245,994	187,475	58,519
Department of Planning & Zoning				
Comprehensive Planning and Special Projects	1,324,769	1,501,560	1,479,115	22,445
Current Planning	2,168,665	2,025,394	1,721,480	303,914
Director of Planning & Zoning	695,572	695,572	565,281	130,291
Department of Personnel				
Human Resources	1,092,939	1,096,379	966,142	130,237
Personnel Matters	1,280,437	3,880,437	3,406,625	473,812
Office of Government & Community Relations	783,836	786,061	687,185	98,876
Office of Information and Communication Technology				
Information and Communication Technology	12,828,256	12,198,821	9,738,647	2,460,174
Broadband	-	650,000	348,249	301,751
Elections				
Board of Elections	1,241,889	1,655,313	1,538,975	116,338
Election Expense	1,667,455	1,459,031	789,024	670,007
Economic Development				
Office of Economic Development	1,943,314	1,947,693	1,673,541	274,152
Harford Transit	362,948	364,630	-	364,630
Tourism & Marketing	2,080,000	2,080,000	1,977,379	102,621
Benefits	10,433,470	10,433,470	10,278,743	154,727

(continued)

**HARFORD COUNTY, MARYLAND**  
**General Fund**  
**Schedule of Expenditures, Encumbrances and Other Financing Sources (Uses)**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2022**  
(continued)

**Exhibit C-2**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>AMOUNTS</b>	
General Government (continued)				
Insurance	595,579	595,579	595,579	-
Miscellaneous				
Appropriations to Towns	3,775,127	3,775,127	3,775,127	-
Appropriations to State	1,170,000	1,170,000	957,345	212,655
Contingency Reserve	100,000	100,000	-	100,000
Humane Society	950,000	950,000	950,000	-
Total General Government	<u>62,606,708</u>	<u>65,574,351</u>	<u>56,870,876</u>	<u>8,703,475</u>
Education-Primary thru Comm. College				
Harford County Public Schools	293,812,984	293,812,984	293,812,984	-
Harford Community College	18,074,369	18,074,369	18,074,369	-
Total Education-Primary thru Community College	<u>311,887,353</u>	<u>311,887,353</u>	<u>311,887,353</u>	<u>-</u>
Harford Center	620,193	620,193	620,193	-
Judicial				
Circuit Court	2,174,892	2,279,219	2,090,355	188,864
Community Work Service	411,016	414,150	370,834	43,316
Family Court Services Division	710,697	700,005	646,303	53,702
Grand Jury	14,000	14,000	10,940	3,060
Jury Commissioner	397,818	401,622	388,488	13,134
Jury Services	278,000	200,720	130,855	69,865
Magistrates	255,797	257,112	238,567	18,545
State's Attorney	7,491,665	7,904,236	7,283,439	620,797
Total Judicial	<u>11,733,885</u>	<u>12,171,064</u>	<u>11,159,781</u>	<u>1,011,283</u>
Libraries	18,890,693	18,890,693	18,890,693	-
Parks, Recreation and Natural Resources				
Department of Parks and Recreation				
Parks and Facilities	6,893,666	6,907,671	5,713,590	1,194,081
Parks & Recreation Administration	1,290,723	1,309,974	983,902	326,072
Recreational Services	3,652,442	3,681,546	2,926,935	754,611
Conservation of Natural Resources				
Extension Service	276,802	276,802	274,666	2,136
Soil Conservation	607,808	610,073	554,453	55,620
Total Parks, Recreation and Natural Resources	<u>12,721,441</u>	<u>12,786,066</u>	<u>10,453,546</u>	<u>2,332,520</u>
Public Safety				
Sheriff's Office				
Administration	8,117,644	8,174,920	7,644,641	530,279
Correctional Services	27,761,066	27,209,675	26,534,567	675,108
Court Services	9,093,008	9,044,225	8,161,282	882,943

(continued)

**HARFORD COUNTY, MARYLAND**  
**General Fund**  
**Schedule of Expenditures, Encumbrances and Other Financing Sources (Uses)**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2022**

(continued)

**Exhibit C-2**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>AMOUNTS</b>	
Public Safety (continued)				
Criminal Investigation	12,094,714	12,369,430	12,028,952	340,478
Inmate Welfare Fund	963,452	964,269	733,808	230,461
Patrol Operations	34,584,515	35,613,665	34,613,466	1,000,199
School Safety	3,203,394	3,397,130	3,301,660	95,470
Department of Inspections, Licenses and Permits				
Building Services	1,252,445	1,260,909	1,069,872	191,037
Director of DILP	887,660	890,474	846,502	43,972
Electrical Services	823,767	828,113	769,265	58,848
Plumbing Services	770,095	775,394	740,847	34,547
Emergency Services				
Administration	1,931,332	2,026,594	2,009,683	16,911
Emergency Medical Services	8,863,583	8,987,215	8,494,628	492,587
HAZMAT Response Team	728,873	760,873	556,648	204,225
Natural Disasters	100,000	37,239	-	37,239
Special Operations & Technical Services & Support	2,664,683	2,880,016	2,781,008	99,008
Volunteer Fire Companies	7,688,408	7,751,169	7,745,605	5,564
911 Emergency Communications	8,324,368	7,938,034	7,276,772	661,262
Total Public Safety	<u>129,853,007</u>	<u>130,909,344</u>	<u>125,309,206</u>	<u>5,600,138</u>
Public Works				
Department of Public Works				
Bureau of Environmental Affairs	186,426	189,546	184,609	4,937
Bureau of Solid Waste Management	6,593,970	6,860,929	6,228,911	632,018
Capital Projects Management	938,513	945,994	859,908	86,086
Closed Landfills - Post Closure Costs	252,840	252,840	224,690	28,150
Watershed Management	963,398	1,247,620	1,033,277	214,343
Transfer Station	13,270,000	12,728,041	11,399,462	1,328,579
Total Public Works	<u>22,205,147</u>	<u>22,224,970</u>	<u>19,930,857</u>	<u>2,294,113</u>
Social Services				
Department of Community Services				
Director - Community Services	2,577,389	2,582,906	2,318,246	264,660
Office of Drug Control	1,188,780	1,192,502	987,631	204,871
Office on Aging	2,456,682	2,467,152	1,564,551	902,601
ARC Northern Chesapeake Region	1,977,800	1,977,800	1,977,800	-
Housing Agency Services	1,410,103	1,413,754	953,473	460,281
Health Department	4,018,168	4,018,168	3,979,696	38,472
Total Social Services	<u>13,628,922</u>	<u>13,652,282</u>	<u>11,781,397</u>	<u>1,870,885</u>
Debt Service				
Principal	41,360,249	41,360,249	40,795,390	564,859
Interest	17,047,753	17,047,753	16,097,907	949,846
Administration Costs	641,992	641,992	323,026	318,966
Total Debt Service	<u>59,049,994</u>	<u>59,049,994</u>	<u>57,216,323</u>	<u>1,833,671</u>

(continued)

**HARFORD COUNTY, MARYLAND**

**General Fund**

**Schedule of Expenditures, Encumbrances and Other Financing Sources (Uses)**

**Budgetary (Non-GAAP) Basis**

**For The Year Ended June 30, 2022**

(continued)

**Exhibit C-2**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>AMOUNTS</b>	
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating Transfers Out:				
Grants	3,500,000	3,500,000	1,213,086	2,286,914
Capital Project	8,222,000	8,222,000	8,172,000	50,000
Total Operating Transfers Out	<u>11,722,000</u>	<u>11,722,000</u>	<u>9,385,086</u>	<u>2,336,914</u>
Payment to Escrow Agent for Refunding	-	21,210,080	21,210,080	-
Total Other Financing Sources (Uses)	<u>11,722,000</u>	<u>32,932,080</u>	<u>30,595,166</u>	<u>2,336,914</u>
Total Expenditures and Other Financing Sources (Uses)	<u><u>\$ 658,625,000</u></u>	<u><u>\$ 684,411,080</u></u>	<u><u>\$ 657,995,070</u></u>	<u><u>\$ 26,416,010</u></u>

## *Special Revenue Fund*

**HARFORD COUNTY, MARYLAND**  
**Highways Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2022**

**Exhibit D-1**

<b>REVENUES</b>	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
Taxes				
Business Personal Property/Current Year	\$ 54,600	\$ 54,600	\$ 45,695	\$ (8,905)
Business Personal Property/Prior Years	(1,000)	(1,000)	76	1,076
Corporate Property/Current Year	1,929,000	1,929,000	2,014,301	85,301
Corporate Property/Prior Years	(40,000)	(40,000)	966	40,966
Interest on Delinquent Taxes	130,000	130,000	133,215	3,215
Payment in Lieu of Taxes	260,000	260,000	319,346	59,346
Penalty	130,000	130,000	127,783	(2,217)
Railroad and Public Utilities/Current Year	2,073,000	2,073,000	2,391,601	318,601
Real Property-Full Year Levy/Current Year	34,096,000	34,096,000	34,031,135	(64,865)
Real Property-Full Year Levy/Prior Years	4,000	4,000	(1,133)	(5,133)
Real Property-Half Year Levy/Current Year	92,000	92,000	55,003	(36,997)
	38,727,600	38,727,600	39,117,988	390,388
Less: Tax Credits and Uncollectibles				
AG Preservation Tax Credit	(220,000)	(220,000)	(227,778)	(7,778)
Community Association Credit	(700)	(700)	(629)	71
Conservation Land Tax Credit	(300)	(300)	(266)	34
Discounts Allowed on Taxes	-	-	61	61
Enterprise Zone Tax Credits	(145,000)	(145,000)	(178,373)	(33,373)
Habitat For Humanity Credit	(600)	(600)	-	600
Historical Tax Credit	(500)	(500)	(686)	(186)
Homeowner's Tax Credit - County	(35,000)	(35,000)	(22,101)	12,899
Homestead Tax Credit - County	(35,000)	(35,000)	(48,561)	(13,561)
Landfill Proximity Credit	(9,500)	(9,500)	(9,060)	440
Senior/Retired Military Credit	(240,000)	(240,000)	(226,673)	13,327
Solar/Geothermal Energy Tax Credit	(63,000)	(63,000)	(54,300)	8,700
Uncollectible Property Taxes	30,000	30,000	7,517	(22,483)
	(719,600)	(719,600)	(760,849)	(41,249)
Total Taxes	38,008,000	38,008,000	38,357,139	349,139
Revenues from Other Agencies				
DNR Parks Pilot	12,000	12,000	11,363	(637)
Highways Users Tax	3,000,000	3,000,000	3,740,575	740,575
Total Revenues from Other Agencies	3,012,000	3,012,000	3,751,938	739,938
Investment Income	50,000	50,000	33,585	(16,415)
Charges for Current Services				
Auto Maintenance - Contract	55,000	55,000	53,717	(1,283)
Auto Maintenance - Non-Contract	16,000	16,000	121,748	105,748
Fuel Charges - County	516,000	516,000	911,893	395,893
Inspections	150,000	150,000	152,850	2,850
Onsite Inspection Fees	110,000	110,000	-	(110,000)
Recycled Scrap Metal	3,600	3,600	3,333	(267)

(continued)

**HARFORD COUNTY, MARYLAND**  
**Highways Fund**  
**Schedule of Revenues and Other Financing Sources**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2022**

(continued)

**Exhibit D-1**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>Charges for Current Services (continued)</b>				
Road Access Permit Fees	21,000	21,000	16,835	(4,165)
Signs and Linestriping	82,000	82,000	21,987	(60,013)
Technical Review	18,000	18,000	43,080	25,080
Utility Permit Fees	78,000	78,000	67,349	(10,651)
<b>Total Charges for Current Services</b>	<b>1,049,600</b>	<b>1,049,600</b>	<b>1,392,792</b>	<b>343,192</b>
<b>Miscellaneous</b>				
Director of DPW - Environmental Affairs	10,496	10,496	10,496	-
Director of DPW - Watershed	5,642	5,642	5,642	-
Director of DPW - Water and Sewer	203,034	203,034	203,034	-
Fleet Lease Revenue	3,200	3,200	1,215	(1,985)
Fuel Charges	2,000,000	2,000,000	2,112,707	112,707
Interest on Miscellaneous Invoices	600	600	1,014	414
Over and Short	-	-	18	18
Miscellaneous Revenue	37,128	37,128	68,856	31,728
Recovery from Capital Projects	840,000	840,000	965,852	125,852
Reimbursement from Other Departments	22,000	22,000	54,333	32,333
Reimbursement of AG Credit	207,000	207,000	227,778	20,778
Sale of Property - Vehicles	246,000	246,000	269,125	23,125
Vehicle Maintenance - Contract	2,842,900	2,842,900	3,118,727	275,827
Vehicle Maintenance - Non Contract	820,000	820,000	1,170,488	350,488
<b>Total Miscellaneous</b>	<b>7,238,000</b>	<b>7,238,000</b>	<b>8,209,285</b>	<b>971,285</b>
<b>Fines and Forfeitures</b>				
Vegetation Violations	11,000	11,000	18,379	7,379
<b>Total Fines and Forfeitures</b>	<b>11,000</b>	<b>11,000</b>	<b>18,379</b>	<b>7,379</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriated Fund Balance	7,531,400	8,084,400	-	(8,084,400)
Operating Transfers In:				
Beechtree TIF Debt Service Fund	-	-	109,678	109,678
Total Operating Transfers In	-	-	109,678	109,678
Premium on Issuance of Bonds	-	-	702,236	702,236
<b>Total Other Financing Sources (Uses)</b>	<b>7,531,400</b>	<b>8,084,400</b>	<b>811,914</b>	<b>(7,272,486)</b>
<b>Total Revenues and Other Financing Sources (Uses)</b>	<b>\$ 56,900,000</b>	<b>\$ 57,453,000</b>	<b>\$ 52,575,032</b>	<b>\$ (4,877,968)</b>

**HARFORD COUNTY, MARYLAND**  
**Highways Fund**  
**Schedule of Expenditures, Encumbrances and Other Financing Sources (Uses)**  
**Budgetary (Non-GAAP) Basis**  
**For The Year Ended June 30, 2022**

**Exhibit D-2**

<b>EXPENDITURES</b>	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
Current:				
Public Works				
Benefits	\$ 923,333	\$ 923,333	\$ 888,858	\$ 34,475
Bureau of Construction Management	2,484,385	2,504,508	1,981,160	523,348
Bureau of Highways Engineering	2,715,951	2,737,384	2,229,643	507,741
Bureau of Highways Maintenance	24,544,474	24,902,651	23,966,887	935,764
Contingency	200,000	200,000	-	200,000
Director of Public Works	364,628	364,628	313,459	51,169
Fleet Management	10,212,327	10,213,765	7,943,546	2,270,219
Personnel Matters	316,126	716,126	397,503	318,623
Snow Removal	2,564,498	2,316,327	980,089	1,336,238
Insurance	302,525	302,525	302,525	-
Total Public Works	<u>44,628,247</u>	<u>45,181,247</u>	<u>39,003,670</u>	<u>6,177,577</u>
Debt Service				
Principal	1,360,142	1,360,142	1,352,642	7,500
Interest	860,432	860,432	789,126	71,306
Administrative Costs	30,000	30,000	23,793	6,207
Total Debt Service	<u>2,250,574</u>	<u>2,250,574</u>	<u>2,165,561</u>	<u>85,013</u>
Total Expenditures	<u>46,878,821</u>	<u>47,431,821</u>	<u>41,169,231</u>	<u>6,262,590</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out - Capital Projects	10,021,179	10,021,179	10,021,179	-
Total Other Financing Sources (Uses)	<u>10,021,179</u>	<u>10,021,179</u>	<u>10,021,179</u>	<u>-</u>
Total Expenditures and Other Financing Sources (Uses)	<u>\$ 56,900,000</u>	<u>\$ 57,453,000</u>	<u>\$ 51,190,410</u>	<u>\$ 6,262,590</u>

**HARFORD COUNTY, MARYLAND**  
**Parks and Recreation Fund**  
**Schedule of Revenues, Expenditures, Encumbrances**  
**And Changes In Fund Balance**  
**Budget Basis (Non-GAAP) vs. Actual**  
**For The Year Ended June 30, 2022**

**Exhibit D-3**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Investment Income	\$ 3,400	\$ 3,400	\$ 186	\$ (3,214)
Charges for Current Services	710,600	710,600	723,761	13,161
Total Revenue	<u>714,000</u>	<u>714,000</u>	<u>723,947</u>	<u>9,947</u>
<b>EXPENDITURES</b>				
Current:				
Parks, Recreation and Natural Resources	771,500	773,500	631,297	142,203
Total Expenditures	<u>771,500</u>	<u>773,500</u>	<u>631,297</u>	<u>142,203</u>
Excess (Deficiency) of Revenues Over Expenditures	(57,500)	(59,500)	92,650	152,150
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriated Fund Balance	57,500	59,500	-	(59,500)
Total Other Financing Sources (Uses)	<u>57,500</u>	<u>59,500</u>	<u>-</u>	<u>(59,500)</u>
Net Change in Fund Balance	\$ -	\$ -	92,650	\$ 92,650
Fund Balance - Beginning			42,751	
Fund Balance - Ending			\$ 135,401	

**HARFORD COUNTY, MARYLAND**  
**Watershed Management Fund**  
**Schedule of Revenues, Expenditures, Encumbrances**  
**And Changes In Fund Balance**  
**Budget Basis (Non-GAAP) vs. Actual**  
**For The Year Ended June 30, 2022**

**Exhibit D-4**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>		<b>VARIANCE WITH FINAL BUDGET</b>	
	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ORIGINAL</b>	<b>FINAL</b>	<b>ORIGINAL</b>	<b>FINAL</b>
<b>REVENUES</b>						
Taxes	\$ 2,970,000	\$ 2,970,000	\$ 4,081,867	\$ 4,081,867	\$ 1,111,867	\$ 1,111,867
Investment Income	50,000	50,000	14,744	14,744	(35,256)	(35,256)
Total Revenues	<u>3,020,000</u>	<u>3,020,000</u>	<u>4,096,611</u>	<u>4,096,611</u>	<u>1,076,611</u>	<u>1,076,611</u>
<b>EXPENDITURES</b>						
Current:						
Public Works	1,962,403	1,969,403	1,965,357	1,965,357	4,046	4,046
Debt Service	<u>1,468,097</u>	<u>1,468,097</u>	<u>1,365,642</u>	<u>1,365,642</u>	<u>102,455</u>	<u>102,455</u>
Total Expenditures	<u>3,430,500</u>	<u>3,437,500</u>	<u>3,330,999</u>	<u>3,330,999</u>	<u>106,501</u>	<u>106,501</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(410,500)</u>	<u>(417,500)</u>	<u>765,612</u>	<u>765,612</u>	<u>1,183,112</u>	<u>1,183,112</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Appropriated Fund Balance	1,260,500	1,267,500	-	-	(1,267,500)	(1,267,500)
Transfers Out	(850,000)	(850,000)	(850,000)	(850,000)	-	-
Premium on Issuance on Bonds	-	-	298,827	298,827	298,827	298,827
Total Other Financing Sources (Uses)	<u>410,500</u>	<u>417,500</u>	<u>(551,173)</u>	<u>(551,173)</u>	<u>(968,673)</u>	<u>(968,673)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>214,439</u>	<u>214,439</u>	<u>\$ 214,439</u>	<u>\$ 214,439</u>
Fund Balance - Beginning			11,094,450			
Prior Year Encumbrances Cancelled			35,304			
Fund Balance - Ending			<u>\$ 11,344,193</u>			

## *Debt Service Fund*

**HARFORD COUNTY, MARYLAND**  
**Beechtree Tax Increment Financing (TIF) Debt Service Fund**  
**Schedule of Revenues, Expenditures, Encumbrances**  
**And Changes In Fund Balances**  
**Budget Basis (Non-GAAP) vs. Actual**  
**For The Year Ended June 30, 2022**

**Exhibit E-1**

	<b>BUDGETED AMOUNTS</b>		<b>ACTUAL AMOUNTS</b>	<b>VARIANCE WITH FINAL BUDGET</b>
	<b>ORIGINAL</b>	<b>FINAL</b>		
<b>REVENUES</b>				
Taxes	\$ 1,640,000	\$ 1,640,000	\$ 2,250,348	\$ 610,348
Investment Income	1,000	1,000	2,757	1,757
Total Revenues	<u>1,641,000</u>	<u>1,641,000</u>	<u>2,253,105</u>	<u>612,105</u>
<b>EXPENDITURES</b>				
Debt Service	751,727	751,727	738,822	12,905
Total Expenditures	<u>751,727</u>	<u>751,727</u>	<u>738,822</u>	<u>12,905</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>889,273</u>	<u>889,273</u>	<u>1,514,283</u>	<u>625,010</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(889,273)	(889,273)	(783,411)	105,862
Total Other Financing Sources (Uses)	<u>(889,273)</u>	<u>(889,273)</u>	<u>(783,411)</u>	<u>105,862</u>
Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	730,872	\$ <u>730,872</u>
Fund Balance - Beginning			2,083,114	
Fund Balance - Ending			\$ <u>2,813,986</u>	

# *Capital Projects Fund*

**Harford County, Maryland**  
**Capital Projects Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For the Year Ended June 30, 2022**

**Exhibit F-1**

	<b>TOTAL APPROPRIATIONS</b>	<b>TOTAL EXPENDITURES</b>	<b>UNEXPENDED APPROPRIATIONS</b>
General Government			
Reforestation Proceeds	\$ 680,000	\$ 378,017	\$ 301,983
Facilities Repair Program	39,518,213	34,283,385	5,234,828
County Facility System Security Access/Fuel Dispensing	1,415,000	854,715	560,285
Site Acquisition	26,107,761	21,412,169	4,695,592
Stormwater Enhancement	900,000	693,956	206,044
Sunnyview Stream Restoration	5,192,220	540,257	4,651,963
Courthouse Building Repairs	10,034,900	9,328,408	706,492
Reforestation Proceeds-Critical Area	100,000	63,879	36,121
Wheel Creek Watershed Restoration	7,489,607	6,821,848	667,759
Humane Society	7,050,000	6,155,403	894,597
Safeguarding Business Operations	19,375,400	14,698,273	4,677,127
Bynum Run at St Andrews Way Stream Restoration	2,297,026	1,839,630	457,396
Fleet Replacement	17,540,000	17,376,598	163,402
Refresh Program	4,103,478	3,516,043	587,435
Joppatowne Area Watershed Restoration	5,950,000	2,699,289	3,250,711
Plumtree Run Watershed Restoration	8,643,452	5,450,818	3,192,634
Sams Branch Watershed Restoration	4,172,922	1,709,434	2,463,488
Stormwater Pollution Prevention	1,581,395	1,440,155	141,240
HMAN (Harford County Metro Area Network)	36,280,000	25,743,655	10,536,345
Efficiency Capital Investment Projects	1,185,400	524,900	660,500
Lilly Run Watershed Restoration	725,000	86,445	638,555
Underground/Aboveground Storage Tank Management	1,344,000	718,211	625,789
Maintenance/Repair of Dams	2,505,000	779,950	1,725,050
MD 924 Small Area Corridor Plan	300,000	214,873	85,127
Riverside Area Watershed Restoration	4,560,886	336,150	4,224,736
Fleet Maintenance Facility	16,126,000	15,998,231	127,769
Harford County Agricultural Research and Exposition Center	2,800,000	2,400,000	400,000
County Owned Watershed Restoration Improvements	19,175,000	9,786,028	9,388,972
Watershed Restoration Assessment	9,800,000	5,041,516	4,758,484
Watershed Restoration Improvements	6,900,000	3,581,024	3,318,976
Watershed Restoration Maintenance	860,000	768,922	91,078
Harford Cable Network High Definition Upgrade	600,000	433,395	166,605
Abingdon Library Window Replacement	1,259,000	1,057,000	202,000
* 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	419,045	1,580,955
* Board of Education-Debt Service FY21	21,433,334	21,433,334	-
Lease Revenue-General	11,500,000	-	11,500,000
Board of Education-Debt Service FY22	19,880,000	19,880,000	-
Disparity Study	600,000	316,075	283,925

(continued)

**Harford County, Maryland**  
**Capital Projects Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For the Year Ended June 30, 2022**

(continued)

**Exhibit F-1**

	<b>TOTAL APPROPRIATIONS</b>	<b>TOTAL EXPENDITURES</b>	<b>UNEXPENDED APPROPRIATIONS</b>
General Government (continued)			
Maintenance/Repair of Dams	895,000	679,527	215,473
Septic System Disconnection	650,000	582,366	67,634
County Owned Stormwater Management Rehabilitation and Repair	500,000	50,000	450,000
Upper Bynum Run Watershed Restoration Improvements	4,000,000	284,168	3,715,832
Middle Bynum run Watershed Restoration Improvements	1,650,000	-	1,650,000
Maintenance/Repair of Stormwater Facilities	872,850	-	872,850
Total General Government	354,268,844	263,593,092	90,675,752
Education			
Aberdeen High School North/Center For Career Opportunity	665,000	602,238	62,762
Security Cameras	1,871,600	1,014,934	856,666
* Textbook Refresh (Math)	5,819,421	2,509,421	3,310,000
Roofing Replacement	1,146,300	1,146,300	-
Youth's Benefit Elementary School	38,611,866	38,611,294	572
Relocatable Classrooms	1,066,000	246,562	819,438
Septic Pre-Treatment for Code Upgrade	2,167,926	842,513	1,325,413
Fallston High School HVAC Project	7,673,940	7,673,940	-
Havre de Grace High School Replacement	77,474,000	77,396,742	77,258
Joppatowne High School Systemic Project	25,294,000	20,619,012	4,674,988
Security Initiative	640,000	640,000	-
Center for Educational Opportunity-Air Conditioning	2,200,000	2,194,872	5,128
Prospect Mill Elementary School HVAC	2,294,000	2,294,000	-
Technology Education Lab Refresh	226,648	204,308	22,340
* Bel Air Elementary HVAC Systemic Renovation and Open Space Enclosure	3,350,236	3,350,236	-
Swimming Pool Renovations	858,731	847,351	11,380
Roof Replacement - Aberdeen Middle School	1,477,702	1,477,702	-
George D Lisby HVAC Systemic Renovation	4,840,000	4,719,920	120,080
North Bend Elementary School Central Plant and Fire Alarm	1,054,500	983,833	70,667
Roof Replacement - Hickory Elementary School	757,674	755,615	2,059
Roye Williams HVAC Systemic Renovation	6,743,000	6,563,276	179,724
HCPS Facilities Repair Program	923,665	295,758	627,907
Educational Facility Program	3,455,247	2,186,523	1,268,724
Fleet Replacement	2,660,159	1,647,067	1,013,092
Life, Health, Safety and Compliance Measures	2,425,226	98,169	2,327,057
Roof Replacement-Bel Air Middle School	3,196,000	1,501,681	1,694,319
Technology Infrastructure	1,680,860	980,552	700,308
Athletic and Recreation Repair Improvements	471,507	375,776	95,731
Major HVAC	1,467,330	428,166	1,039,164
HCPS Facilities Master Plan	870,000	674,997	195,003
Abingdon Elementary School Central Plant	1,247,000	-	1,247,000

(continued)

**Harford County, Maryland**  
**Capital Projects Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For the Year Ended June 30, 2022**

(continued)

**Exhibit F-1**

	<b>TOTAL APPROPRIATIONS</b>	<b>TOTAL EXPENDITURES</b>	<b>UNEXPENDED APPROPRIATIONS</b>
Education (continued)			
HCPS Site Improvements	500,000	99,370	400,630
Homestead Wakefield Elementary School Major Project	6,000,000	4,986,674	1,013,326
Roof Replacement-Center for Educational Opportunity	1,850,000	36,924	1,813,076
Total Education	212,979,538	188,005,726	24,973,812
Public Safety			
Computer Equipment/Networks	3,480,415	2,910,911	569,504
New Emergency Operations Center Complex	37,494,525	35,254,021	2,240,504
Public Safety Communication in School Buildings	750,000	709,736	40,264
* Joppa Magnolia Fire Station Expansion	1,240,000	1,240,000	-
Volunteer Fire Company Facility Repair	4,510,000	3,797,484	712,516
Volunter Fire Company Public Safety Equipment	3,525,000	2,524,784	1,000,216
Mobile/Portable Radio Upgrades	7,265,000	4,235,335	3,029,665
Whiteford Volunteer Fire Company-Renovation of Main Station	1,200,000	352,257	847,743
Aberdeen VFC Main Station Renovation	1,500,000	1,500,000	-
Multi-Agency Public Safety Mobile Command Center	1,800,000	1,800,000	-
Next Gen 911	10,235,000	7,231,177	3,003,823
HCSO Mobile Data Terminal Replacement	551,400	551,400	-
North Harford Station	4,700,000	4,700,000	-
Riverside Fire and EMS Station	3,800,000	83,728	3,716,272
HCSO Body Worn Camera	350,000	347,648	2,352
HCSO Fleet Replacement	6,000,000	1,897,403	4,102,597
Susquehanna House Company Hose 1 Replacement	1,000,000	1,000,000	-
Total Public Safety	89,401,340	70,135,884	19,265,456
Community College			
New Allied Health and Nursing Building	7,891,000	7,891,000	-
Edgewood Hall Renovations	3,464,575	3,464,575	-
Fallston Hall Renovations	3,375,000	2,716,285	658,715
Chesapeake Welcome Center	4,209,425	958,782	3,250,643
Total Community College	18,940,000	15,030,642	3,909,358
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	45,871	10,129
Havre de Grace Library Expansion	9,020,000	8,653,111	366,889
Technology	1,859,100	1,444,466	414,634
Total Library	21,057,300	20,222,957	834,343

(continued)

**Harford County, Maryland**  
**Capital Projects Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For the Year Ended June 30, 2022**

(continued)

**Exhibit F-1**

	<b>TOTAL APPROPRIATIONS</b>	<b>TOTAL EXPENDITURES</b>	<b>UNEXPENDED APPROPRIATIONS</b>
<b>Landfill</b>			
Harford County Waste Disposal Center Compost Area Facilities	484,088	477,600	6,488
Harford Waste Disposal Center Landfill Capping	9,695,000	7,977,096	1,717,904
Waste to Energy Facility Closure	8,163,753	3,140,497	5,023,256
HWDC Pavement Upgrades	800,000	800,000	-
Tollgate Yard Trim Recycling Center 15	475,081	299,751	175,330
Scarboro Landfill Groundwater Treatment Plant	250,000	23,014	226,986
Solid Waste Facilities Repair Program	2,000,000	585,183	1,414,817
Environmental Studies and Projects	233,801	29,127	204,674
<b>Total Landfill</b>	<b>22,101,723</b>	<b>13,332,268</b>	<b>8,769,455</b>
<b>Parks, Recreation and Natural Resources</b>			
Churchville Complex Development	8,556,830	7,987,651	569,179
Heavenly Waters Park	2,120,000	1,130,139	989,861
Schucks Road Regional Sports Complex	8,110,415	6,037,616	2,072,799
Athletic Field Improvements	22,550,000	21,814,341	735,659
Indoor Recreation Facility	1,474,000	1,124,455	349,545
* Tudor Hall Rehabilitation	610,000	434,999	175,001
Bleacher Renovations	490,000	155,697	334,303
Darlington Park Development	1,985,000	1,512,731	472,269
Mariner Point Park Renovations	736,000	471,165	264,835
Nuttal Avenue Park Development	650,000	117,930	532,070
* Cedar Lane Sports Complex Improvements	2,461,000	1,321,542	1,139,458
Churchville Center Renovations	575,000	355,347	219,653
Eden Mill Park Rehabilitation	1,255,000	837,625	417,375
Park Improvements	780,000	532,494	247,506
Park Land Acquisition	13,321,000	9,090,518	4,230,482
Playground Equipment	4,650,000	2,642,343	2,007,657
Anita C. Leight Center Improvements	1,055,000	639,073	415,927
Emmorton Rec and Tennis Center Improvements	1,810,000	1,435,045	374,955
Tennis/Multipurpose Courts	1,560,000	1,461,424	98,576
Equestrian Center Improvements	575,000	396,430	178,570
Backstop Renovations	270,000	23,941	246,059
Emily Bayless Graham Park	3,995,000	2,003,220	1,991,780
Gunpowder River Dredging	2,234,000	1,791,801	442,199
Parking Lot Paving	1,149,000	1,015,494	133,506
Rockfield Park Improvements	270,000	86,272	183,728
Trails and Linear Parks	17,200,000	5,408,809	11,791,191
Edgewood Rec and Community Center	225,000	47,844	177,156
Northern Regional Park	575,000	458,454	116,546
ADA Improvements	395,000	257,851	137,149

(continued)

**Harford County, Maryland**  
**Capital Projects Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For the Year Ended June 30, 2022**

(continued)

**Exhibit F-1**

	<b>TOTAL APPROPRIATIONS</b>	<b>TOTAL EXPENDITURES</b>	<b>UNEXPENDED APPROPRIATIONS</b>
Parks, Recreation and Natural Resources (continued)			
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	279,995	20,005
SWM Pond Repair and Renovation	905,000	615,528	289,472
Enlarged Gymnasiums	1,200,000	1,200,000	-
Jarrettsville Recreation Center	710,775	423,811	286,964
Swan Harbor Farm Improvements	764,000	644,900	119,100
Canoe and Kayak Water Access	1,280,000	685,268	594,732
Flying Point Park Improvements	1,053,000	496,167	556,833
Francis Silver Park Improvements	425,000	233,301	191,699
Heavenly Waters Park-Soma	200,000	99,790	100,210
Demarco Memorial Park Improvements	40,000	-	40,000
Tollgate Woodshop	40,000	2,869	37,131
Bush River Dredging and DMP Site	990,000	990,000	-
Edgeley Grove Farm	140,000	67,209	72,791
Facility Renovations	649,000	440,829	208,171
Forest Hill Recreation Complex Improvements	800,000	-	800,000
Fox Meadows Park Improvements	450,000	236,546	213,454
Gymnasium Floor Repair and Renovation	210,000	43,335	166,665
Park Improvements	205,000	151,630	53,370
Edgewood Recreation Park	50,000	19,811	30,189
Rock Glenn Park	1,300,000	1,208,102	91,898
Dog Park Construction and Improvements	673,500	100,182	573,318
Norrisville Park	1,375,000	103,283	1,271,717
Otter Point Creek Boat Launch	560,000	525,908	34,092
Mariner Point Park-DMP Site Remediation	1,200,000	132,015	1,067,985
Perryman Park Development	120,000	99,900	20,100
Aberdeen Activity Center	9,000,000	100,000	8,900,000
Benson Field Development	100,000	98,050	1,950
Bulkhead Renovations	40,000	-	40,000
McFaul Activity Center Renovations	250,000	-	250,000
Oakington Peninsula Park System	250,000	32,600	217,400
Prospect Mill Park	250,000	142,914	107,086
Vale Road Park	125,000	124,645	355
Total Parks, Recreation and Natural Resources	<hr/> 127,767,520	<hr/> 80,262,629	<hr/> 47,504,891
Highways-Roads			
Glen Elyn Culvert and Ponds Repair	392,500	392,500	-
Tollgate Road/West Ring Factory-Plumtree	7,423,439	5,751,890	1,671,549

(continued)

**Harford County, Maryland**  
**Capital Projects Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For the Year Ended June 30, 2022**

(continued)

**Exhibit F-1**

	<b>TOTAL APPROPRIATIONS</b>	<b>TOTAL EXPENDITURES</b>	<b>UNEXPENDED APPROPRIATIONS</b>
Highways-Roads (continued)			
Facilities Repair Program	1,427,000	1,085,897	341,103
Culvert Rehabilitation	4,730,000	4,726,659	3,341
Primrose Place	146,000	132,605	13,395
Intersection Improvements	4,666,728	3,656,418	1,010,310
Village of Scot's Fancy-Starmount Lane	750,000	715,128	34,872
Shucks Road Improvements	1,043,368	737,697	305,671
Drainage Improvements	1,775,000	1,751,790	23,210
Storm Drain Rehabilitation	2,041,231	2,041,231	-
Sidewalks and Handicapped Ramps	1,829,300	1,455,802	373,498
Traffic Calming and Road Safety Improvements	800,000	797,802	2,198
Safeguarding Business Operations	3,712,450	3,227,812	484,638
Fleet Replacement	18,192,000	18,178,175	13,825
700 MHZ Wireless Radio System Equipment	1,600,000	1,600,000	-
Efficiency Capital Investment Project	380,000	221,030	158,970
Guardrails Fiscal Year 2013	1,225,000	1,051,862	173,138
HMAN (Harford County Metro Area Network)	930,000	925,902	4,098
New Roads and Storm Drains	3,025,000	1,426,828	1,598,172
Refresh Program	740,500	585,829	154,671
Landis Circle-Foxborough Farm	350,000	255,377	94,623
Traffic Signals 15	544,601	46,462	498,139
* Resurfacing Roadways	5,603,106	5,583,409	19,697
APG Gate Pilot	2,500,000	2,105,686	394,314
Resurfacing Roadways	36,697,870	22,429,021	14,268,849
Fleet Maintenance Facility	7,246,000	5,615,361	1,630,639
Spesutia Road Reconstruction/Upgrade	5,750,000	459,427	5,290,573
Trimble Road (Joppa Road to Garnett Road)	25,000	-	25,000
Woodley Road Extension to MD 715	7,250,000	1,300,823	5,949,177
Lease Revenue-Highways	2,000,000	-	2,000,000
Washington Court Access Road	2,150,000	60,882	2,089,118
Moores Mill Road	10,363,088	9,479,496	883,592
Trappe Church Road #161	500,000	-	500,000
Tollgate Road/Vale Corridor	200,000	-	200,000
Highways Infrastructure Investment Project	10,000,000	-	10,000,000
Norrisville Highways Facility	1,500,000	10,825	1,489,175
Total Roads	<hr/> 149,509,181	<hr/> 97,809,626	<hr/> 51,699,555
Highways-Bridges			
Bridge Inspection Program	3,640,000	3,640,000	-
Bridge Rehabilitation	6,200,000	3,225,004	2,974,996
Road and Bridge Scour Repairs	2,225,000	1,723,356	501,644

(continued)

**Harford County, Maryland**  
**Capital Projects Fund**  
**Schedule of Appropriations, Expenditures, and Encumbrances**  
**Budgetary (Non-GAAP) Basis**  
**For the Year Ended June 30, 2022**

(continued)

**Exhibit F-1**

	<b>TOTAL APPROPRIATIONS</b>	<b>TOTAL EXPENDITURES</b>	<b>UNEXPENDED APPROPRIATIONS</b>
Highways-Bridges (continued)			
Robinson Mill Road Bridge #154	2,115,000	1,914,037	200,963
Abingdon Road Bridge #169 Over CSX	5,230,000	981,330	4,248,670
Chestnut Hill Bridge #40	2,065,000	1,635,332	429,668
Phillips Mill Road Bridge #70	3,550,000	2,990,625	559,375
Bridge Rehabilitation	5,216,381	4,889,010	327,371
Bridge Painting	950,000	489,792	460,208
Fawn Grove Road Bridge #132	10,000	5,467	4,533
Stafford Road Bridge	3,405,000	3,365,759	39,241
Glenville Road Bridge #30	510,000	205,629	304,371
Johnson Mill Road Bridge #45	1,450,000	218,824	1,231,176
Bridge Inspection Program	3,000,000	1,976,221	1,023,779
Bridge Inspection Program-Under 20' Spans	350,000	147,795	202,205
Grier Nursery Road Bridge #43	600,000	273,956	326,044
Hookers Mill Road Bridge #13	500,000	109,811	390,189
Boggs Road Bridge #66	300,000	300,000	-
Deep Run Road Bridge #152	300,000	268,839	31,161
Glen Cove Road Bridge #155	1,225,912	834,506	391,406
Madonna Road Bridge #113	600,000	15,951	584,049
Hookers Mill Road Bridge #13	100,000	-	100,000
Scarboro Road Bridge #140	350,000	-	350,000
Structural Evaluation	520,000	442,791	77,209
Total Bridges	<u>44,412,293</u>	<u>29,654,035</u>	<u>14,758,258</u>
Total Highways	<u>193,921,474</u>	<u>127,463,661</u>	<u>66,457,813</u>
Total Capital Projects	1,040,437,739	778,046,859	262,390,880
*Less Closed Projects	<u>(63,733,097)</u>	<u>(59,088,941)</u>	<u>(4,644,156)</u>
Total Open Capital Projects	<u>\$ 976,704,642</u>	<u>\$ 718,957,918</u>	<u>\$ 257,746,724</u>

*Enterprise Fund*

**HARFORD COUNTY, MARYLAND**  
**Water and Sewer Enterprise Fund**  
**Schedule of Capital Projects, Appropriations, and Expenditures**  
**For the Year Ended June 30, 2022**

**Exhibit G-1**

	<b>TOTAL APPROPRIATIONS</b>	<b>TOTAL EXPENDITURES</b>	<b>UNEXPENDED APPROPRIATIONS</b>
<b>Sewer Projects</b>			
Bush Creek Pump Station 4th Pump	\$ 28,400,000	\$ 26,132,438	\$ 2,267,562
Utility Protection/Restoration	1,500,000	215,880	1,284,120
Bynum Run Parallel Phase 6 & 7	9,120,324	7,618,845	1,501,479
Edgewood Interceptor Sewer Parallel	650,000	181,806	468,194
Infiltration & Inflow	800,000	318,293	481,707
Sod Run Facility Improvements	11,632,261	3,299,671	8,332,590
Renewal and Replacement - Sewer	2,150,000	1,030,897	1,119,103
Bill Bass Pump Station Force main Replacement	810,302	415,216	395,086
Oaklyn Manor/Joppa Area Sewer Relief	1,950,300	1,464,291	486,009
Town Center Drive Pump Station	810,567	599,677	210,890
Bynum Ridge Sewer Replacement	800,000	639,972	160,028
Bio Solids Facilities Enhancements	19,500,000	5,479,421	14,020,579
Fallston Sanitation Sub-District Sewer Capacity Study	300,000	206,889	93,111
Brentwood Park Pumping Station Improvements	2,200,000	187,570	2,012,430
Delta Wastewater Treatment Plan Upgrades	225,000	5,884	219,116
Inventory Storage Control and Improvements	385,000	107,178	277,822
Pumping Station Improvements	565,000	118,454	446,546
Sod Run Wastewater Treatment Plant Ultraviolet Disinfection Project	4,200,000	278,652	3,921,348
Fallston Area Sewer	3,800,000	-	3,800,000
Freys Road Sewer Petition	1,275,000	-	1,275,000
Hickory Sewer Infrastructure Improvement Project	3,000,000	-	3,000,000
Magnolia Sewer Petition	689,500	14,055	675,445
Woodridge Sewer Petition	4,020,300	-	4,020,300
Future Petition Projects	375,000	-	375,000
<b>Total Sewer Projects</b>	<b>99,158,554</b>	<b>48,315,089</b>	<b>50,843,465</b>

**Water Projects**

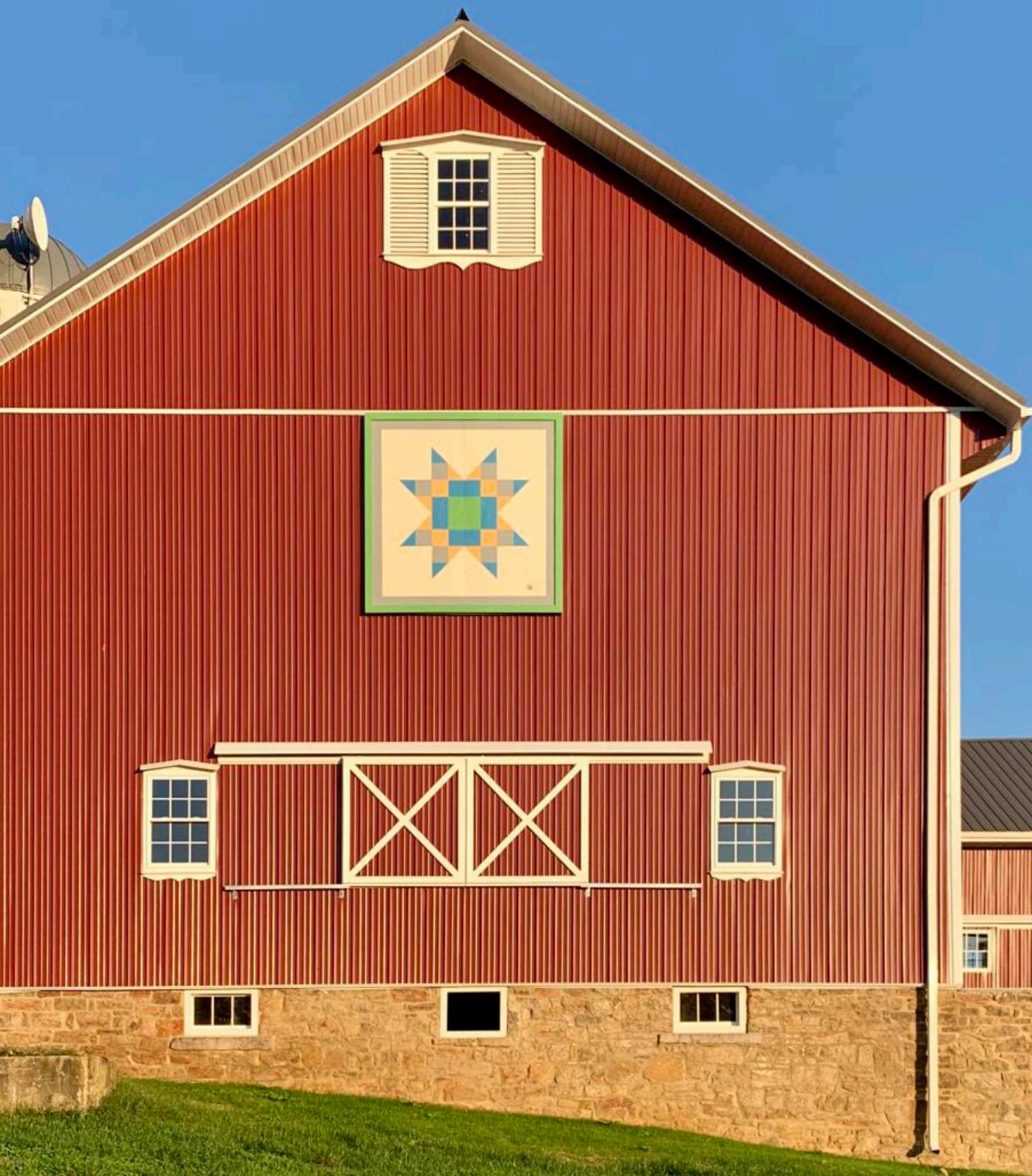
Abingdon Road Water Main Parallel	3,271,540	271,540	3,000,000
Magnolia Booster Station	1,800,000	188,621	1,611,379
City of Baltimore Deer Creek Pump Station	5,200,000	3,101,041	2,098,959
City of Baltimore Raw Water Supply	1,300,000	1,221,539	78,461
Renewal and Replacement Water	2,150,000	1,018,609	1,131,391
Water Meter Upgrade	2,110,000	1,633,357	476,643
Water Zone Improvements	1,030,000	352,120	677,880
Replacement of Water Booster Station	2,250,000	244,872	2,005,128
SHA Improvement Projects	310,000	220,442	89,558
U.S. 40 and Rt. 159 SHA Water Relocation	3,900,000	3,256,330	643,670

(continued)

**HARFORD COUNTY, MARYLAND**  
**Water and Sewer Enterprise Fund**  
**Schedule of Capital Projects, Appropriations, and Expenditures**  
**For the Year Ended June 30, 2022**  
(continued)

**Exhibit G-1**

	<b>TOTAL APPROPRIATIONS</b>	<b>TOTAL EXPENDITURES</b>	<b>UNEXPENDED APPROPRIATIONS</b>
Water Projects (continued)			
* Water System Model Study	300,000	298,814	1,186
* Tank Painting FY17	270,671	270,671	-
Infrastructure Management	550,000	362,851	187,149
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	250,000	120,371	129,629
Havre de Grace Water Treatment Plant Upgrade	1,150,000	20,250	1,129,750
SCADA Information Management Systems	2,000,000	8,076	1,991,924
U.S. 40 Water Main Replacement	600,000	-	600,000
Water and Sewer Infrastructure Improvement Project	3,450,000	236,142	3,213,858
Water Tank Design and Construction	300,000	179,011	120,989
Abingdon Water Treatment Plant Switch Gear/Generator	4,150,000	89,020	4,060,980
Central W&S Laboratory	85,000	84,144	856
Oak Grove Booster Station	330,000	-	330,000
Water and Sewer Facilities Repair Program	1,000,000	121,721	878,279
Total Water Projects	<u>39,107,211</u>	<u>13,389,576</u>	<u>25,717,635</u>
Other Projects			
Safeguarding Business Operations	3,916,650	3,411,006	505,644
Fleet Replacement	7,472,000	7,136,395	335,605
700 MHZ Wireless Radio System Equipment	649,000	607,660	41,340
HMAN (Harford County Metro Area Network)	1,220,000	1,165,034	54,966
Refresh Program	767,000	607,623	159,377
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	2,500,000	828,509	1,671,491
Efficiency Capital Investment Project	455,000	255,143	199,857
Fleet Maintenance Facility	1,420,000	1,161,520	258,480
MDTA I-95 Improvements	1,450,000	187,400	1,262,600
Lease Revenue-Water and Sewer	2,000,000	-	2,000,000
Total Other Projects	<u>22,019,650</u>	<u>15,483,715</u>	<u>6,535,935</u>
Total Water, Sewer and Other Projects	<u>160,285,415</u>	<u>77,188,380</u>	<u>83,097,035</u>
*Less Closed Projects	<u>(570,671)</u>	<u>(569,485)</u>	<u>(1,186)</u>
Total Open Water, Sewer and Other Projects	<u>\$ 159,714,744</u>	<u>\$ 76,618,895</u>	<u>\$ 83,095,849</u>





# STATISTICAL SECTION



## ***Statistical Section***

*(Unaudited)*

This part of the Harford County's annual comprehensive 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.

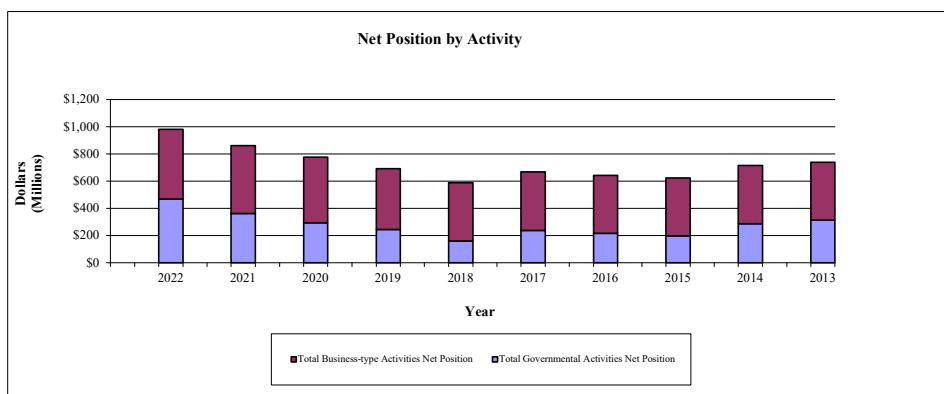
### **Operating Information**

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 546,803,717	\$ 527,529,038	\$ 502,458,772	\$ 536,321,847	\$ 518,637,112	\$ 475,161,617	\$ 476,366,433	\$ 435,846,522	\$ 436,216,089	\$ 449,378,060
Restricted	37,708,913	32,732,079	20,419,279	43,733,915	45,781,073	23,188,672	20,723,517	78,466,405	75,653,146	78,915,495
Unrestricted	(116,999,310)	(198,052,430)	(230,189,207)	(335,175,382)	(406,129,081)	(261,309,571)	(281,260,299)	(316,918,125)	(225,213,903)	(214,931,280)
<b>Total Governmental Activities Net Position</b>	<b>\$ 467,513,320</b>	<b>\$ 362,208,687</b>	<b>\$ 292,688,844</b>	<b>\$ 244,880,380</b>	<b>\$ 158,289,104</b>	<b>\$ 237,040,718</b>	<b>\$ 215,829,651</b>	<b>\$ 197,394,802</b>	<b>\$ 286,655,332</b>	<b>\$ 313,362,275</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 324,912,563	\$ 325,839,113	\$ 318,681,176	\$ 318,187,398	\$ 325,690,256	\$ 328,352,334	\$ 323,409,167	\$ 326,999,832	\$ 332,396,851	\$ 322,126,658
Restricted	124,386,096	122,676,261	80,305,995	72,830,464	63,302,643	60,809,692	56,778,013	54,279,937	51,921,308	49,704,209
Unrestricted	63,487,419	51,500,229	85,124,781	55,746,557	41,333,047	42,132,588	45,800,630	44,029,559	45,045,731	54,123,993
<b>Total Business-type Activities Net Position</b>	<b>\$ 512,786,078</b>	<b>\$ 500,015,603</b>	<b>\$ 484,111,952</b>	<b>\$ 446,764,419</b>	<b>\$ 430,325,946</b>	<b>\$ 431,294,614</b>	<b>\$ 425,987,810</b>	<b>\$ 425,309,328</b>	<b>\$ 429,363,890</b>	<b>\$ 425,954,860</b>
<b>Primary Government</b>										
Net Investment in Capital Assets	\$ 871,716,280	\$ 853,368,151	\$ 821,139,948	\$ 854,509,245	\$ 844,327,368	\$ 803,513,951	\$ 799,775,600	\$ 762,846,354	\$ 768,612,940	\$ 771,504,718
Restricted	162,095,009	155,408,340	100,725,274	116,564,379	109,083,716	83,998,364	77,501,530	132,746,342	127,574,454	128,619,704
Unrestricted	(53,511,891)	(146,552,201)	(145,064,426)	(279,428,825)	(364,796,034)	(219,176,983)	(235,459,669)	(272,888,566)	(180,168,172)	(160,807,287)
<b>Total Primary Government Net Position</b>	<b>\$ 980,299,398</b>	<b>\$ 862,224,290</b>	<b>\$ 776,800,796</b>	<b>\$ 691,644,799</b>	<b>\$ 588,615,050</b>	<b>\$ 668,335,332</b>	<b>\$ 641,817,461</b>	<b>\$ 622,704,130</b>	<b>\$ 716,019,222</b>	<b>\$ 739,317,135</b>



**HARFORD COUNTY, MARYLAND**  
**Changes in Net Position (accrual basis of accounting)**  
**Last Ten Fiscal Years**

Table 2

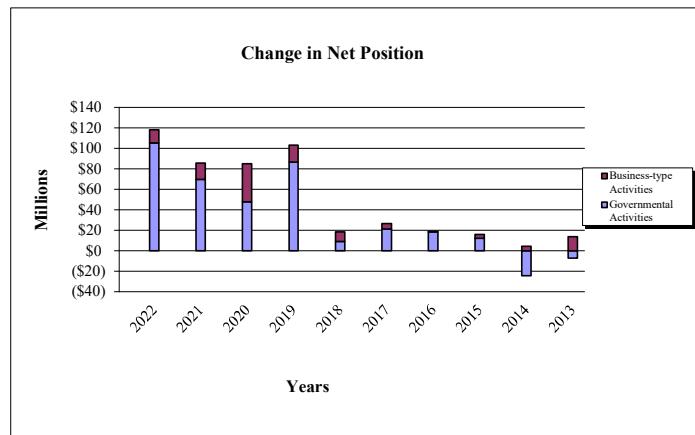
<b>Expenses (by function)</b>	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<i>Governmental Activities</i>										
Agricultural Preservation	\$ 5,715,267	\$ 4,212,983	\$ 2,954,760	\$ 4,098,178	\$ 3,283,221	\$ 3,163,287	\$ 2,861,659	\$ 3,636,451	\$ 3,398,295	\$ 3,601,838
County Council	3,263,077	3,197,307	3,027,207	2,959,753	2,682,783	2,695,411	2,576,827	2,529,133	2,536,764	2,763,150
General Government	52,153,627	63,458,317	49,203,101	51,764,330	47,956,372	49,217,926	58,699,069	58,237,782	55,642,498	46,041,421
Education-Primary thru Com. College	332,479,006	338,437,277	322,449,454	286,146,378	273,561,170	268,713,217	269,123,661	256,219,860	250,907,788	248,045,564
Harford Center	620,193	604,012	588,303	578,036	553,036	553,036	693,036	553,036	553,036	553,036
Judicial	12,117,727	11,611,499	11,697,735	11,026,051	10,316,937	10,404,012	10,213,119	10,059,178	9,982,512	9,950,169
Libraries	20,220,623	19,529,037	19,082,017	18,725,244	18,330,481	18,289,122	18,122,008	17,697,885	17,271,606	17,314,092
Parks, Recreation and Natural Resources	17,066,691	17,249,265	15,564,649	16,387,902	15,647,175	14,993,728	14,552,707	17,895,586	17,520,868	15,697,516
Public Safety	144,268,172	149,305,039	127,274,285	120,571,842	110,658,836	108,223,495	107,308,307	107,574,608	105,436,479	106,668,221
Public Works	83,644,249	75,572,285	78,146,898	74,092,972	67,707,510	58,629,180	60,737,012	68,092,544	77,195,654	60,279,965
Social Services	34,375,290	46,678,435	31,411,699	28,005,721	27,334,522	27,050,519	25,633,629	26,622,115	26,384,324	28,769,204
Unallocated Debt Interest/Other Costs	14,106,448	14,822,989	15,355,774	17,143,826	17,791,039	17,557,592	17,152,250	13,830,034	17,409,320	14,273,378
Total Governmental Activities	720,030,370	744,678,445	676,755,882	631,500,233	595,823,082	579,490,525	587,673,284	582,948,212	584,239,144	553,957,554
<i>Business-type Activities</i>										
Water and Sewer	57,593,048	55,031,706	53,328,579	54,570,952	52,524,992	51,194,393	48,596,655	48,746,983	48,734,923	50,101,124
Total Business-type Activities	57,593,048	55,031,706	53,328,579	54,570,952	52,524,992	51,194,393	48,596,655	48,746,983	48,734,923	50,101,124
<b>Total Primary Government Expenses</b>	<b>\$ 777,623,418</b>	<b>\$ 799,710,151</b>	<b>\$ 730,084,461</b>	<b>\$ 686,071,185</b>	<b>\$ 648,348,074</b>	<b>\$ 630,684,918</b>	<b>\$ 636,269,939</b>	<b>\$ 631,695,195</b>	<b>\$ 632,974,067</b>	<b>\$ 604,058,678</b>
<b>Program Revenues</b>										
<i>Governmental Activities</i>										
Charges for Services	\$ 3,050,397	\$ 3,016,025	\$ 3,300,698	\$ 3,353,468	\$ 3,215,494	\$ 3,271,301	\$ 3,091,390	\$ 3,300,921	\$ 2,478,640	\$ 2,778,718
General Government	5,026,554	4,387,822	4,808,381	4,882,188	4,446,967	4,043,488	3,765,058	4,177,039	3,889,979	3,701,079
Public Safety	14,322,934	13,209,454	12,753,003	12,070,856	12,058,668	10,755,836	13,278,342	14,594,676	13,843,482	13,570,360
Public Works	1,383,570	653,516	1,203,047	1,629,725	1,988,880	1,346,446	1,396,543	1,385,467	1,456,139	1,553,179
Other Activities	58,344,246	74,839,796	43,427,802	28,177,980	29,056,647	27,728,929	28,249,534	26,680,817	21,717,403	30,926,766
Operating Grants and Contributions	17,605,802	13,990,259	7,714,585	5,176,268	10,248,005	5,009,162	15,137,454	15,281,180	9,982,404	11,878,363
Total Governmental Activities Program Revenue	99,733,503	110,096,872	73,207,516	55,290,485	61,014,661	52,155,162	64,918,321	65,420,100	53,368,047	64,408,465
<i>Business-type Activities</i>										
Charges for Services	52,780,943	50,307,823	48,134,482	45,897,888	42,795,716	38,001,859	30,498,568	28,553,733	28,421,736	26,179,225
Operating Grants and Contributions	486,602	330,000	445,651	330,000	804,406	802,598	972,710	461,364	444,149	648,672
Capital Grants and Contributions	15,195,342	18,236,943	38,343,861	20,665,666	15,378,940	15,444,188	15,668,948	19,125,274	20,089,299	32,698,896
Total Business-type Activities Program Revenue	68,462,887	68,874,766	86,923,994	66,893,554	58,979,062	54,248,645	47,140,226	48,140,371	48,955,184	59,526,793
<b>Total Primary Government Program Revenues</b>	<b>\$ 168,196,390</b>	<b>\$ 178,971,638</b>	<b>\$ 160,131,510</b>	<b>\$ 122,184,039</b>	<b>\$ 119,993,723</b>	<b>\$ 106,403,807</b>	<b>\$ 112,058,547</b>	<b>\$ 113,560,471</b>	<b>\$ 102,323,231</b>	<b>\$ 123,935,258</b>
<b>Net (Expense) Revenue</b>										
<i>Governmental Activities</i>										
Charges for Services	\$ (620,296,867)	\$ (634,581,573)	\$ (603,548,366)	\$ (576,209,748)	\$ (534,808,421)	\$ (527,335,363)	\$ (522,754,963)	\$ (517,528,112)	\$ (530,871,097)	\$ (489,549,089)
Business-type Activities	10,869,839	13,843,060	33,595,415	12,322,602	6,454,070	3,054,252	(1,456,429)	(606,612)	220,261	9,425,669
<b>Total Primary Government Net Expense</b>	<b>\$ (609,427,028)</b>	<b>\$ (620,738,513)</b>	<b>\$ (569,952,951)</b>	<b>\$ (563,887,146)</b>	<b>\$ (528,354,351)</b>	<b>\$ (524,281,111)</b>	<b>\$ (524,211,392)</b>	<b>\$ (518,134,724)</b>	<b>\$ (530,650,836)</b>	<b>\$ (480,123,420)</b>

(continued)

**HARFORD COUNTY, MARYLAND**  
**Changes in Net Position (accrual basis of accounting)**  
**Last Ten Fiscal Years**  
(continued)

Table 2

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>General Revenues and Other Changes in Net Position</b>										
<i>Governmental Activities</i>										
Taxes										
Property Taxes	\$ 336,638,498	\$ 335,112,342	\$ 322,655,230	\$ 314,832,396	\$ 308,709,856	\$ 298,947,432	\$ 293,100,653	\$ 286,911,796	\$ 285,269,614	\$ 286,926,355
Income Taxes	330,271,264	310,540,686	272,032,442	252,411,277	233,759,923	211,253,182	207,466,492	206,469,855	190,722,550	169,703,257
Other Taxes	58,907,439	56,076,581	47,485,491	39,864,944	42,346,246	37,046,438	35,984,933	32,548,932	26,539,923	24,124,916
Investment Earnings	(2,433,863)	(1,146,492)	7,329,035	8,011,491	2,788,417	206,364	3,261,278	1,771,885	1,532,992	(520,840)
Grants and Contributions	410,192	403,251	383,055	360,549	440,319	407,167	245,326	254,020	269,076	239,369
Miscellaneous	1,807,970	3,115,048	1,471,577	1,452,312	1,759,295	685,847	1,131,130	1,849,327	2,231,878	1,888,635
<b>Total Governmental Activities</b>	<b>725,601,500</b>	<b>704,101,416</b>	<b>651,356,830</b>	<b>616,932,969</b>	<b>589,804,056</b>	<b>548,546,430</b>	<b>541,189,812</b>	<b>529,805,815</b>	<b>506,566,033</b>	<b>482,361,692</b>
<i>Business-type Activities</i>										
Recordation Tax	-	-	-	-	-	-	-	2,174,467	1,767,810	1,783,159
Investment Earnings	1,623,331	1,658,121	3,585,552	4,115,871	2,803,118	2,252,552	2,134,911	2,155,375	2,225,142	2,534,663
Miscellaneous	277,305	402,470	166,566	-	-	-	-	-	-	-
<b>Total Business-type Activities</b>	<b>1,900,636</b>	<b>2,060,591</b>	<b>3,752,118</b>	<b>4,115,871</b>	<b>2,803,118</b>	<b>2,252,552</b>	<b>2,134,911</b>	<b>4,329,842</b>	<b>3,992,952</b>	<b>4,317,822</b>
<b>Total Primary Government</b>	<b>\$ 727,502,136</b>	<b>\$ 706,162,007</b>	<b>\$ 655,108,948</b>	<b>\$ 621,048,840</b>	<b>\$ 592,607,174</b>	<b>\$ 550,798,982</b>	<b>\$ 543,324,723</b>	<b>\$ 534,135,657</b>	<b>\$ 510,558,985</b>	<b>\$ 486,679,514</b>
<b>Special Item</b>										
<i>Governmental Activities</i>										
Claims & Judgements	\$ -	\$ -	\$ -	\$ 45,868,055	\$ (45,868,055)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Primary Government</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 45,868,055</b>	<b>\$ (45,868,055)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Change in Net Position</b>										
<i>Governmental Activities</i>										
Business-type Activities	\$ 105,304,633	\$ 69,519,843	\$ 47,808,464	\$ 86,591,276	\$ 9,127,580	\$ 21,211,067	\$ 18,434,849	\$ 12,277,703	\$ (24,305,064)	\$ (7,187,397)
<b>Total Primary Government</b>	<b>\$ 12,770,475</b>	<b>\$ 15,903,651</b>	<b>\$ 37,347,533</b>	<b>\$ 16,438,473</b>	<b>\$ 9,257,188</b>	<b>\$ 5,306,804</b>	<b>\$ 678,482</b>	<b>\$ 3,723,230</b>	<b>\$ 4,213,213</b>	<b>\$ 13,743,491</b>
<b>Total Primary Government</b>	<b>\$ 118,075,108</b>	<b>\$ 85,423,494</b>	<b>\$ 85,155,997</b>	<b>\$ 103,029,749</b>	<b>\$ 18,384,768</b>	<b>\$ 26,517,871</b>	<b>\$ 19,113,331</b>	<b>\$ 16,000,933</b>	<b>\$ (20,091,851)</b>	<b>\$ 6,556,094</b>



**HARFORD COUNTY, MARYLAND**  
**Fund Balances, Governmental Funds (modified accrual basis of accounting)**  
**Last Ten Fiscal Years**

Table 3

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>General Fund</b>										
Nonspendable	\$ 833,412	\$ 889,113	\$ 944,814	\$ 1,000,515	\$ 1,056,216	\$ 1,170,244	\$ 175,875	\$ 594,147	\$ 1,199,545	\$ 843,748
Restricted	12,692,902	7,460,794	4,795,614	6,000,366	7,510,819	7,094,836	6,313,475	6,304,181	4,618,253	3,587,146
Assigned	162,950,486	155,113,170	114,534,573	108,491,361	86,888,856	74,261,284	62,737,637	55,102,808	58,554,927	77,951,284
Unassigned	34,803,274	20,553,685	27,246,245	20,226,958	20,036,290	18,615,902	12,694,506	10,144,451	8,415,752	6,933,118
<b>Total General Fund</b>	<b>211,280,074</b>	<b>184,016,762</b>	<b>147,521,246</b>	<b>135,719,200</b>	<b>115,492,181</b>	<b>101,142,266</b>	<b>81,921,493</b>	<b>72,145,587</b>	<b>72,788,477</b>	<b>89,315,296</b>
<b>All Other Governmental Funds</b>										
Nonspendable	1,765,040	1,359,855	1,472,180	1,901,630	2,186,274	3,258,105	3,211,701	2,053,832	1,519,258	2,053,471
Restricted	37,688,872	25,271,285	15,623,665	37,733,549	38,270,254	16,093,836	14,410,042	18,408,208	18,150,339	33,991,534
Committed	-	-	-	-	-	37,090,908	44,793,964	49,265,285	48,625,100	48,873,277
Assigned	104,270,342	84,306,730	86,240,359	81,184,677	85,560,011	61,985,231	27,865,962	45,333,726	56,929,645	60,928,100
Unassigned	-	(4,185,151)	-	-	-	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>143,724,254</b>	<b>106,752,719</b>	<b>103,336,204</b>	<b>120,819,856</b>	<b>126,016,539</b>	<b>118,428,080</b>	<b>90,281,669</b>	<b>115,061,051</b>	<b>125,224,342</b>	<b>145,846,382</b>
<b>Total Fund Balance</b>	<b>\$ 355,004,328</b>	<b>\$ 290,769,481</b>	<b>\$ 250,857,450</b>	<b>\$ 256,539,056</b>	<b>\$ 241,508,720</b>	<b>\$ 219,570,346</b>	<b>\$ 172,203,162</b>	<b>\$ 187,206,638</b>	<b>\$ 198,012,819</b>	<b>\$ 235,161,678</b>

**HARFORD COUNTY, MARYLAND**  
**Changes in Fund Balances, Governmental Funds (modified accrual basis of accounting)**  
**Last Ten Fiscal Years**

Table 4

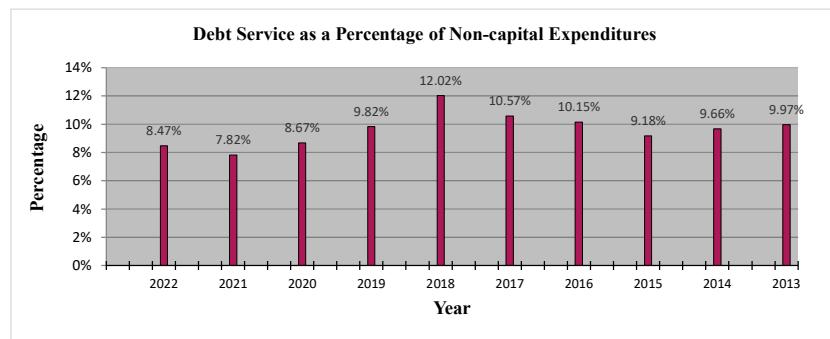
	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>REVENUES</b>										
Taxes	\$ 694,945,104	\$ 683,284,499	\$ 614,696,959	\$ 596,226,344	\$ 569,724,966	\$ 548,777,295	\$ 534,559,224	\$ 513,835,241	\$ 501,523,551	\$ 495,330,898
Revenues from Other Agencies	67,607,283	82,907,192	45,538,640	31,698,332	34,464,443	30,247,886	34,278,746	33,802,477	29,595,350	33,686,277
Investment Income	(2,462,303)	(1,166,031)	7,178,248	7,835,240	2,644,802	134,002	3,209,914	1,732,563	1,503,056	(542,222)
Charges for Current Services	18,804,884	16,424,309	17,052,958	16,960,933	16,684,953	14,514,597	17,061,200	18,516,176	17,832,577	17,374,063
Miscellaneous	1,789,796	3,915,326	2,533,831	2,207,965	2,511,523	4,595,136	4,443,489	5,254,065	2,776,961	3,534,451
Licenses and Permits	4,618,288	4,469,107	4,586,479	4,634,873	4,494,635	4,567,960	4,539,298	4,637,143	3,939,672	3,637,218
Fines and Forfeitures	279,125	505,931	424,734	407,830	398,120	272,392	150,677	397,330	427,730	383,513
Total Revenues	<u>785,582,177</u>	<u>790,340,333</u>	<u>692,011,849</u>	<u>659,971,517</u>	<u>630,923,442</u>	<u>603,109,268</u>	<u>598,242,548</u>	<u>578,174,995</u>	<u>557,598,897</u>	<u>553,404,198</u>
<b>EXPENDITURES</b>										
Agricultural Preservation	19,787,429	3,601,653	6,253,646	16,339,682	1,426,023	3,041,950	36,513	3,742,534	249,145	2,486,811
County Council	3,290,680	3,097,635	3,092,208	2,979,879	2,655,247	2,575,440	2,472,194	2,528,328	2,554,700	2,750,755
General Government	63,176,945	59,905,566	50,933,688	47,820,246	46,232,647	42,769,500	43,933,540	47,122,698	41,960,700	37,250,164
Education-Primary thru Comm. College	311,887,353	294,475,709	273,613,489	262,627,257	255,127,257	249,096,116	243,470,583	238,628,914	236,262,341	234,782,980
Harford Center	620,193	604,012	588,303	578,036	553,036	553,036	693,036	553,036	553,036	553,036
Judicial	12,674,406	11,324,378	11,839,228	11,042,668	10,435,856	9,965,708	9,829,912	10,096,464	9,929,303	9,856,080
Libraries	18,890,693	18,339,690	17,804,908	17,472,912	17,100,985	16,644,574	16,279,546	16,137,189	16,158,310	16,054,666
Parks, Recreation and Natural Resources	11,338,088	10,622,282	10,656,415	10,758,514	10,234,014	9,787,552	10,222,943	11,470,033	11,970,808	11,626,440
Public Safety	128,124,405	136,945,051	119,396,104	111,051,742	102,781,583	98,209,883	95,370,670	97,415,839	98,702,584	98,418,762
Public Works	59,239,414	56,694,233	54,516,432	50,693,679	47,579,451	41,618,105	46,629,351	49,563,413	44,625,171	40,468,362
Social Services	32,375,501	46,353,800	32,245,767	27,532,864	26,677,093	25,995,605	24,557,522	25,848,168	26,067,117	31,740,859
Capital Outlay	83,456,080	106,627,566	98,722,790	68,123,819	59,164,429	50,277,858	86,949,927	79,055,063	84,079,924	53,425,443
Debt Service										
Principal	43,881,749	41,093,065	40,197,715	42,767,522	53,416,848	41,161,399	40,680,548	32,889,398	33,888,884	33,879,261
Interest	18,918,555	18,168,306	20,980,502	21,309,280	22,010,012	21,837,513	21,792,602	22,689,162	22,609,092	22,590,163
Administrative Cost	663,029	846,468	1,052,247	547,687	412,624	649,068	284,018	729,415	287,423	586,418
Total Expenditures	<u>808,324,520</u>	<u>808,699,414</u>	<u>741,893,442</u>	<u>691,645,787</u>	<u>655,807,105</u>	<u>614,183,307</u>	<u>643,202,905</u>	<u>638,469,654</u>	<u>629,898,538</u>	<u>596,470,200</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(22,742,343)</u>	<u>(18,359,081)</u>	<u>(49,881,593)</u>	<u>(31,674,270)</u>	<u>(24,883,663)</u>	<u>(11,074,039)</u>	<u>(44,960,357)</u>	<u>(60,294,659)</u>	<u>(72,299,641)</u>	<u>(43,066,002)</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Transfers In	40,919,676	48,836,779	49,835,922	48,573,812	43,652,436	37,226,572	36,406,830	31,746,904	44,180,743	55,519,578
Transfers (Out)	(40,919,676)	(48,836,779)	(49,835,922)	(48,573,812)	(43,652,436)	(37,226,572)	(36,406,830)	(31,746,904)	(44,180,743)	(55,519,578)
Issuance of Installment Purchase Agreements	5,412,730	472,275	3,119,179	9,432,238	-	1,809,630	-	3,097,591	-	2,013,095
Issuance of Bonds	72,500,000	52,215,000	37,000,000	34,000,000	43,000,000	53,177,000	27,132,515	42,000,000	33,180,257	30,000,000
Issuance of Refunding Bonds	17,793,395	11,365,000	64,986,408	-	-	-	-	55,994,243	-	59,750,398
Premium on Issuance of Bonds	12,481,145	8,147,751	17,549,590	3,557,012	3,885,771	3,505,932	2,576,851	12,245,541	2,373,456	13,638,004
Payment to Escrow Agent for Refunding	(21,210,080)	(13,816,589)	(78,025,740)	-	-	-	-	(64,383,471)	-	(70,065,844)
Total Other Financing Sources(Uses)	<u>86,977,190</u>	<u>58,383,437</u>	<u>44,629,437</u>	<u>46,989,250</u>	<u>46,885,771</u>	<u>58,492,562</u>	<u>29,709,366</u>	<u>48,953,904</u>	<u>35,553,713</u>	<u>35,335,653</u>
Net Change in Fund Balances	<u>\$ 64,234,847</u>	<u>\$ 40,024,356</u>	<u>\$ (5,252,156)</u>	<u>\$ 15,314,980</u>	<u>\$ 22,002,108</u>	<u>\$ 47,418,523</u>	<u>\$ (15,250,991)</u>	<u>\$ (11,340,755)</u>	<u>\$ (36,745,928)</u>	<u>\$ (7,730,349)</u>

**HARFORD COUNTY, MARYLAND**  
**Debt Service as a Percentage of Non-Capital Expenditures - Governmental Funds**  
**Last Ten Fiscal Years**

**Table 5**

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Total Expenditures</b>	\$ 808,324,520	\$ 808,699,414	\$ 741,893,442	\$ 691,645,787	\$ 655,807,105	\$ 614,183,307	\$ 643,202,905	\$ 638,469,654	\$ 629,898,538	\$ 596,470,200
<sup>(1)</sup> <b>Less Capital Asset Expenditures</b>	66,637,851	50,612,324	36,565,782	39,419,413	28,237,893	18,448,670	27,450,364	33,065,591	44,998,619	30,214,888
<b>Non-capital Expenditures</b>	\$ 741,686,669	\$ 758,087,090	\$ 705,327,660	\$ 652,226,374	\$ 627,569,212	\$ 595,734,637	\$ 615,752,541	\$ 605,404,063	\$ 584,899,919	\$ 566,255,312
<b>Debt Service Expenditures</b>										
Principal	\$ 43,881,749	\$ 41,093,065	\$ 40,197,715	\$ 42,767,522	\$ 53,416,848	\$ 41,161,399	\$ 40,680,548	\$ 32,889,398	\$ 33,888,884	\$ 33,879,261
Interest	18,918,555	18,168,306	20,980,502	21,309,280	22,010,012	21,837,513	21,792,602	22,689,162	22,609,092	22,590,163
<b>Total Debt Service Expenditures</b>	\$ 62,800,304	\$ 59,261,371	\$ 61,178,217	\$ 64,076,802	\$ 75,426,860	\$ 62,998,912	\$ 62,473,150	\$ 55,578,560	\$ 56,497,976	\$ 56,469,424
<b>Debt Service as a Percentage of Non-capital Expenditures</b>	<b>8.47%</b>	<b>7.82%</b>	<b>8.67%</b>	<b>9.82%</b>	<b>12.02%</b>	<b>10.57%</b>	<b>10.15%</b>	<b>9.18%</b>	<b>9.66%</b>	<b>9.97%</b>

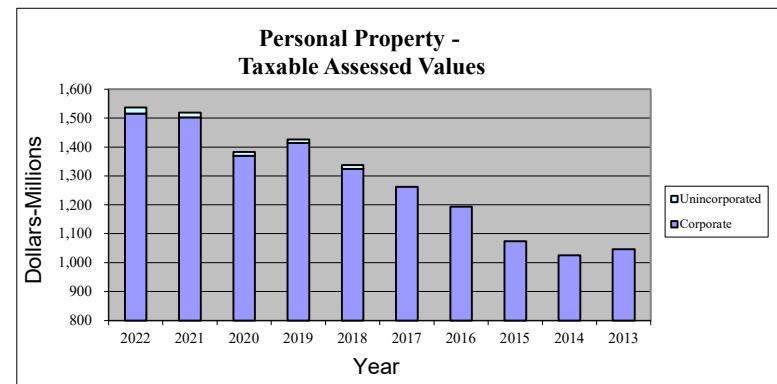
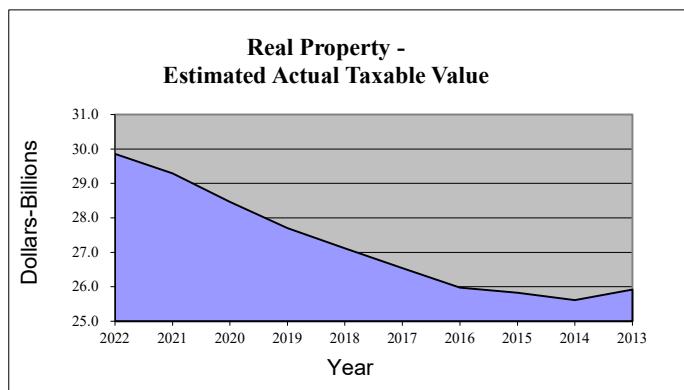
(1) Total Capital Asset Expenditures equals the Purchase of Capital Assets in that fiscal year.



**HARFORD COUNTY, MARYLAND**  
**Assessed Value and Actual Value of Taxable Property <sup>(1)</sup>**  
**(Per \$100 of Assessed Value)**  
**Last Ten Fiscal Years**

**Table 6**

<b>Fiscal Year Ending June 30,</b>	<b>Real Property</b>				<b>Personal Property</b>			<b>Total Taxable Assessed Value</b>
	<b>Assessed Value</b>	<b>Exempt Property</b>	<b>Taxable Assessed Value</b>	<b>Real Property Direct Tax Rate</b>	<b>Corporate Taxable Assessed Value</b>	<b>Unincorporated Taxable Assessed Value</b>	<b>Personal Property Direct Tax Rate</b>	
2022	33,138,467,961	3,280,961,922	29,857,506,039	1.0279	1,515,654,060	15,495,350	2.5698	31,388,655,449
2021	32,488,216,552	3,198,435,162	29,289,781,390	1.0420	1,501,683,600	17,114,470	2.6049	30,808,579,460
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
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
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
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
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
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
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
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



(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 5% for Fiscal Year 2011 and forward.

**HARFORD COUNTY, MARYLAND**  
**Direct and Overlapping Property Tax Rates<sup>(1)</sup>**  
**(Per \$100 of Assessed Value)**  
**Last Ten Fiscal Years**

**Table 7**

<b>Fiscal Year Ending June 30,</b>	<b>County Direct Real Property Tax Rate</b>			<b>Overlapping Real Property Tax Rates</b>		
	<b>General Fund<sup>(2)</sup></b>	<b>Special Revenue Fund<sup>(3)</sup></b>	<b>Total Direct Tax Rate</b>	<b>Town of Bel Air<sup>(4)</sup></b>	<b>City of Aberdeen<sup>(4)</sup></b>	<b>City of Havre de Grace<sup>(4)</sup></b>
2022	0.8913	0.1366	1.0279	0.5400	0.6400	0.5650
2021	0.8937	0.1483	1.0420	0.5000	0.6400	0.5650
2020	0.8937	0.1483	1.0420	0.5000	0.6400	0.5650
2019	0.8937	0.1483	1.0420	0.5000	0.6502	0.5650
2018	0.8937	0.1483	1.0420	0.5000	0.6502	0.5650
2017	0.8937	0.1483	1.0420	0.5000	0.6566	0.5697
2016	0.8937	0.1483	1.0420	0.5000	0.6566	0.5600
2015	0.8937	0.1483	1.0420	0.5000	0.6800	0.5600
2014	0.8960	0.1460	1.0420	0.5000	0.6800	0.5600
2013	0.8960	0.1460	1.0420	0.5000	0.6800	0.5800
<b>Fiscal Year Ending June 30,</b>	<b>County Direct Personal Property Tax Rate</b>			<b>Overlapping Personal Property Tax Rates</b>		
	<b>General Fund<sup>(2)</sup></b>	<b>Special Revenue Fund<sup>(3)</sup></b>	<b>Total Direct Tax Rate</b>	<b>Town of Bel Air<sup>(4)</sup></b>	<b>City of Aberdeen<sup>(4)</sup></b>	<b>City of Havre de Grace<sup>(4)</sup></b>
2022	2.2283	0.3415	2.5698	1.2000	1.7000	1.7050
2021	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
2019	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
2017	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
2015	2.2342	0.3707	2.6049	1.1600	1.7000	1.7050
2014	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

(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**

<b>Taxpayer</b>	<b>Type of Business</b>	<b>Fiscal Year 2022</b>		<b>County Taxes</b>	<b>Percentage of Total Assessed Valuation</b>
		<b>Taxable Assessed Valuations<sup>(1)</sup></b>	<b>\$</b>		
Baltimore Gas & Electric Company	Public Utility	\$ 565,691,800	\$ 12,605,252	1.80%	
Constellation Power Source Generation Inc.	Non-Utility Generator	82,852,560	1,846,204	0.26%	
Exelon Generation Company	Non-Utility Generator	58,835,750	1,311,037	0.19%	
Verizon-Maryland	Public Utility	58,105,960	1,294,775	0.19%	
MCI Communication Services	Public Utility	46,898,760	1,045,045	0.15%	
Comcast of Harford County LLC	Cable Provider	35,286,840	786,297	0.11%	
Columbia Gas Transmission	Public Utility	31,192,320	695,058	0.10%	
Frito-Lay, Inc.	Office/Industrial Ctr.	23,990,050	534,570	0.08%	
Noxell Corporation	Cosmetics	19,334,990	430,842	0.06%	
XPO Logistics Supply Chain	Logistics/Supply Chain	18,215,970	405,906	0.06%	
		<b>940,405,000</b>	<b>\$ 20,954,986</b>	<b>3.00%</b>	
<b>Total Taxable Assessed Valuation</b>		<b>\$ 31,388,655,449</b>			
 <b>Fiscal Year 2013</b>					
<b>Taxpayer</b>	<b>Type of Business</b>	<b>Taxable Assessed Valuations<sup>(1)</sup></b>		<b>County Taxes</b>	<b>Percentage of Total Assessed Valuation</b>
		<b>\$</b>	<b>329,296,920</b>		
Baltimore Gas & Electric Company	Public Utility	\$ 329,296,920	\$ 8,474,983	1.22%	
Exelon Generation Company	Non-Utility Generator	81,179,955	2,114,738	0.30%	
Verizon - Maryland	Public Utility	65,915,670	1,639,368	0.24%	
PECO Energy Power Company	Non-Utility Generator	49,865,000	1,298,983	0.18%	
Constellation Power Source Generation Inc.	Non-Utility Generator	48,735,580	1,269,561	0.18%	
MCI Communication Services	Public Utility	42,183,220	1,098,741	0.16%	
Harford Mall Business Trust	Shopping Center	29,738,125	666,134	0.11%	
Comcast of Harford County LLC	Cable Provider	23,692,143	594,097	0.09%	
Festival at Bel Air LLC	Shopping Center	23,675,714	616,752	0.09%	
Wells Fargo Northwest	Office/Industrial Ctr.	16,960,625	441,824	0.06%	
		<b>711,242,952</b>	<b>\$ 18,215,181</b>	<b>2.63%</b>	
<b>Total Taxable Assessed Valuation</b>		<b>\$ 26,981,111,096</b>			

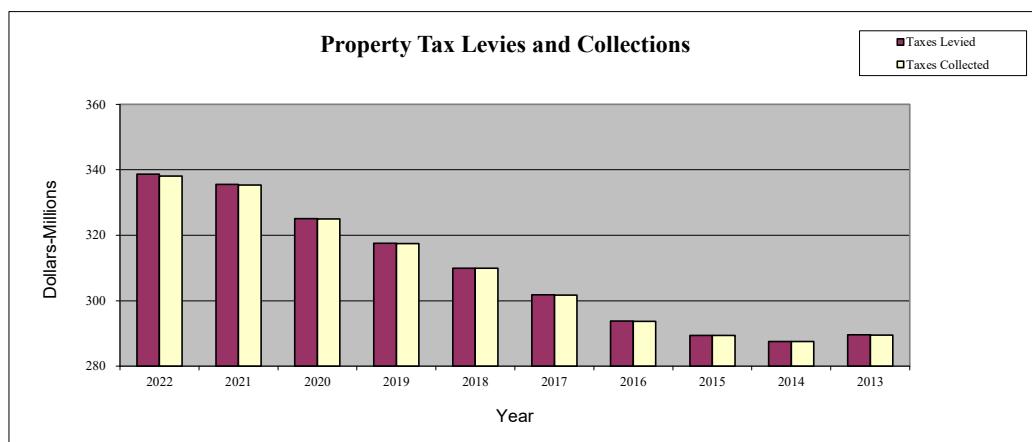
SOURCE: Harford County Department of the Treasury

(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		
2022	338,636,426	-	338,636,426	338,051,580	99.83%	-	338,051,580	99.83%	584,846	0.17%
2021	336,121,104	(566,483)	335,554,621	334,993,107	99.83%	396,276	335,389,383	99.95%	165,238	0.05%
2020	324,678,593	347,095	325,025,688	322,371,075	99.18%	2,580,665	324,951,740	99.98%	73,948	0.02%
2019	317,964,349	(409,249)	317,555,100	316,861,410	99.78%	630,657	317,492,067	99.98%	63,033	0.02%
2018	310,139,719	(224,097)	309,915,622	309,134,638	99.75%	745,347	309,879,985	99.99%	35,637	0.01%
2017	302,063,517	(291,936)	301,771,581	301,316,849	99.85%	426,534	301,743,383	99.99%	28,198	0.01%
2016	294,521,222	(776,568)	293,744,654	293,605,282	99.95%	94,906	293,700,188	99.98%	44,466	0.02%
2015	289,650,116	(238,014)	289,412,102	288,877,184	99.82%	458,248	289,335,432	99.97%	76,670	0.03%
2014	287,953,502	(416,864)	287,536,638	286,122,040	99.51%	1,370,901	287,492,941	99.98%	43,697	0.02%
2013	290,142,026	(643,955)	289,498,071	289,161,782	99.88%	281,726	289,443,508	99.98%	54,563	0.02%



**HARFORD COUNTY, MARYLAND**  
**Ratios of General Bonded Debt Outstanding <sup>(1)</sup>**  
**Last Ten Fiscal Years**

Table 10

Year Ending June 30,	Governmental General Obligation Debt <sup>(2)</sup>	Business-type General Obligation Debt	Less Amounts to be Paid with Restricted Resources <sup>(3)</sup>	Net General Bonded Debt	Percentage of Taxable Assessed Value of Property <sup>(4)</sup>	Per Capita <sup>(4)</sup>
2022	\$ 586,631,758	\$ 99,999,139	\$ 138,876,980	\$ 547,753,917	1.75%	2,083
2021	546,142,979	107,144,397	141,219,957	512,067,419	1.66%	1,976
2020	531,746,800	114,206,271	148,863,398	497,089,673	1.67%	1,929
2019	529,922,835	119,780,161	152,774,820	496,928,176	1.71%	1,945
2018	529,822,910	122,350,421	150,671,780	501,501,551	1.76%	1,975
2017	540,628,030	124,264,790	170,886,221	494,006,599	1.78%	1,961
2016	527,417,700	131,755,478	184,038,327	475,134,851	1.75%	1,898
2015	542,589,182	127,341,763	186,701,066	483,229,879	1.80%	1,936
2014 <sup>(5)</sup>	524,885,655	132,046,646	191,075,915	465,856,386	1.75%	1,869
2013	513,699,874	132,469,669	193,574,381	452,595,162	1.68%	1,818

(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.

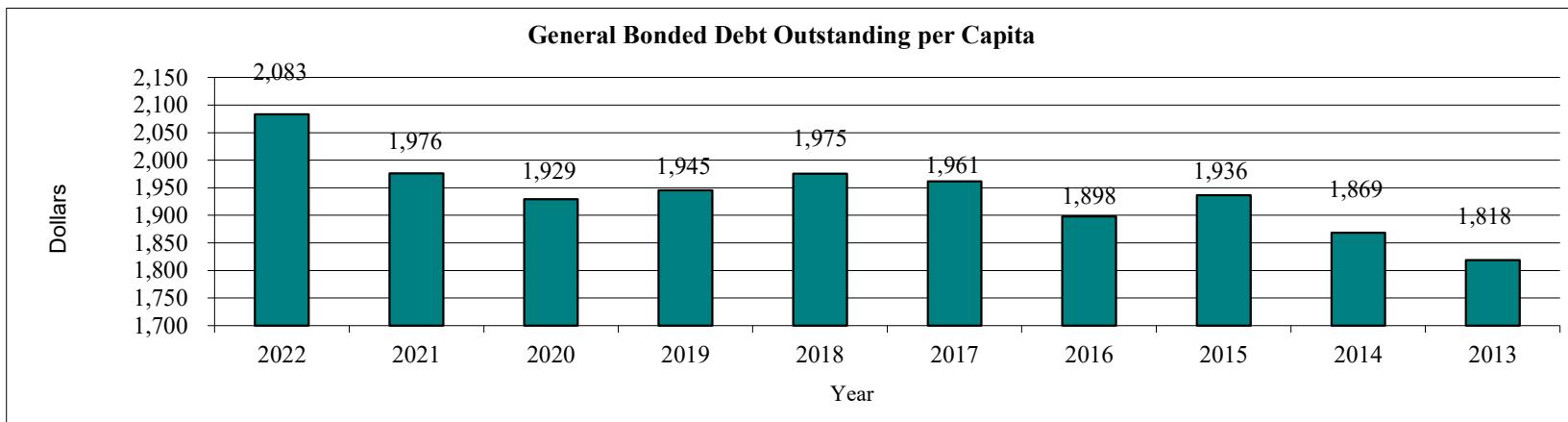
(2) Includes Notes Payable; all are backed by the full faith and credit and unlimited taxing authority of the County.

(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 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<sup>(1)</sup>**

**Last Ten Fiscal Years**

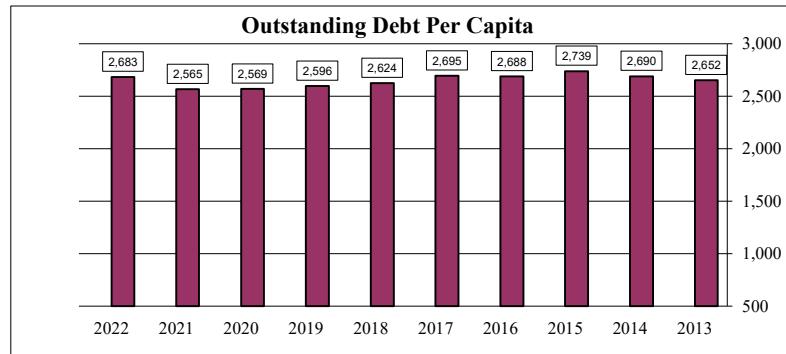
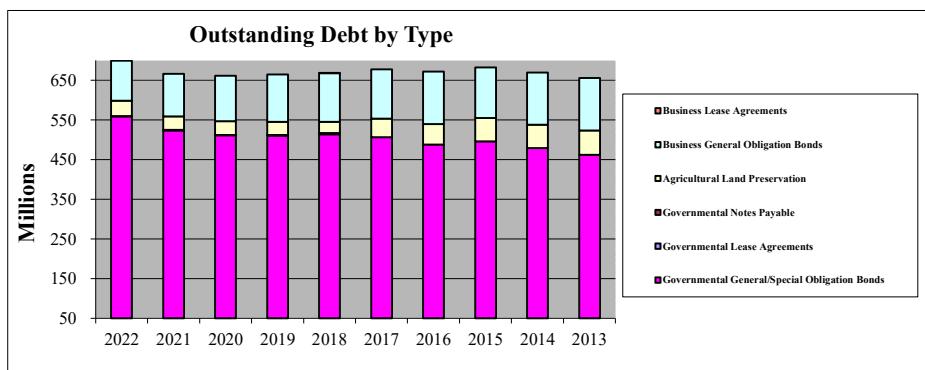
**Table 11**

Fiscal Year Ending June 30,	Governmental Activities					Business-type Activities					Percentage of Personal Income <sup>(2)</sup>	Per Capita <sup>(2)</sup>
	General/Special Obligation Bonds	Lease Agreements	Notes Payable	Agricultural Land Preservation	Total Governmental Activities	General Obligation Bonds	Capital Lease Obligation	Total Business-type Activities	Total Primary Government			
2022	\$ 558,808,917	\$ 7,877,804	\$ -	\$ 38,877,841	\$ 605,564,562	\$ 99,999,139	\$ -	\$ 99,999,139	\$ 705,563,701	3.79%	2,683	
2021	523,432,419	-	-	34,075,560	557,507,979	107,144,397	-	107,144,397	664,652,376	3.82%	2,565	
2020	510,934,673	-	-	34,657,127	545,591,800	114,206,271	-	114,206,271	659,798,071	4.05%	2,569	
2019	510,848,176	-	-	32,994,659	543,842,835	119,780,161	-	119,780,161	663,622,996	4.35%	2,596	
2018	514,171,551	-	1,300,000	28,321,359	543,792,910	122,350,421	-	122,350,421	666,143,331	4.54%	2,624	
2017	506,694,682	-	1,311,917	46,621,431	554,628,030	124,264,790	-	124,264,790	678,892,820	4.79%	2,695	
2016	487,822,233	-	1,312,618	52,282,849	541,417,700	131,755,478	-	131,755,478	673,173,178	4.95%	2,688	
2015	495,916,560	-	1,313,319	59,359,303	556,589,182	127,341,763	-	127,341,763	683,930,945	5.22%	2,739	
2014 <sup>(3)</sup>	478,542,366	-	1,314,020	59,029,269	538,885,655	132,046,646	-	132,046,646	670,932,301	5.31%	2,690	
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	5.41%	2,652	

(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 liabilities and reclassified as a deferred outflow/inflow of resources.



**HARFORD COUNTY, MARYLAND**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

**Table 12**

<b>Fiscal Year</b>	<b>Debt Limit</b>	<b>Total Debt Applicable to the Limit</b>	<b>Legal Debt Margin</b>	<b>Total Debt Applicable to the Limit as a % of Debt Limit</b>
2022	\$ 2,021,122,774	\$ 555,631,721	\$ 1,465,491,053	27.49%
2021	1,985,206,594	512,067,419	1,473,139,175	25.79%
2020	1,915,852,847	497,089,673	1,418,763,174	25.95%
2019	1,876,768,918	496,928,176	1,379,840,742	26.48%
2018	1,828,622,339	501,501,551	1,327,120,788	27.43%
2017	1,785,007,618	494,006,599	1,291,001,019	27.68%
2016	1,739,916,435	475,134,851	1,264,781,584	27.31%
2015	1,712,790,162	483,229,879	1,229,560,283	28.21%
2014	1,692,448,434	465,856,386	1,226,592,048	27.53%
2013	1,714,305,453	452,595,162	1,261,710,291	26.40%

**Legal Debt Margin Calculation for Fiscal Year 2022**

(1) Net Assessed Value - Real Property	\$ 29,857,506,039
(2) Debt Limit=6% of Net Assessed Value - Real Property	\$ 1,791,450,362
(1) Assessed Value - Personal Property	<u>1,531,149,410</u>
(2) Debt Limit=15% of Net Assessed Value - Personal Property	<u>229,672,412</u>
Total Debt Limit	2,021,122,774
(3) Amount of Debt Applicable to Debt Limit	705,563,701
Less Other deductions allowed by law:	
(3) Debt Payable from Special Revenue Fund	(38,877,841)
Debt Payable from Debt Service Fund	(11,055,000)
(3) Debt Payable from Enterprise Revenues	<u>(99,999,139)</u>
Total Debt Applicable to Debt Limitation	555,631,721
Legal Debt Margin	<u>\$ 1,465,491,053</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 <sup>(1)</sup>**  
**Including Capital Recovery Fees**  
**Last Ten Fiscal Years**

**Table 13**

<b>Fiscal Year Ending June 30,</b>	<b>Area</b>			<b>User</b>			<b>Total Gross Revenues</b>	<b>Operating Expense <sup>(4)</sup></b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements <sup>(5)</sup></b>			<b>Coverage</b>
	<b>Gross Revenues <sup>(2)</sup></b>	<b>Connection Charges</b>	<b>Benefit Assessment</b>	<b>Assessments and Surcharges <sup>(3)</sup></b>	<b>Gross Revenues</b>	<b>Operating Expense <sup>(4)</sup></b>				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2022	\$ 55,168,181	\$ 504,310	\$ 93,860	\$ 9,713,317	\$ 65,479,668	\$ 40,678,242	\$ 24,801,426	\$ 8,518,835	\$ 2,489,406	\$ 11,008,241		2.25	
2021	52,698,414	144,236	174,731	11,142,230	64,159,611	38,861,221	25,298,390	8,810,776	2,466,394	11,277,170		2.24	
2020	52,332,251	18,001,919	195,765	16,767,329	87,297,264	37,857,518	49,439,746	8,668,996	2,816,296	11,485,292		4.30	
2019	50,792,694	3,814,022	268,178	15,061,051	69,935,945	37,128,846	32,807,099	8,191,416	3,610,197	11,801,613		2.78	
2018	46,403,240	2,366,400	1,699,264	10,254,238	60,723,142	34,794,112	25,929,030	8,570,141	3,760,439	12,330,580		2.10	
2017	41,057,009	1,485,134	976,332	10,306,910	53,825,385	34,282,770	19,542,615	8,370,350	3,348,083	11,718,433		1.67	
2016	33,606,189	1,264,387	954,401	9,827,297	45,652,274	32,151,623	13,500,651	8,655,544	3,802,578	12,458,122		1.08	
2015	33,344,939	1,709,847	934,765	12,823,007	48,812,558	33,211,697	15,600,861	8,269,283	4,022,016	12,291,299		1.27	
2014	32,858,837	1,238,139	899,888	8,531,527	43,528,391	33,619,976	9,908,415	8,546,381	4,434,807	12,981,188		0.76	
2013	31,145,719	971,184	860,161	7,326,693	40,303,757	34,875,138	5,428,619	9,576,324	4,417,177	13,993,501		0.39	

(1) Harford County Water and Sewer Enterprise Fund shown in Exhibit 8.

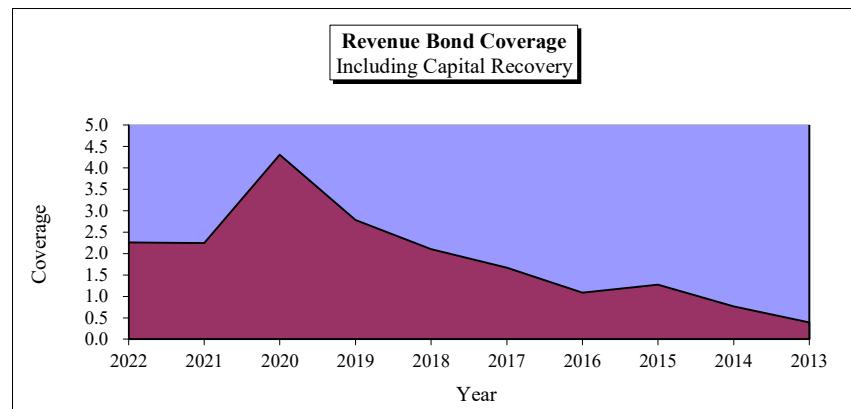
(2) Includes Total Operating Revenue, Interest Income, Recordation Tax, Grant and Transfer revenues.

(3) User Assessments and Charges updated in FY 2021 for all fiscal years reported.

(4) Includes Total Operating Expenses exclusive of Depreciation plus Other Expense.

(5) Includes Principal and Interest on Water and Sewer Bonds net of Refunded Bonds.

Note: Developer contributions of *Capital Assets* are not included in this table.



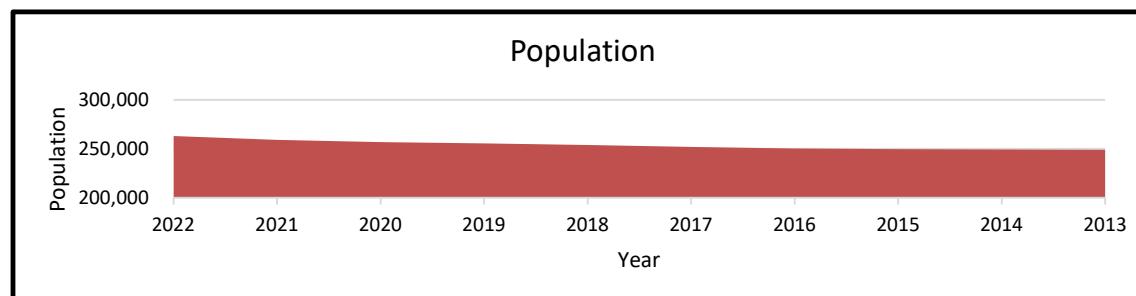
**HARFORD COUNTY, MARYLAND**  
**Demographic Statistics**  
**Last Ten Fiscal Years**

**Table 14**

<b>Fiscal Year</b>			<b>Personal</b>		<b>Education of</b>
<b>Ending</b>		<b>Per Capita</b>	<b>Income</b>	<b>Unemployment</b>	<b>Bachelor Degree</b>
<b>June 30,</b>	<b>Population</b>	<b>Income</b>	<b>(000's)</b>	<b>Rate</b>	<b>or Higher</b>
2022	262,977	\$ 71,717 <sup>(6)</sup>	\$ 18,594,352 <sup>(6)</sup>	4.3%	Not Available
2021	259,118	67,447 <sup>(6)</sup>	17,403,924 <sup>(6)</sup>	5.7%	36.9%
2020	256,805	63,432 <sup>(6)</sup>	16,289,708 <sup>(6)</sup>	7.2%	36.7%
2019	255,594	59,653	15,246,872	3.7%	35.8%
2018	253,884	57,839	14,684,465	4.1%	35.2%
2017	251,948	56,216	14,163,408	4.2%	34.5%
2016	250,448	54,290	13,596,701	4.4%	33.8%
2015	249,690	52,501	13,109,054	5.5%	33.4%
2014	249,415	50,689	12,642,596	6.0%	32.7%
2013	248,961	48,970	12,191,656	7.5%	31.5%

**SOURCE:**

- (1) Population Division, U.S. Census Bureau, March 2021 provided population estimates for FY2013 thru FY2021. Harford County Department of Planning and Zoning provided population estimates for FY2021 and FY2022.
- (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 2020, 2021 and 2022 were estimated because data was unavailable



**HARFORD COUNTY, MARYLAND**  
**Principal Employers**  
**Current Fiscal Year and Ten Years Ago**

Table 15

<b>Fiscal Year 2022</b>			
	<b>Number of Employees<sup>(1)</sup></b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
U.S. Army Aberdeen Proving Ground	21,000	1	23.51%
Harford County Public Schools	5,231	2	5.86%
UM Upper Chesapeake Medical Center	3,305	3	3.70%
Harford County Government	1,541	4	1.73%
Amazon Sorting Center MTN2	1,400	5	1.57%
Klein's ShopRite of Maryland	1,200	6	1.34%
Kohl's E-Fulfillment Center	1,150	7	1.29%
Harford Community College	1,011	8	1.13%
Rite Aid Mid-Atlantic Customer Distribution Center	900	9	1.01%
Frito Lay, Inc.	800	10	0.90%
Total	<u><u>37,538</u></u>		<u><u>42.04%</u></u>
Total County Employment <sup>(2)</sup>	<u><u>89,314</u></u>		<u><u>100%</u></u>

<b>Fiscal Year 2013</b>			
	<b>Number of Employees<sup>(1)</sup></b>	<b>Rank</b>	<b>Percentage of Total County Employment</b>
U.S. Army Aberdeen Proving Ground	15,582	1	21.68%
Harford County Public Schools	5,369	2	7.47%
Upper Chesapeake Health System	3,000	3	4.17%
Harford County Government	1,591	4	2.21%
Rite Aid Mid-Atlantic Customer Support Center	1,167	5	1.62%
Harford Community College	1,006	6	1.40%
Jacobs Technology	865	7	1.20%
Kleins Shoprite	800	8	1.11%
Sephora USA	700	9	0.97%
SAIC	664	10	0.92%
Total	<u><u>30,744</u></u>		<u><u>42.75%</u></u>
Total County Employment <sup>(3)</sup>	<u><u>71,886</u></u>		<u><u>100%</u></u>

Source:

- (1) Office of Economic Development, Harford County, Maryland
- (2) Maryland Department of Commerce (Harford County Brief Economic Facts 2022)
- (3) U.S. Census Bureau, Center for Economic Studies, June 2013

**HARFORD COUNTY, MARYLAND**  
**Capital Asset and Infrastructure Asset Statistics by Function/Program<sup>(2)</sup>**  
**Last Ten Fiscal Years**

**Table 16**

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Agricultural Preservation										
Acres of Farm Land in Preservation Program	49,264	45,687	44,618	43,806	39,680	39,680	39,078	38,671	37,443	37,195
General Government										
Office Buildings	5	5	5	5	5	5	13	13	13	13
Garage	1	1	1	1	1	1	1	1	1	1
Vehicles	61	47	45	32	27	28	17	25	27	36
Education-Primary thru Community College <sup>(1)</sup>										
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	33	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	1	1	1	1	1	1	1	1	1	2
Libraries	11	11	11	11	11	11	11	11	11	11
Parks and Recreation										
Number of Parks	97	97	97	96	96	95	95	96	96	93
Rec, Comm. & Visitor Ctrs	8	8	8	8	8	8	8	8	8	8
Acres of Land	4,891	4,886	4,540	4,539	4,539	4,543	4,543	4,608	4,608	4,473
Vehicles	37	38	41	53	55	58	58	48	50	57
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	481	439	370	380	361	336	367	379	375	372
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	17	14	15	21	17	13	13	16	16	11
Hazmat Vehicles	8	8	7	8	9	8	8	9	11	11
DILP Vehicles	13	13	13	22	21	21	29	17	18	25

(continued)

**HARFORD COUNTY, MARYLAND**  
**Capital Asset and Infrastructure Asset Statistics by Function/Program<sup>(2)</sup>**  
**Last Ten Fiscal Years**  
(continued)

**Table 16**

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Public Works</b>										
Highways										
County Maintained Roads-Paved Miles	1,047	1,037	1,032	1,029	1,027	1,023	1,018	1,017	1,013	1,011
County Maintained Roads-Unpaved Miles	38	42	42	44	44	45	45	46	46	46
Office Buildings	3	3	3	3	3	3	3	3	3	3
Equipment Sheds	7	8	8	8	8	8	8	8	8	8
Truck Bay	1	1	1	1	1	1	1	1	1	1
Salt Dome	3	4	4	4	4	4	4	4	4	4
Vehicles	286	301	296	278	252	253	276	303	288	291
Water & Sewer										
Miles of Water Mains and Laterals	750	749	719	711	705	703	696	691	689	683
Water Treatment Plants	3	3	3	3	3	3	3	3	3	3
Booster Stations	13	12	12	12	12	12	12	12	12	12
Water Tanks	12	12	12	12	12	12	12	12	12	12
Miles of Wastewater Mains and Laterals	798	798	798	798	798	798	792	787	784	776
Wastewater Treatment Plants	3	3	3	3	3	3	3	3	3	3
Wastewater Pumping Stations	52	51	51	51	51	51	52	50	53	56
Vehicles	142	127	122	113	108	109	103	113	120	116
Waste Disposal										
Waste to Energy Facility	-	-	-	-	-	-	1	1	1	1
Vehicles	-	-	-	-	-	-	5	9	12	11
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	38	41	39	42	41	42	35	44	45	50
Social Services & Health										
Senior/Activity Centers	5	5	5	5	5	5	5	5	5	5
Buses	37	37	33	39	38	43	43	43	43	43
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	1	1	2	2	2	2	4	9	13	12

(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 <sup>(1)</sup>**  
**Last Ten Fiscal Years**

Table 17

Function/Program	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<u>Agricultural Preservation</u>										
Number of settlements	38	3	7	21	-	3	-	9	-	6
<u>County Council</u>										
Number of bills introduced	32	34	32	26	43	26	44	25	49	54
Number of bills passed	28	34	32	24	41	24	42	24	43	52
<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	280,727	280,727
Percent residential	27.27%	27.27%	27.27%	27.27%	27.27%	27.27%	27.27%	27.27%	27.27%	27.27%
Percent agricultural	29.25%	29.25%	29.25%	29.25%	29.25%	29.25%	29.25%	29.25%	29.25%	29.25%
Percent commercial	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%	2.52%
<u>Inspections &amp; Permits</u>										
Permits issued	15,497	17,026	16,991	17,664	17,295	17,261	19,933	19,215	18,293	15,896
Commercial construction permits	10	8	19	18	9	4	15	24	15	22
Residential construction permits	744	857	738	738	632	846	488	1,079	700	459
<u>Judicial</u>										
<u>Circuit Court</u>										
Number of cases filed (Calendar year)	1,453	790	1,381	1,448	1,889	1,839	1,847	1,998	2,118	2,188
<u>District Court</u>										
Number of cases filed (Calendar year)	7,484	9,552	7,827	7,883	7,645	7,738	7,826	8,228	7,623	7,658
<u>Education</u>										
<u>Board of Education</u>										
Administrators	251	234	226	252	254	254	254	253	256	260
Support	2,083	1,964	1,889	1,858	1,909	1,919	1,974	2,003	2,018	2,064
Teachers/Counselors/Mentors	3,151	2,962	2,905	2,947	2,962	2,985	2,989	3,000	2,982	3,045
Number of students	37,897	37,333	38,429	37,826	37,780	37,426	37,448	37,537	37,842	37,868
<u>Community College</u>										
Number of credit students	4,146	4,629	5,040	5,350	5,375	5,764	5,759	5,962	6,201	6,481
Faculty	327	330	384	374	383	407	415	450	469	471
Administrators	30	29	30	29	28	26	31	31	32	32
Staff	427	412	515	515	543	534	530	489	485	461
Visiting Professors	45	43	46	43	39	42	41	41	43	42
<u>Libraries</u>										
Number of registered borrowers	223,448	252,725	206,595	196,853	196,219	193,747	185,638	181,393	191,239	182,000
Circulation (000) <sup>(2)</sup>	2,877	1,945	2,646	3,384	3,616	3,697	3,783	3,872	4,130	4,111
Materials collection (000)	1,009	1,010	1,080	1,052	1,113	1,090	979	822	941	941
Library personnel	210	210	242	242	242	242	240	243	242	241
<u>Parks and Recreation</u> <sup>(3)</sup>										
Volunteer recreation councils	19	20	20	20	20	20	22	22	22	23
Number of P&R volunteers	9,053	4,365	11,561	15,694	14,308	13,571	13,271	14,250	14,297	14,396
Recreation registrations	46,338	33,177	55,286	66,089	65,122	69,625	66,074	73,066	73,359	76,456

(continued)

**HARFORD COUNTY, MARYLAND**
**Operating Indicators by Function <sup>(1)</sup>**
**Last Ten Fiscal Years**

(continued)

**Table 17**

<b>Function/Program</b>	<b>Fiscal Year</b>									
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>
<b>Public Safety</b>										
Number of volunteers - Fire & EMS	1,208	1,256	1,048	1,141	1,178	1,181	1,189	1,170	1,169	1,123
Fire & EMS responses	Not Available	25,532	29,939	30,620	30,482	29,974	28,604	29,704	26,195	26,372
Police responses	139,511	215,090	170,029	222,182	284,966	273,589	296,213	227,027	137,801	135,990
911 calls	100,542	103,447	103,525	104,120	104,456	104,385	101,033	101,915	99,555	105,584
Hazardous material incidents	105	110	135	179	193	183	196	187	210	163
EOC activations/exercises	8	20	25	27	32	26	38	25	30	26
Community policing programs	162	219	108	244	240	122	156	134	139	298
Neighborhood watch programs	34	36	18	19	25	26	35	38	33	27
<b>Public Works</b>										
<b>Solid Waste</b>										
Tons of recycled materials <sup>(4)</sup>	2,308	2,701	2,775	2,977	8,704	9,974	21,184	10,358	126,923	146,800
Tons of solid waste processed <sup>(4)</sup>	11,949	14,227	16,109	17,678	12,654	12,638	120,509	140,792	133,890	167,500
<b>Highways</b>										
Number of snow routes	77	75	75	75	75	75	75	75	75	75
<b>Social Services/Health</b>										
<b>Transportation</b>										
Annual ridership	260,105	116,431	308,049	358,499	298,405	326,706	359,269	365,905	356,770	355,978
Vehicle miles traveled	1,249,229	916,727	881,566	1,030,718	848,951	743,196	769,333	741,767	744,346	709,276
<b>Water &amp; Sewer Operations</b>										
Daily average water consumption in gal.(000)	9,379	9,877	9,855	9,721	9,350	9,350	9,379	9,800	12,073	12,500
Daily average effluent treatment in gal. (000)	11,112	12,176	12,027	14,300	11,854	10,712	12,126	12,714	12,073	12,500
Number of new accounts added	279	453	567	450	371	287	291	227	312	343

(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&amp;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<sup>(1)</sup>**  
**Last Ten Fiscal Years**

**Table 18**

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
County Council	28	28	28	27	27	27	27	28	28	22
General Government										
County Executive	4	4	4	4	4	4	4	11	11	11
Administration	50	50	50	50	50	49	49	67	65	64
Procurement	10	10	10	10	10	11	14	14	14	15
Treasury	41	41	41	41	41	42	42	44	44	48
Law	15	15	15	15	15	15	16	16	16	15
Planning & Zoning	37	37	37	36	36	37	38	41	41	42
Human Resources	9	9	9	8	8	8	9	7	7	9
Gov't & Community Relations	7	7	6	6	6	6	4	-	-	-
Information & Communication Technology	25	25	23	23	23	23	24	29	29	27
Conservation of Natural Resources	5	5	5	5	5	5	5	4	4	4
Economic Development	17	17	21	21	14	20	22	17	17	17
	220	220	221	219	212	220	227	250	248	252
Judicial										
Judicial	33	33	32	32	32	30	30	29	29	29
State's Attorney	63	59	59	59	59	59	59	59	59	57
	96	92	91	91	91	89	89	88	88	86
Parks and Recreation	78	78	85	86	86	94	94	103	102	104
Public Safety										
Sheriff's Office	538	536	537	529	529	535	535	528	525	515
Emergency Services	114	114	106	106	106	90	91	94	94	92
Inspections, Licenses & Permits	31	31	31	31	31	30	29	39	39	40
	683	681	674	666	666	655	655	661	658	647
Public Works										
Public Works - Administration	13	14	18	20	20	14	30	24	24	24
Public Works - Solid Waste	-	-	-	-	-	-	23	33	33	34
Public Works - Watershed Management	5	4	-	-	-	-	-	12	12	-
Public Works - Highways	177	177	177	175	175	187	190	196	196	208
Public Works - Water & Sewer	168	168	169	170	170	170	170	172	171	170
	363	363	364	365	365	371	413	437	436	436
Social Services & Health										
Community Services	25	25	25	25	25	25	25	40	39	38
Housing Agency	-	-	-	-	8	8	9	7	6	6
	25	25	25	25	33	33	34	47	45	44
Grand Totals	1,493	1,487	1,488	1,479	1,480	1,489	1,539	1,614	1,605	1,591

(1) Information from Harford County Operating Budget; includes vacant positions.



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# HARFORD COUNTY

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**BARRY GLASSMAN, COUNTY EXECUTIVE**

*Maryland's New Center of Opportunity*

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