

HARFORD COUNTY ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024



BOB CASSILLY, COUNTY EXECUTIVE

HARFORD COUNTY, MARYLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED

JUNE 30, 2024



Prepared by:

*Department of the Treasury
Harford County, Maryland*

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

*Rick Pernas, CPA
Harford County Deputy Treasurer*



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Introductory Section

ROBERT G. CASSILLY
Harford County Executive
ROBERT S. MCCORD
Director of Administration



ROBERT F. SANDLASS, JR.
Treasurer

October 8, 2024

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, 2024, 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 is 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, 2024, 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, 2024, 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 265,793. 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.

Real property taxes remain one of the County's largest revenue sources. The fiscal year 2024 taxable assessable base resulted in an increase over the fiscal year 2023 assessable base of 3.7%. 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 2024 assessments are for "Group 3" properties and were based on an evaluation of 85,904 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 2024. For the 2024 assessment, 96.6% of "Group 3" residential properties saw an increase in property value statewide. In Harford County, residential assessments increased by 23.9% and commercial

assessments for Group 3 increased by 17.7% since their last assessment in January of 2021. This is the eleventh year of positive assessment growth in Harford County.

Income tax revenue, the other major revenue source in the County, is directly affected by population growth, employment levels, and personal income. Income tax revenue had shown increases beginning in 2012 through 2023 but in 2024 we had a decrease using the modified accrual basis of accounting. The year over year decrease for 2023 to 2024 was 1.3%. Income tax is budgeted at \$317.3 million for fiscal year 2025. The recent decrease in income tax revenue is largely due to reconciling distributions from the Comptroller's office within the reporting period being smaller than in prior 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.

Long-term financial planning: Fiscal year 2025 budget, including all funds, is \$1.2 billion, an increase of 1.1% or \$13.7 million from fiscal year 2024. The General Fund Operating Budget is \$780.1 million, an increase of \$11.6 million with no changes in the tax rates. The budget reduced the County's General Fund's original appropriated fund balance from \$74.1 million to \$58.5 million. The Capital Budget, excluding the Water and Sewer Capital Fund, is \$236.2 million.

The fiscal year 2025 budget included the operating funding for Harford County Public Schools which is by far the largest component of the General Fund's budget at \$321.4 million. This is over the state-required maintenance of effort. Major school projects include \$23.1 million for the new Homestead Wakefield Elementary School, \$17.8 million for upgrades to Harford Technical High School, and \$17.1 for upgrades to Aberdeen Middle School.

The capital budget in fiscal year 2025 includes \$36.3 million for road and bridge maintenance and repairs, \$2.0 million for the development of the Oakington Peninsula Park System, and \$1.0 million for development of a new Joppatowne Community Center. Funding continues to be appropriated from federal and state grants to help bring high-speed internet to more than 2,500 rural homes in Harford County.

In an effort to continue reinvesting in our workforce, County Executive Cassilly instituted a merit-based annual salary increase of \$1,000 plus 1.0% COLA per qualifying County employee for fiscal year 2025. Equivalent increases for the States' Attorney and Circuit Court employees and step increases and 1% COLA for law enforcement and corrections deputies were also implemented.

For fiscal year 2025, the county is funding 4 school resource officers and 8 positions to the Department of Emergency Services for an additional ambulance crew. The Department of Information and Communications Technology received additional funding to support efficiencies in government agencies and the Health Department funding increased by 5%, which is offset by increased fee revenue.

The fiscal year 2025 operating budget continues its policy of maintaining a reserve of 5.0% of the total General 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 County continues to invest one hundred percent of cash held temporarily idle during the year using equity in pooled cash system. For fiscal year 2024, the weighted average yield on investments was 5.26%. In addition, Agricultural Land Preservation, Capital Project, Sheriff's Office Pension System (SOPPS), 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, 2023. This was the thirty-ninth 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 requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the County received its thirty-sixth GFOA Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning July 1, 2023. 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**

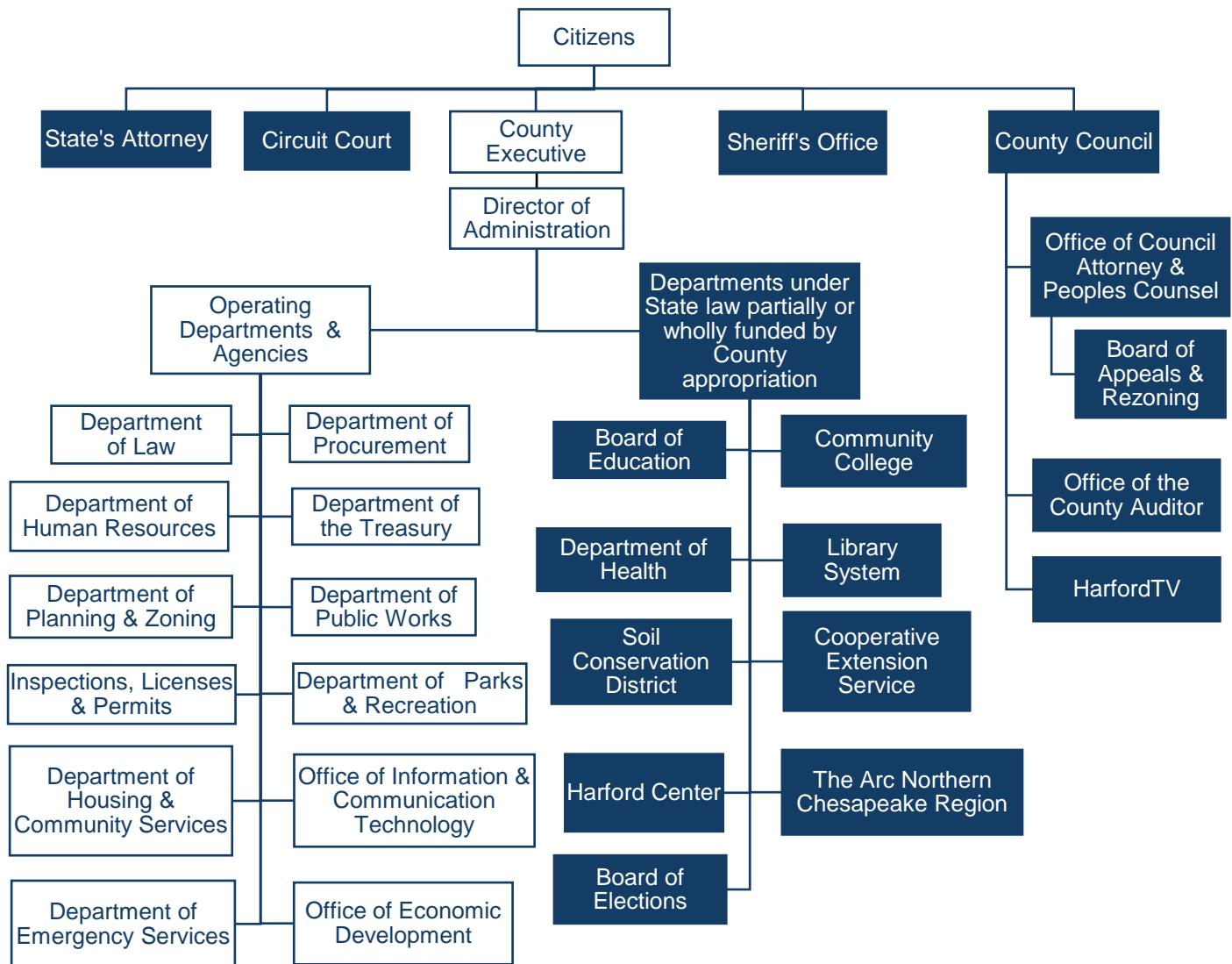
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

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 appropriation under State Law.

**HARFORD COUNTY, MARYLAND
GOVERNMENTAL ORGANIZATION
CERTAIN ELECTED AND APPOINTED OFFICIALS
AS OF JUNE 30, 2024**

CERTAIN ELECTED OFFICIALS

County Executive	Robert G. Cassilly
President of the County Council	Patrick S. Vincenti
County Council Members	Dion F. Guthrie
	Aaron D. Penman
	Tony "G" Giangiordano
	James Reilly
	Jessica Boyle-Tsottles
	Jacob Bennett

CERTAIN APPOINTED OFFICIALS

Director of Administration	Robert McCord
Treasurer	Robert F. Sandlass, Jr.
County Attorney	Jefferson Blomquist
Deputy Treasurer	Rick Pernas, CPA
Director of Emergency Services	Rick Ayers
Director of Housing & Community Services	Barbara Richardson
Director of Human Resources	Tiffany Stephens
Director of Inspections, Licenses and Permits	Richard Truitt
Director of Parks and Recreation	Paul Magness
Director of Planning and Zoning	Shane Grimm
Director of Procurement	Karen Myers
Director of Public Works	Joseph Siemek
Director of Economic Development	Karen Holt
Director of Information and Communication Technology	Nicholas Kuba

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

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

Financial Advisor
Davenport & Company
Towson, Maryland



Ma & Pa Engine No. 6

The Ma & Pa Railroad passed through Harford County from 1901 to 1958, being pulled by a number of steam locomotives, including its most-loved, Engine No. 6. It was built at the Richmond Works of the American Locomotive Company in November 1901 and ran until 1951, serving the Ma & Pa for 50 years. A half-size bronze engine front end is depicted showing the smokestack, lights, boiler, and cowcatcher. The engine is now dubbed "Choo Choo."

This bronze replica is courtesy of Jack and Signe Shagena, 2023



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, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, based on our audit report and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2024, 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 approximately 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, 2024. 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, Inc. were not audited in accordance with *Government Auditing Standards*.

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

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.
- 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.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, 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 and other auditors 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 by us and other auditors. 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 7, 2024 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 7, 2024

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, 2024. 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 \$1.1 billion. The unrestricted portion of this is a deficit of \$24.2 million and is composed of an unrestricted deficit in the governmental activities of \$125.0 million and a balance of \$100.8 million unrestricted in the business-type activities.
- The County's net position had an overall increase of \$38.6 million during the current fiscal year. In the governmental activities, total revenues increased 2.4%, expenses increased 5.9%, and the net position increased by \$15.3 million, or 3.0% from the prior fiscal year. Income taxes increased \$8.8 million as a result of a growing economy, property tax revenue increase of \$8.5 million due to higher assessments in fiscal year 2024 and an increase in charges for services of \$5.5 million and \$5.6 million in investment earnings. These increases were partially due to raised rates in County fees and higher interest rates, respectively. These revenues were tempered by a \$3.0 million in recordation and transfer tax decrease as mortgage rates remain at a level not seen in thirty years. Overall expenses increased by \$46.4 million mostly due to inflationary conditions and fully establishing a County operated ambulance service. In the business-type activities, total revenues increased by 0.9% remaining mostly unchanged compared to the prior fiscal year while expenses increased by \$5.1 million or 8.8% primarily due to cost of goods and services increasing. Despite this the net position still had an increase of \$23.4 million or 4.3% over the prior fiscal year.

Fund Level:

- The General Fund had a decrease in fund balance of \$19.7 million. The Highways Fund had a decrease in fund balance of \$3.0 million.
- Approximately 62.0% of the total governmental fund balance, \$185.6 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 \$143.0 million or 20.4% of total General Fund expenditures. Restricted fund balance of the General Fund was \$11.5 million or 7.4% of total fund balance, leaving \$0.7 million or 0.5% of total fund balance as nonspendable in the General Fund.
- The business-type activities operating revenue fell short of operating expenses including depreciation resulting in an operating loss of \$1.2 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, \$915.9 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, leases, SBITA, 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 \$196.7 million, are resources subject to external restrictions on how they may be used. Accounting principles generally accepted in the United States of America direct that the difference between total net position and the two categories of net position just discussed be recorded as unrestricted net position regardless of any negative balances that may result. Unrestricted net position of the total primary government is negative \$24.2 million; business-type activities have a balance of \$100.8 million unrestricted net position while the unrestricted net position for governmental activities is negative \$125.0 million. The major reason for negative unrestricted net position in 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 \$15.3 million during fiscal year 2024, program revenues decreased \$4.3 million and general revenues increased \$24.2 million over fiscal year 2023. Governmental activities general revenues for 2024 showed an increase in property taxes of \$8.5 million, a increase in income taxes of \$8.8 million, a decrease of \$2.2 million in recordation taxes, a decrease in transfer tax of \$0.8 million, offset by an increase of \$5.6 million in investment earnings. The majority of the decrease in program revenues was due to receiving ARPA grant funds from the federal government in the prior fiscal year but not in the current year. The increase in general revenues is primarily due to a growing economy.

The net position of business-type activities increased \$23.4 million during fiscal year 2024. Operating revenue increased \$5.1 million, 9.4% from fiscal year 2023 to 2024, mainly due to legislation increasing the rate charged for services. Operating expenses for the business-type activities increased \$4.9 million, 8.6%, 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	
	2024	2023	2024	2023	2024	2023
Current & Other Assets	\$ 542,828,654	\$ 549,336,782	\$ 268,412,146	\$ 247,766,757	\$ 811,240,800	\$ 797,103,539
Capital Assets	897,036,565	877,543,802	410,020,380	414,818,436	1,307,056,945	1,292,362,238
Total Assets	1,439,865,219	1,426,880,584	678,432,526	662,585,193	2,118,297,745	2,089,465,777
Deferred Outflows of Resources	99,998,626	85,829,490	8,625,073	7,849,956	108,623,699	93,679,446
Noncurrent Liabilities	909,058,090	882,628,675	106,901,741	112,904,480	1,015,959,831	995,533,155
Other Liabilities	53,495,224	49,718,300	10,828,115	10,449,641	64,323,339	60,167,941
Total Liabilities	962,553,314	932,346,975	117,729,856	123,354,121	1,080,283,170	1,055,701,096
Deferred Inflows of Resources	52,861,466	71,175,852	5,411,445	6,549,431	58,272,911	77,725,283
Net Investment in						
Capital Assets	589,791,509	573,419,995	326,103,597	323,944,404	915,895,106	897,364,399
Restricted	59,645,492	135,212,148	137,012,358	136,273,139	196,657,850	271,485,287
Unrestricted	(124,987,936)	(199,444,896)	100,800,343	80,314,054	(24,187,593)	(119,130,842)
Total Net Position	\$ 524,449,065	\$ 509,187,247	\$ 563,916,298	\$ 540,531,597	\$ 1,088,365,363	\$ 1,049,718,844

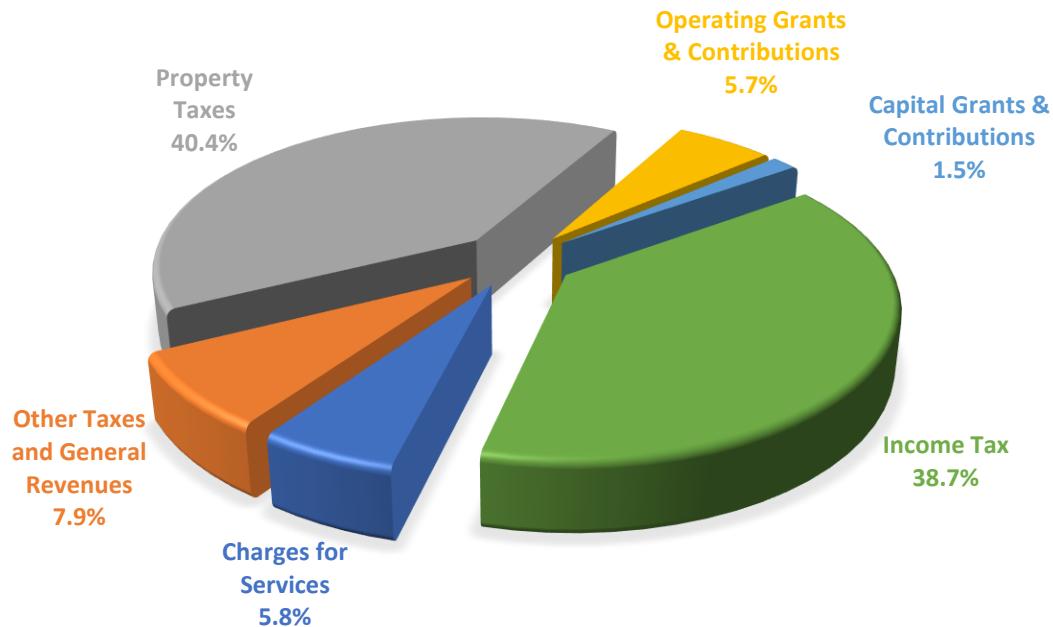
Harford County Government's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for Services	\$ 48,970,762	\$ 43,451,130	\$ 59,839,683	\$ 54,710,548	\$ 108,810,445	\$ 98,161,678
Operating Grants & Contributions	48,447,653	54,873,142	468,710	496,546	48,916,363	55,369,688
Capital Grants & Contributions	<u>12,726,375</u>	<u>16,086,772</u>	<u>13,298,853</u>	<u>22,183,968</u>	<u>26,025,228</u>	<u>38,270,740</u>
Program revenues Total	<u>110,144,790</u>	<u>114,411,044</u>	<u>73,607,246</u>	<u>77,391,062</u>	<u>183,752,036</u>	<u>191,802,106</u>
General revenues:						
Property Taxes	340,171,530	331,683,658	-	-	340,171,530	331,683,658
Income Taxes	326,155,858	317,327,716	-	-	326,155,858	317,327,716
Impact Fees	2,805,000	1,779,600	-	-	2,805,000	1,779,600
911 Program Taxes	5,179,765	2,887,154	-	-	5,179,765	2,887,154
Recordation Taxes	15,736,477	17,926,336	-	-	15,736,477	17,926,336
Transfer Taxes	17,573,766	18,421,754	-	-	17,573,766	18,421,754
Hotel Taxes	2,701,620	2,743,554	-	-	2,701,620	2,743,554
Other Taxes	602,195	690,494	-	-	602,195	690,494
Investment Earnings	17,682,541	12,037,294	12,690,461	8,130,674	30,373,002	20,167,968
Unrestricted Grants & Contributions	<u>98,261</u>	<u>329,608</u>	<u>-</u>	<u>-</u>	<u>98,261</u>	<u>329,608</u>
Miscellaneous	<u>3,951,029</u>	<u>2,610,807</u>	<u>227,070</u>	<u>250,907</u>	<u>4,178,099</u>	<u>2,861,714</u>
Total Revenues	<u>842,802,832</u>	<u>822,849,019</u>	<u>86,524,777</u>	<u>85,772,643</u>	<u>929,327,609</u>	<u>908,621,662</u>
Program Expenses:						
Agricultural Preservation						
County Council	3,688,641	1,831,441	-	-	3,688,641	1,831,441
General Government	3,655,368	3,485,729	-	-	3,655,368	3,485,729
Education-Primary thru Community College	53,053,465	66,763,768	-	-	53,053,465	66,763,768
Harford Center	370,051,823	364,647,185	-	-	370,051,823	364,647,185
Judicial	702,215	675,745	-	-	702,215	675,745
Libraries	15,127,504	12,638,809	-	-	15,127,504	12,638,809
Parks, Recreation and Natural Resources	22,813,467	22,899,727	-	-	22,813,467	22,899,727
Public Safety	16,948,930	18,922,729	-	-	16,948,930	18,922,729
Public Works	188,261,253	148,778,633	-	-	188,261,253	148,778,633
Social Services	103,828,233	90,253,605	-	-	103,828,233	90,253,605
Unallocated Debt Interest / Other Costs	36,398,500	34,872,569	-	-	36,398,500	34,872,569
Water and Sewer	<u>13,011,615</u>	<u>15,405,152</u>	<u>-</u>	<u>-</u>	<u>13,011,615</u>	<u>15,405,152</u>
Total Expenses	<u>827,541,014</u>	<u>781,175,092</u>	<u>63,140,076</u>	<u>58,027,124</u>	<u>63,140,076</u>	<u>58,027,124</u>
Change in Net Position	15,261,818	41,673,927	23,384,701	27,745,519	38,646,519	69,419,446
Net Position - Beginning	<u>509,187,247</u>	<u>467,513,320</u>	<u>540,531,597</u>	<u>512,786,078</u>	<u>1,049,718,844</u>	<u>980,299,398</u>
Net Position - Ending	<u>\$ 524,449,065</u>	<u>\$ 509,187,247</u>	<u>\$ 563,916,298</u>	<u>\$ 540,531,597</u>	<u>\$ 1,088,365,363</u>	<u>\$ 1,049,718,844</u>

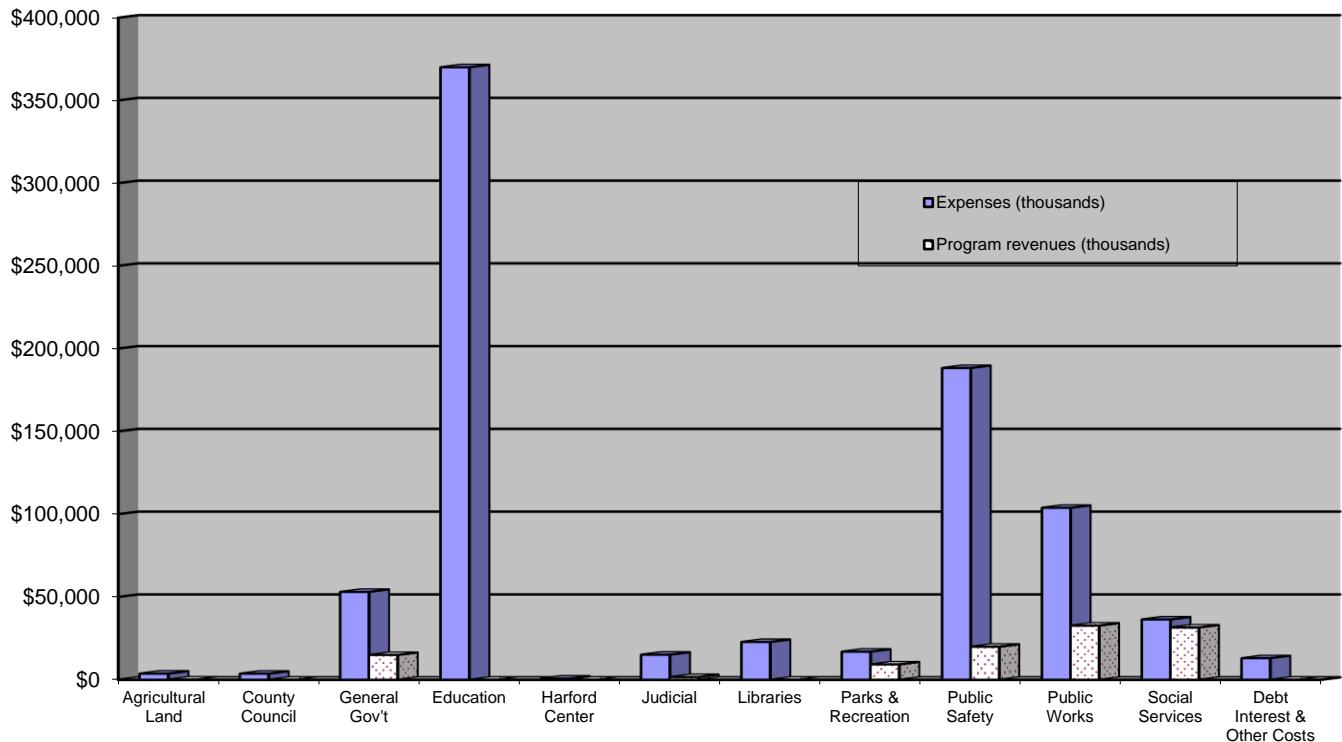
Governmental activities: The change in net position of governmental activities increased \$15.3 million during fiscal year 2024. Key elements are as follows:

- Total Governmental Activities expenses increased \$46.4 million or 5.9% from fiscal year 2023. The major increase in expenses is attributed to Public Safety of \$39.5 million. This is primarily due to the establishment of a County operated service that was implemented in the Department of Emergency Services in fiscal year 2024. In the prior year the ambulance service was primarily operated by volunteer fire companies. The increase is also due to funding Education \$5.4 million over the prior year to help support the growing needs of County schools. An increase in Judicial of \$2.5 million, Social Services \$1.5 million and Public Works of \$13.6 million also contributed to the overall increase of expenses over the prior year. These increases are due to a combination of factors including inflationary conditions and increases in wages.
- Property Taxes increased in fiscal year 2024 by \$8.5 million over the prior year mostly due to an increase in the property assessments over the previous year.
- The County recorded \$326.2 million in income tax revenue for the fiscal year 2024. This is a \$8.8 million or 2.8% increase from fiscal year 2023 using the accrual basis of accounting. The change can be attributed to a growing economy.
- Recordation and Transfer Tax decreased \$3.0 million in fiscal year 2024 over fiscal year 2023. In fiscal year 2024 the number of real estate transactions decreased primarily due to higher mortgage rates which has slowed the purchasing and refinancing of real estate properties.
- Investment Earnings increased by \$5.6 million due to the rising interest rates.
- Operating Grants and Contributions decreased \$6.4 million or 11.7% from the prior fiscal year and Capital Grants and Contributions decreased \$3.4 million or 20.9% as the COVID-19 funding from the federal government continues to decrease.

Revenues by Source-Governmental Activities



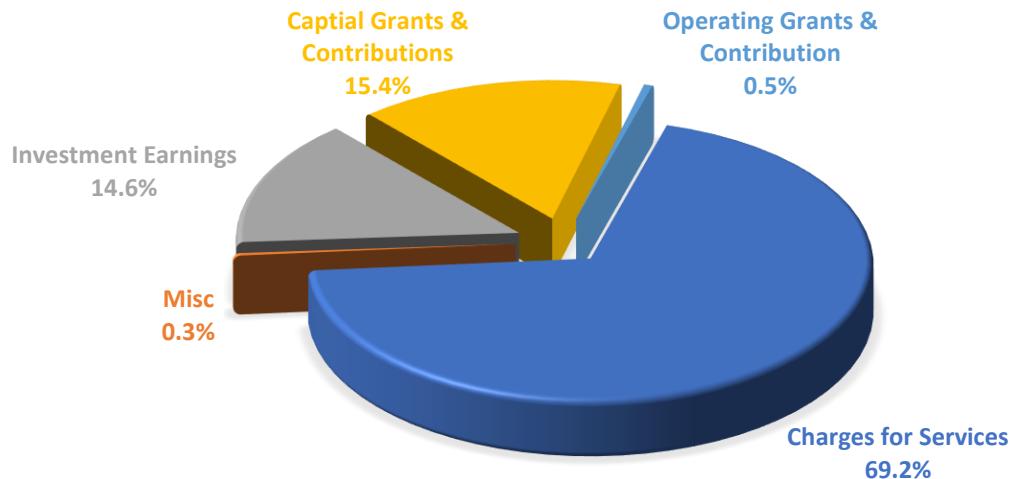
Expenses and Program Revenues-Governmental Activities



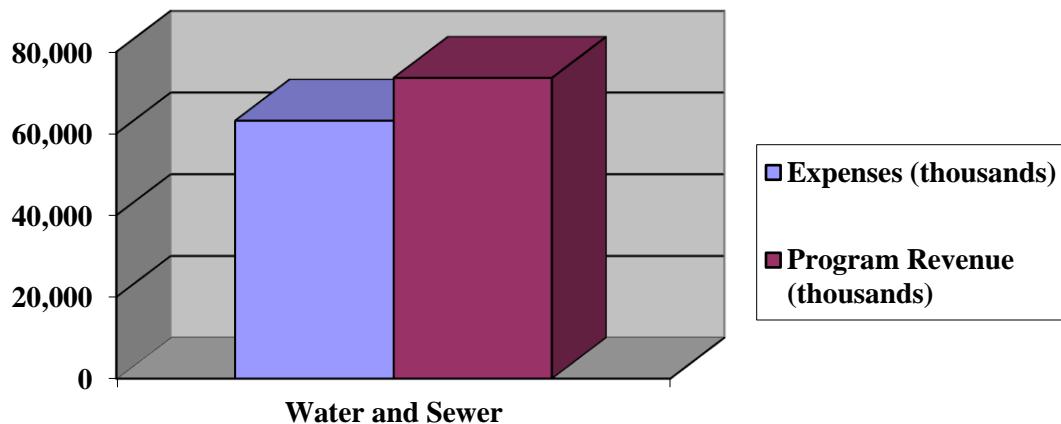
Business-type activities Business-type activities recorded an increase in net position of \$23.4 million during fiscal year 2024. Key elements are as follows:

- The increase in charges for services, \$5.1 million or 9.4%, is attributed in part to an increase in the water and sewer rates.
- The decrease in capital grants and contributions of \$8.9 million due mostly to a decrease in connection charges from development.
- Expenses grew by \$5.1 million or 8.8%, which was primarily 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 \$299.2 million. Approximately 62.0% of this total amount, or \$185.6 million, constitutes *assigned and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance, \$113.6 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 39.4% 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 \$143.0 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 20.4% of total General Fund expenditures, while total fund balance represents 22.1% of that same amount.

The County's General Fund total fund balance decreased by \$19.7 million during the current fiscal year. The decrease is mostly due to the full establishment of a County operated ambulance service and inflationary pressures on goods and services. This deficit was originally thought to reduce fund balance by \$76.6 million. The County Executive put into place a savings plan that decreased current year spending by \$29.4 million and reduced the Transfers out by \$12.6 million to offset the drawdown of the fund balance.

The Highways Fund has a total fund balance of \$23.2 million of which 91.7% of the fund balance is restricted, 4.9% is restricted due to bond proceeds of \$1.1 million and the remaining 95.1% or 20.2 million is restricted for the purpose of the fund. The remaining Highways Fund balance of \$1.9 million classified as nonspendable represents inventory. The fund balance decreased from last fiscal year by \$3.0 million. This is attributed to an increase in Transfers out to fund capital projects in fiscal year 2024.

The Grant Fund has a total fund balance of \$19.6 million all under the restricted category due to the legally binding nature of the grant agreements. The Grant Fund balance increased by \$4.2 million primarily due to an increase in inter-county Transfers In.

The Agricultural Land Preservation Fund has a total restricted fund balance of \$39.8 million. The fiscal year 2024 fund balance increased by \$2.2 million mostly due to a decrease in cash purchases of development rights from fiscal year 2023 offset by a decrease in transfer tax, which is the main revenue source of this fund.

The Capital Project Fund has a total fund balance of \$49.4 million. General obligation bonds of \$38.0 million were issued during fiscal year 2024 to help pay the cost of County capital projects. Of the total fund balance, \$6.7 million is restricted for dedicated revenues for Harford County Public Schools and Parks and Recreation projects and \$42.7 million is assigned for the purpose of the fund. The decrease in fund balance of \$20.6 million is primarily attributed to an increase in capital projects expenditures of \$21.5 million for the funding of educational projects.

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, 2024, was \$12.0 million. Of the total fund balance, \$3.3 million is restricted for debt service and unspent bond proceeds, \$8.2 million is restricted for Watershed Management and \$0.5 is restricted for Parks and Recreation. The decrease in the total fund balances of \$1.4 million is attributed to a decrease in recordation tax in the Watershed Management Fund of \$0.4 million from the prior year, as well as an increase in transfer out of \$0.9 million for paygo funding for Watershed capital projects and funds returned to the general fund from the Beechtree TIF agreement.

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 \$99.1 million and unrestricted net position of the Internal Service Fund totaled \$30.4 million, a \$2.2 million increase, mostly due to increased revenues in the form

of premiums, interest income and settlements offset with an increase in claims and expenses of \$7.5 million due in higher medical claims and general liability losses. 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 2024 increased by \$33.0 million over the original budget. \$30.4 million was allocated to appropriated funds to account for refunding of debt and \$2.6 million was allocated to the various departments to pay for an additional 1.5% raise given to all qualifying employees. Revenue variances of \$13.1 million from the final fiscal year 2024 budget (not including appropriated fund balance) is attributed in part to a bond premium of \$7.2 million that was not budgeted, \$4.1 million in EMS ambulance fees which were underbudgeted and a one-time reimbursement of \$2.2 million from the EMS Foundation which was dismantled when the County took over ambulance services. A cautious spending policy also led to the \$47.3 million or 5.9% 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, 2024, amount 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, infrastructure, leases, and SBITA. The total net increase in the County's capital assets for the current fiscal year is \$14.7 million.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 322,562,189	\$ 304,092,953	\$ 1,983,147	\$ 1,535,972	\$ 324,545,336	\$ 305,628,925
Development Rights	186,955,657	183,862,601	-	-	186,955,657	183,862,601
Construction in Progress	27,916,535	26,254,302	7,231,906	7,861,633	35,148,441	34,115,935
Buildings	147,902,678	152,298,221	126,624,861	132,089,355	274,527,539	284,387,576
Improvements	38,556,731	32,713,499	221,908,320	222,117,714	260,465,051	254,831,213
Machinery and Equipment	22,948,718	18,293,166	18,203,367	19,176,838	41,152,085	37,470,004
Vehicles	26,837,751	25,033,585	3,778,413	3,016,348	30,616,164	28,049,933
Intangibles	1,070,369	1,558,711	1,179,794	363,608	2,250,163	1,922,319
Infrastructure	110,343,474	122,370,054	28,682,436	28,656,968	139,025,910	151,027,022
Leased Building	7,587,851	8,359,384	-	-	7,587,851	8,359,384
Leased Equipment	235,250	327,656	-	-	235,250	327,656
SBITA Assets	4,119,362	2,379,670	428,136	-	4,547,498	2,379,670
Total Capital Assets	<u>\$ 897,036,565</u>	<u>\$ 877,543,802</u>	<u>\$ 410,020,380</u>	<u>\$ 414,818,436</u>	<u>\$ 1,307,056,945</u>	<u>\$ 1,292,362,238</u>

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

- Havre de Grace Turf Field was completed in Fiscal Year 2024. It was capitalized for \$1.0 million.
- The Bel Air Library had expenditures of \$.7 million in Fiscal Year 2024. The library is the busiest branch in the system and work is being done to replace the roof.

- The Park Land Acquisition project had expenditures of \$8.1 million towards the acquisition of property along Trimble Road. This location will be used for a future recreation complex to include athletic fields, walking trails and parking lots.

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 2024 General County Capital Budget. Some of the major expenditures were:

- Homestead Wakefield Elementary School Major Project will construct a new school to replace the three-building school. Expenditures in fiscal year 2024 totaled \$9.7 million.
- The Aberdeen Middle School HVAC Systemic Renovations project had expenditures of \$1.5 million in Fiscal Year 2024. The project will include systemic renovation projects which include replacing the building's heating system, building control and fire alarm systems, windows and doors.
- The Chesapeake Welcome Center is being reconfigured to be the College's new Welcome Center with upgrades to include multi-story additions to the building. The Center will provide services for new and returning students, as well as the community. In Fiscal Year 2024, expenditures were \$5.9 million.

Long-term debt At the end of the current fiscal year, the County had Installment Purchase Agreements, Bonds, Lease Agreements, and SBITA Agreements debt outstanding of \$684.7 million. Of this amount, \$84.3 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 \$32.6 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 \$10.2 million associated with the incremental property tax revenues related to a special taxing district.

The County's Outstanding Debt

	Governmental		Business-type		Total	
	Activities		Activities		Primary Government	
	2024	2023	2024	2023	2024	2023
Installment Purchase Agreements						
Agreements	\$ 32,638,298	\$ 34,448,962	\$ -	\$ -	\$ 32,638,298	\$ 34,448,962
Bonds Payable	557,056,500	565,839,901	83,887,725	92,044,529	640,944,225	657,884,430
Lease Agreements	7,859,195	8,599,657	-	-	7,859,195	8,599,657
SBITA Agreements	2,845,268	1,710,357	386,976	-	3,232,244	1,710,357
	<u>\$ 600,399,261</u>	<u>\$ 610,598,877</u>	<u>\$ 84,274,701</u>	<u>\$ 92,044,529</u>	<u>\$ 684,673,962</u>	<u>\$ 702,643,406</u>

The total debt of the Primary Government decreased by \$18.0 million or 2.6%, during the current fiscal year. For governmental activities, debt decreased by \$10.2 million due to principal payments and reduction of \$89.7 million offset by a general obligation bond sale of \$65.1 million, a premium of \$8.1 million and the issuance of lease and SBITA agreements of \$6.3 million. In business-type activities, debt decreased \$7.8 million, due to principal payments and reductions of \$20.0 million, offset by a bond sale of \$10.4 million, the issuance of SBITA agreements of \$0.6 million and a premium of \$1.2 million. During fiscal

year 2024, 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.

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 \$2.2 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 4F of this report.

Economic Factors and Next Year's Budgets and Rates

- The County Real Property Tax Rate for fiscal year 2025 remains unchanged at \$0.9779 per \$100 of assessed valuation. Net property tax receipts recorded in the General Fund for fiscal year 2025 are expected to increase by 4.65% from those approved for fiscal year 2024. The increase is due to the reassessment of properties in the "Group 3" area of the County. Statewide, the assessment notices mailed to a third of property owners reflect an increase by an average of 23.4% since they were last assessed in 2021. In Harford County the overall increase was 22.0%, residential assessments increased by 23.9% and commercial assessments increased by 17.7%. The Homestead Tax Credit rate is 5% for Harford County for the fiscal year 2025 and remains unchanged from the past fiscal year.
- In fiscal year 2025, the County's income tax rate stayed at 3.06%. Income tax revenue is budgeted at \$317.3 million for fiscal year 2025, an increase of 2.0% from fiscal year 2024. We are expecting very limited growth in income tax for the fiscal year 2025 as the economy is expected to have limited growth.
- 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 2024, the County's original budget appropriated \$74.1 million in General Fund Balance to balance the 2024 budget. In fiscal year 2025, the County appropriated \$58.5 million in General Fund Balance to balance the 2025 budget.
- For the fiscal year 2025, Harford County Public Schools are funded at \$321.4 million, which exceeds the state-required Maintenance of Effort level.
- Harford County Public Schools fiscal year 2025 capital budget contains 14 planned projects totaling \$66.9 million for facility construction, renovations, replacements, fleet and technology for students. Of the total General Fund debt service budget, 53.1% is allocated for school debt.

These and other economic factors were considered when preparing the fiscal year 2025 General Fund budget, which estimates total revenues at \$780.1 million, an increase of \$11.6 million or 1.5% over fiscal year 2024 original budgeted amounts. Reducing our spending is imperative given the substantial uncertainty in our nation and the world economies. This uncertainty is evident in the form of high interest rates and inflationary pressures. To reduce deficit spending, most operating budget items have been carried forward from the prior year's budget without an increase. An estimated 11 positions were eliminated in county departments through a retirement incentive which allowed for the funding of a merit-based annual salary increase of \$1,000 plus 1.0% COLA per qualifying county employee and equivalent increases for the States' Attorney and Circuit Court employees. The sheriff's office budget will also include funding of 4 new school resource officers plus 1.0% COLA and step increases for law enforcement and correction deputies. The Department of Emergency Services received funding for 8 positions for an additional ambulance crew and the Health Department funding increased by 5%, which is offset by increased fee revenue. Our capital

project budget is especially impacted by high inflation. In response, we have slowed the pace of capital projects while preserving our long-term plans to build essential structures.

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 2025 approved budget from the 2024 fiscal year original approved budget for the Water and Sewer Operating Fund is an increase of \$2.2 million or 2.8%.

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, 2024

Exhibit 1

	Primary Government				Component Units			
	Governmental Activities	Business-Type Activities	Total Primary Government	Harford County Public Schools	Harford Center, Inc.	Harford Community College	Harford County Public Library	
ASSETS								
Equity in Pooled Cash and Investments	\$ 271,656,424	\$ 228,106,066	\$ 499,762,490	\$ -	\$ -	\$ -	\$ -	\$ -
Cash and Investments	23,400,728	-	23,400,728	92,859,044	3,044,362	37,865,297	16,001,416	
Taxes and Accounts Receivable (Net)	37,356,607	13,443,351	50,799,958	11,138,301	25,605	2,689,480	166,750	
Federal and State Receivable	191,980,234	-	191,980,234	35,601,667	135,449	-	-	
Internal Balances	(1,664,986)	1,664,986	-	-	-	-	-	
Due From Primary Government	-	-	5,064,159	-	-	5,866,475	7,318	
Inventories	1,932,726	3,668,157	5,600,883	864,785	-	354,741	-	
Lease Receivable	220,743	-	220,743	-	-	178,831	-	
Loans Receivable	3,206,360	-	3,206,360	-	-	-	-	
Prepaid Items and Other Assets	-	-	-	552,785	42,864	1,197,649	1,508,961	
Deposit with Trustee	1,521,208	-	1,521,208	-	-	197,328	317,646	
Benefit Assessment	312,528	20,982,341	21,294,869	-	-	-	-	
Restricted Assets - Investments	12,906,082	547,245	13,453,327	-	-	29,053,559	-	
Capital Assets:								
Land, Development Rights & CIP	537,434,381	9,215,053	546,649,434	87,977,684	-	18,195,867	-	
Other Capital Assets, Net of Depreciation	359,602,184	400,805,327	760,407,511	715,359,418	873,344	86,426,477	4,904,282	
Total Assets	<u>1,439,865,219</u>	<u>678,432,526</u>	<u>2,118,297,745</u>	<u>949,417,843</u>	<u>4,121,624</u>	<u>182,025,704</u>	<u>22,906,373</u>	
DEFERRED OUTFLOWS OF RESOURCES								
Loss on Refunding	7,584,395	1,384,415	8,968,810	-	-	-	-	
Pension and OPEB Deferrals	92,414,231	7,240,658	99,654,889	410,353,560	-	563,285	4,389,948	
Total Deferred Outflow of Resources	<u>99,998,626</u>	<u>8,625,073</u>	<u>108,623,699</u>	<u>410,353,560</u>	<u>-</u>	<u>563,285</u>	<u>4,389,948</u>	
LIABILITIES								
Accounts Payable	14,033,897	639,304	14,673,201	14,127,700	33,644	4,066,754	145,434	
Due to Component Units	10,937,952	-	10,937,952	-	-	-	-	
Retainages Payable	464,555	239,334	703,889	-	-	609,296	-	
Payable to State of Maryland	163,981	1,204,513	1,368,494	-	-	-	-	
Accrued Expenses	13,573,345	2,715,420	16,288,765	1,618,254	123,318	2,800,738	1,060,542	
Unearned Revenue	11,448,235	-	11,448,235	13,125,389	-	2,337,038	8,190	
Performance Deposits	1,237,263	46,459	1,283,722	-	-	-	-	
Escrow Accounts	1,100,685	5,958,000	7,058,685	-	-	-	-	
Other Liabilities	535,311	25,085	560,396	-	-	25,665	-	
Noncurrent Liabilities:								
Due within one year	70,385,315	9,900,065	80,285,380	15,036,735	-	1,017,702	29,744	
Due in more than one year	838,672,775	97,001,676	935,674,451	754,095,597	-	4,644,060	2,787,244	
Total Liabilities	<u>962,553,314</u>	<u>117,729,856</u>	<u>1,080,283,170</u>	<u>798,003,675</u>	<u>156,962</u>	<u>15,501,253</u>	<u>4,031,154</u>	
DEFERRED INFLOWS OF RESOURCES								
Gain on Refunding	-	1,089,057	1,089,057	-	-	-	-	
Pension and OPEB Deferrals	52,861,466	4,322,388	57,183,854	876,928,880	-	318,446	16,604,680	
Total Deferred Inflow of Resources	<u>52,861,466</u>	<u>5,411,445</u>	<u>58,272,911</u>	<u>876,928,880</u>	<u>-</u>	<u>318,446</u>	<u>16,604,680</u>	
NET POSITION								
Net Investment in Capital Assets	589,791,509	326,103,597	915,895,106	776,372,499	873,344	99,210,907	4,805,235	
Restricted for:								
Highways Projects	21,259,427	-	21,259,427	-	-	-	-	
Grant Programs	19,619,396	-	19,619,396	12,020,289	-	-	-	
Capital Projects	6,711,905	137,012,358	143,724,263	20,962,708	-	-	-	
Debt Service	3,257,342	-	3,257,342	-	-	-	-	
Watershed Management	8,194,353	-	8,194,353	-	-	-	-	
Public Safety	603,069	-	603,069	-	-	-	-	
Donor & Board Restrictions/Endowments	-	-	-	-	74,572	19,117,287	268,474	
Unrestricted (deficit)	<u>(124,987,936)</u>	<u>100,800,343</u>	<u>(24,187,593)</u>	<u>(1,124,516,648)</u>	<u>3,016,746</u>	<u>48,441,096</u>	<u>1,586,778</u>	
Total Net Position	<u>\$ 524,449,065</u>	<u>\$ 563,916,298</u>	<u>\$ 1,088,365,363</u>	<u>\$ (315,161,152)</u>	<u>\$ 3,964,662</u>	<u>\$ 166,769,290</u>	<u>\$ 6,660,487</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, 2024

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position						
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Units			
					Governmental Activities	Business-Type Activities	Total	Harford County Public Schools	Harford Center, Inc.	Harford Community College	Harford County Public Library
Primary Government:											
Governmental Activities											
Agricultural Preservation	\$ 3,688,641	\$ -	\$ 136,546	\$ -	\$ (3,552,095)	\$ -	\$ (3,552,095)	\$ -	\$ -	\$ -	
County Council	3,655,368	-	-	-	(3,655,368)	-	(3,655,368)	-	-	-	
General Government	53,053,465	2,770,229	10,359,096	1,830,771	(38,093,369)	-	(38,093,369)	-	-	-	
Education-Primary thru Comm. College	370,051,823	-	-	-	(370,051,823)	-	(370,051,823)	-	-	-	
Harford Center	702,215	-	-	-	(702,215)	-	(702,215)	-	-	-	
Judicial	15,127,504	-	1,645,120	-	(13,482,384)	-	(13,482,384)	-	-	-	
Libraries	22,813,467	-	-	-	(22,813,467)	-	(22,813,467)	-	-	-	
Parks, Recreation and Natural Resources	16,948,930	974,507	81,445	8,178,449	(7,714,529)	-	(7,714,529)	-	-	-	
Public Safety	188,261,253	12,432,694	6,735,246	779,498	(168,313,815)	-	(168,313,815)	-	-	-	
Public Works	103,828,233	20,966,309	9,771,425	1,937,657	(71,152,842)	-	(71,152,842)	-	-	-	
Social Services	36,398,500	11,827,023	19,718,775	-	(4,852,702)	-	(4,852,702)	-	-	-	
Unallocated Debt Interest / Other Costs	<u>13,011,615</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,011,615)</u>	<u>-</u>	<u>(13,011,615)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Governmental Activities	<u>827,541,014</u>	<u>48,970,762</u>	<u>48,447,653</u>	<u>12,726,375</u>	<u>(717,396,224)</u>	<u>-</u>	<u>(717,396,224)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Business-type Activities											
Water and Sewer	63,140,076	59,839,683	468,710	13,298,853	-	10,467,170	10,467,170	-	-	-	
Total Business-type Activities	<u>63,140,076</u>	<u>59,839,683</u>	<u>468,710</u>	<u>13,298,853</u>	<u>-</u>	<u>10,467,170</u>	<u>10,467,170</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total Primary Government	<u>\$ 890,681,090</u>	<u>\$ 108,810,445</u>	<u>\$ 48,916,363</u>	<u>\$ 26,025,228</u>	<u>(717,396,224)</u>	<u>10,467,170</u>	<u>(706,929,054)</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Component Units:											
Harford County Public Schools	\$ 721,386,918	\$ 9,149,441	\$ 214,803,254	\$ 73,877,210				(423,557,013)	-	-	
Harford Center, Inc.	3,901,729	2,774,400	490,943	106,950				-	(529,436)	-	
Harford Community College	74,608,091	20,338,475	29,584,927	7,056,406				-	-	(17,628,283)	
Harford County Public Library	20,801,154	383,293	3,968,830	-				-	-	(16,449,031)	
Total Component Units	<u>\$ 820,697,892</u>	<u>\$ 32,645,609</u>	<u>\$ 248,847,954</u>	<u>\$ 81,040,566</u>				<u>(423,557,013)</u>	<u>(529,436)</u>	<u>(17,628,283)</u>	<u>(16,449,031)</u>
General Revenues:											
Taxes:											
Property Taxes			340,171,530	-	340,171,530	-	-	-	-	-	
Income Taxes			326,155,858	-	326,155,858	-	-	-	-	-	
Impact Fees			2,805,000	-	2,805,000	-	-	-	-	-	
911 Program Taxes			5,179,765	-	5,179,765	-	-	-	-	-	
Recordation Taxes			15,736,477	-	15,736,477	-	-	-	-	-	
Transfer Taxes			17,573,766	-	17,573,766	-	-	-	-	-	
Hotel Taxes			2,701,620	-	2,701,620	-	-	-	-	-	
Other Taxes			602,195	-	602,195	-	-	-	-	-	
Investment Income			17,682,541	12,690,461	30,373,002	6,249,005	182,450	4,338,912	695,351		
Grants and Contributions not Restricted to Specific Purposes			98,261	-	98,261	500,213,849	637,545	19,992,283	20,885,407		
Miscellaneous			3,951,029	227,070	4,178,099	19,026,890	283,520	23,878	-		
Total General Revenues			<u>732,658,042</u>	<u>12,917,531</u>	<u>745,575,573</u>	<u>525,489,744</u>	<u>1,103,515</u>	<u>24,355,073</u>	<u>21,580,758</u>		
Change in Net Position			15,261,818	23,384,701	38,646,519	101,932,731	574,079	6,726,790	5,131,727		
Net Position - Beginning			<u>509,187,247</u>	<u>540,531,597</u>	<u>1,049,718,844</u>	<u>(417,093,883)</u>	<u>3,390,583</u>	<u>160,042,500</u>	<u>1,528,760</u>		
Net Position - Ending			<u>\$ 524,449,065</u>	<u>\$ 563,916,298</u>	<u>\$ 1,088,365,363</u>	<u>\$ (315,161,152)</u>	<u>\$ 3,964,662</u>	<u>\$ 166,769,290</u>	<u>\$ 6,660,487</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, 2024

Exhibit 3

	General	Highways	Grant	Agricultural Land Preservation	Capital Project	Non-major Governmental Funds	Total Governmental Funds
ASSETS							
Equity in Pooled Cash and Investments	\$ 114,141,007	\$ 20,144,160	\$ 16,781,310	\$ 16,615,137	\$ 62,798,742	\$ 9,671,748	\$ 240,152,104
Cash and Investments	167,073	-	-	23,233,205	-	450	23,400,728
Taxes and Accounts Receivable (Net)	11,909,668	546,646	22,684,829	-	81,577	90,481	35,313,201
Federal and State Receivable	174,824,261	1,427,164	7,475,688	-	8,253,121	-	191,980,234
Inventories	-	1,932,726	-	-	-	-	1,932,726
Lease Receivable	220,743	-	-	-	-	-	220,743
Loans Receivable	722,010	-	2,484,350	-	-	-	3,206,360
Deposit with Trustee	-	-	-	-	-	1,521,208	1,521,208
Benefit Assessment	-	-	-	-	312,528	-	312,528
Restricted Assets - Investments	10,893,858	1,031,088	-	-	-	981,136	12,906,082
TOTAL ASSETS	\$ 312,878,620	\$ 25,081,784	\$ 49,426,177	\$ 39,848,342	\$ 71,445,968	\$ 12,265,023	\$ 510,945,914
LIABILITIES							
Accounts Payable	\$ 7,013,914	\$ 842,706	\$ 1,097,225	\$ 5,179	\$ 4,798,563	\$ 251,574	\$ 14,009,161
Due to Component Units	-	-	-	-	10,937,952	-	10,937,952
Retainages Payable	-	-	97,841	-	366,714	-	464,555
Payable to State of Maryland	163,981	-	-	-	-	-	163,981
Accrued Expenditures	5,620,474	584,847	135,668	-	-	12,026	6,353,015
Unearned Revenue	66,188	-	6,170,877	-	5,211,170	-	11,448,235
Performance Deposits	965,873	271,390	-	-	-	-	1,237,263
Escrow Accounts	543,072	119,616	-	-	432,497	5,500	1,100,685
Other Liabilities	535,311	-	-	-	-	-	535,311
Total Liabilities	14,908,813	1,818,559	7,501,611	5,179	21,746,896	269,100	46,250,158
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	142,768,261	71,072	22,305,170	-	312,528	-	165,457,031
Total Deferred Inflows of Resources	142,768,261	71,072	22,305,170	-	312,528	-	165,457,031
FUND BALANCES							
Nonspendable	722,010	1,932,726	-	-	-	-	2,654,736
Restricted	11,496,927	21,259,427	19,619,396	39,843,163	6,711,905	11,995,923	110,926,741
Assigned	136,931,638	-	-	-	42,674,639	-	179,606,277
Unassigned	6,050,971	-	-	-	-	-	6,050,971
Total Fund Balances	155,201,546	23,192,153	19,619,396	39,843,163	49,386,544	11,995,923	299,238,725
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 312,878,620	\$ 25,081,784	\$ 49,426,177	\$ 39,848,342	\$ 71,445,968	\$ 12,265,023	

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. (1,664,986)

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 897,036,565

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. 165,457,031

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. 30,356,356

Deferred outflow of resources, including loss on refunding, pension and OPEB deferrals. 99,998,626
Deferred inflow of resources, including pension and OPEB deferrals. (52,861,466)

Long-term liabilities, including bonds payable, compensated absences, installment purchase agreements, landfill
closure, net pension liability, net OPEB liability, leases payable, SBITAs payable, and accrued bond interest are not
due and payable in the current period and therefore are not reported in the funds. (913,111,786)

Net Position of Governmental Activities \$ 524,449,065

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, 2024

Exhibit 4

	General	Highways	Grant	Agricultural Land Preservation	Capital Project	Non-major Governmental Funds	Governmental Funds
REVENUES							
Taxes	\$ 618,592,254	\$ 40,764,674	\$ -	\$ 8,786,883	\$ 21,900,876	\$ 4,880,357	\$ 694,925,044
Revenues from Other Agencies	3,535,889	4,001,441	40,418,158	136,546	12,268,875	-	60,360,909
Investment Income	8,526,430	1,165,557	24,699	1,132,559	4,594,428	573,050	16,016,723
Charges for Current Services	28,552,488	2,216,170	2,758,944	-	117,025	812,304	34,456,931
Miscellaneous	2,938,102	200,207	1,100,595	44,607	489	-	4,284,000
Licenses and Permits	4,624,940	-	-	-	-	-	4,624,940
Fines and Forfeitures	812,722	17,905	196,735	-	-	20,000	1,047,362
Total Revenues	<u>667,582,825</u>	<u>48,365,954</u>	<u>44,499,131</u>	<u>10,100,595</u>	<u>38,881,693</u>	<u>6,285,711</u>	<u>815,715,909</u>
EXPENDITURES							
Current:							
Agricultural Preservation	-	-	-	5,061,913	-	-	5,061,913
County Council	3,690,560	-	-	-	-	-	3,690,560
General Government	40,922,014	-	10,068,040	-	-	-	50,990,054
Education-Primary thru Comm. College	334,734,208	-	-	-	-	-	334,734,208
Harford Center	702,215	-	-	-	-	-	702,215
Judicial	12,963,024	-	1,553,693	-	-	-	14,516,717
Libraries	20,885,407	-	-	-	-	-	20,885,407
Parks, Recreation and Natural Resources	10,996,443	-	86,557	-	-	574,828	11,657,828
Public Safety	166,388,283	-	3,951,970	-	-	-	170,340,253
Public Works	33,238,020	35,080,772	8,733,675	-	-	1,955,001	79,007,468
Social Services	13,325,330	-	20,002,561	-	-	-	33,327,891
Capital Outlay	-	-	-	-	106,629,877	-	106,629,877
Debt Service:							
Principal	45,748,094	1,974,523	-	1,810,664	-	1,553,590	51,086,871
Interest	16,842,745	983,027	-	963,783	-	1,150,039	19,939,594
Administrative Costs	379,128	35,824	-	83,072	-	65,913	563,937
Total Expenditures	<u>700,815,471</u>	<u>38,074,146</u>	<u>44,396,496</u>	<u>7,919,432</u>	<u>106,629,877</u>	<u>5,299,371</u>	<u>903,134,793</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(33,232,646)</u>	<u>10,291,808</u>	<u>102,635</u>	<u>2,181,163</u>	<u>(67,748,184)</u>	<u>986,340</u>	<u>(87,418,884)</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	27,809,213	212,499	4,061,975	-	29,327,000	-	61,410,687
Transfers Out	(18,153,975)	(13,935,000)	-	-	(26,500,600)	(2,821,112)	(61,410,687)
Issuance of Bonds	-	-	-	-	38,000,000	-	38,000,000
Issuance of Refunding Bonds	27,133,416	-	-	-	-	-	27,133,416
Issuance of Lease Agreements	-	-	-	-	2,560,464	-	2,560,464
Issuance of SBITA Agreements	-	-	-	-	3,755,809	-	3,755,809
Premium on Issuance of Bonds	7,204,146	415,101	-	-	-	425,900	8,045,147
Payment to Escrow Agent for Refunding	(30,444,238)	-	-	-	-	-	(30,444,238)
Total Other Financing Sources (Uses)	<u>13,548,562</u>	<u>(13,307,400)</u>	<u>4,061,975</u>	<u>-</u>	<u>47,142,673</u>	<u>(2,395,212)</u>	<u>49,050,598</u>
Net Change in Fund Balances	<u>(19,684,084)</u>	<u>(3,015,592)</u>	<u>4,164,610</u>	<u>2,181,163</u>	<u>(20,605,511)</u>	<u>(1,408,872)</u>	<u>(38,368,286)</u>
Fund Balances - Beginning	<u>174,885,630</u>	<u>26,207,745</u>	<u>15,454,786</u>	<u>37,662,000</u>	<u>69,992,055</u>	<u>13,404,795</u>	<u>337,607,011</u>
Fund Balances - Ending	<u>\$ 155,201,546</u>	<u>\$ 23,192,153</u>	<u>\$ 19,619,396</u>	<u>\$ 39,843,163</u>	<u>\$ 49,386,544</u>	<u>\$ 11,995,923</u>	<u>\$ 299,238,725</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, 2024

Exhibit 5

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

Net change in fund balances--total governmental funds	\$	(38,368,286)
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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 capital outlay exceeds depreciation and amortization in the current period.

	19,355,419
--	------------

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

	25,421,105
--	------------

The issuance of long-term debt (e.g. bonds, lease agreements, SBITA 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.

	8,503,904
--	-----------

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.

	(1,848,278)
--	-------------

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.

	(28,733)
--	----------

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.

	<u>2,226,687</u>
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Change in net position of governmental activities	\$	<u>15,261,818</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, 2024

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	
REVENUES																
Taxes	\$ 617,475,500	\$ 617,475,500	\$ 617,060,330	\$ (415,170)	\$ 40,598,200	\$ 40,598,200	\$ 40,522,306	\$ (75,894)								
Revenues from Other Agencies	2,975,000	2,975,000	3,535,889	560,889	4,013,000	4,013,000	4,001,441	(11,559)								
Investment Income	6,900,000	6,900,000	8,526,430	1,626,430	852,253	852,253	1,165,557	313,304								
Charges for Current Services	24,389,250	24,389,250	28,552,488	4,163,238	1,556,100	1,556,100	2,216,170	660,070								
Miscellaneous	10,363,711	10,363,711	12,668,555	2,304,844	9,168,552	9,168,552	10,382,663	1,214,111								
Licenses and Permits	4,477,400	4,477,400	4,624,940	147,540	-	-	-	-								
Fines and Forfeitures	52,000	52,000	812,722	760,722	16,000	16,000	17,905	1,905								
Total Revenues	666,632,861	666,632,861	675,781,354	9,148,493	56,204,105	56,204,105	58,306,042	2,101,937								
EXPENDITURES																
Current:																
Agricultural Preservation	-	-	-	-	-	-	-	-								
County Council	4,378,697	4,431,797	3,810,926	620,871	-	-	-	-								
General Government	56,627,593	56,957,993	47,031,015	9,926,978	-	-	-	-								
Education-Primary thru Comm. College	334,734,208	334,734,208	334,734,208	-	-	-	-	-								
Harford Center	702,215	702,215	702,215	-	-	-	-	-								
Judicial	14,515,355	14,721,755	12,939,923	1,781,832	-	-	-	-								
Libraries	20,885,407	20,885,407	20,885,407	-	-	-	-	-								
Parks, Recreation and Natural Resources	13,013,974	13,129,774	11,070,584	2,059,190	-	-	-	-								
Public Safety	166,225,297	167,908,297	163,938,580	3,969,717	-	-	-	-								
Public Works	41,015,613	41,116,813	34,162,591	6,954,222	51,558,561	51,721,461	45,485,872	6,235,589								
Social Services	15,157,245	15,221,045	13,326,646	1,894,399	-	-	-	-								
	667,255,604	669,809,304	642,602,095	27,207,209	51,558,561	51,721,461	45,485,872	6,235,589								
Debt Service	65,208,790	65,208,790	62,969,967	2,238,823	2,876,439	2,996,439	2,993,374	3,065								
Total Expenditures	732,464,394	735,018,094	705,572,062	29,446,032	54,435,000	54,717,900	48,479,246	6,238,654								
Excess (Deficiency) of Revenues Over Expenditures	(65,831,533)	(68,385,233)	(29,790,708)	38,594,525	1,769,105	1,486,205	9,826,796	8,340,591								
OTHER FINANCING SOURCES (USES)																
Appropriated Fund Balance	74,072,089	76,625,789	16,242,146	(60,383,643)	11,956,345	12,239,245	3,480,604	(8,758,641)								
Transfers In	27,791,050	27,791,050	27,809,213	18,163	209,550	209,550	212,499	2,949								
Transfers Out	(36,031,606)	(36,031,606)	(18,153,975)	17,877,631	(13,935,000)	(13,935,000)	(13,935,000)	-								
Issuance of Refunding Bonds	-	30,444,238	27,133,416	(3,310,822)	-	-	-	-								
Premium on Issuance of Bonds	-	-	7,204,146	7,204,146	-	-	415,101	415,101								
Payment to Escrow Agent for Refunding	-	(30,444,238)	(30,444,238)	-	-	-	-	-								
Total Other Financing Sources (Uses)	65,831,533	68,385,233	29,790,708	(38,594,525)	(1,769,105)	(1,486,205)	(9,826,796)	(8,340,591)								
Net Change in Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -								
Less: Appropriated Fund Balance				(16,242,146)				(3,480,604)								
Fund Balance - Beginning				173,684,416				25,717,849								
Prior Year Encumbrances Cancelled				285,484				54,533								
Fund Balance - Ending				\$ 157,727,754				\$ 22,291,778								

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, 2024

(continued)

Exhibit 6

	Agricultural Land Preservation				Variance With Final Budget	
	Budgeted Amounts		Actual Amounts			
	Original	Final	Original	Final		
REVENUES						
Taxes	\$ 9,500,000	\$ 9,500,000	\$ 8,786,883	\$ (713,117)		
Revenues from Other Agencies	269,000	269,000	136,546	(132,454)		
Investment Income	1,001,000	1,001,000	1,132,559	131,559		
Charges for Current Services	-	-	-	-		
Miscellaneous	-	-	44,607	44,607		
Licenses and Permits	-	-	-	-		
Fines and Forfeitures	-	-	-	-		
Total Revenues	10,770,000	10,770,000	10,100,595	(669,405)		
EXPENDITURES						
Current:						
Agricultural Preservation	23,670,000	23,670,000	5,061,913	18,608,087		
County Council	-	-	-	-		
General Government	-	-	-	-		
Education-Primary thru Comm. College	-	-	-	-		
Harford Center	-	-	-	-		
Judicial	-	-	-	-		
Libraries	-	-	-	-		
Parks, Recreation and Natural Resources	-	-	-	-		
Public Safety	-	-	-	-		
Public Works	-	-	-	-		
Social Services	-	-	-	-		
	23,670,000	23,670,000	5,061,913	18,608,087		
Debt Service	3,100,000	3,100,000	2,857,519	242,481		
Total Expenditures	26,770,000	26,770,000	7,919,432	18,850,568		
Excess (Deficiency) of Revenues Over Expenditures	(16,000,000)	(16,000,000)	2,181,163	18,181,163		
OTHER FINANCING SOURCES (USES)						
Appropriated Fund Balance	16,000,000	16,000,000	-	(16,000,000)		
Transfers In	-	-	-	-		
Transfers Out	-	-	-	-		
Issuance of Refunding Bonds	-	-	-	-		
Premium on Issuance of Bonds	-	-	-	-		
Payment to Escrow Agent for Refunding	-	-	-	-		
Total Other Financing Sources (Uses)	16,000,000	16,000,000	-	(16,000,000)		
Net Change in Fund Balances	\$ -	\$ -	\$ 2,181,163	\$ 2,181,163		
Less: Appropriated Fund Balance						
Fund Balance - Beginning			37,662,000			
Prior Year Encumbrances Cancelled			-			
Fund Balance - Ending			\$ 39,843,163			

HARFORD COUNTY, MARYLAND
Statement of Net Position
Proprietary Funds
June 30, 2024

Exhibit 7

			Business-Type Activities		Governmental Activities	
			Enterprise Fund, Water and Sewer			
			Internal Service Fund			
ASSETS						
Current Assets:						
Equity in Pooled Cash and Investments		\$	228,106,066	\$	31,504,320	
Restricted Assets - Cash and Investments			547,245		-	
Accounts Receivable (Net)			13,443,351		2,043,406	
Inventories			3,668,157		-	
Benefit Assessment			1,935,723		-	
Total Current Assets			247,700,542		33,547,726	
Noncurrent Assets:						
Benefit Assessment			19,046,618		-	
Capital Assets, Net of Depreciation			9,215,053		-	
Land and Construction in Progress			400,805,327		-	
Property, Plant & Equipment			410,020,380		-	
Total Capital Assets			429,066,998		-	
Total Noncurrent Assets			676,767,540		33,547,726	
Total Assets						
DEFERRED OUTFLOWS OF RESOURCES						
Loss on Refunding			1,384,415		-	
Contributions Subsequent to Measurement Date			2,041,767		-	
Changes of Assumptions			925,528		-	
Changes in Proportion			1,035,202		-	
Difference Between Expected and Actual Experience			2,154,297		-	
Net Difference Between Projected and Actual Investment Earnings			1,083,864		-	
Total Deferred Outflow of Resources			8,625,073		-	
LIABILITIES						
Current Liabilities:						
Accounts Payable			393,953		24,736	
Accounts Payable from Restricted Assets			245,351		-	
Retainage Payable from Restricted Assets			239,334		-	
Payable to the State of Maryland			1,204,513		-	
Accrued Expenses			2,715,420		-	
Performance Deposits			46,459		-	
Escrow Accounts			5,958,000		-	
Other Liabilities			25,085		-	
Compensated Absences-Current			143,816		-	
Bonds Payable-Current			9,567,616		-	
SBITAs Payable			188,633		-	
Estimated Current Liability for Claims in Process			-		2,126,920	
Total Current Liabilities			20,728,180		2,151,656	
Noncurrent Liabilities:						
Compensated Absences			2,643,472		-	
Bonds Payable			74,320,109		-	
Net Pension and OPEB Liability			19,839,752		-	
SBITAs Payable			198,343		-	
Estimated Liability for Claims in Process			-		1,039,714	
Total Noncurrent Liabilities			97,001,676		1,039,714	
Total Liabilities			117,729,856		3,191,370	
DEFERRED INFLOWS OF RESOURCES						
Gain on Refunding			1,089,057		-	
Changes of Assumptions			396,683		-	
Changes in Proportion			592,894		-	
Difference Between Actual and Proportionate Share of Contributions			61		-	
Difference Between Expected and Actual Experience			3,332,750		-	
Total Deferred Inflow of Resources			5,411,445		-	
NET POSITION						
Net Investment in Capital Assets			326,103,597		-	
Restricted - Capital Projects			137,012,358		-	
Unrestricted			99,135,357		30,356,356	
Total Net Position			562,251,312		30,356,356	
The net result of the look-back approach for consolidating the Internal Service fund is an interfund receivable for the business-type activities in the Statement of Net Position						
Net Position of Business-Type Activities						
\$			1,664,986			
			563,916,298			

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, 2024

Exhibit 8

	Business-Type Activities	Governmental Activities
	Enterprise Fund, Water and Sewer	Internal Service Fund, Self Insurance
Operating Revenues:		
Charges for Services	\$ -	\$ 36,656,273
Income from Water Operations	26,243,107	-
Income from Sewer Operations	31,942,675	-
Miscellaneous	<u>1,653,901</u>	<u>185,434</u>
Total Operating Revenues	<u>59,839,683</u>	<u>36,841,707</u>
Operating Expenses:		
General and Administrative Expenses	7,280,164	-
Operations and Maintenance-Water	17,007,339	-
Operations and Maintenance-Sewer	21,817,246	-
Insurance Claims and Expenses	-	36,280,838
Depreciation	<u>14,982,531</u>	<u>-</u>
Total Operating Expenses	<u>61,087,280</u>	<u>36,280,838</u>
Operating Income (Loss)	(1,247,597)	560,869
Nonoperating Revenues (Expenses):		
Grant Revenue	468,710	-
Interest Expense	(1,846,457)	-
Interest Income	12,690,461	1,665,818
Other Expense	(235,072)	-
Other Income	<u>227,070</u>	<u>-</u>
Total Nonoperating Revenue (Expenses)	<u>11,304,712</u>	<u>1,665,818</u>
Income (Loss) Before Capital Contributions	10,057,115	2,226,687
Capital Contributions	<u>13,298,853</u>	<u>-</u>
Change in Net Position	23,355,968	2,226,687
Total Net Position - Beginning	538,895,344	28,129,669
Total Net Position - Ending	<u><u>562,251,312</u></u>	<u><u>30,356,356</u></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 \$ 23,355,968

Eliminating the effect of the internal service fund, using the "look-back" method
resulted in decreased expenses in the enterprise fund 28,733

Net Change in Net Position--Business-Type Activities \$ 23,384,701

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, 2024

Exhibit 9

	Business Type Activities		Governmental Activities
	Enterprise Fund, Water and Sewer	Internal Service Fund, Self Insurance	
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from Customers	\$ 58,521,732	\$ -	- 36,656,273
Receipts from Interfund Services Provided	-	36,656,273	185,434
Receipts from Others for Claims	-	-	-
Receipts from Customer Deposits and Rental Income	591,851	-	-
Proceeds from Federal and State Grants	468,710	-	-
Payment of Deposits to Customer	(883,188)	-	-
Payments to Employees for Services	(20,573,754)	-	-
Payments to Suppliers for Goods and Services	(25,780,607)	(1,125,998)	(33,310,539)
Payments for Claims	-	-	-
Net Cash Provided By (Used For) Operating Activities	<u>12,344,744</u>	<u>2,405,170</u>	
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(5,785,056)	-	-
Principal Payments on Long Term Debt	(16,914,158)	-	-
Bond/Lease Service Costs	(198,376)	-	-
Interest Paid on Bonds/Leases	(3,807,635)	-	-
Payments on SBITAs	(197,910)	-	-
Tap Fees in Excess of Connection Costs	9,742,255	-	-
Proceeds from Bond Sale	10,411,584	-	-
Premium and Accrued Interest, net of Underwriters Fees	1,275,557	-	-
Proceeds from Sale of Capital Assets	103,911	-	-
Net Cash Used For Capital and Related Financing Activities	<u>(5,369,828)</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment Income	12,690,402	1,665,818	1,665,818
Net Cash Provided by Investing Activities	<u>12,690,402</u>	<u>1,665,818</u>	
Net Increase (Decrease) in Cash and Cash Equivalents	19,665,318	4,070,988	4,070,988
Cash and Cash Equivalents, Beginning	208,987,993	27,433,332	27,433,332
Cash and Cash Equivalents, Ending (For Water & Sewer: Includes Equity in Pooled Cash of \$228,106,066 and Restricted Cash Equivalents of \$547,245)	<u>\$ 228,653,311</u>	<u>\$ 31,504,320</u>	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES			
Operating Income (Loss)	\$ (1,247,597)	\$ 560,869	\$ 560,869
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:			
Depreciation	14,982,531	-	-
Rental Income	121,121	-	-
Proceeds from Federal and State Grants	468,710	-	-
Accounts Receivable	(1,289,630)	768,323	768,323
Inventory	(191,409)	-	-
Contributions Subsequent to Measurement Date	(301,477)	-	-
Changes in Assumptions	441,744	-	-
Changes in Proportion	18,804	-	-
Difference Between Expected and Actual Experience	(983,751)	-	-
Net Difference Between Projected and Actual Investment Earnings	(221,986)	-	-
Accounts Payable	(96,281)	-	-
Accrued Expenses	1,213,175	(43,790)	1,119,768
Estimated Payables for Future Claims	-	-	-
Escrow Accounts	(440,779)	-	-
Other Liabilities	3,268	-	-
Compensated Absences	(1,073,178)	-	-
Net Pension Liability	1,950,800	-	-
Net OPEB Liability	889,467	-	-
Changes in Assumptions	301,722	-	-
Changes in Proportion	(192,311)	-	-
Difference Between Actual and Proportionate Share of Contributions	(118)	-	-
Difference Between Expected and Actual Experience	(1,588,420)	-	-
Net Difference Between Projected and Actual Investment Earnings	(419,661)	-	-
Net Cash Provided By (Used For) Operating Activities	<u>\$ 12,344,744</u>	<u>\$ 2,405,170</u>	
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:			
Developer Contributions of Capital Assets	4,086,358	-	-
Proceeds from SBITA	584,886	-	-
Total Non-Cash Capital and Related Financing Activities	<u>4,671,244</u>	<u>-</u>	<u>-</u>

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, 2024

Exhibit 10

	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Custodial Funds
ASSETS			
Equity in Pooled Cash and Investments	\$ 5,036,652	\$ 2,155,443	\$ 913,679
Cash Equivalents	1,382,639	500,642	8,726,786
Investments, at Fair Value			
Debt Securities	51,186,077	-	-
Fixed Income Funds	8,744,575	-	-
Equities and Equivalents	256,478,996	-	-
Total Investments	<u>316,409,648</u>	<u>-</u>	<u>-</u>
Total Assets	<u>322,828,939</u>	<u>2,656,085</u>	<u>9,640,465</u>
LIABILITIES			
Accounts Payable	28,142	41,185	-
Total Liabilities	<u>28,142</u>	<u>41,185</u>	<u>-</u>
NET POSITION			
Restricted for:			
Pension	133,929,381	-	-
OPEB	188,871,416	-	-
Individuals, organizations, and other governments	-	2,614,900	9,640,465
Total Net Position	<u>\$ 322,800,797</u>	<u>\$ 2,614,900</u>	<u>\$ 9,640,465</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, 2024

Exhibit 11

	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Custodial Funds
ADDITIONS			
Contributions			
Grant, Contributions or Seizures	\$ -	\$ -	\$ 6,465,602
Member Contributions	- -	74,434	-
Employee Contributions	948,502	-	-
Employer Contributions	11,859,420	-	-
Plan Sponsor Contributions	1,292,879	-	-
Total Contributions	<u>14,100,801</u>	<u>74,434</u>	<u>6,465,602</u>
Investment Earnings			
Net Gain in Fair Value of Investments	32,516,348	-	-
Interest and Dividends	6,259,451	147,734	1,297,722
Total Investment Earnings	<u>38,775,799</u>	<u>147,734</u>	<u>1,297,722</u>
Less Investment Expense	(601,253)	-	-
Net Investment Income	<u>38,174,546</u>	<u>147,734</u>	<u>1,297,722</u>
Total Additions	<u>52,275,347</u>	<u>222,168</u>	<u>7,763,324</u>
DEDUCTIONS			
Administrative Expenses	107,047	-	-
Payments to Participants or Beneficiaries	17,038,635	644,104	22,258,768
Total Deductions	<u>17,145,682</u>	<u>644,104</u>	<u>22,258,768</u>
Net Increase (Decrease) in Fiduciary Net Position	35,129,665	(421,936)	(14,495,444)
Net Position - Beginning	\$ 287,671,132	\$ 3,036,836	\$ 24,135,909
Net Position - Ending	<u>\$ 322,800,797</u>	<u>\$ 2,614,900</u>	<u>\$ 9,640,465</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, 2024

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, 2024

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, 2024

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 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, 2024

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.

Other Post-Employment Benefits (OPEB) - 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:

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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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, DEFERRED OUTFLOWS/INFLOWS OF RESOURCES, AND NET POSITION/FUND BALANCE

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, 2024

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.

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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

during the period of July 1 through December 31 is levied on the assessed value as of that date. Assessed values are established by the Maryland Department of Assessments and Taxation at assessed market value. A reassessment of all property is required to be completed every three years. All unpaid taxes on real property shall be, until paid, liens on the real property. The lien is imposed on the date the taxes are levied.

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

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

The County's real property tax rate for the year ended June 30, 2024, was \$0.9779 per \$100 of assessed value for properties within the County, but not within an incorporated town, and \$0.8413 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. LEASES/SBITAs

Lessee/SBITA subscriber: The County is a lessee for noncancelable leases of equipment and real estate and a subscriber of subscription-based information technology arrangements (SBITAs) for noncancelable software arrangements. The County recognizes a lease/SBITA liability and an intangible right-to-use lease/SBITA asset in the government-wide financial statements. The County recognizes lease/SBITA liabilities with an initial, individual value of \$50,000 or more.

At the commencement of a lease/SBITA, the County initially measures the lease/SBITA liability at the present value of payments expected to be made during the term. Subsequently, the lease/SBITA liability is reduced by the principal portion of payments made. The lease/SBITA asset is initially measured as the initial amount of the lease/SBITA liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease/SBITA asset is amortized on a straight-line basis over its useful life.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Key estimates and judgments related to leases include how the County determines (1) the discount rate it uses to discount the expected payments to present value, (2) lease/SBITA term, and (3) lease/SBITA payments. The interest rate charged in the contract is used as the discount rate. When the interest rate charged is not provided, the estimated incremental borrowing rate is used as the discount rate. The term includes the noncancelable period of the lease/SBITA. Payments included in the measurement of the lease/SBITA liability are composed of fixed payments and purchase options that the County is reasonably certain to exercise.

The County monitors changes in circumstances that would require a remeasurement of its leases/SBITAs and will remeasure the lease/SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/SBITA liability. Lease/SBITA assets are reported with other capital assets and lease/SBITA liabilities are reported with long-term debt on the statement of net position.

Lessor: The County is a lessor for noncancelable leases of real estate. The County recognizes a lease receivable and a deferred inflow of resources in the government-wide and fund financial statements.

At the commencement of a lease, the County initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the County determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts. The County uses its estimated incremental borrowing rate as the discount rate for leases unless it is explicitly stated in the lease agreement. The lease term includes the noncancelable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The County monitors changes in circumstances that would require a remeasurement of its leases and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

e. 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.

f. 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 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.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Capital Assets, being depreciated or amortized:

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

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 and SBITA assets are amortized over the shorter of the lease or SBITA term or the estimated useful life of the underlying asset.

g. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and therefore, will not be recognized as an outflow of resources (expense/expenditure) until that time. One such item is the deferred loss on refunding resulting from the difference in the net carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The County also recognizes deferred outflows of resources for changes in pension and OPEB liability arising from contributions subsequent to the measurement date, changes in assumptions, changes in proportion, differences between actual and proportionate share of contributions, differences between expected and actual experience, and net differences between projected and actual investment earnings. These amounts are amortized over a five-year period with the exception of contributions subsequent to the measurement date which is recognized in the following year.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and therefore, will not be recognized as an inflow of resources (revenue) until that time. One such item is the deferred gain on refunding resulting from the difference in the net carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The County also recognizes deferred inflows of resources for changes in pension and OPEB liability arising from changes in assumptions, changes in proportion, differences between actual and proportionate share of contributions, differences between expected and actual experience, and net differences between projected and actual investment earnings. These amounts are amortized over a five-year period. The County also recognizes an item that qualifies as a deferred inflow of resources, which arises only under a modified accrual basis of accounting. Accordingly, this item, unavailable revenue, is reported only on the governmental funds Balance Sheet for unavailable revenues from income and property taxes, lease receivables, and settlement payments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

h. 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.

i. 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.

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.

j. NET POSITION/FUND BALANCE

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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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 and includes a legally enforceable requirement 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. The general fund is the only fund that reports a positive unassigned fund balance amount, however, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned for those purposes, all governmental funds may report a negative unassigned fund balance.

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.

k. 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, 2024. 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.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

I. 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 provision of Governmental Accounting Standard Board (GASB) issued Statement No. 100 entitled *Accounting Changes and Error Corrections*. The adoption of this standard did not have a material effect on these statements.

As of year ended June 30, 2024, GASB issued Statement No. 101 entitled *Compensated Absences*, Statement No. 102 entitled *Certain Risk Disclosures*, and Statement No. 103 entitled *Financial Reporting Model Improvements*. These pronouncements are required to be implemented in future years. 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, 2024

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 accrued bond interest, installment purchase agreements, bonds payable, leases payable, SBITAs payable, landfill closure liability, compensated absences, net pension liability, and net OPEB liability, 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	\$ 7,220,330
Installment Purchase Agreements	32,638,298
Bonds Payable - General Obligation	488,409,237
Bonds Payable - Special Obligation	10,235,000
Bonds Payable - Premium on Issuance of Bonds	58,412,263
Leases Payable	7,859,195
SBITAs Payable	2,845,268
Landfill Closure Liability	26,501,822
Compensated Absences	36,119,373
Net Pension Liability	184,022,073
Net OPEB Liability	58,848,927
Total	\$ 913,111,786

Another element of that reconciliation explains that “deferred outflows of resources, including loss on refunding, contributions subsequent to measurement date, changes of assumptions, changes in proportion, difference between expected and actual experience and net difference in projected and actual investment earnings, 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	\$ 7,584,395
Contribution Subsequent to Measurement Date	26,508,635
Changes of Assumptions	11,208,104
Changes in Proportion	17,904,360
Difference Between Expected and Actual Experience	19,355,436
Net Difference Between Projected and Actual	
Investment Earnings	17,437,696
Total	\$ 99,998,626

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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

Another element of that reconciliation explains that “deferred inflows of resources, including changes of assumptions, changes in proportion, differences between actual and proportionate share of contributions, difference between expected and actual experience, 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	\$ 7,249,195
Changes in Proportion	4,443,163
Difference Between Actual and Proportionate Share of Contributions	752
Difference Between Expected and Actual Experience	38,360,349
Net Difference Between Projected and Actual Investment Earnings	2,808,007
Total	\$ 52,861,466

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	\$ 55,187,491
Depreciation and Amortization	(35,832,072)
Total	\$ 19,355,419

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	\$ 583,700
Trade in Value of Assets	35,000
Disposal of Assets	(117,504)
Property Tax Unavailable Revenue	40,913
Income Tax Unavailable Revenue	15,960,254
Lease Receivable Unavailable Revenue	77,213
Special Assessments Unavailable Revenue	(81,577)
Opioid Settlement Unavailable Revenue	8,923,106
Total	\$ 25,421,105

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

**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	\$ (154,396)
Amortization of Bond Premium	8,163,472
Amortization of Deferred Loss	(1,541,445)
Issuance of Bonds	(38,000,000)
Issuance of Refunding Bonds	(27,133,416)
Issuance of Lease Agreements	(2,560,464)
Issuance of SBITA Agreements	(3,755,809)
Premium on Issuance of Bonds	(8,045,147)
Principal Payments on Issuance of Installment Purchase Agreements	1,810,664
Principal Payments on General Obligation Bonds	43,303,234
Principal Payments on Special Obligation Bonds	415,000
Principal Payments on Lease Agreements	3,189,056
Principal Payments on SBITA Agreements	2,368,917
Principal Payments on Refunding Bonds	30,080,258
Loss on Refunding Bonds	363,980
Total	\$ 8,503,904

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	\$ (5,715,133)
Difference between OPEB Expense and Contributions	4,802,094
Compensated Absences Expense	(87,437)
Landfill Closure/Solid Waste Expense	(847,802)
Total	\$ (1,848,278)

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024, supplemental appropriations adopted in the General Fund were \$32,997,938, \$282,900 in the Highways Fund, \$291,900 in the Enterprise Fund, \$3,400 in the Park & Recreation Fund, and \$11,600 in the Watershed Management 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 GAAP financial statement purposes only.
- Interfund reimbursements are eliminated for GAAP financial statement purposes.
- The use of prior years' fund balance is reported as another financing source (appropriated fund balance).

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, 2024

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, 2024, the changes in fund balances are reconciled as follows:

	General Fund	Highways Fund
Basis of Budgeting - Net Change in Fund Balances	\$ -	\$ -
Basis Adjustments:		
Revenue for Budgetary, not GAAP Purposes	(8,198,529)	(9,940,088)
Encumbrances Adjustment	(463,985)	763,894
Expenditures for Budgetary, not GAAP Purposes	8,198,529	9,940,088
Expenditures for GAAP, not for Budgetary Purposes	(2,977,953)	(298,882)
Fund Balance Appropriated for Budget not GAAP	(16,242,146)	(3,480,604)
GAAP Basis - Net Changes in Fund Balances	<u><u>\$ (19,684,084)</u></u>	<u><u>\$ (3,015,592)</u></u>

As of June 30, 2024, the ending fund balances are reconciled as follows:

	General Fund	Highways Fund
Basis of Budgeting - Fund Balances	\$ 157,727,754	\$ 22,291,778
Encumbrances	3,094,266	1,485,222
Expenditures for GAAP, not for Budgetary Purposes	<u><u>(5,620,474)</u></u>	<u><u>(584,847)</u></u>
GAAP Basis - Fund Balances	<u><u>\$ 155,201,546</u></u>	<u><u>\$ 23,192,153</u></u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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 (\$4,135,844) and the collected bank balance was \$2,738,285. 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, 2024, 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	\$ 499,762,490
Cash and Investments	23,400,728
Restricted Assets - Cash and Investments	13,453,327
Pension and Other Post Employment Benefit Trust Funds - Exhibit 10	
Equity in Pooled Cash and Investments	5,036,652
Cash Equivalents	1,382,639
Investments	316,409,648
Private Purpose Trust Funds - Exhibit 10	
Equity in Pooled Cash and Investments	2,155,443
Cash Equivalents	500,642
Custodial Funds - Exhibit 10	
Equity in Pooled Cash and Investments	913,679
Cash Equivalents	8,726,786
Total All Equity in Pooled Cash	<hr/> 871,742,034
Less: Investments - Primary Government	<hr/> (875,877,878)
The Carrying Amount of Combined Deposits	<hr/> \$ <u>(4,135,844)</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

COMPONENT UNITS

At year-end, the carrying amount of combined deposits was \$37,882,336. 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	\$ 92,859,044
Harford Center, Inc.	3,044,362
Harford Community College	37,865,297
Harford Community College restricted	29,053,559
Harford County Public Library	<u>16,001,416</u>
Total Component Unit Cash & Investments	<u>178,823,678</u>
Less: Investments--Component Units	<u>(140,941,342)</u>
Cash in the Bank	<u><u>\$ 37,882,336</u></u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

b. INVESTMENTS

PRIMARY GOVERNMENT

As of June 30, 2024, the County had the following investments and maturities.

Investment Type	Investment Maturities (Years)			
	Amount	Less than 1	1 - 5	5+
Pooled Investments				
MLGIP	\$ 256,325,753	\$ 256,325,753	\$ -	\$ -
Repurchase Agreements	253,837,372	253,837,372	-	-
Mutual Funds	2,008,506	2,008,506	-	-
Subtotal	<u>512,171,631</u>	<u>512,171,631</u>	<u>-</u>	<u>-</u>
Non-Pooled Investments				
MLGIP	13,453,327	13,453,327	-	-
U.S. Strip Treasuries	23,233,205	270,488	10,290,860	12,671,857
Trust Fund Annuity Contract	500,642	70,553	430,089	-
MLGIP - Fiduciary Funds	8,726,786	8,726,786	-	-
Other Post Employment Benefits and Pension Funds:				
Short-Term Investments	1,382,639	1,382,639	-	-
Equities	209,335,574	209,335,574	-	-
Multi-Adviser Hedge Fund	47,143,422	47,143,422	-	-
Fixed Income Funds	8,744,575	8,744,575	-	-
US Treasury Obligations	19,451,277	24,046	11,173,381	8,253,850
US Government Agencies	13,405,321	-	134,316	13,271,005
Corporate Bonds	18,329,479	2,233,428	8,017,510	8,078,541
Subtotal	<u>363,706,247</u>	<u>291,384,838</u>	<u>30,046,156</u>	<u>42,275,253</u>
Total	<u>\$ 875,877,878</u>	<u>\$ 803,556,469</u>	<u>\$ 30,046,156</u>	<u>\$ 42,275,253</u>

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, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Harford County, Maryland had the following recurring fair value measurements as of June 30, 2024:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Balance as of June 30, 2024
Investments by fair value level:			
Pooled Investments			
Mutual Funds	\$ -	\$ 2,008,506	\$ 2,008,506
Non-Pooled Investments			
U.S. Strip Treasuries	- -	23,233,205	23,233,205
Other Post Employment Benefits and Pension Funds			
Short-Term Investments	- -	1,382,639	1,382,639
Equities	209,335,574	- -	209,335,574
Fixed Income Funds	8,744,575	- -	8,744,575
US Treasury Obligations	- -	19,451,277	19,451,277
US Government Agencies	- -	13,405,321	13,405,321
Corporate Bonds	- -	18,329,479	18,329,479
Total investments at Fair Value	<u>\$ 218,080,149</u>	<u>\$ 77,810,427</u>	<u>\$ 295,890,576</u>
Investments carried at amortized cost:			
Pooled Investments			
MLGIP			256,325,753
Repurchase Agreements			253,837,372
Non-Pooled Investments			
MLGIP			13,453,327
Trust Fund Annuity Contract			500,642
MLGIP - Fiduciary Funds			8,726,786
Total investments at amortized cost:			<u>532,843,880</u>
Investments Measured at Net Asset Value:			
Multi-Strategy Adviser Hedge Fund Portfolios LLC			7,973,296
Real Estate Income Trust, Inc.			11,985,177
Partners Group Private Equity (Master Fund), LLC			16,241,162
FS Credit Real Estate Income Trust, Inc.			10,943,787
Total Investments			<u>\$ 875,877,878</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. Equity securities and mutual funds listed on a national market or exchange are valued at the last

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

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 (Digital Assets, event driven, relative value, directional equity and directional macro). 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. The County may redeem investments on a semi-annual liquidity offer cycle (3/31 and 9/30), up to 20% of total Fund outstanding shares.

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. The current investment portfolio includes approximately 25% industrial, 23% multi-family, 11% student housing, 10% single family rental housing, 8% affordable housing, 10% data centers, 5% net lease, 3% office, 2% hospitality, 2% retail and 1% self-storage. The calculation of the NAV is intended to be a calculation of the fair value of the assets less any outstanding liabilities. The County may redeem investments monthly by repurchase offers of at least 2% of the Total Funds NAV per month not to exceed 54% of Total NAV/quarter.

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. The County may redeem investments up to 5% of total NAV per quarter via a tender offer approved by the Board.

FS Credit Real Estate Income Trust, Inc: A Maryland corporation formed to originate, acquire and manage a portfolio of primarily senior loans secured by commercial real estate primarily in the United States. The fund is focused on senior floating-rate mortgage loans, including those that are secured by first priority mortgages on transitional commercial real estate properties, but we may also invest in other real estate-related assets, including: (i) other commercial real estate mortgage loans, including fixed-rate loans, subordinated loans, B-Notes, mezzanine loans and participations in commercial mortgage loans; and (ii) commercial real estate securities, including CMBS, unsecured debt of listed and non-listed REITs, CDOs and equity or equity-linked securities. To

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

a lesser extent the fund may invest in warehouse loans secured by commercial or residential mortgages, credit loans to commercial real estate companies, RMBS and portfolios of single-family home mortgages.

As of June 30, 2024, the fund comprised primarily of senior, floating-rate loans secured by real property. The properties securing the loans receivable, held-for-investment portfolio were diversified as follows: 53.5% in multifamily, 13.5% in hospitality, 10.4% in industrial, 8.7% in office, 7.1% in retail, 3.6% in various other property types, 2.1% in mixed use and 1.1% in self-storage. The board of directors, including a majority of the independent directors, has adopted valuation guidelines that contain a comprehensive set of methodologies to be used by FS Real Estate Advisor in connection with estimating the values of our assets and liabilities for purposes of the NAV calculation. The County may redeem investments quarterly through the share repurchase program with at least 5% quarterly fund-level liquidity.

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, 2024, 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, 2024, 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, 2024, the County's investments were not exposed to custodial credit risk.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

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.

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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

COMPONENT UNITS

As of June 30, 2024, total investments of the component units, in the amount of \$140,941,342 was distributed by type as follows:

	MLGIP	Other Investments	Total
Harford County Public Schools	\$ 66,445,441	\$ -	\$ 66,445,441
Harford Center, Inc.	-	1,786,622	1,786,622
Harford Community College	24,362,618	34,190,847	58,553,465
Harford County Public Library	14,155,814	-	14,155,814
Total	\$ 104,963,873	\$ 35,977,469	\$ 140,941,342

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 AAAm by Standard and Poor's.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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	Grant	Capital Project
Property Taxes	\$ 1,161,538	\$ 105,528	\$ -	\$ -
Impact Fees	30,000	-	-	-
Hotel Taxes	376,936	-	-	-
Municipality	-	-	-	-
Interest Accrual	47,974	4,541	-	-
Service Billings	10,273,935	443,629	555	81,577
Employee Deductions	66,250	-	-	-
Insurance Provider	-	-	-	-
Opioid Settlement	-	-	22,684,274	-
Gross Receivables	11,956,633	553,698	22,684,829	81,577
Less: Allowance for Uncollectible	(46,965)	(7,052)	-	-
Total	\$ 11,909,668	\$ 546,646	\$ 22,684,829	\$ 81,577

	Non-major Governmental	Water and Sewer	Internal Service Fund	Total
Property Taxes	\$ -	\$ -	\$ -	\$ 1,267,066
Impact Fees	-	-	-	30,000
Hotel Taxes	-	-	-	376,936
Municipality	76,613	-	-	76,613
Interest Accrual	4,321	1,157,158	-	1,213,994
Service Billings	9,547	12,325,057	-	23,133,745
Employee Deductions	-	-	-	66,250
Insurance Provider	-	-	2,043,406	2,043,406
Opioid Settlement	-	-	-	22,684,274
Gross Receivables	90,481	13,482,215	2,043,406	50,892,839
Less: Allowance for Uncollectible	-	(38,864)	-	(92,881)
Total	\$ 90,481	\$ 13,443,351	\$ 2,043,406	\$ 50,799,958

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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	\$ 715,000	\$ -	\$ 715,000
Stuart Terrace	7,010	-	7,010
Housing Agency	-	1,825,694	1,825,694
CDBG	-	960,854	960,854
Economic Development Opportunity	-	52,524	52,524
	<u>722,010</u>	<u>2,839,072</u>	<u>3,561,082</u>
Less: Allowance for Uncollectible	-	(354,722)	(354,722)
Total	<u>\$ 722,010</u>	<u>\$ 2,484,350</u>	<u>\$ 3,206,360</u>

c. UNAVAILABLE REVENUE

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

	General	Highways	Grants	Capital Project	Total
Income Taxes	\$ 141,913,857	\$ -	\$ -	\$ -	\$ 141,913,857
Property Taxes Receivable	633,661	71,072	-	-	704,733
Lease Receivable	220,743	-	-	-	220,743
Special Assessments Receivable	-	-	-	312,528	312,528
Opioid Receivable	-	-	22,305,170	-	22,305,170
Total	<u>\$ 142,768,261</u>	<u>\$ 71,072</u>	<u>\$ 22,305,170</u>	<u>\$ 312,528</u>	<u>\$ 165,457,031</u>

d. UNEARNED REVENUE

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

	General	Grant	Capital Project	Total
Prepaid Property Taxes	\$ 51,073	\$ -	\$ -	\$ 51,073
Walk-in Assessment Escrow	15,115	-	-	15,115
Grant Drawdown in Excess of Expenditures	-	6,170,877	-	6,170,877
Prepaid Contribution	-	-	5,211,170	5,211,170
Total	<u>\$ 66,188</u>	<u>\$ 6,170,877</u>	<u>\$ 5,211,170</u>	<u>\$ 11,448,235</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

C. CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital Asset Activity for the year ended June 30, 2024, was as follows:

Governmental Activities:	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, not being depreciated or amortized:				
Land/Land Easements	\$ 304,092,953	\$ 18,469,236	\$ -	\$ 322,562,189
Development Rights	183,862,601	3,093,056	-	186,955,657
Construction in Progress	<u>26,254,302</u>	<u>12,204,810</u>	<u>(10,542,577)</u>	<u>27,916,535</u>
Total Capital Assets, not being depreciated or amortized	<u>514,209,856</u>	<u>33,767,102</u>	<u>(10,542,577)</u>	<u>537,434,381</u>
Capital Assets, being depreciated or amortized:				
Buildings	247,166,703	1,236,740	-	248,403,443
Improvements other than buildings	115,998,826	9,485,750	-	125,484,576
Machinery and Equipment	46,491,221	7,385,544	(567,391)	53,309,374
Vehicles	65,445,880	7,898,021	(1,902,276)	71,441,625
Intangibles	4,716,019	-	-	4,716,019
Infrastructure	310,653,831	-	-	310,653,831
Right to Use Leased Building	14,333,864	2,560,464	(2,067,238) ²	14,827,090
Right to Use Leased Equipment	397,218	7,634 ¹	(5,157) ²	399,695
Right to Use SBITA Assets	<u>3,359,489</u>	<u>4,015,147</u>	<u>(332,121)</u> ³	<u>7,042,515</u>
Total Capital Assets, being depreciated or amortized	<u>808,563,051</u>	<u>32,589,300</u>	<u>(4,874,183)</u>	<u>836,278,168</u>
Less Accumulated Depreciation or Amortization for:				
Buildings	(94,868,482)	(5,632,283)	-	(100,500,765)
Improvements other than buildings	(83,285,327)	(3,642,518)	-	(86,927,845)
Machinery and Equipment	(28,198,055)	(2,729,992)	567,391	(30,360,656)
Vehicles	(40,412,295)	(5,980,380)	1,788,801	(44,603,874)
Intangibles	(3,157,308)	(488,342)	-	(3,645,650)
Infrastructure	(188,283,777)	(12,026,580)	-	(200,310,357)
Right to Use Leased Building	(5,974,480)	(3,217,649)	1,952,890	(7,239,239)
Right to Use Leased Equipment	(69,562)	(94,883)	-	(164,445)
Right to Use SBITA Assets	<u>(979,819)</u>	<u>(2,019,445)</u>	<u>76,111</u> ³	<u>(2,923,153)</u>
Total Accumulated Depreciation or Amortization	<u>(445,229,105)</u>	<u>(35,832,072)</u>	<u>4,385,193</u>	<u>(476,675,984)</u>
Total Capital Assets, being depreciated or amortized, net	<u>363,333,946</u>	<u>(3,242,772)</u>	<u>(488,990)</u>	<u>359,602,184</u>
Governmental Activities Capital Assets, net	<u>\$ 877,543,802</u>	<u>\$ 30,524,330</u>	<u>\$ (11,031,567)</u>	<u>\$ 897,036,565</u>

¹There was a lease modification of \$7,634.

²There were two partial lease terminations totaling \$119,504.

³There was a SBITA termination of \$256,010 resulting in a loss of \$4,029.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities:				
Capital Assets, not being depreciated or amortized:				
Land/Land Easements	\$ 1,647,027	\$ 336,120	\$ -	\$ 1,983,147
Construction in Progress	<u>7,861,633</u>	<u>3,422,139</u>	<u>(4,051,866)</u>	<u>7,231,906</u>
Total Capital Assets, not being depreciated	<u>9,508,660</u>	<u>3,758,259</u>	<u>(4,051,866)</u>	<u>9,215,053</u>
Capital Assets, being depreciated or amortized:				
Buildings	275,326,047	-	-	275,326,047
Improvements other than buildings	353,494,399	6,085,033	-	359,579,432
Machinery and Equipment	33,998,579	487,964	(117,548)	34,368,995
Vehicles	8,221,971	1,576,543	(478,982)	9,319,532
Intangibles	1,054,790	1,138,343	-	2,193,133
Infrastructure	32,764,570	639,971	-	33,404,541
Right to Use SBITA Assets	-	584,886	-	584,886
Total Capital Assets, being depreciated or amortized	<u>704,860,356</u>	<u>10,512,740</u>	<u>(596,530)</u>	<u>714,776,566</u>
Less Accumulated Depreciation or Amortization for:				
Buildings	(143,236,692)	(5,464,494)	-	(148,701,186)
Improvements other than buildings	(131,376,685)	(6,294,427)	-	(137,671,112)
Machinery and Equipment	(14,821,741)	(1,461,435)	117,548	(16,165,628)
Vehicles	(5,205,623)	(779,820)	444,324	(5,541,119)
Intangibles	(802,237)	(211,102)	-	(1,013,339)
Infrastructure	(4,107,602)	(614,503)	-	(4,722,105)
Right to Use SBITA Assets	-	(156,750)	-	(156,750)
Total Accumulated Depreciation or	<u>(299,550,580)</u>	<u>(14,982,531)</u>	<u>561,872</u>	<u>(313,971,239)</u>
Total Capital Assets, being depreciated or amortized, net	<u>405,309,776</u>	<u>(4,469,791)</u>	<u>(34,658)</u>	<u>400,805,327</u>
Business-type Activities Capital Assets, net	<u>\$ 414,818,436</u>	<u>\$ (711,532)</u>	<u>\$ (4,086,524)</u>	<u>\$ 410,020,380</u>

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

Governmental Activities:

General Government	\$ 7,648,310
Judicial	244,033
Libraries	1,043,038
Parks and Recreation	3,858,129
Public Safety	5,776,174
Public Works	15,484,456
Social Services & Health	<u>1,777,932</u>
Total Depreciation or Amortization Expense - Governmental Activities	<u>\$ 35,832,072</u>

Business-type Activities

Water and Sewer	<u>\$ 14,982,531</u>
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HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

COMPONENT UNITS

Harford County Public Schools: Capital Asset Activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Retirements/ Reclassifications	Ending Balance
Capital Assets, not being depreciated or amortized				
Land	\$ 9,672,942	\$ -	\$ -	\$ 9,672,942
Construction in Progress	52,859,510	74,418,646	(48,973,414)	78,304,742
Total Capital Assets, not being depreciated or amortized	<u>62,532,452</u>	<u>74,418,646</u>	<u>(48,973,414)</u>	<u>87,977,684</u>
Capital Assets, being depreciated or amortized				
Land Improvements	21,448,845	904,232	1,427,890	23,780,967
Buildings	939,586,974	292,473	47,382,797	987,262,244
Furniture and Equipment	59,244,051	8,980,695	(3,200,587)	65,024,159
Right to Use Leased Assets	20,089,745	8,912,145	-	29,001,890
Right to Use SBITA Assets	474,642	7,393,246	-	7,867,888
Total Capital Assets, being depreciated or amortized	<u>1,040,844,257</u>	<u>26,482,791</u>	<u>45,610,100</u>	<u>1,112,937,148</u>
Accumulated Depreciation or Amortization				
Land Improvements	(13,105,510)	(875,508)	-	(13,981,018)
Buildings	(299,128,961)	(21,281,178)	-	(320,410,139)
Furniture and Equipment	(44,269,736)	(3,541,675)	3,199,675	(44,611,736)
Right to Use Leased Assets	(9,423,868)	(7,212,300)	-	(16,636,168)
Right to Use SBITA Assets	(231,598)	(1,707,071)	-	(1,938,669)
Total Accumulated Depreciation or Amortization	<u>(366,159,673)</u>	<u>(34,617,732)</u>	<u>3,199,675</u>	<u>(397,577,730)</u>
Total Capital Assets, being depreciated or amortized	<u>674,684,584</u>	<u>(8,134,941)</u>	<u>48,809,775</u>	<u>715,359,418</u>
Total Capital Assets, net	<u>\$ 737,217,036</u>	<u>\$ 66,283,705</u>	<u>\$ (163,639)</u>	<u>\$ 803,337,102</u>

The Harford Center, Inc.: Capital Asset Activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, being depreciated				
Equipment - Other	\$ 201,934	\$ 5,640	\$ (21,705)	\$ 185,869
Equipment - Transportation	1,010,963	212,344	(138,358)	1,084,949
Leasehold Improvements	980,866	12,976	-	993,842
Total Capital Assets, being depreciated	<u>2,193,763</u>	<u>230,960</u>	<u>(160,063)</u>	<u>2,264,660</u>
Accumulated Depreciation				
Capital Assets	(1,373,711)	(177,668)	160,063	(1,391,316)
Total Capital Assets, net	<u>\$ 820,052</u>	<u>\$ 53,292</u>	<u>\$ -</u>	<u>\$ 873,344</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Harford Community College: Capital Asset Activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Transfers/ Retirements	Ending Balance
Capital Assets, not being depreciated or amortized				
Land	\$ 3,741,759	\$ -	\$ -	\$ 3,741,759
Construction in Progress	3,091,459	12,469,454	(1,106,805)	14,454,108
Total Capital Assets, not being depreciated or amortized	<u>6,833,218</u>	<u>12,469,454</u>	<u>(1,106,805)</u>	<u>18,195,867</u>
Capital Assets, being depreciated				
Land Improvements	18,116,228	288,688	-	18,404,916
Buildings	126,053,190	1,520,828	(251,105)	127,322,913
Furniture and Equipment	8,467,262	437,780	(3,870)	8,901,172
Computer Technology	5,088,437	326,055	(21,768)	5,392,724
Vehicles	1,086,646	205,599	(80,965)	1,211,280
Right to Use Assets - Leased Equipment	243,797	-	-	243,797
Right to Use Assets - Leased Space	-	750,105	-	750,105
Right to Use Assets - SBITA	2,949,832	645,745	(95,215)	3,500,362
Library Materials	1,457,123	63,421	(93,718)	1,426,826
Total Capital Assets, being depreciated or amortized	<u>163,462,515</u>	<u>4,238,221</u>	<u>(546,641)</u>	<u>167,154,095</u>
Accumulated Depreciation or Amortization				
Land Improvements	(8,772,880)	(606,189)	-	(9,379,069)
Buildings	(53,447,103)	(3,696,511)	251,105	(56,892,509)
Furniture and Equipment	(6,024,499)	(412,039)	3,870	(6,432,668)
Computer Technology	(4,325,272)	(195,893)	21,768	(4,499,397)
Vehicles	(807,063)	(93,391)	78,723	(821,731)
Right to Use Assets - Leased Equipment	(44,696)	(48,760)	-	(93,456)
Right to Use Assets - SBITA	(725,401)	(885,759)	49,677	(1,561,483)
Library Materials	(1,050,923)	(90,100)	93,718	(1,047,305)
Total Accumulated Depreciation or Amortization	<u>(75,197,837)</u>	<u>(6,028,642)</u>	<u>498,861</u>	<u>(80,727,618)</u>
Total Capital Assets, being depreciated or amortized	<u>88,264,678</u>	<u>(1,790,421)</u>	<u>(47,780)</u>	<u>86,426,477</u>
Total Capital Assets, net	<u>\$ 95,097,896</u>	<u>\$ 10,679,033</u>	<u>\$ (1,154,585)</u>	<u>\$ 104,622,344</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Harford County Public Library: Capital Asset Activity for the year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital Assets, being depreciated or amortized				
Circulating Materials	\$ 4,511,921	\$ 1,547,329	\$ (1,439,953)	\$ 4,619,297
Improvements to Buildings	3,414,270	158,867	-	3,573,137
Furniture and Equipment	4,088,487	98,178	(7,929)	4,178,736
Computer Equipment	2,649,574	9,412	(16,964)	2,642,022
Vehicles	653,851	-	-	653,851
Right to Use Leased Equipment	240,309	48,090	-	288,399
Total Capital Assets, being depreciated or amortized	<u>15,558,412</u>	<u>1,861,876</u>	<u>(1,464,846)</u>	<u>15,955,442</u>
Accumulated Depreciation or Amortization				
Circulating Materials	(2,187,872)	(1,521,870)	1,439,953	(2,269,789)
Improvements to Buildings	(2,194,636)	(245,816)	-	(2,440,452)
Furniture and Equipment	(3,040,457)	(226,523)	7,929	(3,259,051)
Computer Equipment	(2,220,805)	(195,782)	16,964	(2,399,623)
Vehicles	(421,014)	(70,323)	-	(491,337)
Right to Use Leased Equipment	(140,656)	(50,252)	-	(190,908)
Total Accumulated Depreciation or Amortization	<u>(10,205,440)</u>	<u>(2,310,566)</u>	<u>1,464,846</u>	<u>(11,051,160)</u>
Total Capital Assets, net	<u>\$ 5,352,972</u>	<u>\$ (448,690)</u>	<u>\$ -</u>	<u>\$ 4,904,282</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, 2024, these interfund balances are:

	Due to	Due From
Primary Government:		
Capital Projects Fund	\$ 10,937,952	\$ -
Component Units:		
Harford County Public Schools	-	5,064,159
Harford Community College	-	5,866,475
Harford County Public Library	-	7,318
Total	<u>\$ 10,937,952</u>	<u>\$ 10,937,952</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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:

Transfer Out	Transfers In				Total
	General Fund	Highways Fund	Grant Fund	Capital Project Fund	
General Fund	\$ -	\$ -	\$ 4,061,975	\$ 14,092,000	\$ 18,153,975
Highways Fund	-	-	-	13,935,000	13,935,000
Capital Projects Fund	26,500,600	-	-	-	26,500,600
Non-major Gov't Funds	1,308,613	212,499	-	1,300,000	2,821,112
Total Transfers In	\$ 27,809,213	\$ 212,499	\$ 4,061,975	\$ 29,327,000	\$ 61,410,687

E. TAX ABATEMENTS

As of June 30, 2024, Harford County, Maryland provides tax abatements through three programs: the Payment in Lieu of Taxes (PILOT) Program, 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, 2024

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.

Tax Abatement Program	Amount of Taxes Abated
PILOT Programs	\$ 545,985
Agricultural Preservation Credits	1,774,292
Enterprise Zone Credits	1,417,016
Total	<u><u>\$ 3,737,293</u></u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

F. NON-CURRENT LIABILITIES

a. CHANGES IN NON-CURRENT LIABILITIES

PRIMARY GOVERNMENT

	Balance July 1, 2023	Additions	Principal Repayments & Reductions	Balance June 30, 2024	Due Within One Year
Governmental Activities:					
Installment Purchase Agreement	\$ 34,448,962	\$ -	\$ (1,810,664)	\$ 32,638,298	\$ 966,643
Bonds Payable					
General Obligation Bonds	496,659,313	65,133,416	(73,383,492) ²	488,409,237	43,838,588
Special Obligation Bonds	10,650,000	-	(415,000)	10,235,000	430,000
Premium on Issuance of Bonds	58,530,588	8,045,147	(8,163,472)	58,412,263	5,737,258
Lease Agreements	8,599,657	2,568,098 ¹	(3,308,560) ³	7,859,195	3,064,823
SBITA Agreements	1,710,357	3,755,809	(2,620,898) ⁴	2,845,268	1,395,545
Landfill Closure/Solid Waste	25,654,020	1,067,153	(219,351)	26,501,822	249,351
Compensated Absences	36,031,936	2,481,768	(2,394,331)	36,119,373	12,576,187
Est. Liab. For Claims in Pro.	2,046,866	1,877,684	(757,916)	3,166,634	2,126,920
Net Pension Liability	159,526,113	24,495,960	-	184,022,073	-
Net OPEB Liability	<u>48,770,863</u>	<u>10,078,064</u>	<u>-</u>	<u>58,848,927</u>	<u>-</u>
Governmental Activities -					
Long-term Liabilities	<u>\$ 882,628,675</u>	<u>\$ 119,503,099</u>	<u>\$ (93,073,684)</u>	<u>\$ 909,058,090</u>	<u>\$ 70,385,315</u>
Business-type Activities:					
Bonds Payable					
General Obligation Bonds	\$ 82,175,688	\$ 10,411,584	\$ (17,946,509)	\$ 74,640,763	\$ 8,351,412
Premium on Issuance of Bonds	9,868,841	1,275,557	(1,897,436)	9,246,962	1,216,204
SBITA Agreements	-	584,886	(197,910)	386,976	188,633
Compensated Absences	3,860,466	500,993	(1,574,171)	2,787,288	143,816
Net Pension Liability	9,400,764	1,950,800	-	11,351,564	-
Net OPEB Liability	<u>7,598,721</u>	<u>889,467</u>	<u>-</u>	<u>8,488,188</u>	<u>-</u>
Business-type activities -					
Long-term Liabilities	<u>\$ 112,904,480</u>	<u>\$ 15,613,287</u>	<u>\$ (21,616,026)</u>	<u>\$ 106,901,741</u>	<u>\$ 9,900,065</u>

¹ There was a lease modification of \$7,634.

² A loss on the 2024 refunded bonds of \$363,980 for Governmental activities that is included in the Payment to Escrow Agent for Refunding on Exhibit 4.

³ There were two partial lease terminations totaling \$119,504.

⁴ There was a SBITA termination of \$251,981.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024, was \$2,160,764,977 and the legal debt margin was \$1,603,239,014.

COMPONENT UNITS

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

	Beginning Balance	Changes	Ending Balance	Due Within One Year
Harford County Public Schools				
Notes Payable	\$ 12,401,448	\$ (1,673,520)	\$ 10,727,928	\$ 1,705,199
Lease Agreements	7,822,116	2,085,986	9,908,102	5,578,264
SBITA Agreements	225,702	3,398,085	3,623,787	1,024,930
Compensated Absences	39,236,518	1,514,263	40,750,781	6,728,342
Net OPEB Liability	926,948,000	(255,658,000)	671,290,000	-
Net Pension Liability	28,562,242	4,269,492	32,831,734	-
Total	\$ 1,015,196,026	\$ (246,063,694)	\$ 769,132,332	\$ 15,036,735
Harford Community College				
Compensated Absences	\$ 1,236,688	\$ 117,410	\$ 1,354,098	\$ 165,498
Lease Agreements	203,958	704,297	908,255	204,889
SBITA Agreements	2,272,043	(317,117)	1,954,926	647,315
Net Pension Liability	1,148,870	295,613	1,444,483	-
Total	\$ 4,861,559	\$ 800,203	\$ 5,661,762	\$ 1,017,702
Harford County Public Library				
Lease Obligations	\$ 81,091	\$ 17,956	\$ 99,047	\$ 29,744
Compensated Absences	478,911	(16,941)	461,970	-
Net OPEB Liability	1,149,604	(1,149,604)	-	-
Net Pension Liability	1,860,506	395,465	2,255,971	-
Total	\$ 3,570,112	\$ (753,124)	\$ 2,816,988	\$ 29,744

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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, 2024, range from 0.76% to 5.40%. The annual requirements to amortize agricultural land preservation installments outstanding as of June 30, 2024, are as follows:

AGRICULTURAL LAND PRESERVATION INSTALLMENTS

Year Ending June 30,	Principal	Interest	Total Requirement
2025	\$ 966,643	\$ 883,279	\$ 1,849,922
2026	1,282,136	853,022	2,135,158
2027	996,928	807,661	1,804,589
2028	1,193,309	775,428	1,968,737
2029	11,079,249	734,139	11,813,388
2030	2,648,395	368,182	3,016,577
2031	624,135	343,900	968,035
2032	8,637,143	332,211	8,969,354
2033	1,670,400	147,892	1,818,292
2034	43,670	96,875	140,545
2035	2,015,682	95,680	2,111,362
2036	18,279	38,341	56,620
2037	1,462,329	37,867	1,500,196
Total	\$ 32,638,298	\$ 5,514,477	\$ 38,152,775

For the year ended June 30, 2024, total principal and interest incurred related to agricultural land preservation installment was \$1,810,664 and \$963,783, respectively.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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 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 2024, the County issued \$38,000,000 in the Governmental activities and \$2,000,000 in the Business-Type activities of general obligation bonds. As of June 30, 2024, general obligation bonds payable are comprised of the following individual issues:

Governmental activities:

Type of Bond	Issued Amount	Outstanding June 30, 2024	Interest Rate	Fiscal Year of Final Maturity
Refunding Bond of 2013	59,750,398	13,925,220	2.0% - 5.0%	2028
Public Improvement Bond of 2015	42,000,000	23,100,000	3.0% - 5.0%	2034
Refunding Bond of 2015	55,994,243	33,254,590	2.95% - 5.0%	2029
Public Improvement Bond of 2016	27,132,515	16,279,509	2.0% - 5.0%	2035
Public Improvement Bond of 2017	53,177,000	34,557,000	3.0% - 5.0%	2036
Public Improvement Bond of 2018	43,000,000	30,100,000	2.5% - 5.0%	2037
Public Improvement Bond of 2019	34,000,000	25,500,000	3.0% - 5.0%	2038
Public Improvement Bond of 2020	37,000,000	29,600,000	2.0% - 5.0%	2039
Refunding Bond of 2020	64,986,408	46,694,844	5.00%	2031
Public Improvements Bond of 2021	52,215,000	44,382,750	1.3% - 5.0%	2040
Refunding Bond of 2022	17,793,395	14,556,908	5.00%	2032
Public Improvements Bond of 2022	72,500,000	65,250,000	2.5% - 5.0%	2041
Public Improvements Bond of 2023	48,500,000	46,075,000	4.0% - 5.0%	2042
Public Improvements Bond of 2024	38,000,000	38,000,000	4.0% - 5.0%	2043
Refunding Bond of 2024	27,133,416	27,133,416	5.00%	2034
Total Bonds Outstanding	\$ 673,182,375	\$ 488,409,237		

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUND TYPES – CONTINUED

The annual requirements to amortize general obligation bond debt outstanding as of June 30, 2024, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2025	\$ 43,838,588	\$ 19,179,726	\$ 63,018,314
2026	42,925,316	16,873,654	59,798,970
2027	41,494,519	15,034,091	56,528,610
2028	40,879,622	13,225,181	54,104,803
2029	39,336,214	11,464,438	50,800,652
2030-2034	150,859,476	34,668,779	185,528,255
2035-2039	91,929,002	12,863,751	104,792,753
2040-2044	37,146,500	2,295,654	39,442,154
Total	\$ 488,409,237	\$ 125,605,274	\$ 614,014,511

For the year ended June 30, 2024, total principal and interest incurred related to general obligation bonds was \$73,383,492 and \$18,366,566, respectively. The principal incurred is made of regular principal payments of \$43,303,234 and principal payment on refunding bonds of \$30,080,258.

Business-Type Activities:

	<u>Originally Issued</u>	<u>Outstanding June 30, 2024</u>	<u>Interest Rate</u>	<u>Fiscal Year of Final Maturity</u>
Refunding Bond of 2013	14,909,602	3,474,780	2.0% - 5.0%	2028
Public Improvement Bond of 2015	3,000,000	1,940,000	3.0% - 5.0%	2034
Refunding Bond of 2015	13,925,757	8,270,410	2.95% - 5.0%	2029
Public Improvement Bond of 2016	12,867,485	8,980,491	2.0% - 5.0%	2035
Public Improvement Bond of 2017	1,823,000	1,348,000	3.0% - 5.0%	2036
Public Improvement Bond of 2018	7,000,000	5,545,000	2.5% - 5.0%	2037
Public Improvement Bond of 2019	6,000,000	4,500,000	3.0% - 5.0%	2038
Public Improvement Bond of 2020	3,000,000	2,400,000	2.0% - 5.0%	2039
Refunding Bond of 2020	22,643,592	16,270,156	5.00%	2031
Public Improvements Bond of 2021	2,785,000	2,367,250	1.3% - 5.0%	2040
Refunding Bond of 2022	6,671,605	5,458,092	5.00%	2032
Public Improvements Bond of 2022	2,500,000	2,250,000	2.5% - 5.0%	2041
Public Improvements Bond of 2023	1,500,000	1,425,000	4.0% - 5.0%	2042
Public Improvements Bond of 2024	2,000,000	2,000,000	4.0% - 5.0%	2043
Refunding Bond of 2024	8,411,584	8,411,584	5.00%	2034
Total Bonds Outstanding	\$ 109,037,625	\$ 74,640,763		

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

The annual requirements to amortize business-type activities bonded debt outstanding as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total Requirement
2025	\$ 8,351,412	\$ 2,875,746	\$ 11,227,158
2026	8,199,684	2,584,012	10,783,696
2027	7,900,481	2,240,900	10,141,381
2028	7,845,378	1,901,410	9,746,788
2029	7,523,786	1,532,900	9,056,686
2030-2034	24,520,524	3,755,274	28,275,798
2035-3039	8,695,998	811,896	9,507,894
2040-2044	1,603,500	97,002	1,700,502
Total	\$ 74,640,763	\$ 15,799,140	\$ 90,439,903

For the year ended June 30, 2024, total principal and interest incurred related to business-type activities was \$17,946,509 and \$1,846,457 respectively.

2. Special Obligations Bonds

PRIMARY GOVERNMENT

As of June 30, 2024, there was \$10,235,000 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. These bonds will be paid from incremental property tax revenue and/or special district tax on the district. These bonds do not have Harford County, Maryland's full faith and credit pledged.

Governmental activities:	Originally Issued	Outstanding as of June 30, 2024
Refunding Special Obligation Bond of 2021		
4% - due serially to 2041	\$ 11,365,000	\$ 10,235,000

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

The annual requirements to amortize special obligation bond debt outstanding as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Requirement	Total
2025	\$ 430,000	\$ 400,800	\$ 830,800	
2026	450,000	383,200	833,200	
2027	465,000	364,900	829,900	
2028	485,000	345,900	830,900	
2029	505,000	326,100	831,100	
2030-2034	2,845,000	1,304,500	4,149,500	
2035-2039	3,465,000	675,500	4,140,500	
2040-2044	1,590,000	64,200	1,654,200	
Total	<u>\$ 10,235,000</u>	<u>\$ 3,865,100</u>	<u>\$ 14,100,100</u>	

For the year ended June 30, 2024, the total principal and interest incurred related to Special Obligation Bonds was \$415,000 and \$417,700, 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 3.27%. The assets acquired and capitalized under the right to use leases is as follows:

Leased Cost	\$ 15,226,785
Less: Accumulated Depreciation	(7,403,684)
Net Book Value	<u>\$ 7,823,101</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

The annual requirements to amortize lease agreements outstanding as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total Requirement
2025	\$ 3,064,823	\$ 154,869	\$ 3,219,692
2026	2,255,819	97,003	2,352,822
2027	1,486,363	51,888	1,538,251
2028	808,515	19,235	827,750
2029	215,246	3,459	218,705
2030 - 2034	28,429	560	28,989
Total	<u>\$ 7,859,195</u>	<u>\$ 327,014</u>	<u>\$ 8,186,209</u>

For the year ended June 30, 2024, the total principal and interest incurred related to lease agreements was \$3,189,056 and \$161,152, respectively. In fiscal year 2024 there was a partial termination of a lease, the principal was reduced by \$119,504. There was a lease modification of \$7,634 to increase the principal.

COMPONENT UNITS

Harford County Public Schools: 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 5 years with discount rates ranging from 1.2% to 3.27%.

The future minimum lease and debt obligations and the net present value of these minimum payments as of June 30, 2024, were as follows:

Year Ending June 30,	Amount
2025	\$ 5,816,469
2026	3,900,946
2027	370,323
2028	184,852
Total Minimum Lease Payments	10,272,590
Less: Amount Representing Interest	(364,488)
Present Value Minimum Lease Payments	<u>\$ 9,908,102</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Harford Community College: The College entered into leases for equipment and rental space. The terms of the leases range from 1 year to 6 years with discount rates ranging from 3.0% to 6.0%.

The future minimum lease and debt obligations and the net present value of these minimum payments as of June 30, 2024, were as follows:

Year Ending June 30,	Amount
2025	\$ 230,793
2026	226,240
2027	226,240
2028	162,947
2029	139,705
Total Minimum Lease Payments	<u>985,925</u>
Less: Amount Representing Interest	<u>(77,670)</u>
Present Value Minimum Lease Payments	<u><u>908,255</u></u>

Harford County Public Library: The Library is the lessee of equipment under financing lease agreements expiring through 2028. The assets and liabilities under these leases are generally recorded at the present value of the payments expected to be made during the lease term and are amortized over the shorter of the life of the lease term or useful life of the underlying assets. Included in capital assets are assets under these leases with a cost of \$288,399 as of June 30, 2024. Amortization expense relating to the leases was \$50,252 for the year ended June 30, 2024. Accumulated amortization relating to the leases was \$190,908 as of June 30, 2024.

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

Year Ending June 30,	Amount
2025	\$ 30,214
2026	29,774
2027	28,109
2028	11,875
Total Minimum Lease Payments	<u>99,972</u>
Less: Amount Representing Interest	<u>(925)</u>
Present Value Minimum Lease Payments	<u><u>99,047</u></u>

e. NOTES PAYABLE

COMPONENT UNITS

Harford County Public Schools: The Public Schools have entered into a special financing agreement (note payable) 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 March 1, 2022 at a rate of 1.71%. The term of the debt was not extended.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

The Public Schools entered into a contract to install energy efficient enhancements to existing buildings. Payments continue through January 2030 at a discount rate of 2.02%.

The future minimum notes payable obligations and the net present value of these payments as of June 30, 2023 were as follows:

Year Ending June 30,	Amount
2025	\$ 1,902,794
2026	1,902,794
2027	1,902,794
2028	1,902,794
2029	1,902,794
2030-2031	<u>1,902,794</u>
Total Minimum Note Payments	11,416,764
Less: Amount Representing Interest	(688,836)
Present Value Minimum Note Payments	<u>\$ 10,727,928</u>

f. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

PRIMARY GOVERNMENT

The County has entered into various subscription-based information technology arrangements (SBITAs) for IT software. Most SBITAs have initial terms of up to three years, and contain one or more renewals at the County's option. The County has generally included these renewal periods in the SBITA term when it is reasonably certain that the County will exercise the renewal option. Certain SBITAs require additional payments for other items such as training, support services, and variable payments that are not dependent upon an index or rate, or are not fixed in substance, which are expensed as incurred. As the interest rate implicit in the County's SBITAs is not readily determinable, the County utilizes its incremental borrowing rate to discount the SBITA payments which ranges from 2.08% to 3.27%. The assets acquired and capitalized under the right to use SBITAs is as follows:

Governmental Activities:

Right to Use SBITA Assets Cost	\$ 7,042,515
Less: Accumulated Depreciation	(2,923,153)
Net Book Value	<u>\$ 4,119,362</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

The annual requirements to amortize SBITA agreements outstanding as of June 30, 2024, are as follows:

	Principal	Interest	Total Requirement
2025	\$ 1,395,545	\$ 65,927	\$ 1,461,472
2026	1,175,191	47,393	1,222,584
2027	135,059	8,975	144,034
2028	139,473	4,560	144,033
	<u><u>\$ 2,845,268</u></u>	<u><u>\$ 126,855</u></u>	<u><u>\$ 2,972,123</u></u>

For the year ended June 30, 2024, the total principal and interest incurred related to SBITA agreements was \$2,368,917 and \$30,393, respectively. In fiscal year 2024 there was a SBITA termination, the principal was reduced by \$251,981.

Business-Type Activites:

Right to Use SBITA Assets Cost	\$ 584,886
Less: Accumulated Depreciation	<u>(156,750)</u>
Net Book Value	<u><u>\$ 428,136</u></u>

The annual requirements to amortize SBITA agreements outstanding as of June 30, 2024, are as follows:

	Principal	Interest	Total Requirement
2025	\$ 188,633	\$ 36,471	\$ 225,104
2026	198,343	6,484	204,827
	<u><u>\$ 386,976</u></u>	<u><u>\$ 42,955</u></u>	<u><u>\$ 429,931</u></u>

For the year ended June 30, 2024, the total principal incurred related to SBITA agreements was \$197,910.

COMPONENT UNITS

Harford County Public Schools: The Public Schools entered into SBITA's for software subscriptions and seat licenses. The terms of the SBITA's range from 2 years to 6 years with discount rates ranging from 1.2% to 3.27%.

The future minimum SBITA obligations and the net present value of these minimum payments as of June 30, 2024, were as follows:

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Year Ending June 30,	Amount
2025	\$ 1,102,695
2026	1,109,496
2027	1,055,305
2028	<u>532,879</u>
Total Minimum SBITA Payments	3,800,375
Less: Amount Representing Interest	<u>(176,588)</u>
Present Value Minimum SBITA Payments	<u>\$ 3,623,787</u>

Harford Community College: The College entered into SBITA's for software subscriptions. The terms of the SBITA's range from 1 year to 6 years with discount rates ranging from 1.2% to 4.0%.

The future minimum SBITA obligations and the net present value of these minimum payments as of June 30, 2024, were as follows:

Year Ending June 30,	Amount
2025	\$ 707,687
2026	580,889
2027	564,984
2028	236,088
2029	<u>6,008</u>
Total Minimum SBITA Payments	2,095,656
Less: Amount Representing Interest	<u>(140,730)</u>
Present Value Minimum SBITA Payments	<u>\$ 1,954,926</u>

g. LANDFILL CLOSURE/SOLID WASTE LIABILITIES

PRIMARY GOVERNMENT

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

As of June 30, 2024, the following changes occurred in Landfill Closure Liability recorded in Non-current Liabilities in the Statement of Net Position:

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

	Current Year		
	Beginning Balance	Additions (Deductions)	Ending Balance
Cumulative Liability for Open Landfills	\$ 13,410,952	\$ 1,067,153	\$ 14,478,105
Estimated Liability for Closed Landfills	3,385,117	(219,351)	3,165,766
Waste to Energy Liability	8,857,951	-	8,857,951
	<u><u>\$ 25,654,020</u></u>	<u><u>\$ 847,802</u></u>	<u><u>\$ 26,501,822</u></u>

The Cumulative Liability for Open Landfills represents the cost, based on use of 85.2% of the estimated capacity. The County will recognize the remaining estimated cost of the Harford Waste Disposal Center closure and post-closure of \$2,521,913 as the remaining estimated capacity is used.

The Cumulative Liability for Open Landfills as of June 30, 2024 is \$14,478,105. Harford County has a landfill capping capital project with a remaining balance of \$1,842,904 resulting from prior appropriations to begin the closure of the older cells and has assigned fund balance of \$12,635,201 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 the 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 \$3,142,049 were incurred, leaving a liability of \$8,857,951 on June 30, 2024. 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.

h. ADVANCED REFUNDING OF DEBT

On January 23, 2024, Harford County issued \$35,545,000 of Maryland Consolidated Public Improvement Refunding Bonds, Series 2024B with an effective interest rate of 2.560%, to provide resources to refund certain maturities of the 2013 and 2014 bonds. These resources were placed in an irrevocable trust to provide for all future

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

debt service payments of \$35,545,000 of general obligation bonds. Of this amount, \$27,133,416 had been recorded in the Statement of Net Position, Exhibit 1, Governmental Activities column and \$8,411,584 in the Statement of Net Position, Exhibit 1, Business-Type Activities column. As of June 30, 2024, 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 \$469,807. Of this amount, a Loss of \$363,980 has been recorded in the governmental activities and a gain of \$833,787 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 \$2,470,260 and resulted in an economic gain of \$1,910,833.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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
Nonspendable:							
Inventory	\$ -	\$ 1,932,726	\$ -	\$ -	\$ -	\$ -	\$ 1,932,726
Long Term Rec.	722,010	-	-	-	-	-	722,010
Sub-total	722,010	1,932,726	-	-	-	-	2,654,736
Restricted for:							
Debt Service	10,893,858	1,031,088	-	-	-	3,257,342	15,182,288
Tourism	603,069	-	-	-	-	-	603,069
Watershed Management	-	-	-	-	-	8,194,353	8,194,353
Highways	-	20,228,339	-	-	-	-	20,228,339
Ag. Preservation	-	-	-	39,843,163	-	-	39,843,163
Parks and Rec	-	-	-	-	3,632,020	544,228	4,176,248
Grants	-	-	19,619,396	-	-	-	19,619,396
Capital Projects	-	-	-	-	3,079,885	-	3,079,885
Sub-total	11,496,927	21,259,427	19,619,396	39,843,163	6,711,905	11,995,923	110,926,741
Assigned to:							
Approp. of Fund Bal.	52,196,771	-	-	-	-	-	52,196,771
Fiscal Stabilization Fund	39,005,400	-	-	-	-	-	39,005,400
Encumbrances:							
General Government	1,171,479	-	-	-	-	-	1,171,479
County Council	95,000	-	-	-	-	-	95,000
Parks and Recreation	10,578	-	-	-	-	-	10,578
Public Safety	563,264	-	-	-	-	-	563,264
Public Works	1,247,420	-	-	-	-	-	1,247,420
Social Services	6,525	-	-	-	-	-	6,525
Landfill Closure Costs	12,635,201	-	-	-	-	-	12,635,201
Watershed Management	30,000,000	-	-	-	-	-	30,000,000
Capital Projects	-	-	-	-	42,674,639	-	42,674,639
Sub-total	136,931,638	-	-	-	42,674,639	-	179,606,277
Unassigned:							
Total Fund Balances	\$ 6,050,971	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,050,971
	<u>\$ 155,201,546</u>	<u>\$ 23,192,153</u>	<u>\$ 19,619,396</u>	<u>\$ 39,843,163</u>	<u>\$ 49,386,544</u>	<u>\$ 11,995,923</u>	<u>\$ 299,238,725</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

A. SELF-INSURANCE/RISK MANAGEMENT

PRIMARY GOVERNMENT

The County carries commercial property insurance coverage with a \$100,000 deductible on both real and personal property, and a \$50,000 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 \$1,000,000 retention for General and Automobile liability claims, a \$100,000 retention for Pollution claims, a \$500,000 retention for Cyber crime claims, and a \$1,500,000 retention for Workers' Compensation claims.

The pending claims liability of \$3,166,634 reported in the Internal Service fund as of June 30, 2024, 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, 2024. The estimated outstanding losses are the cost of unpaid claims, including case reserves, the development of known claims and claims incurred but not reported. The amounts are limited to the self-insured retention. No estimate was made for unpaid unallocated loss adjustment expenses. The losses projected to be paid are the claim disbursements, regardless of accident or report date. Historical experience and actuarial assumptions were the basis used in estimating the liabilities for unpaid claims.

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

Fiscal Year	Beginning of Year	Claims and Changes in Estimates	Payments	End of Year
2022	\$ 2,842,581	\$ 1,239,093	\$ (1,164,966)	\$ 2,916,708
2023	2,916,708	934,729	(1,804,571)	2,046,866
2024	2,046,866	1,877,684	(757,916)	3,166,634

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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

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, 2024, the County estimates that no material liabilities will result from such audits.

The County had \$405,875,453 authorized but unobligated capital project appropriations as of June 30, 2024, in the governmental capital fund and \$104,933,528 in the water and sewer, business-type capital fund. Further detail is provided as supplementary information, Exhibit F-1 and G-1.

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 2014, 2019, 2020, 2021, 2022, 2023 and 2024. 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 rebatable arbitrage to report as of June 30, 2024.

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, 2024, the County has 1 conduit debt obligation, an Economic Development Revenue Bond known as Aberdeen Proving Ground Miliary Housing Project Series 2009. The Series 2009 Bonds will mature on December 15, 2039 and has an outstanding principal amount of \$43.2 million. The County had a limited commitment to assign all of the Loan Revenues and other assets pledged to the Trustee, which has been fulfilled. The County does not have voluntary or additional commitments to this obligation and the Bonds shall never constitute an indebtedness to the County.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

E. RETIREMENT PLANS

PRIMARY GOVERNMENT

a. PENSION PLANS - OVERVIEW

Harford County, Maryland participates in three pension plans. The first plan is comprised of the Employees' 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 which is a single employer defined benefit system.

For the year ended June 30, 2024, the County recognized aggregated pension liabilities of \$195,373,637 and aggregated pension expense of \$30,689,828 for all three pension systems. At June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to the three pension systems from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 19,906,402	\$ -
Changes in Assumptions	11,931,162	3,229,379
Changes in Proportion	18,939,562	5,036,057
Differences Between Actual and Proportionate Share of Contributions	-	813
Difference Between Expected and Actual Experience	9,250,251	8,375,082
Net Difference between Projected and Actual Investments Earnings	13,592,390	2,808,007
Total	\$ 73,619,767	\$ 19,449,338

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.

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

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 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, 2024, to the System, exclusive of contributions made directly by the State of Maryland, were equal to the actuarially determined amount, as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Primary Government	\$ 19,906,402	\$ 18,428,584	\$ 16,258,092

PRIMARY GOVERNMENT

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of June 30, 2024, the County reported a liability of \$174,018,216 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participants members, actuarially determined. As of June 30, 2023, the County's proportion was 0.7556051%. This is an increase of 0.0432505% from the prior fiscal year.

For the year ended June 30, 2024, the County recognized pension expense of \$26,557,743. As of June 30, 2024, 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, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 19,906,402	\$ -
Changes in Assumptions	11,931,162	524,268
Changes in Proportion	18,939,562	5,036,057
Differences Between Actual and Proportionate Share of Contributions	-	813
Difference Between Expected and Actual Experience	6,116,223	7,122,201
Net Difference between Projected and Actual Investments Earnings	13,592,390	-
Total	\$ 70,485,739	\$ 12,683,339

Contributions subsequent to the measurement date in the amount of \$19,906,402 reported as deferred outflows of resources related to pensions, will be recognized as a reduction in net pension liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ended June 30,</u>	
2025	\$ 8,596,945
2026	5,478,740
2027	17,147,446
2028	5,361,951
2029	1,310,916
Total	\$ 37,895,998

Actuarial Assumptions: The key actuarial assumptions used to perform the June 30, 2023, 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 11.25%, including wage inflation
Discount Rate	6.80%
Investment Rate of Return	6.80%
Mortality	Fully generational – PB-2010/MP-2018

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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

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	34%	6.9%
Private Equity	16%	8.6%
Rate Sensitive	20%	2.6%
Credit Opportunity	9%	5.6%
Real Assets	15%	5.4%
Absolute Return	6%	4.4%
Total	100%	

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	\$ 258,033,769	\$ 174,018,216	\$ 104,299,829

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, 2023. This can be found at <https://sra.maryland.gov/annual-financial-reports>.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

COMPONENT UNITS

Harford County Public Schools: As of June 30, 2024, the Public Schools reported a liability of approximately \$32.8 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, 2023, 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, 2024, the Public Schools proportion for ERS was 0.14%, which was substantially the same from its proportion measured as of June 30, 2023.

For the year ended June 30, 2024, the Public Schools recognized pension expense for ERS of approximately \$4.9 million. As of June 30, 2024, the Public Schools reported deferred outflows of resources and deferred inflows of resources related to ERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 4,236,445	\$ -
Changes in Assumptions	2,190,255	103,088
Changes in Proportion	1,838,218	49,471
Differences Between Actual and Proportionate Share of Contributions	-	156
Differences in Expected and Actual Experience	1,153,938	1,381,165
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,052,704	-
Total	\$ 12,471,560	\$ 1,533,880

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

Harford Community College: As of June 30, 2024, the College reported a liability of \$1,444,483 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2024, the College's proportionate share was 0.00627210%.

For the year ended June 30, 2024 the College recognized pension expenses of \$285,118. At June 30, 2024, the College reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 180,944	\$ -
Changes in Assumptions	94,791	5,113
Change in Proportion	93,032	34,792
Change in Proportion Share of Contributions	-	8
Difference Between Expected and Actual Experience	50,769	57,506
Net Difference Between Projected and Actual		
Investment Earnings	<u>119,163</u>	-
Total	<u><u>\$ 538,699</u></u>	<u><u>\$ 97,419</u></u>

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

Harford County Public Library: As of June 30, 2024, the Library reported a liability of \$2,255,971 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2023, the Library's proportion was approximately 0.0097957%.

For the year ended June 30, 2024, the Library recognized pension expense of \$132,604. At the measurement date of June 30, 2023, the Library reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 269,851	\$ -
Changes in Assumptions	137,075	(6,539)
Change in Proportion	267,963	-
Difference Between Expected and Actual Experience	79,291	(88,570)
Net Difference Between Projected and Actual		
Investment Earnings	<u>219,906</u>	<u>(26,536)</u>
Total	<u><u>\$ 974,086</u></u>	<u><u>\$ (121,645)</u></u>

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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

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.

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, 2023 was as follows:

Retirees and Beneficiaries Currently Receiving Benefits	114
Terminated Plan Members Entitled to, but not yet Receiving Benefits	3
Active Plan Members	<u>131</u>
Total	<u>248</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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

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 9.0% of their annual covered salary. The County is required to contribute at an actuarially determined amount, currently 32.81% of covered payroll. Per Bill 97-20, contribution requirements of the plan members and the County are established and may be amended by County legislature. Administrative costs of the SOPS are to be paid by the trust unless the County decides to do so.

3. Investments

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

As of June 30, 2024, the ratings of the underlying investments of the Plan's debt securities were as follows:

	Rating					Total	
	Aa1/Aa2/A		Baa1/Baa2/				
	AAA	a3	A1/A2/A3	Baa3			
U.S. Treasury Obligations	\$ 5,631,102	\$ -	\$ -	\$ -	\$ 5,631,102		
U.S. Governmental Agencies	3,738,918	-	-	-	-	3,738,918	
Corporate Bonds	-	479,488	1,994,071	2,693,555	5,167,114		
Total	\$ 9,370,020	\$ 479,488	\$ 1,994,071	\$ 2,693,555	\$ 14,537,134		

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, 2024, 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, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 13.31%. 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, 2024, were as follows:

Total pension liability	\$ 108,754,949
Plan fiduciary net position	(91,878,395)
County's net pension liability	\$ 16,876,554

Plan fiduciary net position as a percentage of the total pension liability	84.48%
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HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2023 rolled forward to June 30, 2024 using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Inflation	2.5%
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, 2023.

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. 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%	9.4%
International Equity	18%	8.4%
Fixed Income	20%	3.9%
Hedged Strategies	20%	6.4%
Total	100%	

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, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension (Asset) Liability (a)-(b)
	\$	\$	\$
Balances at 6/30/2023	\$ 100,765,947	\$ 81,499,334	\$ 19,266,613
Changes for the Year:			
Service Cost	2,586,069	-	2,586,069
Interest	6,891,784	-	6,891,784
Changes of Benefit Terms	1,876,815	-	1,876,815
Differences Between Expected and Actual Experience	1,258,107	-	1,258,107
Contributions - Employer	-	3,215,420	(3,215,420)
Contributions - Employee	-	948,502	(948,502)
Net Investment Income	-	10,900,854	(10,900,854)
Benefit Payments, Including Refunds of Employee Contributions	(4,623,773)	(4,623,773)	-
Administrative Expense	-	(61,942)	61,942
Net Changes	7,989,002	10,379,061	(2,390,059)
Balances at 6/30/2024	\$ 108,754,949	\$ 91,878,395	\$ 16,876,554

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	\$ 31,526,189	\$ 16,876,554	\$ 4,907,025

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

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

For the year ended June 30, 2024, the County recognized pension expense of \$4,377,348. As of June 30, 2024, the County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	\$ -	\$ 158,123
Difference Between Expected and Actual		
Experience	2,919,427	234,765
Net Difference between Projected and Actual		
Investments Earnings	-	2,102,072
Total	<u><u>\$ 2,919,427</u></u>	<u><u>\$ 2,494,960</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:

Year Ended June 30,	
2025	\$ (610,700)
2026	2,501,492
2027	(675,117)
2028	(791,208)
Total	<u><u>\$ 424,467</u></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.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

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 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, 2023 was as follows:

Retirees and Beneficiaries Currently Receiving Benefits	722
Terminated Plan Members Entitled to, but not yet Receiving Benefits	317
Active Plan Members	<u>855</u>
Total	<u>1,894</u>

Benefits Provided: Based on County statutes, firemen and ambulance personnel are eligible to participate upon reaching the age of 50 and 25 years of credited service or reaching age 60 with 10 years of credited service. 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. 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 actuarially determined contribution for the year ended June 30, 2024, 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 7% investment rate of return compounded annually. The firemen are voluntary and, therefore, would not have a projected salary increase.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

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, 2024, the ratings of the underlying investments of the Plan's debt securities were as follows:

	Rating				Total
	AAA	a3	A1/A2/A3	Baa1/Baa2/	
U.S. Treasury Obligations	\$ 2,025,708	\$ -	\$ -	\$ -	\$ 2,025,708
U.S. Governmental Agencies	1,776,194	-	-	-	1,776,194
Corporate Bonds	-	187,416	1,009,015	1,412,710	2,609,141
Total	<u>\$ 3,801,902</u>	<u>\$ 187,416</u>	<u>\$ 1,009,015</u>	<u>\$ 1,412,710</u>	<u>\$ 6,411,043</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, 2024 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, 2024, the annual money-weighted rate of return pension plan investments, net of pension plan investment expense, was 13.13%. 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, 2024 were as follows:

Total pension liability	\$ 46,529,853
Plan fiduciary net position	<u>(42,050,986)</u>
County's net pension liability	<u>\$ 4,478,867</u>

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

90.37%

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

Actuarial Assumptions: The total pension liability in the September 30, 2023 actuarial valuation rolled forward to June 30, 2024 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Inflation	2.5%
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 MP2020

The actuarial assumptions used were based on the results of an actuarial valuation as of September 30, 2023.

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. 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%	9.4%
International Equity	18%	8.4%
Fixed Income	20%	3.9%
Hedged Strategies	20%	6.4%
Total	100%	

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

Discount rate: The discount rate used to measure the total pension liability was 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, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
	\$ 45,838,079	\$ 38,709,526	\$ 7,128,553
Balances at 6/30/2023			
Changes for the Year:			
Service Cost	791,789	-	791,789
Interest	3,106,552	-	3,106,552
Changes in Benefit Terms	-	-	-
Differences Between Expected and			
Actual Experience	(289,032)	-	(289,032)
Changes of Assumptions	-	-	-
Contributions - Plan Sponsor	-	1,292,879	(1,292,879)
Net Investment Income	-	4,996,371	(4,996,371)
Benefit Payments, Including Refunds			
of Member Contributions	(2,917,535)	(2,917,535)	-
Administrative Expense	-	(30,255)	30,255
Net Changes	691,774	3,341,460	(2,649,686)
Balances at 6/30/2024	\$ 46,529,853	\$ 42,050,986	\$ 4,478,867

5. Changes in the Net Pension Liability

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

County's Net Pension Liability	1% Decrease 6.0%	Discount Rate 7.0%	1% Increase 8.0%
	\$ 10,013,359	\$ 4,478,867	\$ (86,808)
	\$ 10,013,359	\$ 4,478,867	\$ (86,808)

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

For the year ended June 30, 2024, the County recognized pension expense of (\$245,263). At June 30, 2024, 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, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -	\$ 2,546,988
Difference Between Expected and Actual		
Experience	214,601	1,018,116
Net Difference between Projected and Actual		
Investments Earnings	-	705,935
Total	<u><u>\$ 214,601</u></u>	<u><u>\$ 4,271,039</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:

Year Ended June 30,	
2025	\$ (1,556,119)
2026	(270,914)
2027	(1,760,479)
2028	(468,926)
2029	-
Total	<u><u>\$ (4,056,438)</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, 2024 and 2023.

f. RETIREMENT PLAN – HARFORD COUNTY GOVERNMENT MATCHING CONTRIBUTION PLAN

PRIMARY GOVERNMENT

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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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 2024.

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 2024. 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.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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

Membership in the plan consisted of the following based on the July 1, 2023 valuation data that was used to calculate the ADC for fiscal year 2025:

Plan Participants	
Retirees (Pre-Medicare)	298 *
Retirees (Medicare Age)	773 *
Active Employees	799
Total	<u>1,870</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, 2024

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 \$8,644,000, the actuarially determined contribution (ADC) during fiscal year 2024.

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 \$4,352,368 contributed to this plan and a total of 556 employees are currently enrolled as of June 30, 2024.

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 \$371,572 for 130 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.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

As of June 30, 2024, the ratings of the underlying investments of the Plan's debt securities were as follows:

	Rating				Total
	Aa1/Aa2/A		Baa1/Baa2/		
	AAA	a3	A1/A2/A3	Baa3	
U.S. Treasury Obligations	\$ 11,794,467	\$ -	\$ -	\$ -	\$ 11,794,467
U.S. Government Agencies	7,890,209	-	-	-	7,890,209
Corporate Bonds	-	906,145	3,817,582	5,829,497	10,553,224
Total	<u>\$ 19,684,676</u>	<u>\$ 906,145</u>	<u>\$ 3,817,582</u>	<u>\$ 5,829,497</u>	<u>\$ 30,237,900</u>

Rate of Return: For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of investment expense, was 13.32%. 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, 2024, were as follows:

Total OPEB liability	\$ 239,253,991
Plan fiduciary net position	<u>(188,871,416)</u>
County's net OPEB liability	<u>\$ 50,382,575</u>

Plan fiduciary net position as a percentage of the total OPEB liability	78.94%
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Actuarial Assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30 2024, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.6%
Salary increases	3.5%, average, including inflation
Investment rate of return	7.0%, net of OPEB plan investment expense
Ultimate Healthcare cost trend rate	4.04%
Mortality	MP-2021 Mortality Improvement Scale

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2023 through June 30, 2024.

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, 2024 (see the discussion of investment policy) are summarized in the following table:

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	42%	9.4%
International Equity	18%	8.4%
Fixed Income	20%	3.9%
Hedged Strategies	20%	6.4%
Total	100%	

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

	Increases (Decreases)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
	\$ 234,799,387	\$ 167,462,272	\$ 67,337,115
Balances at 6/30/2023			
Changes for the Year:			
Service Cost	3,511,019	-	3,511,019
Interest	16,046,104	-	16,046,104
Changes of Benefit Terms	-	-	-
Experience Losses/(Gains)	(19,118,952)	-	(19,118,952)
ER Trust Contribution	-	8,644,000	(8,644,000)
Net Investment Income	-	22,277,321	(22,277,321)
Changes in Assumptions	13,513,760	-	13,513,760
Benefit Payments	(9,497,327)	(9,497,327)	-
Administrative Expense	-	(14,850)	14,850
Net Changes	4,454,604	21,409,144	(16,954,540)
Balances at 6/30/2024	\$ 239,253,991	\$ 188,871,416	\$ 50,382,575

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 6.0%	Discount Rate 7.0%	1% Increase 8.0%
County's Net OPEB Liability	\$ 81,652,829	\$ 50,382,575	\$ 24,526,566

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

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 (3.04%) or 1 percentage point higher (5.04%) than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	3.04%	4.04%	5.04%
County's Net OPEB Liability	\$ 21,360,377	\$ 50,382,575	\$ 85,941,511

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, 2022 valuation data that was used to calculate the ADC for fiscal year 2024:

Plan Participants	
Retirees (Pre-Medicare)	307 *
Retirees (Medicare Age)	717 *
Active Employees	793
Total	<u>1,817</u>

*includes spouses

Contributions: The County contributed \$4,983,000 actuarially determined contribution (ADC) during fiscal year 2023 and the retirees paid \$1,488,734 toward the cost of their benefits. The Trust reimbursed the County for the County's share of retirees' premiums of \$9,891,001, leaving the Trust Net Position of \$167,462,272.

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

Trust Net Position as of July 1, 2022	\$ 156,114,917
County Contribution	4,983,000
Net Appreciation in Fair Value of Investments	13,467,072
Interest and Dividends	3,130,003
Retirees Contributions	1,488,734
Payment for County's Share of Premiums	(9,891,001)
Payment for Retiree's Share of Premiums	(1,488,734)
Payment for Administrative and Investment Expenses	(341,719)
Trust Net Position as of June 30, 2023	<u>\$ 167,462,272</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

Net OPEB Liability of the County

The components of the net OPEB liability of the County at June 30, 2023, were as follows:

Total OPEB liability	\$ 234,799,387
Plan fiduciary net position	<u>(167,462,272)</u>
County's net OPEB liability	<u><u>\$ 67,337,115</u></u>

Plan fiduciary net position as a percentage of the total OPEB liability	71.32%
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Actuarial Assumptions : The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, 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	3.94%
Mortality	MP-2021 Mortality Improvement Scale

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2022 through June 30, 2023.

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, 2023 (see the discussion of investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	42%	9.4%
International Equity	18%	8.4%
Fixed Income	20%	3.9%
Hedged Strategies	20%	6.4%
Total	100%	

Rate of Return: For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 10.61%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

Discount Rate: The discount rate used to measure the total OPEB liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that the County contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members.

Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

	Increases (Decreases)		
	Total OPEB	Plan Fiduciary	Net OPEB
	Liability	Net Position	Liability
	(a)	(b)	(a)-(b)
Balances at 6/30/2022	\$ 212,484,501	\$ 156,114,917	\$ 56,369,584
Changes for the Year:			
Service Cost	3,154,076	-	3,154,076
Interest	14,547,438	-	14,547,438
Changes of Benefit Terms	4,700,644	-	4,700,644
Experience Losses/(Gains)	15,324,353	-	15,324,353
ER Trust Contribution	-	4,983,000	(4,983,000)
Net Investment Income	-	16,269,756	(16,269,756)
Changes in Assumptions	(5,520,624)	-	(5,520,624)
Benefit Payments	(9,891,001)	(9,891,001)	-
Administrative Expense	-	(14,400)	14,400
Net Changes	22,314,886	11,347,355	10,967,531
Balances at 6/30/2023	\$ 234,799,387	\$ 167,462,272	\$ 67,337,115

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	\$ 99,015,237	\$ 67,337,115	\$ 41,279,050

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rates. The following presents the net OPEB liability of the County, as well as what the County's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (2.94%) or 1 percentage point higher (4.94 %) than the current healthcare cost trend rates:

	Healthcare Cost		
	1% Decrease	Trend Rates	1% Increase
	2.94%	3.94%	4.94%
County's Net OPEB Liability	\$ 38,307,089	\$ 67,337,115	\$ 103,094,200

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

For the year ended June 30, 2023, the County recognized OPEB expenses of \$3,430,602. At June 30, 2023, the County 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
Contributions Subsequent to the Measurement Date	\$ 8,644,000	\$ -
Changes in Assumptions	202,470	4,416,499
Difference Between Expected and Actual Experience	12,259,482	33,318,017
Net Difference between Projected and Actual Investments Earnings	<u>4,929,170</u>	-
Total	\$ 26,035,122	\$ 37,734,516

Contributions subsequent to the measurement date in the amount of \$8,644,000, 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:

Year Ended June 30,	
2025	\$ (9,220,415)
2026	(9,458,642)
2027	(2,522,282)
2028	857,945
Total	\$ (20,343,394)

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.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

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, 2024, membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	2,878
Inactive Plan Members Entitled to, but not yet Receiving Benefit Payments	400
Active Plan Members	<u>5,421</u>
Total Participants	<u><u>8,699</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, 2024 was \$26,945,195.

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, 2024, was \$1,448,208.

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, 2024, was \$73,259.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

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

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance - June 30, 2023	\$ 1,001,463,000	\$ 74,515,000	\$ 926,948,000
Changes for the Year:			
Service Cost	33,407,000	-	33,407,000
Interest	36,070,000	-	36,070,000
Differences Between Expected and Actual Experience	(178,278,000)	-	(178,278,000)
Changes of Assumptions	(112,897,000)	-	(112,897,000)
Contributions - Employer	-	28,467,000	(28,467,000)
Net Investment Income	-	5,506,000	(5,506,000)
Benefit Payments	(26,467,000)	(26,467,000)	-
Administrative Expense	-	(13,000)	13,000
Net Changes	<u>(248,165,000)</u>	<u>7,493,000</u>	<u>(255,658,000)</u>
Balance - June 30, 2024	<u>\$ 753,298,000</u>	<u>\$ 82,008,000</u>	<u>\$ 671,290,000</u>

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, 2024, 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.

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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

Employees Covered by Benefit Terms: At June 30, 2024, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	8
Inactive Plan Members Entitled to, but not yet Receiving Benefit Payments	30
Active Plan Members	287
Total Participants	325

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, 2024, the College's annual required contribution; contributions made and net OPEB obligation were:

	<u>Increase (Decrease)</u>		
	Total OPEB	Plan Fiduciary	Net OPEB
	Liability	Net Position	(Asset) Liability
	(a)	(b)	(a)-(b)
Balance - June 30, 2023	\$ 772,825	\$ 835,293	\$ (62,468)
Changes for the Year:			
Service Cost	17,416	-	17,416
Interest	49,350	-	49,350
Contributions - Employer	-	63,013	(63,013)
Net Investment Income	-	91,934	(91,934)
Differences Between Expected and Actual Experience	1,366	-	1,366
Benefit Payments	(63,013)	(63,013)	-
Administrative Expense	-	(2,157)	2,157
Net Changes	5,119	89,777	(84,658)
Balance - June 30, 2024	<u>\$ 777,944</u>	<u>\$ 925,070</u>	<u>\$ (147,126)</u>

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

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 and dental premiums.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

Employees Covered by Benefit Terms: At July 1, 2023, the following employees were covered by the benefit terms:

Retirees Currently Receiving Benefits	93
Active Employees	57
Total Plan Members	150

Benefits Provided: Pre-Medicare retirees may choose between two medical plans, both of which include prescription coverage. Once a retiree is Medicare-eligible there is only one Medicare Advantage 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 may choose between two dental plans.

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 2024, the Library contributed \$1,440,312 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, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

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

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance - June 30, 2023	\$ 6,569,000	\$ 5,419,000	\$ 1,150,000
Changes for the Year:			
Service Cost	115,000	-	115,000
Interest	437,000	-	437,000
Differences Between Expected and Actual Experience	(243,000)	-	(243,000)
Changes of Assumptions	(801,000)	-	(801,000)
Contributions - Employer	-	1,440,000	(1,440,000)
Net Investment Income	-	591,000	(591,000)
Benefit Payments	(290,000)	(290,000)	-
Administrative Expense	-	-	-
Net Changes	(782,000)	1,741,000	(2,523,000)
Balance - June 30, 2024	<u>\$ 5,787,000</u>	<u>\$ 7,160,000</u>	<u>\$ (1,373,000)</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, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

**Combining Statement of Fiduciary Net Position
Pension and OPEB Trust Funds**
June 30, 2024

	Sheriff's Office Pension System	Firemen's LOSAP	OPEB Trust	Total
ASSETS				
Equity in Pooled Cash and Investments	\$ 715,319	\$ 1,637,005	\$ 2,684,328	\$ 5,036,652
Cash Equivalents	363,780	190,354	828,505	1,382,639
Investments, at Fair Value				
Debt Securities	14,537,134	6,411,043	30,237,900	51,186,077
Fixed Income Funds	2,534,435	1,178,495	5,031,645	8,744,575
Equities and Equivalents	73,745,999	32,643,959	150,089,038	256,478,996
Total Investments	<u>90,817,568</u>	<u>40,233,497</u>	<u>185,358,583</u>	<u>316,409,648</u>
Total Assets	<u>91,896,667</u>	<u>42,060,856</u>	<u>188,871,416</u>	<u>322,828,939</u>
LIABILITIES				
Accounts Payable	18,272	9,870	-	28,142
Total Liabilities	<u>18,272</u>	<u>9,870</u>	<u>-</u>	<u>28,142</u>
NET POSITION				
Net Position Restricted for Pension & OPEB	<u>\$ 91,878,395</u>	<u>\$ 42,050,986</u>	<u>\$ 188,871,416</u>	<u>\$ 322,800,797</u>

**Combining Statement of Changes in Fiduciary Net Position
Pension and OPEB Trust Funds**
For the Year Ended June 30, 2024

	Sheriff's Office Pension System	Firemen's LOSAP	OPEB Trust	Total
ADDITIONS				
Contributions				
Employee Contributions	\$ 948,502	-	-	\$ 948,502
Employer Contributions	3,215,420	-	8,644,000	11,859,420
Plan Sponsor Contributions	-	1,292,879	-	1,292,879
Total Contributions	<u>4,163,922</u>	<u>1,292,879</u>	<u>8,644,000</u>	<u>14,100,801</u>
Investment Earnings				
Net Gain in Fair Value of Investments	9,392,116	4,528,410	18,595,822	32,516,348
Interest and Dividends	1,681,765	560,456	4,017,230	6,259,451
Total Investment Earnings	<u>11,073,881</u>	<u>5,088,866</u>	<u>22,613,052</u>	<u>38,775,799</u>
Less Investment Expense	(173,027)	(92,495)	(335,731)	(601,253)
Net Investment Income	<u>10,900,854</u>	<u>4,996,371</u>	<u>22,277,321</u>	<u>38,174,546</u>
Total Additions	<u>15,064,776</u>	<u>6,289,250</u>	<u>30,921,321</u>	<u>52,275,347</u>
DEDUCTIONS				
Administrative Expenses	61,942	30,255	14,850	107,047
Benefits	4,623,773	2,917,535	9,497,327	17,038,635
Total Deductions	<u>4,685,715</u>	<u>2,947,790</u>	<u>9,512,177</u>	<u>17,145,682</u>
Change in Net Position	<u>10,379,061</u>	<u>3,341,460</u>	<u>21,409,144</u>	<u>35,129,665</u>
NET POSITION				
Net Position Restricted for Pensions & OPEB- Beg	<u>\$ 81,499,334</u>	<u>\$ 38,709,526</u>	<u>\$ 167,462,272</u>	<u>\$ 287,671,132</u>
Net Position Restricted for Pensions & OPEB- End	<u>\$ 91,878,395</u>	<u>\$ 42,050,986</u>	<u>\$ 188,871,416</u>	<u>\$ 322,800,797</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 5 – OTHER INFORMATION – CONTINUED

H. SUBSEQUENT EVENTS

PRIMARY GOVERNMENT

Harford County introduced the following Bills on September 3, 2024:

- Bill 24-028 – authorizes the sale of bonds for a maximum amount of \$84,030,000, proceeds to be used for General County Capital Projects.
- Bill 24-029 – authorizes the sale of bonds for a maximum amount of \$16,050,000, proceeds to be used for Water and Sewer Capital Projects.

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

Schedule 1

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County's Portion of the Net Pension Liability	0.756%	0.712%	0.754%	0.668%	0.641%	0.615%	0.554%	0.554%	0.555%	0.516%
County's Proportionate Share of the Net Pension Liability	\$ 174,018,216	\$ 142,531,711	\$ 113,088,022	\$ 151,087,921	\$ 132,246,062	\$ 128,973,320	\$ 119,845,396	\$ 130,701,171	\$ 115,409,102	\$ 91,601,275
County's Covered Payroll	\$ 105,605,695	\$ 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
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	164.78%	146.75%	120.86%	170.54%	153.36%	154.12%	153.19%	165.46%	137.30%	109.33%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	69.41%	71.56%	76.57%	66.13%	67.79%	68.10%	66.50%	62.75%	66.00%	69.17%

Notes to Schedule:

Benefit Changes: There were no benefit changes during the years 2014 through 2024

Changes in Assumptions:

Inflation assumption changed as follows:

6/30/2024	2.25%
6/30/2023	2.25%
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%

Investment return assumptions changed as follows:

6/30/2024	6.80%
6/30/2023	6.80%
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%

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
MARYLAND STATE RETIREMENT AND PENSION SYSTEM
Last 10 Fiscal Years

Schedule 2

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 19,906,402	\$ 18,428,584	\$ 16,258,092	\$ 16,610,259	\$ 14,332,855	\$ 13,166,502	\$ 12,257,530	\$ 11,280,505	\$ 10,791,576	\$ 11,705,062
Contributions in Relation to the Actuarially Determined Contribution	19,906,402	18,428,584	16,258,092	16,610,259	14,332,855	13,166,502	12,257,530	11,280,505	10,791,576	11,705,062
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
County's Covered Payroll	\$ 113,408,359	\$ 105,605,695	\$ 97,125,319	\$ 93,570,411	\$ 88,593,541	\$ 86,232,721	\$ 83,683,463	\$ 78,232,243	\$ 78,993,465	\$ 84,055,462
Contributions as a Percentage of Covered Payroll	17.55%	17.45%	16.74%	17.75%	16.18%	15.27%	14.65%	14.42%	13.66%	13.93%

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; 15 years remaining
Asset Valuation Method	5-year Smoothed Fair Value
Inflation	2.25% general, 2.75% wage
Salary Increases	2.75% to 11.25%, 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

Schedule 3

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	3.11%	-2.97%	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

Schedule 4

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 2,586,069	\$ 2,474,729	\$ 2,403,019	\$ 1,934,762	\$ 1,793,713	\$ 1,745,542	\$ 1,723,970	\$ 1,621,696	\$ 1,621,758	\$ 1,621,882
Interest	6,891,784	6,363,192	5,661,895	5,469,042	5,277,242	4,998,244	4,707,153	4,512,191	4,366,894	4,175,857
Changes of Benefit Terms	1,876,815	-	6,510,703	-	-	-	-	-	-	54,206
Differences Between Expected and Actual Experience	1,258,107	3,188,235	(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	(4,623,773)	(4,325,911)	(3,770,340)	(3,634,145)	(3,360,042)	(3,304,800)	(3,114,982)	(3,130,152)	(2,923,123)	(2,824,515)
Net Change in Total Pension Liability	7,989,002	7,700,245	10,296,312	2,823,141	2,877,063	4,013,303	4,253,351	2,777,585	2,179,197	2,778,399
Total Pension Liability - Beginning	100,765,947	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
Total Pension Liability - Ending (a)	\$ 108,754,949	\$ 100,765,947	\$ 93,065,702	\$ 82,769,390	\$ 79,946,249	\$ 77,069,186	\$ 73,055,883	\$ 68,802,532	\$ 66,024,947	\$ 63,845,750
Plan Fiduciary Net Position										
Contributions - Employer	\$ 3,215,420	\$ 3,007,172	\$ 2,829,085	\$ 2,710,626	\$ 2,587,098	\$ 2,567,354	\$ 2,393,057	\$ 2,356,777	\$ 2,489,555	\$ 2,490,164
Contributions - Employee	948,502	879,820	806,654	624,192	608,411	572,139	543,245	504,456	499,165	485,297
Net Investment Income	10,900,854	7,785,003	(10,458,505)	19,221,674	2,579,373	3,509,540	5,216,966	6,283,967	(1,300,945)	1,994,942
Benefit Payments, Including Refunds of Employee Contributions	(4,623,773)	(4,325,911)	(3,770,340)	(3,634,145)	(3,360,042)	(3,304,800)	(3,114,982)	(3,130,152)	(2,923,123)	(2,824,515)
Administrative Expense	(61,942)	(53,532)	(63,687)	(51,848)	(47,609)	(55,298)	(47,326)	(49,292)	(47,558)	(49,460)
Net Change in Plan Fiduciary Net Position	10,379,061	7,292,552	(10,656,793)	18,870,499	2,367,231	3,288,935	4,990,960	5,965,756	(1,282,906)	2,096,428
Plan Fiduciary Net Position - Beginning	81,499,334	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
Plan Fiduciary Net Position - Ending (b)	\$ 91,878,395	\$ 81,499,334	\$ 74,206,782	\$ 84,863,575	\$ 65,993,076	\$ 63,625,845	\$ 60,336,910	\$ 55,345,950	\$ 49,380,194	\$ 50,663,100
County's Net Pension (Asset) Liability - Ending (a) - (b)	\$ 16,876,554	\$ 19,266,613	\$ 18,858,920	\$ (2,094,185)	\$ 13,953,173	\$ 13,443,341	\$ 12,718,973	\$ 13,456,582	\$ 16,644,753	\$ 13,182,650
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	84.48%	80.88%	79.74%	102.53%	82.55%	82.56%	82.59%	80.44%	74.79%	79.53%
Covered Payroll	\$ 9,799,000	\$ 9,441,000	\$ 8,899,000	\$ 9,075,000	\$ 8,507,000	\$ 8,191,000	\$ 7,851,000	\$ 7,115,000	\$ 7,110,000	\$ 7,185,000
County's Net Pension Liability as a Percentage of Covered Payroll	172.23%	204.07%	211.92%	-23.08%	164.02%	164.12%	162.00%	189.13%	234.10%	183.47%
Expected Average Remaining Service Years of All Participants	5	5	5	5	5	5	5	5	6	5

Notes to Schedule:

Benefit Changes:

FY 2024 reflects a change of inclusion of the Deferred Retirement Option Program.

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 FY 2016 to FY 2021.

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

Change of Assumptions:

FY 2024 updated retirement rates to take into account the inclusion of DROP.

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 FY 2014, FY 2016, and FY 2018 to FY 2020.

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

Schedule 5

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 3,215,420	\$ 3,007,172	\$ 2,829,085	\$ 2,710,626	\$ 2,587,098	\$ 2,567,354	\$ 2,393,057	\$ 2,356,777	\$ 2,489,555	\$ 2,490,164
Contributions in Relation to the Actuarially Determined Contribution	<u>3,215,420</u>	<u>3,007,172</u>	<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>
Contribution Deficiency (Excess)	<u>\$ -</u>									
Covered Payroll	<u>\$ 9,799,000</u>	<u>\$ 9,441,000</u>	<u>\$ 8,899,000</u>	<u>\$ 9,075,000</u>	<u>\$ 8,507,000</u>	<u>\$ 8,191,000</u>	<u>\$ 7,851,000</u>	<u>\$ 7,115,000</u>	<u>\$ 7,110,000</u>	<u>\$ 7,185,000</u>
Contributions as a Percentage of Covered Payroll	32.81%	31.85%	31.79%	29.87%	30.41%	31.34%	30.48%	33.12%	35.01%	34.66%

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 Fair Value
Inflation	2.5 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 MP2019

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

Schedule 6

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	13.31%	10.52%	-11.91%	29.04%	4.24%	5.96%	9.19%	12.81%	-1.93%	4.64%

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

Schedule 7

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 791,789	\$ 694,940	\$ 534,102	\$ 875,915	\$ 624,471	\$ 615,292	\$ 644,327	\$ 641,506	\$ 638,884	\$ 677,920
Interest	3,106,552	2,617,377	2,947,669	2,125,666	2,119,864	2,084,466	2,024,849	1,961,742	1,853,894	1,805,782
Changes of benefit terms	-	7,047,544	-	5,211,638	-	-	-	-	-	-
Differences between Expected and Actual Experience	(289,032)	(647,167)	(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	(2,917,535)	(2,531,432)	(2,205,644)	(2,144,817)	(1,843,634)	(1,799,894)	(1,745,944)	(1,701,351)	(1,659,153)	(1,594,505)
Net Change in Total Pension Liability	691,774	7,181,262	(4,555,569)	6,712,203	247,295	611,837	1,020,601	1,074,064	1,818,576	832,598
Total Pension Liability - Beginning	45,838,079	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
Total Pension Liability - Ending (a)	\$ 46,529,853	\$ 45,838,079	\$ 38,656,817	\$ 43,212,386	\$ 36,500,183	\$ 36,252,888	\$ 35,641,051	\$ 34,620,450	\$ 33,546,386	\$ 31,727,720
Plan Fiduciary Net Position										
Contributions - Plan Sponsor	\$ 1,292,879	\$ 2,777,628	\$ 1,877,503	\$ 1,883,255	\$ 1,997,167	\$ 2,072,513	\$ 1,854,906	\$ 1,767,558	\$ 1,912,843	\$ 2,030,844
Net Investment Income	4,996,371	3,681,079	(4,926,914)	7,824,892	1,450,857	1,746,377	2,053,899	2,535,660	(331,941)	840,113
Benefit Payments, Including Refunds of Member Contributions	(2,917,535)	(2,531,432)	(2,205,644)	(2,144,817)	(1,843,634)	(1,799,894)	(1,745,944)	(1,701,351)	(1,659,153)	(1,594,505)
Administrative Expense	(30,255)	(27,043)	(10,488)	(17,841)	(26,479)	(13,738)	(13,588)	(16,468)	(15,246)	(13,710)
Net Change in Plan Fiduciary Net Position	3,341,460	3,900,232	(5,265,543)	7,545,489	1,577,911	2,005,258	2,149,273	2,585,399	(93,497)	1,262,742
Plan Fiduciary Net Position - Beginning	38,709,526	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
Plan Fiduciary Net Position - Ending (b)	\$ 42,050,986	\$ 38,709,526	\$ 34,809,294	\$ 40,074,837	\$ 32,529,348	\$ 30,951,437	\$ 28,946,179	\$ 26,796,906	\$ 24,211,507	\$ 24,305,004
County's Net Pension Liability - Ending (a) - (b)	\$ 4,478,867	\$ 7,128,553	\$ 3,847,523	\$ 3,137,549	\$ 3,970,835	\$ 5,301,451	\$ 6,694,872	\$ 7,823,544	\$ 9,334,879	\$ 7,422,716
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.37%	84.45%	90.05%	92.74%	89.12%	85.38%	81.22%	77.40%	72.17%	76.60%
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	4	4	6	6	6	6	6	6	7	8

Notes to Schedule:

Benefit Changes:

In FY2023, the retirement eligibility was changed to age 50 with 25 years of service or age 60 with between 10 to 24 years of service. The 50-year service cap was removed.

There were no changes in FY2014 to FY2020, FY2022 and FY2024.

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:

In FY2023, retirement rates were updated to reflect the earlier collection ages: 100% when first eligible.

There were no changes in FY2014, FY2015 and FY2017 to FY2021 and FY2024.

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.

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

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
LENGTH OF SERVICE AWARD PROGRAM FOR VOLUNTEER FIREMEN
Last 10 Fiscal Years

Schedule 8

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 1,292,879	\$ 2,777,628	\$ 1,877,503	\$ 1,883,255	\$ 1,997,167	\$ 2,072,513	\$ 1,854,906	\$ 1,767,558	\$ 1,912,843	\$ 1,981,000
Contributions in Relation to the Actuarially Determined Contribution	1,292,879	2,777,628	1,877,503	1,883,255	1,997,167	2,072,513	1,854,906	1,767,558	1,912,843	2,030,844
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	Fair Value as of June 30, Projected to September 30
Inflation	2.5 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

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	13.13%	10.31%	-11.83%	23.86%	4.81%	6.06%	7.50%	10.50%	-0.71%	4.18%

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

	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability								
Service Cost	\$ 3,511,019	\$ 3,154,076	\$ 3,684,121	\$ 3,883,889	\$ 3,919,887	\$ 4,301,469	\$ 4,664,771	\$ 4,493,999
Interest	16,046,104	14,547,438	17,285,935	16,888,951	16,357,466	17,085,497	14,367,000	13,652,014
Changes in Benefit Terms	-	4,700,644	-	-	-	-	-	-
Experience Losses/(Gains)	(19,118,952)	15,324,353	(51,044,889)	(5,305,240)	(2,844,948)	(24,559,327)	29,312,522.00	-
Changes in Assumptions	13,513,760	(5,520,624)	-	-	1,012,350	3,403,456.00	-	-
Benefit Payments	(9,497,327)	(9,891,001)	(9,419,900)	(9,360,731)	(10,706,482)	(10,777,035)	(8,892,619)	(7,892,866)
Net Change in Total OPEB Liability	4,454,604	22,314,886	(39,494,733)	6,106,869	7,738,273	(10,545,940)	39,451,674	10,253,147
Total OPEB Liability - Beginning	234,799,387	212,484,501	251,979,234	245,872,365	238,134,092	248,680,032	209,228,358	198,975,211
Total OPEB Liability - Ending (a)	\$ 239,253,991	\$ 234,799,387	\$ 212,484,501	\$ 251,979,234	\$ 245,872,365	\$ 238,134,092	\$ 248,680,032	\$ 209,228,358
Plan Fiduciary Net Position								
Contributions - Employer	\$ 8,644,000	\$ 4,983,000	\$ 11,798,000	\$ 11,893,000	\$ 11,752,000	\$ 13,639,000	\$ 12,333,000	\$ 9,931,000
Net Investment Income	22,277,321	16,269,756	(21,774,233)	38,855,304	5,920,806	6,666,841	10,018,063	11,411,408
Benefit Payments	(9,497,327)	(9,891,001)	(9,419,900)	(9,360,731)	(10,706,482)	(10,777,035)	(8,892,619)	(7,892,866)
Administrative Expense	(14,850)	(14,400)	(14,400)	(13,500)	(141,900)	(19,250)	(17,000)	(12,750)
Net Change in Plan Fiduciary Net Position	21,409,144	11,347,355	(19,410,533)	41,374,073	6,824,424	9,509,556	13,441,444	13,436,792
Plan Fiduciary Net Position - Beginning	167,462,272	156,114,917	175,525,450	134,151,377	127,326,953	117,817,397	104,375,953	90,939,161
Plan Fiduciary Net Position - Ending (b)	\$ 188,871,416	\$ 167,462,272	\$ 156,114,917	\$ 175,525,450	\$ 134,151,377	\$ 127,326,953	\$ 117,817,397	\$ 104,375,953
County's Net OPEB Liability - Ending (a) - (b)	\$ 50,382,575	\$ 67,337,115	\$ 56,369,584	\$ 76,453,784	\$ 111,720,988	\$ 110,807,139	\$ 130,862,635	\$ 104,852,405
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	78.94%	71.32%	73.47%	69.66%	54.56%	53.47%	47.38%	49.89%
Covered-Employee Payroll ¹	\$ 80,022,875	\$ 74,562,963	\$ 76,583,520	\$ 71,917,966	\$ 70,366,268	\$ 68,362,146	\$ 64,837,247	\$ 65,554,891
County's Net OPEB Liability as a Percentage of Covered Payroll ¹	10.80%	6.68%	15.41%	16.54%	16.70%	19.95%	19.02%	15.38%
Expected Average Remaining Service Years of All Participants	4	5	5	5	5	5	6	6

Notes to Schedule:

Benefit Changes:

For FY2023, the eligibility for members in the sheriff plan was changed from age 62 or 25 years of service to age 62 or 20 years of service.

There were no benefit changes FY2017 - FY2022 and FY2024

Change of Assumptions:

For FY2024, the medical cost trend was updated based on the 2024 Getzen model released by the SOA

For FY2023, the medical trend was updated to the latest long-term medical cost trend model released by SOA. The mortality improvement scale was updated from 2019 to 2021. The demographic assumptions (retirement, termination, and disability) and salary scales were updated to reflect assumptions used in the latest Maryland State Retirement and Pension system report and the Harford County Sheriff's Office Pension Plan report.

There were no benefit changes FY2021 - FY2022

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

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

¹ OPEB does not require contributions from plan members.

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF COUNTY CONTRIBUTIONS
OTHER POST EMPLOYMENT BENEFITS

Last 10 Fiscal Years

Schedule 11

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	\$ 8,644,000	\$ 4,983,000	\$ 11,798,000	\$ 11,893,000	\$ 11,752,000	\$ 13,639,000	\$ 12,333,000	\$ 9,931,000	\$ 10,162,000	\$ 13,794,000
Contributions in Relation to the Actuarially Determined Contribution	8,644,000	4,983,000	11,798,000	11,893,000	11,752,000	13,639,000	12,333,000	9,931,000	10,162,000	13,794,000
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll ¹	\$ 80,022,875	\$ 74,562,963	\$ 76,583,520	\$ 71,917,966	\$ 70,366,268	\$ 68,362,146	\$ 64,837,247	\$ 64,554,891	\$ 63,353,815	\$ 64,563,561
Contributions as a Percentage of Covered-Employee Payroll ¹	10.80%	6.68%	15.41%	16.54%	16.70%	19.95%	19.02%	15.38%	16.04%	21.36%

Notes to Schedule:

Benefit Changes:

In FY2024, the eligibility for members in the sheriff plan was changed from age 62 or 25 years of service to age 62 or 20 years of service

Change of Assumptions:

In FY2024, the medical trend was updated to the long-term medical cost trend model released by the SOA in 2022. The mortality improvement scale was updated to the MP-2021 scale. The demographic assumptions and salary scales were updated to reflect assumptions used in the June 20, 2022 MSRPS report and the July 1, 2023 Harford County SOPP report. Actuarial value of assets, using a 5 year smoothing method was used.

In FY2023, as of January 2021, Medicare-eligible retirees, are required to enroll in a Medicare Advantage Plan.

In FY2022, 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

17

Asset valuation method

5-Year smoothed fair value

Investment rate of return

7.00%

Payroll growth rate

3.50%

Inflation

2.50%

Healthcare cost trend rate

The trend for 2023 is 5.80%. The ultimate trend is 3.94%.

¹ OPEB does not require contributions from plan members.

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

Schedule 12

	2024	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	13.32%	10.61%	-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 – 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, 2024

Exhibit A-1

	Special Revenue		Debt Service		Total	
	Parks and Recreation		Beechtree TIF		Non-major Governmental	
	Watershed Management	Funds	Watershed Management	Funds	Watershed Management	Funds
ASSETS						
Equity in Pooled Cash and Investments	\$ 551,691	\$ 7,383,923	\$ 1,736,134	\$ 9,671,748		
Cash and Investments	450	-	-	450		
Taxes and Accounts Receivable (Net)	9,546	80,935	-	-		90,481
Deposit with Trustee	-	-	1,521,208	-		1,521,208
Restricted Assets - Investments	-	981,136	-	-		981,136
TOTAL ASSETS	\$ 561,687	\$ 8,445,994	\$ 3,257,342	\$ 12,265,023		
LIABILITIES						
Accounts Payable	\$ 8,049	\$ 243,525	\$ -	\$ 251,574		
Accrued Expenditures	3,910	8,116	-	-		12,026
Escrow Accounts	5,500	-	-	-		5,500
Total Liabilities	17,459	251,641	-	-		269,100
FUND BALANCES						
Restricted	544,228	8,194,353	3,257,342	-		11,995,923
Total Fund Balances	544,228	8,194,353	3,257,342	-		11,995,923
TOTAL LIABILITIES AND FUND BALANCES	\$ 561,687	\$ 8,445,994	\$ 3,257,342	\$ 12,265,023		

HARFORD COUNTY, MARYLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2024

Exhibit A-2

	Special Revenue		Debt Service		Total	
	Parks and Recreation		Beechtree TIF		Non-major Governmental	
	Watershed Management	Funds	Watershed Management	Funds	Watershed Management	Funds
REVENUES						
Taxes	\$ -	\$ 2,622,484	\$ 2,257,873	\$ 4,880,357		
Investment Income	24,617	416,869	131,564	573,050		
Charges for Current Services	812,304	-	-	812,304		
Fines and Forfeitures	-	20,000	-	20,000		
Total Revenues	<u>836,921</u>	<u>3,059,353</u>	<u>2,389,437</u>	<u>6,285,711</u>		
EXPENDITURES						
Current:						
Parks, Recreation and Natural Resources	574,828	-	-	574,828		
Public Works	-	1,955,001	-	1,955,001		
Debt Service:						
Principal	-	1,138,590	415,000	1,553,590		
Interest	-	732,339	417,700	1,150,039		
Administrative Costs	-	36,605	29,308	65,913		
Total Expenditures	<u>574,828</u>	<u>3,862,535</u>	<u>862,008</u>	<u>5,299,371</u>		
Excess (Deficiency) of Revenues over Expenditures	<u>262,093</u>	<u>(803,182)</u>	<u>1,527,429</u>	<u>986,340</u>		
OTHER FINANCING SOURCES (USES)						
Transfers Out	(50,000)	(1,250,000)	(1,521,112)	(2,821,112)		
Premium on Issuance of Bonds	-	425,900	-	425,900		
Total Other Financing Sources (Uses)	<u>(50,000)</u>	<u>(824,100)</u>	<u>(1,521,112)</u>	<u>(2,395,212)</u>		
Net Change in Fund Balances	212,093	(1,627,282)	6,317	(1,408,872)		
Fund Balances - Beginning	332,135	9,821,635	3,251,025	13,404,795		
Fund Balances - Ending	<u>\$ 544,228</u>	<u>\$ 8,194,353</u>	<u>\$ 3,257,342</u>	<u>\$ 11,995,923</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, 2024

Exhibit B-1

	Bar Library	BVL Cooperating Parties Group	OT Cooperating Parties Group	Total
ASSETS				
Equity in Pooled Cash and Investments	\$ 327,562	\$ 1,758,100	\$ 69,781	\$ 2,155,443
Cash Equivalents	- -	500,642	-	500,642
Total Assets	<hr/> 327,562	<hr/> 2,258,742	<hr/> 69,781	<hr/> 2,656,085
LIABILITIES				
Accounts Payable	2,996	38,189	-	41,185
Total Liabilities	<hr/> 2,996	<hr/> 38,189	<hr/> -	<hr/> 41,185
NET POSITION				
Restricted for Individuals, Organizations, and Other Governments	\$ 324,566	\$ 2,220,553	\$ 69,781	\$ 2,614,900

HARFORD COUNTY, MARYLAND
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2024

Exhibit B-2

	Bar Library	BVL Cooperating Parties Group	OT Cooperating Parties Group	Total
ADDITIONS				
Member Contributions	\$ 74,434	\$ -	\$ -	\$ 74,434
Interest and Dividends	18,401	129,333	-	147,734
Total Additions	<u>92,835</u>	<u>129,333</u>	<u>-</u>	<u>222,168</u>
DEDUCTIONS				
Payments to Participants or Beneficiaries	115,704	96,337	432,063	644,104
Total Deductions	<u>115,704</u>	<u>96,337</u>	<u>432,063</u>	<u>644,104</u>
Net Increase (Decrease) in Fiduciary Net Position	(22,869)	32,996	(432,063)	(421,936)
Net Position - Beginning	347,435	2,187,557	501,844	3,036,836
Net Position - Ending	<u>\$ 324,566</u>	<u>\$ 2,220,553</u>	<u>\$ 69,781</u>	<u>\$ 2,614,900</u>

HARFORD COUNTY, MARYLAND
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2024

Exhibit B-3

	Healthcare Consortium	Seizure of Assets	Total
ASSETS			
Equity in Pooled Cash	\$ -	\$ 913,679	\$ 913,679
Cash Equivalents	<u>8,726,786</u>	<u>-</u>	<u>8,726,786</u>
Total Assets	<u>8,726,786</u>	<u>913,679</u>	<u>9,640,465</u>
NET POSITION			
Net Position Restricted for Individuals, Organizations, and Governments	<u>8,726,786</u>	<u>913,679</u>	<u>9,640,465</u>

HARFORD COUNTY, MARYLAND
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2024

Exhibit B-4

	Healthcare Consortium	Seizure of Assets	Total
ADDITIONS			
Grant, Contributions or Seizures	\$ 6,023,009	\$ 442,593	\$ 6,465,602
Interest and Dividends	<u>1,241,480</u>	<u>56,242</u>	<u>1,297,722</u>
Total Additions	<u><u>7,264,489</u></u>	<u><u>498,835</u></u>	<u><u>7,763,324</u></u>
DEDUCTIONS			
Payments to Participants or Beneficiaries	<u>21,800,000</u>	<u>458,768</u>	<u>22,258,768</u>
Total Deductions	<u><u>21,800,000</u></u>	<u><u>458,768</u></u>	<u><u>22,258,768</u></u>
Net Increase (Decrease) in Fiduciary Net Position	(14,535,511)	40,067	(14,495,444)
Net Position - Beginning	<u>23,262,297</u>	<u>873,612</u>	<u>24,135,909</u>
Net Position - Ending	<u><u>8,726,786</u></u>	<u><u>913,679</u></u>	<u><u>9,640,465</u></u>

SCHEDULES

Governmental Funds

General Fund

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

Special Revenue Funds

Highways 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 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, 2024

Exhibit C-1

REVENUES	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Taxes				
Admissions and Amusement Tax	\$ 400,000	\$ 400,000	\$ 392,273	\$ (7,727)
Business Personal Property/Current Year	350,000	350,000	224,112	(125,888)
Business Personal Property/Prior Years	-	-	187	187
Corporate Property/Current Year	15,000,000	15,000,000	15,139,353	139,353
Corporate Property/Prior Years	-	-	2,859	2,859
Delinquent Tax Costs	60,000	60,000	57,675	(2,325)
Heavy Equipment Receipts Tax - Corporate	220,000	220,000	217,363	(2,637)
Hotel Occupancy Tax	2,300,000	2,300,000	2,701,620	401,620
Impact Fees	2,300,000	2,300,000	2,805,000	505,000
Income Taxes	311,000,000	311,000,000	310,195,604	(804,396)
Interest on Delinquent Taxes	800,000	800,000	606,609	(193,391)
Mobile Home Excise Tax	215,000	215,000	209,922	(5,078)
Payment in Lieu of Taxes	500,000	500,000	543,928	43,928
Penalty	800,000	800,000	899,209	99,209
Railroad and Public Utilities/Current Year	18,000,000	18,000,000	18,941,150	941,150
Real Property - Full Year Levy/Current Year	266,000,000	266,000,000	264,400,434	(1,599,566)
Real Property - Full Year Levy/Prior Years	-	-	1,164	1,164
Real Property - Half Year Levy/Current Year	400,000	400,000	846,108	446,108
911 Program Fee	6,000,000	6,000,000	5,179,765	(820,235)
	624,345,000	624,345,000	623,364,335	(980,665)
Less: Tax Credits and Uncollectibles				
Ag. Preservation Incentive/Easements	(1,500,000)	(1,500,000)	(1,531,924)	(31,924)
Community Association Credit	(5,100)	(5,100)	(5,219)	(119)
Conservation Land Tax Credit	(1,300)	(1,300)	(2,326)	(1,026)
Discounts Allowed on Taxes	100	100	7	(93)
Enterprise Zone Tax Credit	(1,400,000)	(1,400,000)	(1,247,708)	152,292
Habitat For Humanity Tax Credit	(8,000)	(8,000)	(2,295)	5,705
Historical Tax Credit	(5,200)	(5,200)	(4,265)	935
Homeowner's Tax Credit - County	(260,000)	(260,000)	(244,353)	15,647
Homestead Tax Credit - County	(650,000)	(650,000)	(744,582)	(94,582)
Landfill Proximity Credit	(60,000)	(60,000)	(63,444)	(3,444)
Senior/Retired Military Tax Credit	(2,600,000)	(2,600,000)	(2,017,824)	582,176
Solar/Geothermal Energy Tax Credit	(430,000)	(430,000)	(439,424)	(9,424)
Uncollectible Property Taxes	50,000	50,000	(648)	(50,648)
	(6,869,500)	(6,869,500)	(6,304,005)	565,495
Total Taxes	617,475,500	617,475,500	617,060,330	(415,170)

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2024

(continued)

Exhibit C-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Revenues from Other Agencies				
Cannabis Sales Tax	-	-	106,743	106,743
DNR Parks PILOT	95,000	95,000	86,391	(8,609)
Jury Compensation	110,000	110,000	220,425	110,425
Medicare D Subsidy	310,000	310,000	-	(310,000)
Police Protection	2,120,000	2,120,000	2,887,705	767,705
State 911 Fee	340,000	340,000	234,625	(105,375)
Total Revenues from Other Agencies	<u>2,975,000</u>	<u>2,975,000</u>	<u>3,535,889</u>	<u>560,889</u>
Investment Income	6,900,000	6,900,000	8,526,430	1,626,430
Charges for Current Services				
Abandoned Buildings	30,000	30,000	68,767	38,767
Administrative Fee - Cobra Insurance	500	500	-	(500)
Auto Commute - County Employees	3,500	3,500	262	(3,238)
Bad Check Fee	4,500	4,500	7,521	3,021
Board of Prisoners	190,000	190,000	197,769	7,769
Building Plan Review	-	-	180	180
Building Reinspection Fee	2,150	2,150	3,400	1,250
Child Custody	3,000	3,000	-	(3,000)
Commercial Yard Trim Disposal	-	-	49,920	49,920
Commissions	180,000	180,000	214,031	34,031
Community Work Service	10,000	10,000	9,375	(625)
Concept Plans	3,000	3,000	-	(3,000)
County Recreation Programs	80,000	80,000	115,914	35,914
Detention Center Commissary	430,000	430,000	548,908	118,908
Electrical Reinspection Fees	2,150	2,150	3,250	1,100
EMS-Ambulance Fees	3,000,000	3,000,000	7,069,796	4,069,796
Extension Preliminary Plan Approval	100	100	-	(100)
False Burglar Alarm Service Charges	70,000	70,000	68,690	(1,310)
False Fire Alarm Service Charges	5,000	5,000	-	(5,000)
Final Plats	15,000	15,000	12,950	(2,050)
Flying Point/Mariner/Schucks Park Revenue	35,000	35,000	40,808	5,808
Food Service Licenses	100,000	100,000	122,780	22,780
Forest Conservation Plan Review	15,000	15,000	4,063	(10,937)
Forest Stand Delineation Review	8,000	8,000	4,974	(3,026)
Freon Disposal	-	-	8,569	8,569
Ground Floor Fees	4,000	4,000	-	(4,000)
Harford TV	300	300	160	(140)
Hazardous Material Spill Cleanup	9,500	9,500	-	(9,500)

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2024

(continued)

Exhibit C-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Charges for Current Services (continued)				
Household Waste - Private Vehicle Charge	600,000	600,000	858,547	258,547
ICT/HMAN Maintenance Fee	6,000	6,000	49,206	43,206
Inmate Fees for Medical Services	2,500	2,500	5,591	3,091
Inspections	9,000	9,000	5,925	(3,075)
Mechanical Investigation Fees	500	500	-	(500)
Mechanical Reinspection Fee	500	500	400	(100)
Miscellaneous Revenue - Sheriff's Office	50,000	50,000	96,568	46,568
Noxious Weed	20,000	20,000	23,143	3,143
Overtime Reimbursements - Sheriff	400,000	400,000	481,608	81,608
Percolation Tests	25,000	25,000	29,200	4,200
Plumbing Reinspection Fees	500	500	550	50
Police Reports	30,000	30,000	34,336	4,336
Public Swimming Pool & Spa Permit	28,000	28,000	30,400	2,400
Publications	50	50	10	(40)
Publication/Ad Charges	22,000	22,000	13,957	(8,043)
Recycled Batteries	3,000	3,000	6,535	3,535
Recycled Scrap Metal	125,000	125,000	128,194	3,194
Recycling Revenue - Misc.	2,000	2,000	1,919	(81)
Reproduction	2,000	2,000	1,245	(755)
Sale of Compost - Scarboro	25,000	25,000	29,508	4,508
Sale of Mulch - Scarboro	80,000	80,000	66,088	(13,912)
Sale of Rock	3,400	3,400	-	(3,400)
Sanitation Construction Permit Fee	11,000	11,000	8,736	(2,264)
Sanitation Permits	9,000	9,000	7,550	(1,450)
Senior Center Fees	250,000	250,000	293,694	43,694
Sheriff's Fees	200,000	200,000	264,431	64,431
Sheriff's Licenses	7,500	7,500	10,090	2,590
Site Plans	25,000	25,000	16,121	(8,879)
Social Security Payments - Inmates	10,000	10,000	13,000	3,000
Subdivision Plans	40,000	40,000	18,603	(21,397)
Subdivision Plat Review	7,000	7,000	5,200	(1,800)
Tax Lien Certification	250,000	250,000	171,625	(78,375)
Tax Lien Filing Fees	500	500	780	280
Tax Sale Auctioneer Fees	2,000	2,000	2,500	500
Technical Review	60,000	60,000	28,054	(31,946)
Telephone Service	11,000	11,000	7,542	(3,458)
Tipping Fee Landfill	17,700,000	17,700,000	17,087,557	(612,443)
Tire Disposal Fees	700	700	4,382	3,682
Training Academy - Sheriff's Office	50,000	50,000	43,010	(6,990)
Weekend Prisoner Revenue	50,000	50,000	92,169	42,169

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2024

(continued)

Exhibit C-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Charges for Current Services (continued)				
Well Sampling	15,000	15,000	17,160	2,160
Work Release Revenue	15,000	15,000	1,603	(13,397)
Zoning Appeals	35,000	35,000	29,224	(5,776)
Zoning Certificates	3,400	3,400	3,240	(160)
Zoning Reclass Fee	2,000	2,000	11,200	9,200
Total Charges for Current Services	<u>24,389,250</u>	<u>24,389,250</u>	<u>28,552,488</u>	<u>4,163,238</u>
Miscellaneous				
Edgewood Community Center	15,000	15,000	16,798	1,798
Grant Unemployment	50,000	50,000	66,988	16,988
Interest on Miscellaneous Invoices	1,000	1,000	2,820	1,820
Lease Income	27,000	27,000	36,810	9,810
Lease Interest	4,300	4,300	5,976	1,676
Miscellaneous Revenue	30,067	30,067	153,678	123,611
Other	-	-	2,160,953	2,160,953
Over and Short	(500)	(500)	(215)	285
Pcard Rebate	-	-	80,024	80,024
Postage	200,000	200,000	105,838	(94,162)
Pro Rata Charges - Highways	3,560,813	3,560,813	3,560,813	-
Pro Rata Charges - Parks and Recreation	47,955	47,955	47,955	-
Pro Rata Charges - Watershed Management	142,941	142,941	142,941	-
Pro Rata Charges - Water and Sewer	3,838,202	3,838,202	3,838,202	-
Pro Rata Charges - Self Insurance	330,933	330,933	330,933	-
Recovery from Capital Projects	16,000	16,000	-	(16,000)
Reimbursement of AG Credits	1,500,000	1,500,000	1,531,924	31,924
Reimbursement of ARPA Overhead	-	-	104,859	104,859
Rental Income	280,000	280,000	206,697	(73,303)
Sale of Equipment	100,000	100,000	23,426	(76,574)
Sale of Vehicles	220,000	220,000	251,135	31,135
Total Miscellaneous	<u>10,363,711</u>	<u>10,363,711</u>	<u>12,668,555</u>	<u>2,304,844</u>
Licenses and Permits				
Auctioneers Licenses	6,700	6,700	5,700	(1,000)
Beer, Wine & Liquor Licenses	-	-	26,138	26,138
Building Inspection Services	200,000	200,000	163,859	(36,141)
Building Penalty	500	500	15,150	14,650
Building Permits	440,000	440,000	692,500	252,500
Cable TV	2,300,000	2,300,000	2,130,976	(169,024)
Dog Licenses	17,000	17,000	16,932	(68)
Electrical Board of Examiners	30,000	30,000	27,685	(2,315)

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2024

(continued)

Exhibit C-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Licenses and Permits (continued)				
Electrical Penalty	250	250	-	(250)
Electrical Permits	450,000	450,000	516,693	66,693
Forest Harvest Permit	1,700	1,700	2,175	475
Kennel Licenses	1,000	1,000	1,150	150
Marriage Licenses	7,000	7,000	7,975	975
Marriage Licenses/Spouse Abuse	61,000	61,000	53,911	(7,089)
Massage Establishment Licenses	200	200	50	(150)
Mechanical Licenses	30,000	30,000	30,425	425
Mechanical Permits	280,000	280,000	293,949	13,949
Mobile Home Park Licenses	12,000	12,000	10,620	(1,380)
Pawnbrokers Licenses	600	600	500	(100)
Pet Shop/Grooming Licenses	1,500	1,500	1,000	(500)
Plumbing Licenses	47,000	47,000	45,995	(1,005)
Plumbing Permits	315,000	315,000	318,455	3,455
Plumbing Penalty	250	250	-	(250)
Refuse Licenses	18,500	18,500	9,650	(8,850)
Solicitors Licenses	500	500	346	(154)
Taxi Cab Licenses	1,300	1,300	925	(375)
Towing Licenses	5,400	5,400	4,150	(1,250)
Traders Licenses	250,000	250,000	248,031	(1,969)
Total Licenses and Permits	<u>4,477,400</u>	<u>4,477,400</u>	<u>4,624,940</u>	<u>147,540</u>
Fines and Forfeitures				
Court Fines	30,000	30,000	34,062	4,062
Dog License Fines	2,000	2,000	6,210	4,210
Parking Fines	10,000	10,000	22,735	12,735
Parking Fines - County Lots	10,000	10,000	4,290	(5,710)
School Bus Stop Arm Camera Fines	-	-	745,425	745,425
Total Fines and Forfeitures	<u>52,000</u>	<u>52,000</u>	<u>812,722</u>	<u>760,722</u>
OTHER FINANCING SOURCES (USES)				
Appropriated Fund Balance	74,072,089	76,625,789	16,242,146	(60,383,643)
Transfers In:				
Beechtree TIF Debt Service Fund	1,290,450	1,290,450	1,308,613	18,163
Capital Project	26,500,600	26,500,600	26,500,600	-
Total Transfers In	<u>27,791,050</u>	<u>27,791,050</u>	<u>27,809,213</u>	<u>18,163</u>
Issuance of Refunding Bonds	-	30,444,238	27,133,416	(3,310,822)
Premium on Issuance of Bonds	-	-	7,204,146	7,204,146
Total Other Financing Sources (Uses)	<u>101,863,139</u>	<u>134,861,077</u>	<u>78,388,921</u>	<u>(56,472,156)</u>
Total Revenues and Other Financing Sources (Uses)	<u>\$ 768,496,000</u>	<u>\$ 801,493,938</u>	<u>\$ 754,170,275</u>	<u>\$ (47,323,663)</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, 2024

Exhibit C-2

EXPENDITURES	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Current:				
County Council				
Board of Appeals & Rezoning	\$ 281,016	\$ 283,516	\$ 187,530	\$ 95,986
County Council Office	1,928,195	1,955,395	1,700,026	255,369
HarfordTV	1,000,049	1,011,149	971,548	39,601
Office of County Attorney	575,703	579,903	353,281	226,622
Office of County Auditor	593,734	601,834	598,541	3,293
Total County Council	4,378,697	4,431,797	3,810,926	620,871
General Government				
County Executive				
Office of the County Executive	537,955	544,255	453,164	91,091
Office of the Executive Staff	1,331,634	1,348,734	1,111,145	237,589
Director of Administration				
Budget & Management Research	799,823	932,523	923,344	9,179
Director of Administration	577,335	516,935	474,071	42,864
Resource Management	211,745	161,745	114,311	47,434
Department of Procurement				
Procurement Operations	1,211,923	1,230,123	1,077,199	152,924
Property Acquisition	288,804	293,504	261,209	32,295
Department of the Treasury				
Bureau of Accounting	2,128,878	2,134,678	1,748,206	386,472
Bureau of Revenue Collections	1,481,389	1,499,889	1,285,398	214,491
Office of the Treasurer	688,615	720,215	716,796	3,419
Department of Law				
Department of Law	2,234,046	2,269,846	2,201,913	67,933
Law Enforcement Administrative Boards	200,000	110,000	77,061	32,939
Risk Management	421,058	515,258	478,281	36,977
Department of Planning & Zoning				
Comprehensive Planning and Special Projects	1,730,327	1,753,727	1,326,965	426,762
Current Planning	2,021,814	2,019,514	1,646,540	372,974
Director of Planning & Zoning	679,830	716,130	589,065	127,065
Department of Personnel				
Human Resources	1,286,479	1,304,379	1,164,204	140,175
Personnel Matters	5,718,605	5,718,605	1,818,346	3,900,259
Office of Information and Communication Technology				
Information and Communication Technology	13,009,667	12,970,367	11,822,108	1,148,259
Broadband	814,000	919,000	566,284	352,716

(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, 2024

(continued)

Exhibit C-2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL	AMOUNTS	
General Government (continued)				
Elections				
Board of Elections	1,808,589	1,851,402	1,677,970	173,432
Election Expense	1,993,527	1,952,214	1,388,435	563,779
Economic Development				
Office of Economic Development	2,924,823	2,948,223	2,212,004	736,219
Tourism & Marketing	2,000,000	2,000,000	1,672,006	327,994
Benefits	3,248,140	3,248,140	3,197,580	50,560
Insurance	899,968	899,968	899,968	-
Miscellaneous				
Appropriations to Towns	3,921,619	3,921,619	3,921,619	-
Appropriations to State	1,170,000	1,170,000	1,018,823	151,177
Contingency Reserve	100,000	100,000	-	100,000
Humane Society	1,187,000	1,187,000	1,187,000	-
Total General Government	<u>56,627,593</u>	<u>56,957,993</u>	<u>47,031,015</u>	<u>9,926,978</u>
Education-Primary thru Comm. College				
Harford County Public Schools	314,852,402	314,852,402	314,852,402	-
Harford Community College	19,881,806	19,881,806	19,881,806	-
Total Education-Primary thru Community College	<u>334,734,208</u>	<u>334,734,208</u>	<u>334,734,208</u>	<u>-</u>
Harford Center	702,215	702,215	702,215	-
Judicial				
Circuit Court	2,431,474	2,561,312	2,346,830	214,482
Community Work Service	473,985	481,485	428,104	53,381
Family Court Services Division	854,878	769,940	588,267	181,673
Grand Jury	14,000	19,000	18,120	880
Jury Commissioner	439,471	456,571	343,720	112,851
Jury Services	345,500	328,000	211,440	116,560
Magistrates	295,646	304,646	269,722	34,924
State's Attorney	9,660,401	9,800,801	8,733,720	1,067,081
Total Judicial	<u>14,515,355</u>	<u>14,721,755</u>	<u>12,939,923</u>	<u>1,781,832</u>
Libraries	20,885,407	20,885,407	20,885,407	-
Parks, Recreation and Natural Resources				
Department of Parks and Recreation				
Parks and Facilities	7,149,424	7,187,324	5,870,410	1,316,914
Parks & Recreation Administration	933,059	947,659	873,596	74,063
Recreational Services	3,953,967	4,007,667	3,407,656	600,011
Conservation of Natural Resources				
Extension Service	314,926	314,926	312,293	2,633
Soil Conservation	662,598	672,198	606,629	65,569
Total Parks, Recreation and Natural Resources	<u>13,013,974</u>	<u>13,129,774</u>	<u>11,070,584</u>	<u>2,059,190</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, 2024

(continued)

Exhibit C-2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Public Safety				
Sheriff's Office				
Administration	9,770,301	10,132,001	9,225,446	906,555
Correctional Services	34,410,872	34,722,072	34,080,811	641,261
Court Services	9,423,804	9,833,304	9,648,661	184,643
Criminal Investigation	13,306,075	14,816,975	14,671,070	145,905
Inmate Welfare Fund	1,132,626	1,135,126	1,018,109	117,017
Patrol Operations	45,810,282	44,039,482	42,438,993	1,600,489
School Safety	3,889,648	4,325,748	4,234,507	91,241
Department of Inspections, Licenses and Permits				
Building Services	1,201,836	1,218,036	1,194,758	23,278
Director of DILP	894,891	929,291	925,739	3,552
Electrical Services	851,459	846,259	762,766	83,493
Plumbing Services	826,858	839,658	815,296	24,362
Emergency Services				
Administration	2,096,461	2,396,961	2,362,239	34,722
Emergency Medical Services	17,405,461	19,601,561	19,573,291	28,270
Natural Disasters	100,000	60,000	60,000	-
Special Operations & Technical Services & Support	3,933,727	3,369,027	3,338,960	30,067
Volunteer Fire Companies	10,223,302	10,091,302	10,089,689	1,613
911 Emergency Communications	10,947,694	9,551,494	9,498,245	53,249
Total Public Safety	166,225,297	167,908,297	163,938,580	3,969,717
Public Works				
Department of Public Works				
Bureau of Environmental Affairs	198,477	205,777	205,768	9
Bureau of Solid Waste Management	7,179,311	8,151,911	7,800,444	351,467
Capital Projects Management	1,800,671	1,827,671	1,651,494	176,177
Closed Landfills - Post Closure Costs	246,434	246,434	228,956	17,478
Facilities and Operations	6,933,380	6,993,680	6,751,575	242,105
Lease Management	1,445,249	1,447,549	955,938	491,611
Stormwater Management	1,612,091	1,620,091	1,110,185	509,906
Transfer Station	21,600,000	20,623,700	15,458,231	5,165,469
Total Public Works	41,015,613	41,116,813	34,162,591	6,954,222
Social Services				
Department of Community Services				
Director - Community Services	1,949,383	1,962,383	1,343,358	619,025
Office of Drug Control	1,343,104	1,348,704	1,106,247	242,457
Office on Aging	2,574,415	2,601,615	1,916,042	685,573
ARC Northern Chesapeake Region	2,249,580	2,249,580	2,249,580	-
Housing Agency Services	2,272,595	2,285,995	1,989,156	296,839
Health Department	4,768,168	4,772,768	4,722,263	50,505
Total Social Services	15,157,245	15,221,045	13,326,646	1,894,399

(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, 2024

(continued)

Exhibit C-2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
OTHER FINANCING SOURCES (USES)				
Debt Service				
Principal	46,623,770	46,623,770	45,748,094	875,676
Interest	17,945,020	17,945,020	16,842,745	1,102,275
Administration Costs	640,000	640,000	379,128	260,872
Total Debt Service	<u>65,208,790</u>	<u>65,208,790</u>	<u>62,969,967</u>	<u>2,238,823</u>
Transfers Out:				
Grants	6,939,606	6,939,606	4,061,975	2,877,631
Capital Project	29,092,000	29,092,000	14,092,000	15,000,000
Total Transfers Out	<u>36,031,606</u>	<u>36,031,606</u>	<u>18,153,975</u>	<u>17,877,631</u>
Payment to Escrow Agent for Refunding	-	30,444,238	30,444,238	-
Total Other Financing Sources (Uses)	<u>36,031,606</u>	<u>66,475,844</u>	<u>48,598,213</u>	<u>17,877,631</u>
Total Expenditures and Other Financing Sources (Uses)	<u>\$ 768,496,000</u>	<u>\$ 801,493,938</u>	<u>\$ 754,170,275</u>	<u>\$ 47,323,663</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, 2024

Exhibit D-1

REVENUES	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Taxes				
Business Personal Property/Current Year	\$ 50,000	\$ 50,000	\$ 28,694	\$ (21,306)
Corporate Property/Current Year	2,000,000	2,000,000	1,909,987	(90,013)
Corporate Property/Prior Years	-	-	473	473
Interest on Delinquent Taxes	100,000	100,000	98,271	(1,729)
Payment in Lieu of Taxes	257,000	257,000	256,921	(79)
Penalty	140,000	140,000	145,784	5,784
Railroad and Public Utilities/Current Year	2,500,000	2,500,000	2,743,076	243,076
Real Property-Full Year Levy/Current Year	36,500,000	36,500,000	36,233,978	(266,022)
Real Property-Full Year Levy/Prior Years	-	-	189	189
Real Property-Half Year Levy/Current Year	50,000	50,000	51,827	1,827
	<u>41,597,000</u>	<u>41,597,000</u>	<u>41,469,200</u>	<u>(127,800)</u>
Less: Tax Credits and Uncollectibles				
AG Preservation Tax Credit	(230,000)	(230,000)	(242,368)	(12,368)
Community Association Credit	(650)	(650)	(660)	(10)
Conservation Land Tax Credit	(300)	(300)	(210)	90
Discounts Allowed on Taxes	-	-	2	2
Enterprise Zone Tax Credits	(175,000)	(175,000)	(169,308)	5,692
Historical Tax Credit	(850)	(850)	(692)	158
Homeowner's Tax Credit - County	(22,000)	(22,000)	(33,280)	(11,280)
Homestead Tax Credit - County	(100,000)	(100,000)	(122,530)	(22,530)
Landfill Proximity Credit	(10,000)	(10,000)	(10,575)	(575)
Senior/Retired Military Credit	(400,000)	(400,000)	(307,988)	92,012
Solar/Geothermal Energy Tax Credit	(70,000)	(70,000)	(58,982)	11,018
Uncollectible Property Taxes	10,000	10,000	(303)	(10,303)
	<u>(998,800)</u>	<u>(998,800)</u>	<u>(946,894)</u>	<u>51,906</u>
Total Taxes	<u>40,598,200</u>	<u>40,598,200</u>	<u>40,522,306</u>	<u>(75,894)</u>
Revenues from Other Agencies				
DNR Parks Pilot	13,000	13,000	11,870	(1,130)
Highways Users Tax	4,000,000	4,000,000	3,989,571	(10,429)
Total Revenues from Other Agencies	<u>4,013,000</u>	<u>4,013,000</u>	<u>4,001,441</u>	<u>(11,559)</u>
Investment Income	<u>852,253</u>	<u>852,253</u>	<u>1,165,557</u>	<u>313,304</u>
Charges for Current Services				
Auto Maintenance - Contract	55,000	55,000	66,174	11,174
Auto Maintenance - Non-Contract	300,000	300,000	309,867	9,867
Fuel Charges - County	900,000	900,000	1,346,105	446,105
Inspections	160,000	160,000	161,703	1,703
Recycled Scrap Metal	5,000	5,000	-	(5,000)
Reproduction	100	100	-	(100)

(continued)

HARFORD COUNTY, MARYLAND
Highways Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2024

(continued)

Exhibit D-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Charges for Current Services (continued)				
Road Access Permit Fees	16,000	16,000	15,225	(775)
Signs and Linestriping	25,000	25,000	65,710	40,710
Technical Review	30,000	30,000	54,986	24,986
Utility Permit Fees	65,000	65,000	196,400	131,400
Total Charges for Current Services	<u>1,556,100</u>	<u>1,556,100</u>	<u>2,216,170</u>	<u>660,070</u>
Miscellaneous				
Director of DPW - Environmental Affairs	36,769	36,769	43,433	6,664
Director of DPW - Watershed	14,298	14,298	14,298	-
Director of DPW - Water and Sewer	198,588	198,588	198,588	-
Fleet Lease Revenue	2,000	2,000	1,266	(734)
Fuel Charges	2,500,000	2,500,000	3,227,371	727,371
Interest on Miscellaneous Invoices	3,000	3,000	2,322	(678)
Miscellaneous Revenue	78,897	78,897	55,961	(22,936)
Pcard Rebate	-	-	10,108	10,108
Recovery from Capital Projects	900,000	900,000	989,497	89,497
Reimbursement from Other Departments	55,000	55,000	97,034	42,034
Reimbursement of AG Credit	230,000	230,000	242,368	12,368
Sale of Property - Vehicles	250,000	250,000	131,816	(118,184)
Vehicle Maintenance - Contract	3,400,000	3,400,000	3,845,724	445,724
Vehicle Maintenance - Non Contract	1,500,000	1,500,000	1,522,877	22,877
Total Miscellaneous	<u>9,168,552</u>	<u>9,168,552</u>	<u>10,382,663</u>	<u>1,214,111</u>
Fines and Forfeitures				
Vegetation Violations	16,000	16,000	17,905	1,905
Total Fines and Forfeitures	<u>16,000</u>	<u>16,000</u>	<u>17,905</u>	<u>1,905</u>
OTHER FINANCING SOURCES (USES)				
Appropriated Fund Balance	11,956,345	12,239,245	3,480,604	(8,758,641)
Transfers In:				
Beechtree TIF Debt Service Fund	209,550	209,550	212,499	2,949
Total Transfers In	<u>209,550</u>	<u>209,550</u>	<u>212,499</u>	<u>2,949</u>
Premium on Issuance of Bonds	-	-	415,101	415,101
Total Other Financing Sources (Uses)	<u>12,165,895</u>	<u>12,448,795</u>	<u>4,108,204</u>	<u>(8,340,591)</u>
Total Revenues and Other Financing Sources (Uses)	<u>\$ 68,370,000</u>	<u>\$ 68,652,900</u>	<u>\$ 62,414,246</u>	<u>\$ (6,238,654)</u>

HARFORD COUNTY, MARYLAND
Highways Fund
Schedule of Expenditures, Encumbrances and Other Financing Sources (Uses)
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2024

Exhibit D-2

EXPENDITURES	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Current:				
Public Works				
Benefits	\$ 359,544	\$ 359,544	\$ 304,442	\$ 55,102
Bureau of Construction Management	2,672,938	2,698,538	2,032,007	666,531
Bureau of Highways Engineering	2,948,838	2,990,238	2,643,687	346,551
Bureau of Highways Maintenance	28,365,100	29,512,988	27,394,898	2,118,090
Contingency	200,000	200,000	-	200,000
Director of Public Works	512,319	521,319	518,913	2,406
Fleet Management	12,467,627	12,474,927	10,705,882	1,769,045
Personnel Matters	596,175	596,175	169,547	426,628
Snow Removal	2,908,038	1,839,750	1,188,514	651,236
Insurance	527,982	527,982	527,982	-
Total Public Works	<u>51,558,561</u>	<u>51,721,461</u>	<u>45,485,872</u>	<u>6,235,589</u>
Debt Service				
Principal	1,790,874	1,974,874	1,974,523	351
Interest	1,055,565	983,565	983,027	538
Administrative Costs	30,000	38,000	35,824	2,176
Total Debt Service	<u>2,876,439</u>	<u>2,996,439</u>	<u>2,993,374</u>	<u>3,065</u>
Total Expenditures	<u>54,435,000</u>	<u>54,717,900</u>	<u>48,479,246</u>	<u>6,238,654</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out - Capital Projects	<u>13,935,000</u>	<u>13,935,000</u>	<u>13,935,000</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>13,935,000</u>	<u>13,935,000</u>	<u>13,935,000</u>	<u>-</u>
Total Expenditures and Other Financing Sources (Uses)	<u>\$ 68,370,000</u>	<u>\$ 68,652,900</u>	<u>\$ 62,414,246</u>	<u>\$ 6,238,654</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, 2024

Exhibit D-3

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Investment Income	\$ 5,500	\$ 5,500	\$ 24,617	\$ 19,117
Charges for Current Services	812,000	812,000	812,304	304
Miscellaneous	500	500	-	(500)
Total Revenue	<u>818,000</u>	<u>818,000</u>	<u>836,921</u>	<u>18,921</u>
EXPENDITURES				
Current:				
Parks, Recreation and Natural Resources	805,000	808,400	574,191	234,209
Total Expenditures	<u>805,000</u>	<u>808,400</u>	<u>574,191</u>	<u>234,209</u>
Excess (Deficiency) of Revenues Over Expenditures	13,000	9,600	262,730	253,130
OTHER FINANCING SOURCES (USES)				
Appropriated Fund Balance	37,000	40,400	-	(40,400)
Transfers Out	(50,000)	(50,000)	(50,000)	-
Total Other Financing Sources (Uses)	<u>(13,000)</u>	<u>(9,600)</u>	<u>(50,000)</u>	<u>(40,400)</u>
Net Change in Fund Balance	\$ -	\$ -	212,730	\$ 212,730
Fund Balance - Beginning			335,408	
Fund Balance - Ending			\$ 548,138	

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, 2024

Exhibit D-4

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 2,999,700	\$ 2,999,700	\$ 2,622,484	\$ (377,216)
Investment Income	360,000	360,000	416,869	56,869
Miscellaneous	300	300	-	(300)
Fines and Forfeitures	-	-	20,000	20,000
Total Revenues	<u>3,360,000</u>	<u>3,360,000</u>	<u>3,059,353</u>	<u>(300,647)</u>
EXPENDITURES				
Current:				
Public Works	2,804,251	2,815,851	1,957,579	858,272
Debt Service	1,951,749	1,951,749	1,907,534	44,215
Total Expenditures	<u>4,756,000</u>	<u>4,767,600</u>	<u>3,865,113</u>	<u>902,487</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(1,396,000)</u>	<u>(1,407,600)</u>	<u>(805,760)</u>	<u>601,840</u>
OTHER FINANCING SOURCES (USES)				
Appropriated Fund Balance	2,646,000	2,657,600	1,629,860	(1,027,740)
Transfers Out	(1,250,000)	(1,250,000)	(1,250,000)	-
Premium on Issuance on Bonds	-	-	425,900	425,900
Total Other Financing Sources (Uses)	<u>1,396,000</u>	<u>1,407,600</u>	<u>805,760</u>	<u>(601,840)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Less: Appropriated Fund Balance			(1,629,860)	
Fund Balance - Beginning			9,832,329	
Fund Balance - Ending			<u>\$ 8,202,469</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, 2024

Exhibit E-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
REVENUES				
Taxes	\$ 2,612,700	\$ 2,612,700	\$ 2,257,873	\$ (354,827)
Investment Income	52,300	52,300	131,564	79,264
Total Revenues	<u>2,665,000</u>	<u>2,665,000</u>	<u>2,389,437</u>	<u>(275,563)</u>
EXPENDITURES				
Debt Service	865,000	865,000	862,008	2,992
Total Expenditures	<u>865,000</u>	<u>865,000</u>	<u>862,008</u>	<u>2,992</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,800,000</u>	<u>1,800,000</u>	<u>1,527,429</u>	<u>(272,571)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,800,000)	(1,800,000)	(1,521,112)	278,888
Total Other Financing Sources (Uses)	<u>(1,800,000)</u>	<u>(1,800,000)</u>	<u>(1,521,112)</u>	<u>278,888</u>
Net Change in Fund Balance	\$ -	\$ -	6,317	\$ 6,317
Fund Balance - Beginning			3,251,025	
Fund Balance - Ending			<u>\$ 3,257,342</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, 2024

Exhibit F-1

		TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
		\$	\$	\$
General Government	Reforestation Proceeds	\$ 680,000	\$ 387,739	\$ 292,261
	Facilities Repair Program	39,518,213	37,781,398	1,736,815
	County Facility System Security Access/Fuel Dispensing	1,415,000	854,715	560,285
	Site Acquisition	38,104,161	31,302,078	6,802,083
	Stormwater Enhancement	900,000	693,956	206,044
	Sunnyview Stream Restoration	5,492,220	541,947	4,950,273
	Courthouse Building Repairs	10,334,900	10,140,738	194,162
	Reforestation Proceeds-Critical Area	100,000	63,879	36,121
	Wheel Creek Watershed Restoration	7,789,607	6,958,147	831,460
	Humane Society	7,050,000	6,155,403	894,597
	Safeguarding Business Operations	22,275,400	19,516,934	2,758,466
	Bynum Run at St Andrews Way Stream Restoration	2,297,026	1,839,630	457,396
	Fleet Replacement	23,965,000	21,382,748	2,582,252
	Refresh Program	7,253,478	4,252,028	3,001,450
	Joppatowne Area Watershed Restoration	5,950,000	2,656,211	3,293,789
	Plumtree Run Watershed Restoration	8,643,452	5,437,685	3,205,767
	Sams Branch Watershed Restoration	4,172,922	1,705,184	2,467,738
*	Stormwater Pollution Prevention	1,581,395	1,531,595	49,800
	HMAN (Harford County Metro Area Network)	32,280,000	29,008,713	3,271,287
	Efficiency Capital Investment Projects	1,685,400	575,484	1,109,916
	Underground/Aboveground Storage Tank Management	1,344,000	718,211	625,789
	Maintenance/Repair of Dams	2,505,000	757,756	1,747,244
	MD 924 Small Area Corridor Plan	300,000	214,873	85,127
	Riverside Area Watershed Restoration	4,560,886	385,229	4,175,657
	Fleet Maintenance Facility	16,126,000	16,045,250	80,750
	Harford County Agricultural Research and Exposition Center	2,800,000	2,400,194	399,806
	County Owned Watershed Restoration Improvements	19,175,000	10,386,937	8,788,063
	Watershed Restoration Assessment	9,800,000	5,491,125	4,308,875
	Watershed Restoration Improvements	6,900,000	2,109,934	4,790,066
	Watershed Restoration Maintenance	860,000	830,980	29,020
	Harford Cable Network High Definition Upgrade	600,000	433,396	166,604
	Abingdon Library Window Replacement	1,259,000	1,069,958	189,042
	Hazard/Flood Mitigation Service	500,000	-	500,000
	Harford County Sheriff's Office Central Precinct and Training Facility	22,500,000	858,197	21,641,803
	Lease/SBITA Assets-General	11,500,000	11,017,620	482,380
	Board of Education-Debt Service FY22	19,880,000	19,880,000	-
	Disparity Study	600,000	292,300	307,700
	African American Heritage Program	1,000,000	920,719	79,281
	Board of Ed Debt Service FY23	31,700,000	28,463,229	3,236,771
	Broadband Infrastructure	32,820,000	10,801,683	22,018,317
	County Owned Stormwater Management Rehabilitation and Repair	1,200,000	14,098	1,185,902
	Facilities Repair Program	5,200,000	2,987,880	2,212,120
	Maintenance/Repair of County Dams	900,000	109,161	790,839
	Maintenance/Repair of Stormwater Facilities	2,000,000	388,492	1,611,508
	Maintenance/Repair of Dams	895,000	679,527	215,473
	Septic System Disconnection	582,000	575,856	6,144
	Upper Bynum Run Watershed Restoration Improvements	4,000,000	289,583	3,710,417
	Maintenance/Repair of Stormwater Facilities	872,850	-	872,850
	Bynum Run Watershed Restoration Improvements	2,250,000	517,409	1,732,591
	County Owned Watershed Restoration Improvements	10,300,000	3,613,953	6,686,047
	Riverside Area Watershed Restoration	2,300,000	-	2,300,000
	Septic System Disconnection	568,000	107,768	460,232

(continued)

Harford County, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2024

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
General Government (continued)			
Stormwater Pollution Prevention	800,000	548,691	251,309
Watershed Restoration Assessment	1,200,000	764,698	435,302
Watershed Restoration Improvements	4,813,555	27,310	4,786,245
Watershed Restoration Maintenance	800,000	380,300	419,700
Joppatowne Area Watershed Restoration	300,000	-	300,000
Board of Education Debt Service FY24	26,500,600	26,500,600	-
Demolition of Abandoned Buildings	150,000	29,330	120,670
Major Renovations/Construction County Facility	4,000,000	884,287	3,115,713
Southern County Task Force	525,000	174,276	350,724
Total General Government	478,375,065	334,457,022	143,918,043
Education			
Aberdeen High School North/Center For Career Opportunity	665,000	664,070	930
Security Cameras	1,871,600	1,442,228	429,372
Roofing Replacement	1,146,300	1,146,300	-
Youth's Benefit Elementary School	38,611,866	38,611,866	-
Relocatable Classrooms	1,966,000	768,007	1,197,993
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	77,408,368	65,632
Joppatowne High School Systemic Project	25,294,000	25,292,006	1,994
Security Initiative	640,000	640,000	-
Center for Educational Opportunity-Air Conditioning	2,200,000	2,200,000	-
Prospect Mill Elementary School HVAC	2,294,000	2,294,000	-
Technology Education Lab Refresh	226,648	213,138	13,510
Swimming Pool Renovations	858,731	858,731	-
George D Lisby HVAC Systemic Renovation	4,820,437	4,820,437	-
North Bend Elementary School Central Plant and Fire Alarm	1,024,097	1,024,097	-
Roye Williams HVAC Systemic Renovation	6,743,000	6,743,000	-
HCPS Facilities Repair Program	923,665	429,893	493,772
Educational Facility Program	9,240,247	5,745,132	3,495,115
Fleet Replacement	6,565,159	6,563,659	1,500
Life, Health, Safety and Compliance Measures	5,890,226	975,090	4,915,136
Roof Replacement-Bel Air Middle School	1,645,285	1,645,285	-
Technology Infrastructure	5,975,860	3,877,663	2,098,197
Athletic and Recreation Repair Improvements	908,507	797,169	111,338
Major HVAC	3,491,914	737,003	2,754,911
HCPS Facilities Master Plan	1,070,000	847,656	222,344
Abingdon Elementary School Central Plant	1,247,000	1,087,985	159,015
HCPS Site Improvements	1,978,156	835,037	1,143,119
Homestead Wakefield Elementary School Major Project	28,175,000	18,973,940	9,201,060
Roof Replacement-Center for Educational Opportunity	1,850,000	1,642,810	207,190
Bakerfield Elementary School	625,000	153,679	471,321
Harford Technical High School Limited Renovation Projects	21,595,000	6,907,186	14,687,814
Meadowvale Elementary School	430,000	225,730	204,270
Roof Replacement-Bakerfield Elementary School	930,000	810,851	119,149
Swan Creek HVAC Upgrades	1,665,000	1,062,566	602,434
Aberdeen Middle School HVAC Systemic Renovation	7,870,000	1,549,908	6,320,092
Blueprint Facility Program	200,000	2,400	197,600
Harford Academy Major Project	16,000,000	1,800,402	14,199,598
Healthy School Facility Fund-Local Match	1,200,000	-	1,200,000
Roof Replacement-Havre de Grace Elementary School	1,115,000	579,719	535,281
Total Education	296,268,564	229,893,464	66,375,100

(continued)

Harford County, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2024

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Public Safety			
Computer Equipment/Networks	3,480,415	3,480,414	1
New Emergency Operations Center Complex	37,494,525	35,620,476	1,874,049
Public Safety Communication in School Buildings	850,000	746,669	103,331
Volunteer Fire Company Facility Repair	6,210,000	5,820,177	389,823
Volunteer Fire Company Public Safety Equipment	4,725,000	3,867,834	857,166
Mobile/Portable Radio Upgrades	8,465,000	5,558,885	2,906,115
Whiteford Volunteer Fire Company-Renovation of Main Station	1,200,000	826,485	373,515
Multi-Agency Public Safety Mobile Command Center	1,800,000	1,800,000	-
Next Gen 911	15,235,000	8,726,210	6,508,790
HCSO Mobile Data Terminal Replacement	1,086,400	841,415	244,985
North Harford Station	4,700,000	4,698,512	1,488
Riverside Fire and EMS Station	7,000,000	920,856	6,079,144
HCSO Body Worn Camera	1,795,000	1,691,470	103,530
HCSO Fleet Replacement	6,000,000	3,946,610	2,053,390
Susquehanna House Company Hose 1 Replacement	3,000,000	3,000,000	-
Darlington VFC Fire House #1	1,000,000	-	1,000,000
HCDC Facility Repairs/Upgrades	3,640,000	1,877,323	1,762,677
HCSO Cell Site Simulator Replacement	600,000	520,821	79,179
HCSO In-Car Camera Systems	935,000	881,616	53,384
Ambulance Acquisition/Replacement	1,000,000	990,889	9,111
Emergency Operations Center Complex II	5,000,000	-	5,000,000
Total Public Safety	115,216,340	85,816,662	29,399,678
Community College			
New Allied Health and Nursing Building	7,891,000	7,891,000	-
Fallston Hall Renovations	3,375,000	2,714,435	660,565
Chesapeake Welcome Center	29,239,425	6,825,256	22,414,169
Total Community College	40,505,425	17,430,691	23,074,734
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	48,086	7,914
Havre de Grace Library Expansion	9,020,000	8,653,113	366,887
Technology	2,509,100	1,980,018	529,082
Bel Air Library Renovations	4,982,000	3,137,287	3,664,713
Total Library	26,689,300	22,078,013	4,611,287
Landfill			
Harford County Waste Disposal Center Compost Area Facilities	484,088	477,600	6,488
Harford Waste Disposal Center Landfill Capping	9,820,000	7,977,096	1,842,904
Waste to Energy Facility Closure	13,163,753	3,142,048	10,021,705
Tollgate Yard Trim Recycling Center 15	475,081	380,047	95,034
* Scarboro Landfill Groundwater Treatment Plant	250,000	23,014	226,986
Solid Waste Facilities Repair Program	2,000,000	1,300,828	699,172
Environmental Studies and Projects	283,801	140,873	142,928
Total Landfill	26,476,723	13,441,506	13,035,217

(continued)

Harford County, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2024

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Parks, Recreation and Natural Resources			
Churchville Complex Development	8,616,830	8,020,884	595,946
Heavenly Waters Park	2,120,000	1,130,139	989,861
Schucks Road Regional Sports Complex	8,110,415	6,085,616	2,024,799
Athletic Field Improvements	28,550,000	24,015,843	4,534,157
Indoor Recreation Facility	1,474,000	1,124,655	349,345
Bleacher Renovations	590,000	300,820	289,180
Darlington Park Development	1,985,000	1,512,731	472,269
Mariner Point Park Renovations	736,000	524,162	211,838
Nuttal Avenue Park Development	650,000	265,482	384,518
Churchville Center Renovations	875,000	378,509	496,491
Eden Mill Park Rehabilitation	1,255,000	871,064	383,936
* Park Improvements	780,000	532,494	247,506
Park Land Acquisition	17,171,000	17,171,000	-
Playground Equipment	6,500,000	4,531,444	1,968,556
Anita C. Leight Center Improvements	1,055,000	654,321	400,679
Emmorton Rec and Tennis Center Improvements	2,195,000	1,863,188	331,812
Tennis/Multipurpose Courts	2,110,000	1,723,506	386,494
Equestrian Center Improvements	1,015,000	582,080	432,920
Backstop Renovations	270,000	63,017	206,983
Emily Bayless Graham Park	4,245,000	2,008,268	2,236,732
Gunpowder River Dredging	2,234,000	1,791,801	442,199
Parking Lot Paving	1,549,000	1,165,523	383,477
Rockfield Park Improvements	270,000	86,272	183,728
Trails and Linear Parks	20,200,000	5,981,129	14,218,871
Edgewood Rec and Community Center	225,000	47,844	177,156
Northern Regional Park	2,075,000	458,454	1,616,546
ADA Improvements	470,000	333,004	136,996
Debris-Derelict Boats	100,000	-	100,000
Disc Golf Course	50,000	49,642	358
Fallston Recreation Complex Improvements	325,000	324,999	1
Robert Copenhagen Park Improvements	300,000	286,072	13,928
SWM Pond Repair and Renovation	1,025,000	710,288	314,712
* Enlarged Gymsnasiums	1,200,000	1,200,000	-
Jarrettsville Recreation Center	4,710,775	433,415	4,277,360
Swan Harbor Farm Improvements	864,000	735,011	128,989
Canoe and Kayak Water Access	1,330,000	733,918	596,082
Flying Point Park Improvements	1,053,000	1,053,000	-
Francis Silver Park Improvements	425,000	227,440	197,560
Heavenly Waters Park-Soma	300,000	99,790	200,210
Demarco Memorial Park Improvements	40,000	-	40,000
Tollgate Woodshop	40,000	2,869	37,131
Bush River Dredging and DMP Site	1,040,000	990,000	50,000
Edgeley Grove Farm	140,000	79,122	60,878
Facility Renovations	899,000	794,419	104,581
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	305,000	260,694	44,306

(continued)

Harford County, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2024

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Parks, Recreation and Natural Resources (continued)			
Edgewood Recreation Park	500,000	19,811	480,189
Rock Glenn Park	1,300,000	1,234,978	65,022
Dog Park Construction and Improvements	673,500	588,997	84,503
Norrisville Park	1,675,000	185,364	1,489,636
Otter Point Creek Boat Launch	560,000	525,908	34,092
Mariner Point Park-DMP Site Remediation	1,650,000	862,780	787,220
Perryman Park Development	850,000	100,641	749,359
Aberdeen Activity Center	9,000,000	178,065	8,821,935
Benson Field Development	100,000	98,050	1,950
Bulkhead Renovations	555,000	-	555,000
Oakington Peninsula Park System	550,000	93,520	456,480
Prospect Mill Park	250,000	142,914	107,086
Vale Road Park	425,000	331,818	93,182
Joppa/Joppatowne Youth/Senior Center	500,000	15,000	485,000
Outdoor AED Construction	60,000	4,382	55,618
P&R Facility Development Renovations	2,656,315	430,937	2,225,378
12 Stones Park	250,000	129,520	120,480
Cedar Lane Park Improvements	3,000,000	-	3,000,000
Total Parks, Recreation and Natural Resources	157,487,835	96,426,495	61,061,340
Highways-Roads			
Glen Elyn Culvert and Ponds Repair	392,500	392,500	-
Tollgate Road/West Ring Factory-Plumtree	7,423,439	5,766,791	1,656,648
Facilities Repair Program	1,627,000	1,551,658	75,342
Culvert Rehabilitation	4,730,000	4,726,659	3,341
Intersection Improvements	5,466,728	3,748,650	1,718,078
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	2,125,000	1,838,929	286,071
Storm Drain Rehabilitation	2,591,231	2,465,501	125,730
Sidewalks and Handicapped Ramps	1,829,300	1,576,514	252,786
Traffic Calming and Road Safety Improvements	1,050,000	954,144	95,856
Safeguarding Business Operations	4,052,450	3,882,560	169,890
Fleet Replacement	24,192,000	24,118,128	73,872
700 MHZ Wireless Radio System Equipment	1,600,000	1,600,000	-
Efficiency Capital Investment Project	430,000	264,199	165,801
Guardrails Fiscal Year 2013	1,475,000	1,236,507	238,493
HMAN (Harford County Metro Area Network)	930,000	927,057	2,943
New Roads and Storm Drains	3,125,000	1,467,751	1,657,249
Refresh Program	1,300,500	731,997	568,503
Landis Circle-Foxborough Farm	350,000	255,377	94,623
Traffic Signals 15	814,601	59,256	755,345
* APG Gate Pilot	2,500,000	2,105,686	394,314
Resurfacing Roadways	54,022,870	42,343,350	11,679,520
Fleet Maintenance Facility	7,246,000	5,706,804	1,539,196
Spesutia Road Reconstruction/Upgrade	5,750,000	598,811	5,151,189
Trimble Road (Joppa Road to Garnett Road)	275,000	3,991	271,009
Woodley Road Extension to MD 715	12,250,000	1,315,763	10,934,237

(continued)

Harford County, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2024

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Highways-Roads (continued)			
Lease Revenue-Highways	2,000,000	-	2,000,000
Washington Court Access Road	2,450,000	74,872	2,375,128
Moores Mill Road	10,363,088	9,479,496	883,592
Trappe Church Road #161	750,000	124,408	625,592
Tollgate Road/Vale Corridor	200,000	66,313	133,687
Norrisville Highways Facility	725,000	85,825	639,175
Streetlights	150,000	125,553	24,447
Curb, Sidewalks, and Handicap Ramp Replacement	800,000	158,532	641,468
* Lease/SBITA Assets 24	2,000,000	542,742	1,457,258
Total Roads	168,780,075	121,749,149	47,030,926
Highways-Bridges			
* Bridge Inspection Program	3,640,000	3,640,000	-
Bridge Rehabilitation	8,600,000	6,251,461	2,348,539
Road and Bridge Scour Repairs	2,825,000	2,459,790	365,210
Robinson Mill Road Bridge #154	2,115,000	1,905,182	209,818
Abingdon Road Bridge #169 Over CSX	7,730,000	1,659,407	6,070,593
Chestnut Hill Bridge #40	2,065,000	1,559,858	505,142
Phillips Mill Road Bridge #70	3,550,000	2,988,463	561,537
Bridge Rehabilitation	5,216,381	4,911,597	304,784
Bridge Painting	1,950,000	886,657	1,063,343
Fawn Grove Road Bridge #132	10,000	5,467	4,533
Stafford Road Bridge	3,755,000	3,617,516	137,484
Glenville Road Bridge #30	860,000	400,773	459,227
Johnson Mill Road Bridge #45	1,550,000	1,214,510	335,490
Bridge Inspection Program	4,750,000	2,952,389	1,797,611
Bridge Inspection Program-Under 20' Spans	650,000	405,364	244,636
Grier Nursery Road Bridge #43	1,000,000	522,499	477,501
Hookers Mill Road Bridge #13	500,000	375,310	124,690
Boggs Road Bridge #66	1,900,000	688,436	1,211,564
Deep Run Road Bridge #152	1,125,000	301,877	823,123
Glen Cove Road Bridge #155	1,475,912	849,452	626,460
Madonna Road Bridge #113	600,000	332,221	267,779
Hookers Mill Road Bridge #13	100,000	-	100,000
Scarboro Road Bridge #140	425,000	345,751	79,249
Ayres Chapel Road Bridge #116	425,000	368,741	56,259
Stafford Road Bridge #162	800,000	205,709	594,291
Structural Evaluation	620,000	443,871	176,129
Moores Road Bridge #78	400,000	-	400,000
Rush Road Bridge #97	400,000	-	400,000
Total Bridges	59,037,293	39,292,301	19,744,992
Total Highways	227,817,368	161,041,450	66,775,918
Total Capital Projects	1,368,836,620	960,585,303	408,251,317
*Less Closed Projects	(11,951,395)	(9,575,531)	(2,375,864)
Total Open Capital Projects	\$ 1,356,885,225	\$ 951,009,772	\$ 405,875,453

Enterprise Fund

HARFORD COUNTY, MARYLAND
Water and Sewer Enterprise Fund
Schedule of Capital Projects, Appropriations, and Expenditures
For the Year Ended June 30, 2024

Exhibit G-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Sewer Projects			
Bush Creek Pump Station 4th Pump	\$ 28,400,000	\$ 26,489,555	\$ 1,910,445
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	1,700,000	571,457	1,128,543
Sod Run Facility Improvements	21,343,151	3,946,587	17,396,564
Renewal and Replacement - Sewer	5,050,000	2,314,052	2,735,948
Bill Bass Pump Station Force main Replacement	810,302	415,216	395,086
Oaklyn Manor/Joppa Area Sewer Relief	1,678,255	1,464,291	213,964
* Bynum Ridge Sewer Replacement	639,972	639,972	-
Bio Solids Facilities Enhancements	19,500,000	5,479,421	14,020,579
Brentwood Park Pumping Station Improvements	3,487,045	2,313,858	1,173,187
Delta Wastewater Treatment Plan Upgrades	225,000	159,878	65,122
Inventory Storage Control and Improvements	385,000	107,178	277,822
Pumping Station Improvements	1,565,738	325,921	1,239,817
Sod Run Wastewater Treatment Plant Ultraviolet Disinfection Project	8,700,000	440,704	8,259,296
Fallston Area Sewer	800,000	-	800,000
Freys Road Sewer Petition	1,275,000	2,618	1,272,382
Hickory Sewer Infrastructure Improvement Project	500,000	-	500,000
Magnolia Sewer Petition	689,500	49,177	640,323
Woodridge Sewer Petition	4,020,300	-	4,020,300
Future Petition Projects	535,028	13,527	521,501
Total Sewer Projects	112,574,615	52,749,943	59,824,672
Water Projects			
Abingdon Road Water Main Parallel	3,271,540	291,690	2,979,850
* Magnolia Booster Station	481,628	188,621	293,007
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	4,906,992	1,311,600	3,595,392
Water Meter Upgrade	2,360,000	1,700,369	659,631
Water Zone Improvements	1,230,000	411,700	818,300
Replacement of Water Booster Station	3,250,000	782,616	2,467,384
SHA Improvement Projects	890,000	223,060	666,940

(continued)

HARFORD COUNTY, MARYLAND
Water and Sewer Enterprise Fund
Schedule of Capital Projects, Appropriations, and Expenditures
For the Year Ended June 30, 2024

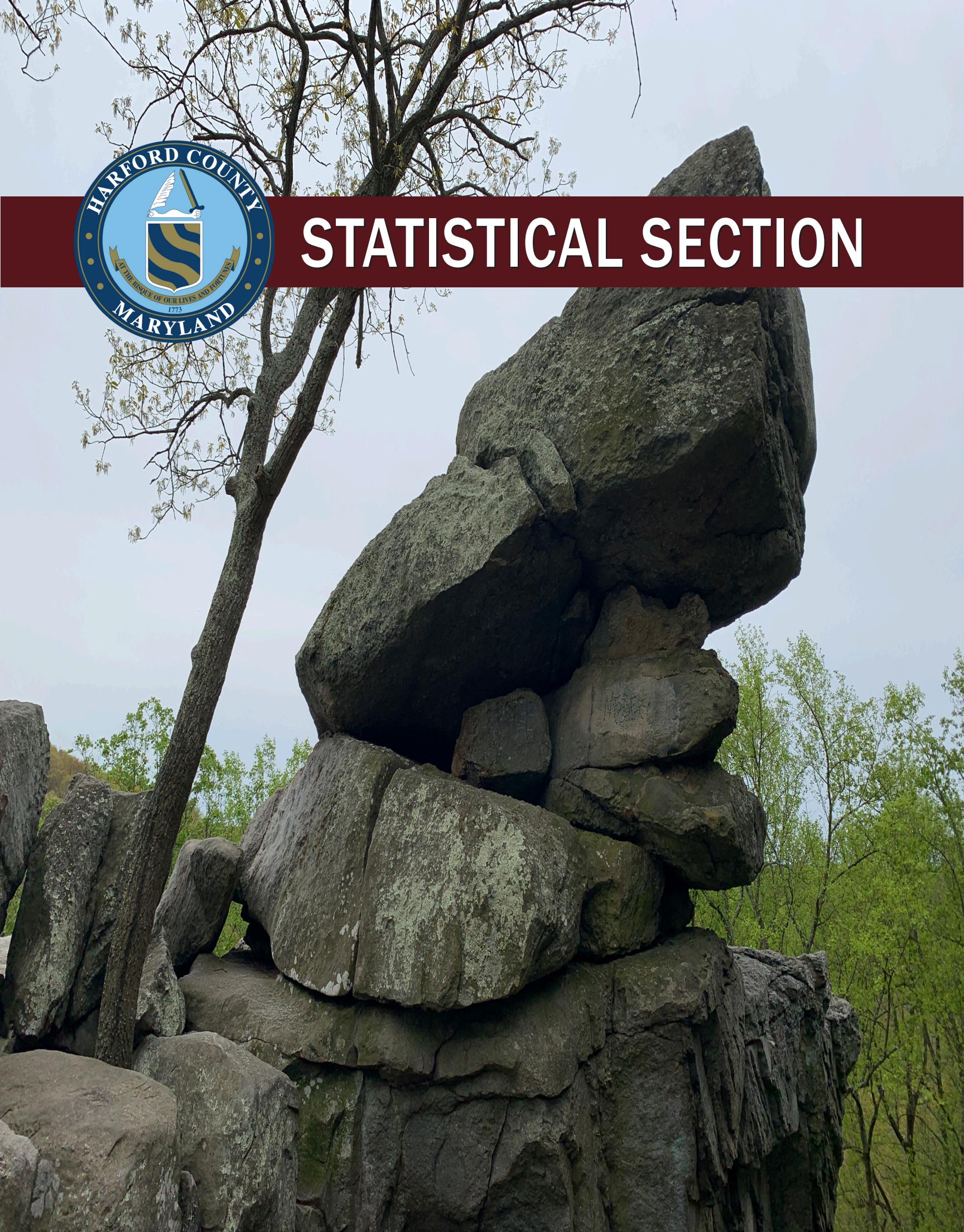
(continued)

Exhibit G-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Water Projects (continued)			
Infrastructure Management System Enhancement	1,100,000	372,881	727,119
Perryman GAC Plant Improvements	250,000	90,034	159,966
Perryman Wellfield Improvement	350,000	5,784	344,216
Abingdon Water Treatment Plant PH Control System	250,000	250,000	-
Havre de Grace Water Treatment Plant Upgrade	1,150,000	73,051	1,076,949
SCADA Information Management Systems	5,000,000	595,078	4,404,922
U.S. 40 Water Main Replacement	850,000	-	850,000
Water and Sewer Infrastructure Improvement Project	2,491,340	308,350	2,182,990
Water Tank Design and Construction	300,000	179,011	120,989
Abingdon Water Treatment Plant Switch Gear/Generator	6,150,000	207,414	5,942,586
Central W&S Laboratory	335,000	84,144	250,856
Oak Grove Booster Station	2,830,000	143,370	2,686,630
Water and Sewer Facilities Repair Program	1,500,000	121,721	1,378,279
Abingdon Water Park Main	1,500,000	-	1,500,000
Joppatowne Facility Improvements	1,000,000	151,729	848,271
Total Water Projects	47,946,500	11,814,803	36,131,697
Other Projects			
Safeguarding Business Operations	4,256,650	3,756,350	500,300
Fleet Replacement	9,772,000	9,035,688	736,312
HMAN (Harford County Metro Area Network)	1,220,000	1,181,230	38,770
Refresh Program	1,327,000	653,953	673,047
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	1,147,708	1,352,292
Efficiency Capital Investment Project	505,000	255,143	249,857
Fleet Maintenance Facility	1,420,000	1,171,023	248,977
MDTA I-95 Improvements	4,450,000	441,078	4,008,922
Lease Revenue-Water and Sewer	2,000,000	-	2,000,000
Lease/SBITA Assets 24	2,000,000	584,886	1,415,114
Total Other Projects	29,620,650	18,350,484	11,270,166
Total Water, Sewer and Other Projects	190,141,765	82,915,230	107,226,535
*Less Closed Projects	(3,121,600)	(828,593)	(2,293,007)
Total Open Water, Sewer and Other Projects	\$ 187,020,165	\$ 82,086,637	\$ 104,933,528



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.

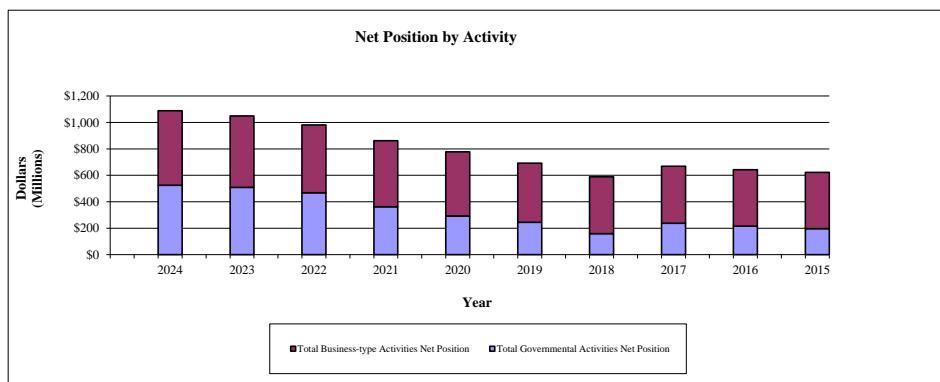
Operating Information

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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental Activities										
Net Investment in Capital Assets	\$ 589,791,509	\$ 573,419,995	\$ 546,803,717	\$ 527,529,038	\$ 502,458,772	\$ 536,321,847	\$ 518,637,112	\$ 475,161,617	\$ 476,366,433	\$ 435,846,522
Restricted	59,645,492	135,212,148	37,708,913	32,732,079	20,419,279	43,733,915	45,781,073	23,188,672	20,723,517	78,466,405
Unrestricted	(124,987,936)	(199,444,896)	(116,999,310)	(198,052,430)	(230,189,207)	(335,175,382)	(406,129,081)	(261,309,571)	(281,260,299)	(316,918,125)
Total Governmental Activities Net Position	\$ 524,449,065	\$ 509,187,247	\$ 467,513,320	\$ 362,208,687	\$ 292,688,844	\$ 244,880,380	\$ 158,289,104	\$ 237,040,718	\$ 215,829,651	\$ 197,394,802
Business-Type Activities										
Net Investment in Capital Assets	\$ 326,103,597	\$ 323,944,404	\$ 324,912,563	\$ 325,839,113	\$ 318,681,176	\$ 318,187,398	\$ 325,690,256	\$ 328,352,334	\$ 323,409,167	\$ 326,999,832
Restricted	137,012,358	136,273,139	124,386,096	122,676,261	80,305,995	72,830,464	63,302,643	60,809,692	56,778,013	54,279,937
Unrestricted	100,800,343	80,314,054	63,487,419	51,500,229	85,124,781	55,746,557	41,333,047	42,132,588	45,800,630	44,029,559
Total Business-type Activities Net Position	\$ 563,916,298	\$ 540,531,597	\$ 512,786,078	\$ 500,015,603	\$ 484,111,952	\$ 446,764,419	\$ 430,325,946	\$ 431,294,614	\$ 425,987,810	\$ 425,309,328
Primary Government										
Net Investment in Capital Assets	\$ 915,895,106	\$ 897,364,399	\$ 871,716,280	\$ 853,368,151	\$ 821,139,948	\$ 854,509,245	\$ 844,327,368	\$ 803,513,951	\$ 799,775,600	\$ 762,846,354
Restricted	196,657,850	271,485,287	162,095,009	155,408,340	100,725,274	116,564,379	109,083,716	83,998,364	77,501,530	132,746,342
Unrestricted	(24,187,593)	(119,130,842)	(53,511,891)	(146,552,201)	(145,064,426)	(279,428,825)	(364,796,034)	(219,176,983)	(235,459,669)	(272,888,566)
Total Primary Government Net Position	\$ 1,088,365,363	\$ 1,049,718,844	\$ 980,299,398	\$ 862,224,290	\$ 776,800,796	\$ 691,644,799	\$ 588,615,050	\$ 668,335,332	\$ 641,817,461	\$ 622,704,130



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

Table 2

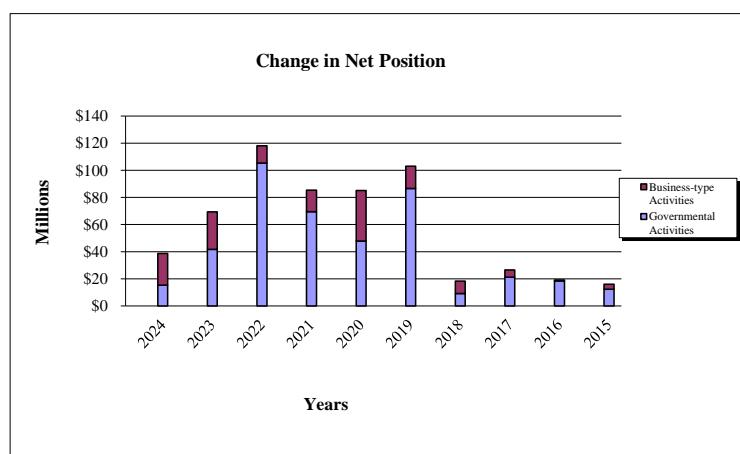
Expenses (by function)	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<i>Governmental Activities</i>										
Agricultural Preservation	\$ 3,688,641	\$ 1,831,441	\$ 5,715,267	\$ 4,212,983	\$ 2,954,760	\$ 4,098,178	\$ 3,283,221	\$ 3,163,287	\$ 2,861,659	\$ 3,636,451
County Council	3,655,368	3,485,729	3,263,077	3,197,307	3,027,207	2,959,753	2,682,783	2,695,411	2,576,827	2,529,133
General Government	53,053,465	66,763,768	52,153,627	63,458,317	49,203,101	51,764,330	47,956,372	49,217,926	58,699,069	58,237,782
Education-Primary thru Com. College	370,051,823	364,647,185	332,479,006	338,437,277	322,449,454	286,146,378	273,561,170	268,713,217	269,123,661	256,219,860
Harford Center	702,215	675,745	620,193	604,012	588,303	578,036	553,036	553,036	693,036	553,036
Judicial	15,127,504	12,638,809	12,117,727	11,611,499	11,697,735	11,026,051	10,316,937	10,404,012	10,213,119	10,059,178
Libraries	22,813,467	22,899,727	20,220,623	19,529,037	19,082,017	18,725,244	18,330,481	18,289,122	18,122,008	17,697,885
Parks, Recreation and Natural Resources	16,948,930	18,922,729	17,066,691	17,249,265	15,564,649	16,387,902	15,647,175	14,993,728	14,552,707	17,895,586
Public Safety	188,261,253	148,778,633	144,268,172	149,305,039	127,274,285	120,571,842	110,658,836	108,223,495	107,308,307	107,574,608
Public Works	103,828,233	90,253,605	83,644,249	75,572,285	78,146,898	74,092,972	67,707,510	58,629,180	60,737,012	68,092,544
Social Services	36,398,500	34,872,569	34,375,290	46,678,435	31,441,699	28,005,721	27,334,522	27,050,519	25,633,629	26,622,115
Unallocated Debt Interest/Other Costs	13,011,615	15,405,152	14,106,448	14,822,989	15,355,774	17,143,826	17,791,039	17,557,592	17,152,250	13,830,034
Total Governmental Activities	<u>827,541,014</u>	<u>781,175,092</u>	<u>720,030,370</u>	<u>744,678,445</u>	<u>676,755,882</u>	<u>631,500,233</u>	<u>595,823,082</u>	<u>579,490,525</u>	<u>587,673,284</u>	<u>582,948,212</u>
<i>Business-type Activities</i>										
Water and Sewer	63,140,076	58,027,124	57,593,048	55,031,706	53,328,579	54,570,952	52,524,992	51,194,393	48,596,655	48,746,983
Total Business-type Activities	<u>63,140,076</u>	<u>58,027,124</u>	<u>57,593,048</u>	<u>55,031,706</u>	<u>53,328,579</u>	<u>54,570,952</u>	<u>52,524,992</u>	<u>51,194,393</u>	<u>48,596,655</u>	<u>48,746,983</u>
Total Primary Government Expenses	\$ 890,681,090	\$ 839,202,216	\$ 777,623,418	\$ 799,710,151	\$ 730,084,461	\$ 686,071,185	\$ 648,348,074	\$ 630,684,918	\$ 636,269,939	\$ 631,695,195
<i>Program Revenues</i>										
<i>Governmental Activities</i>										
Charges for Services										
General Government	\$ 2,770,229	\$ 4,330,488	\$ 3,050,397	\$ 3,016,025	\$ 3,300,698	\$ 3,353,468	\$ 3,215,494	\$ 3,271,301	\$ 3,091,390	\$ 3,300,921
Public Safety	12,432,694	5,646,295	5,026,554	4,387,822	4,808,381	4,882,188	4,446,967	4,043,488	3,765,058	4,177,039
Public Works	20,966,309	15,923,406	14,322,934	13,209,454	12,753,003	12,070,856	12,058,668	10,755,836	13,278,342	14,594,676
Other Activities	12,801,530	17,550,941	1,383,570	653,516	1,203,047	1,629,725	1,988,880	1,346,446	1,396,543	1,385,467
Operating Grants and Contributions	48,447,653	54,873,142	58,344,246	74,839,796	43,427,802	28,177,980	29,056,647	27,728,929	28,249,534	26,680,817
Capital Grants and Contributions	12,726,375	16,086,772	17,605,802	13,990,259	7,714,585	5,176,268	10,248,005	5,009,162	15,137,454	15,281,180
Total Governmental Activities Program Revenue	<u>110,144,790</u>	<u>114,411,044</u>	<u>99,733,503</u>	<u>110,096,872</u>	<u>73,207,516</u>	<u>55,290,485</u>	<u>61,014,661</u>	<u>52,155,162</u>	<u>64,918,321</u>	<u>65,420,100</u>
<i>Business-type Activities</i>										
Charges for Services	59,839,683	54,710,548	52,780,943	50,307,823	48,134,482	45,897,888	42,795,716	38,001,859	30,498,568	28,553,733
Operating Grants and Contributions	468,710	496,546	486,602	330,000	445,651	330,000	804,406	802,598	972,710	461,364
Capital Grants and Contributions	13,298,853	22,183,968	15,195,342	18,236,943	38,343,861	20,665,666	15,378,940	15,444,188	15,668,948	19,125,274
Total Business-type Activities Program Revenue	<u>73,607,246</u>	<u>77,391,062</u>	<u>68,462,887</u>	<u>68,874,766</u>	<u>86,923,994</u>	<u>66,893,554</u>	<u>58,979,062</u>	<u>54,248,645</u>	<u>47,140,226</u>	<u>48,140,371</u>
Total Primary Government Program Revenues	\$ 183,752,036	\$ 191,802,106	\$ 168,196,390	\$ 178,971,638	\$ 160,131,510	\$ 122,184,039	\$ 119,993,723	\$ 106,403,807	\$ 112,058,547	\$ 113,560,471
<i>Net (Expense) Revenue</i>										
<i>Governmental Activities</i>										
Business-type Activities	\$ (717,396,224)	\$ (666,764,048)	\$ (620,296,867)	\$ (634,581,573)	\$ (603,548,366)	\$ (576,209,748)	\$ (534,808,421)	\$ (527,335,363)	\$ (522,754,963)	\$ (517,528,112)
Total Primary Government Net Expense	<u>\$ 10,467,170</u>	<u>19,363,938</u>	<u>10,869,839</u>	<u>13,843,060</u>	<u>33,595,415</u>	<u>12,322,602</u>	<u>6,454,070</u>	<u>3,054,252</u>	<u>(1,456,429)</u>	<u>(606,612)</u>
Total Primary Government Net Expense	\$ (706,929,054)	\$ (647,400,110)	\$ (609,427,028)	\$ (620,738,513)	\$ (569,952,951)	\$ (563,887,146)	\$ (528,354,351)	\$ (524,281,111)	\$ (524,211,392)	\$ (518,134,724)

(continued)

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

Table 2

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Revenues and Other Changes in Net Position										
<i>Governmental Activities</i>										
Taxes										
Property Taxes	\$ 340,171,530	\$ 331,683,658	\$ 336,638,498	\$ 335,112,342	\$ 322,655,230	\$ 314,832,396	\$ 308,709,856	\$ 298,947,432	\$ 293,100,653	\$ 286,911,796
Income Taxes	326,155,858	317,327,716	330,271,264	310,540,686	272,032,442	252,411,277	233,759,923	211,253,182	207,466,492	206,469,855
Other Taxes	44,598,823	44,448,892	58,907,439	56,076,581	47,485,491	39,864,944	42,346,246	37,046,438	35,984,933	32,548,932
Investment Earnings	17,682,541	12,037,294	(2,433,863)	(1,146,492)	7,329,035	8,011,491	2,788,417	206,364	3,261,278	1,771,885
Grants and Contributions	98,261	329,608	410,192	403,251	383,055	360,549	440,319	407,167	245,326	254,020
Miscellaneous	3,951,029	2,610,807	1,807,970	3,115,048	1,471,577	1,452,312	1,759,295	685,847	1,131,130	1,849,327
Total Governmental Activities	732,658,042	708,437,975	725,601,500	704,101,416	651,356,830	616,932,969	589,804,056	548,546,430	541,189,812	529,805,815
<i>Business-type Activities</i>										
Recordation Tax	-	-	-	-	-	-	-	-	-	2,174,467
Investment Earnings	12,690,461	8,130,674	1,623,331	1,658,121	3,585,552	4,115,871	2,803,118	2,252,552	2,134,911	2,155,375
Miscellaneous	227,070	250,907	277,305	402,470	166,566	-	-	-	-	-
Total Business-type Activities	12,917,531	8,381,581	1,900,636	2,060,591	3,752,118	4,115,871	2,803,118	2,252,552	2,134,911	4,329,842
Total Primary Government	\$ 745,575,573	\$ 716,819,556	\$ 727,502,136	\$ 706,162,007	\$ 655,108,948	\$ 621,048,840	\$ 592,607,174	\$ 550,798,982	\$ 543,324,723	\$ 534,135,657
Special Item										
<i>Governmental Activities</i>										
Claims & Judgements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 45,868,055	\$ (45,868,055)	\$ -	\$ -	\$ -
Total Primary Government	\$ -	\$ 45,868,055	\$ (45,868,055)	\$ -	\$ -	\$ -				
Change in Net Position										
<i>Governmental Activities</i>										
Business-type Activities	\$ 15,261,818	\$ 41,673,927	\$ 105,304,633	\$ 69,519,843	\$ 47,808,464	\$ 86,591,276	\$ 9,127,580	\$ 21,211,067	\$ 18,434,849	\$ 12,277,703
Total Primary Government	\$ 23,384,701	\$ 27,745,519	\$ 12,770,475	\$ 15,903,651	\$ 37,347,533	\$ 16,438,473	\$ 9,257,188	\$ 5,306,804	\$ 678,482	\$ 3,723,230
Total Primary Government	\$ 38,646,519	\$ 69,419,446	\$ 118,075,108	\$ 85,423,494	\$ 85,155,997	\$ 103,029,749	\$ 18,384,768	\$ 26,517,871	\$ 19,113,331	\$ 16,000,933



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

Table 3

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
General Fund										
Nonspendable	\$ 722,010	\$ 777,711	\$ 833,412	\$ 889,113	\$ 944,814	\$ 1,000,515	\$ 1,056,216	\$ 1,170,244	\$ 175,875	\$ 594,147
Restricted	11,496,927	13,492,789	12,692,902	7,460,794	4,795,614	6,000,366	7,510,819	7,094,836	6,313,475	6,304,181
Assigned	136,931,638	153,997,402	162,950,486	155,113,170	114,534,573	108,491,361	86,888,856	74,261,284	62,737,637	55,102,808
Unassigned	6,050,971	6,617,728	34,803,274	20,553,685	27,246,245	20,226,958	20,036,290	18,615,902	12,694,506	10,144,451
Total General Fund	155,201,546	174,885,630	211,280,074	184,016,762	147,521,246	135,719,200	115,492,181	101,142,266	81,921,493	72,145,587
All Other Governmental Funds ⁽¹⁾										
Nonspendable	1,932,726	1,938,600	1,765,040	1,359,855	1,472,180	1,901,630	2,186,274	3,258,105	3,211,701	2,053,832
Restricted	99,429,814	105,796,114	37,688,872	25,271,285	15,623,665	37,733,549	38,270,254	16,093,836	14,410,042	18,408,208
Committed	-	-	-	-	-	-	-	37,090,908	44,793,964	49,265,285
Assigned	42,674,639	54,986,667	104,270,342	84,306,730	86,240,359	81,184,677	85,560,011	61,985,231	27,865,962	45,333,726
Unassigned	-	-	-	(4,185,151)	-	-	-	-	-	-
Total All Other Governmental Funds	144,037,179	162,721,381	143,724,254	106,752,719	103,336,204	120,819,856	126,016,539	118,428,080	90,281,669	115,061,051
Total Fund Balance	\$ 299,238,725	\$ 337,607,011	\$ 355,004,328	\$ 290,769,481	\$ 250,857,450	\$ 256,539,056	\$ 241,508,720	\$ 219,570,346	\$ 172,203,162	\$ 187,206,638

(1) In FY2023, the Special Revenue Funds' Fund Balances was reclassified from 'Assigned' and 'Unassigned' to 'Restricted' where applicable. There was no effect on the beginning or ending balances for FY2014-FY2022.

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

Table 4

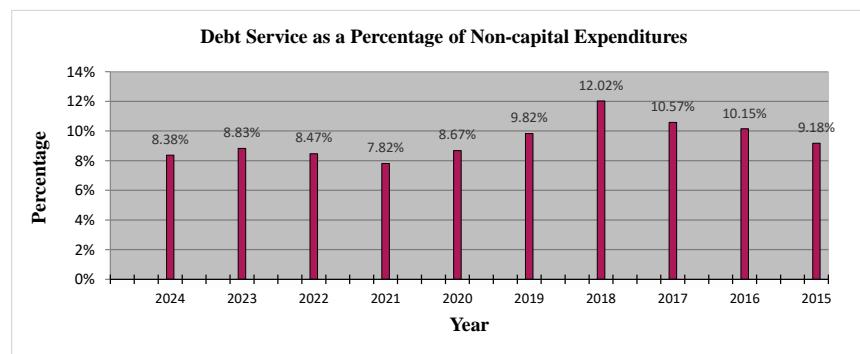
	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
REVENUES										
Taxes	\$ 694,925,044	\$ 690,543,715	\$ 694,945,104	\$ 683,284,499	\$ 614,696,959	\$ 596,226,344	\$ 569,724,966	\$ 548,777,295	\$ 534,559,224	\$ 513,835,241
Revenues from Other Agencies	60,360,909	60,902,042	67,607,283	82,907,192	45,538,640	31,698,332	34,464,443	30,247,886	34,278,746	33,802,477
Investment Income	16,016,723	11,113,670	(2,462,303)	(1,166,031)	7,178,248	7,835,240	2,644,802	134,002	3,209,914	1,732,563
Charges for Current Services	34,456,931	25,735,163	18,804,884	16,424,309	17,052,958	16,960,933	16,684,953	14,514,597	17,061,200	18,516,176
Miscellaneous	4,284,000	3,091,314	1,789,796	3,915,326	2,533,831	2,207,965	2,511,523	4,595,136	4,443,489	5,254,065
Licenses and Permits	4,624,940	4,272,916	4,618,288	4,469,107	4,586,479	4,634,873	4,494,635	4,567,960	4,539,298	4,637,143
Fines and Forfeitures	1,047,362	169,037	279,125	505,931	424,734	407,830	398,120	272,392	150,677	397,330
Total Revenues	<u>815,715,909</u>	<u>795,827,857</u>	<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>
EXPENDITURES										
Agricultural Preservation	5,061,913	13,112,466	19,787,429	3,601,653	6,253,646	16,339,682	1,426,023	3,041,950	36,513	3,742,534
County Council	3,690,560	3,675,595	3,290,680	3,097,635	3,092,208	2,979,879	2,655,247	2,575,440	2,472,194	2,528,328
General Government	50,990,054	56,975,679	63,176,945	59,905,566	50,933,688	47,820,246	46,232,647	42,769,500	43,933,540	47,122,698
Education-Primary thru Comm. College	334,734,208	344,119,463	311,887,353	294,475,709	273,613,489	262,627,257	255,127,257	249,096,116	243,470,583	238,628,914
Harford Center	702,215	675,745	620,193	604,012	588,303	578,036	553,036	553,036	693,036	553,036
Judicial	14,516,717	13,564,751	12,674,406	11,324,378	11,839,228	11,042,668	10,435,856	9,965,708	9,829,912	10,096,464
Libraries	20,885,407	20,886,654	18,890,693	18,339,690	17,804,908	17,472,912	17,100,985	16,644,574	16,279,546	16,137,189
Parks, Recreation and Natural Resources	11,657,828	11,689,898	11,338,088	10,622,282	10,656,415	10,758,514	10,234,014	9,787,552	10,222,943	11,470,033
Public Safety	170,340,253	151,099,084	128,124,405	136,945,051	119,396,104	111,051,742	102,781,583	98,209,883	95,370,670	97,415,839
Public Works	79,007,468	66,761,144	59,239,414	56,694,233	54,516,432	50,693,679	47,579,451	41,618,105	46,629,351	49,563,413
Social Services	33,327,891	33,407,634	32,375,501	46,353,800	32,245,767	27,532,864	26,677,093	25,995,605	24,557,522	25,848,168
Capital Outlay	106,629,877	85,143,752	83,456,080	106,627,566	98,722,790	68,123,819	59,164,429	50,277,858	86,949,927	79,055,063
Debt Service										
Principal	51,086,871	50,864,368	43,881,749	41,093,065	40,197,715	42,767,522	53,416,848	41,161,399	40,680,548	32,889,398
Interest	19,939,594	20,353,784	18,918,555	18,168,306	20,980,502	21,309,280	22,010,012	21,837,513	21,792,602	22,689,162
Administrative Cost	563,937	468,292	663,029	846,468	1,052,247	547,687	412,624	649,068	284,018	729,415
Total Expenditures	<u>903,134,793</u>	<u>872,798,309</u>	<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>
Excess (Deficiency) of Revenues Over Expenditures	<u>(87,418,884)</u>	<u>(76,970,452)</u>	<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>
OTHER FINANCING SOURCES (USES)										
Transfers In	61,410,687	72,454,804	40,919,676	48,836,779	49,835,922	48,573,812	43,652,436	37,226,572	36,406,830	31,746,904
Transfers (Out)	(61,410,687)	(72,454,804)	(40,919,676)	(48,836,779)	(49,835,922)	(48,573,812)	(43,652,436)	(37,226,572)	(36,406,830)	(31,746,904)
Issuance of Installment Purchase Agreements	-	-	5,412,730	472,275	3,119,179	9,432,238	-	1,809,630	-	3,097,591
Issuance of Bonds	38,000,000	48,500,000	72,500,000	52,215,000	37,000,000	34,000,000	43,000,000	53,177,000	27,132,515	42,000,000
Issuance of Refunding Bonds	27,133,416	-	17,793,395	11,365,000	64,986,408	-	-	-	-	55,994,243
Issuance of Lease Agreements	2,560,464	3,945,135	-	-	-	-	-	-	-	-
Issuance of SBITA Agreements	3,755,809	1,298,955	-	-	-	-	-	-	-	-
Premium on Issuance of Bonds	8,045,147	5,829,045	12,481,145	8,147,751	17,549,590	3,557,012	3,885,771	3,505,932	2,576,851	12,245,541
Payment to Escrow Agent for Refunding	(30,444,238)	-	(21,210,080)	(13,816,589)	(78,025,740)	-	-	-	-	(64,383,471)
Total Other Financing Sources(Uses)	<u>49,050,598</u>	<u>59,573,135</u>	<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>
Net Change in Fund Balances	\$ (38,368,286)	\$ (17,397,317)	\$ 64,234,847	\$ 40,024,356	\$ (5,252,156)	\$ 15,314,980	\$ 22,002,108	\$ 47,418,523	\$ (15,250,991)	\$ (11,340,755)

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

Table 5

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Expenditures	\$ 903,134,793	\$ 872,798,309	\$ 808,324,520	\$ 808,699,414	\$ 741,893,442	\$ 691,645,787	\$ 655,807,105	\$ 614,183,307	\$ 643,202,905	\$ 638,469,654
Less Capital Asset Expenditures ⁽¹⁾	55,187,491	66,420,985	66,637,851	50,612,324	36,565,782	39,419,413	28,237,893	18,448,670	27,450,364	33,065,591
Non-capital Expenditures	\$ 847,947,302	\$ 806,377,324	\$ 741,686,669	\$ 758,087,090	\$ 705,327,660	\$ 652,226,374	\$ 627,569,212	\$ 595,734,637	\$ 615,752,541	\$ 605,404,063
Debt Service Expenditures										
Principal	\$ 51,086,871	\$ 50,864,368	\$ 43,881,749	\$ 41,093,065	\$ 40,197,715	\$ 42,767,522	\$ 53,416,848	\$ 41,161,399	\$ 40,680,548	\$ 32,889,398
Interest	19,939,594	20,353,784	18,918,555	18,168,306	20,980,502	21,309,280	22,010,012	21,837,513	21,792,602	22,689,162
Total Debt Service Expenditures	\$ 71,026,465	\$ 71,218,152	\$ 62,800,304	\$ 59,261,371	\$ 61,178,217	\$ 64,076,802	\$ 75,426,860	\$ 62,998,912	\$ 62,473,150	\$ 55,578,560
Debt Service as a Percentage of Non-capital Expenditures	8.38%	8.83%	8.47%	7.82%	8.67%	9.82%	12.02%	10.57%	10.15%	9.18%

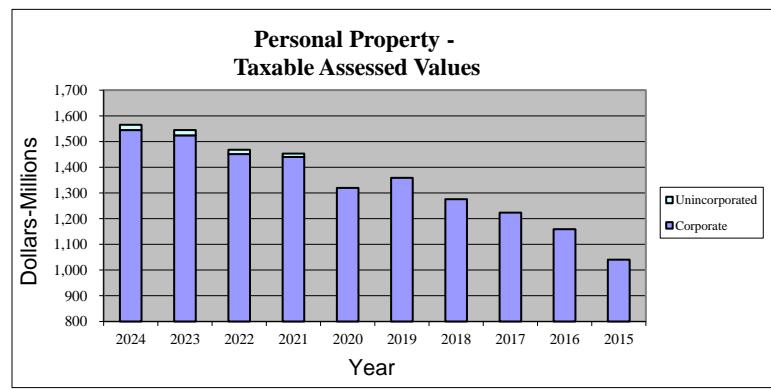
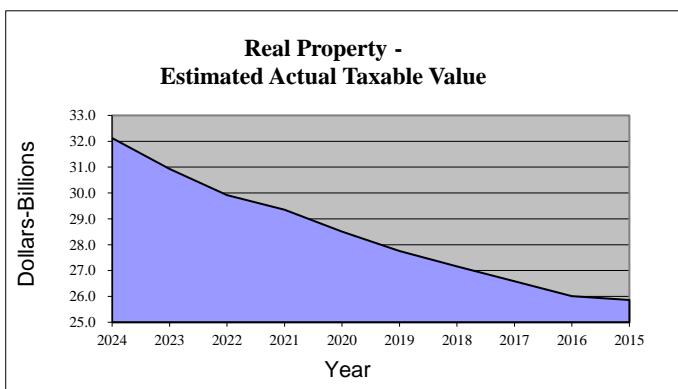
(1) Total Capital Asset Expenditures equals the Purchase of Capital Assets in that fiscal year.



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

Table 6

Fiscal Year Ending June 30,	Real Property				Personal Property			Total
	Assessed Value	Exempt Property	Taxable Assessed Value	Real Property Direct Tax Rate	Corporate Taxable Assessed Value	Unincorporated Taxable Assessed Value	Personal Property Direct Tax Rate	
2024	35,661,981,230	3,537,505,874	32,124,475,356	0.9779	1,544,587,346	10,722,360	2.4448	33,679,785,062
2023	34,305,673,544	3,373,876,696	30,931,796,848	0.9779	1,524,010,690	12,803,710	2.4448	32,468,611,248
2022	33,203,097,141	3,280,961,922	29,922,135,219	1.0279	1,451,024,880	15,495,350	2.5698	31,388,655,449
2021	32,550,134,982	3,198,435,162	29,351,699,820	1.0420	1,439,765,170	17,114,470	2.6049	30,808,579,460
2020	31,582,931,165	3,072,471,445	28,510,459,720	1.0420	1,319,214,870	19,256,680	2.6049	29,848,931,270
2019	30,744,946,507	2,992,003,005	27,752,943,502	1.0420	1,358,919,050	18,889,590	2.6049	29,130,752,142
2018	30,042,565,460	2,877,927,864	27,164,637,596	1.0420	1,275,778,890	20,328,480	2.6049	28,460,744,966
2017	29,370,501,023	2,789,102,083	26,581,398,940	1.0420	1,223,823,470	20,640,510	2.6049	27,825,862,920
2016	28,755,872,412	2,750,540,908	26,005,331,504	1.0420	1,158,674,900	17,284,140	2.6049	27,181,290,544
2015	28,574,975,456	2,714,157,631	25,860,817,825	1.0420	1,040,709,240	13,237,060	2.6049	26,914,764,125



(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 ⁽¹⁾
(Per \$100 of Assessed Value)
Last Ten Fiscal Years

Table 7

Fiscal Year Ending June 30,	County Direct Real Property Tax Rate			Overlapping Real Property Tax Rates		
	General Fund ⁽²⁾	Special Revenue Fund ⁽³⁾	Total Direct Tax Rate	Town of Bel Air ⁽⁴⁾	City of Aberdeen ⁽⁴⁾	City of Havre de Grace ⁽⁴⁾
2024	0.8413	0.1366	0.9779	0.5400	0.6250	0.5650
2023	0.8413	0.1366	0.9779	0.5400	0.6250	0.5650
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
Fiscal Year Ending June 30,	County Direct Personal Property Tax Rate			Overlapping Personal Property Tax Rates		
	General Fund ⁽²⁾	Special Revenue Fund ⁽³⁾	Total Direct Tax Rate	Town of Bel Air ⁽⁴⁾	City of Aberdeen ⁽⁴⁾	City of Havre de Grace ⁽⁴⁾
2024	2.1033	0.3415	2.4448	1.2000	1.7000	1.7050
2023	2.1033	0.3415	2.4448	1.2000	1.7000	1.7050
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

(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

Taxpayer	Type of Business	Fiscal Year 2024		County Taxes		Percentage of Total Assessed Valuation
		Taxable Assessed Valuations⁽¹⁾	\$	County Taxes	\$	
Baltimore Gas & Electric Company	Public Utility	\$ 664,450,120	\$ 16,048,377	1.97%		
Constellation Power Source Generation Inc.	Non-Utility Generator	79,004,000	1,931,490	0.23%		
Constellation Energy Generation LLC	Non-Utility Generator	52,062,430	1,272,822	0.15%		
MCI Communication Services	Public Utility	51,124,840	1,249,579	0.15%		
Verizon - Maryland	Public Utility	52,292,800	1,201,227	0.16%		
Fanatics Retail Group Fulfillment, LLC	Non-Utility Generator	48,021,950	1,010,046	0.14%		
Columbia Gas Transmission, LLC	Public Utility	34,897,800	853,181	0.10%		
Delmarva Power & Light Co	Public Utility	22,242,090	543,775	0.07%		
Comcast of Harford County, LLC	Cable Provider	22,870,600	532,032	0.07%		
Transcontinental Gas Pipe Line Co	Public Utility	21,272,170	520,062	0.06%		
		1,048,238,800	\$ 25,162,591	3.10%		
Total Taxable Assessed Valuation		\$ 33,679,785,062				
<hr/>						
Taxpayer	Type of Business	Fiscal Year 2015		County Taxes		Percentage of Total Assessed Valuation
		Taxable Assessed Valuations⁽¹⁾	\$	County Taxes	\$	
Baltimore Gas & Electric Company	Public Utility	\$ 357,257,950	\$ 9,178,712	1.33%		
Exelon Generation Company	Non-Utility Generator	77,145,210	2,009,556	0.29%		
Verizon - Maryland	Public Utility	59,338,560	1,468,285	0.22%		
Constellation Power Source Generation Inc.	Non-Utility Generator	61,896,710	1,394,943	0.23%		
PECO Energy Power Company	Non-Utility Generator	123,442,200	1,286,268	0.46%		
MCI Communication Services	Public Utility	36,715,560	956,239	0.14%		
Kohl's Department Stores, Inc.	Retailer	52,247,710	839,620	0.19%		
CH Realty VI/R Bel Air Festival LLC	Shopping Center	60,541,700	630,845	0.22%		
Comcast of Harford County LLC	Cable Provider	23,767,500	596,644	0.09%		
Harford Mall Business Trust	Shopping Center	55,916,067	499,722	0.21%		
		908,269,167	\$ 18,860,834	3.38%		
Total Taxable Assessed Valuation		\$ 26,914,764,125				

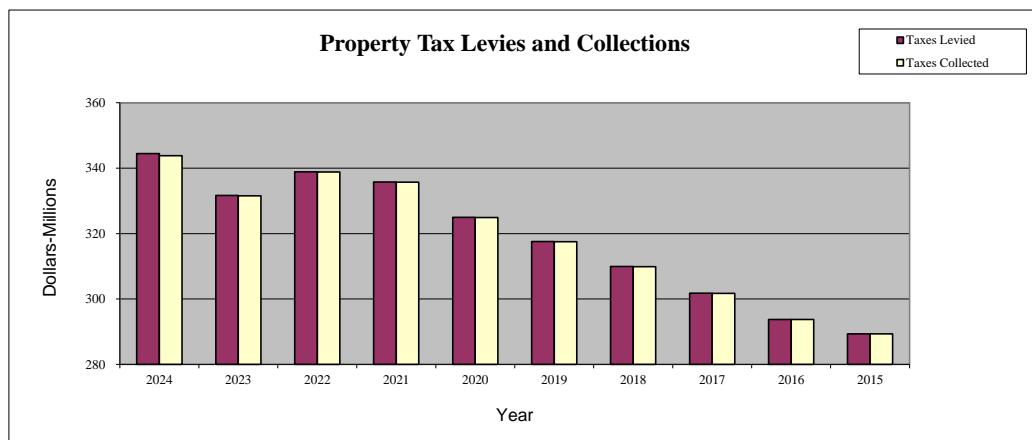
SOURCE: Harford County Department of the Treasury

(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		
2024	344,429,754	-	344,429,754	343,800,588	99.82%	-	343,800,588	99.82%	629,166	0.18%
2023	332,871,650	(1,238,200)	331,633,450	332,159,274	99.79%	(642,712)	331,516,562	99.96%	116,888	0.04%
2022	338,636,426	235,811	338,872,237	338,051,580	99.83%	770,057	338,821,637	99.99%	50,600	0.01%
2021	336,121,104	(353,673)	335,767,430	334,993,107	99.66%	715,886	335,708,993	99.98%	58,437	0.02%
2020	324,678,593	282,978	324,961,571	322,371,075	99.29%	2,544,680	324,915,755	99.99%	45,816	0.01%
2019	317,964,349	(413,834)	317,550,514	316,861,410	99.65%	645,289	317,506,699	99.99%	43,815	0.01%
2018	310,139,719	(226,706)	309,913,014	309,134,188	99.68%	755,544	309,889,732	99.99%	23,282	0.01%
2017	302,054,901	(304,590)	301,750,311	301,308,232	99.75%	430,137	301,738,369	99.99%	11,941	0.01%
2016	294,519,300	(803,858)	293,715,442	293,604,194	99.69%	101,918	293,706,113	99.99%	9,330	0.01%
2015	289,649,448	(300,635)	289,348,813	288,877,184	99.73%	461,623	289,338,808	99.99%	10,006	0.01%



HARFORD COUNTY, MARYLAND
Ratios of General Bonded Debt Outstanding ⁽¹⁾
Last Ten Fiscal Years

Table 10

Year Ending June 30,	Governmental General Obligation Debt ⁽²⁾	Business-type General Obligation Debt	Less Amounts to be Paid with Restricted Resources ⁽³⁾	Net General Bonded Debt	Percentage of Taxable Assessed Value of Property ⁽⁴⁾	Per Capita ⁽⁴⁾
2024	\$ 579,459,798	\$ 83,887,725	\$ 116,526,023	\$ 546,821,500	1.62%	2,057
2023	589,638,863	92,044,529	126,493,491	555,189,901	1.71%	2,098
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

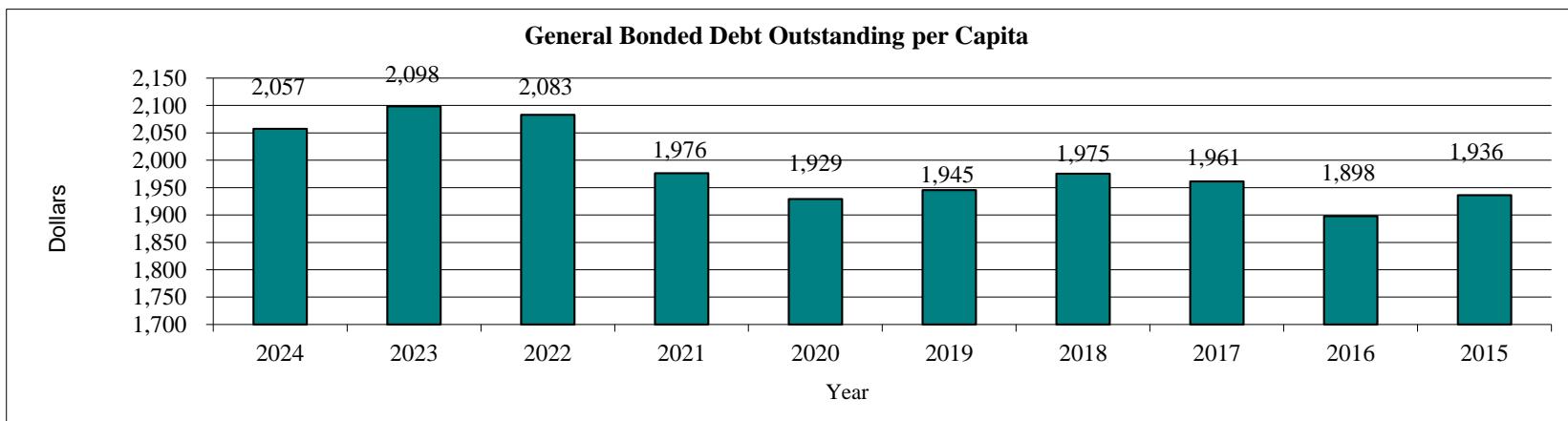
(1) Bonded Debt is all debt backed by the full faith and credit and unlimited taxing authority of the County. Business-type bonds are included because they are backed by the full faith and credit and unlimited taxing authority of the County; however, business-type bonds are payable in the first instance 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.

Note: Detail regarding the County's debt can be found in the notes to the financial statements.



HARFORD COUNTY, MARYLAND

Ratios of Outstanding Debt by Type ⁽¹⁾

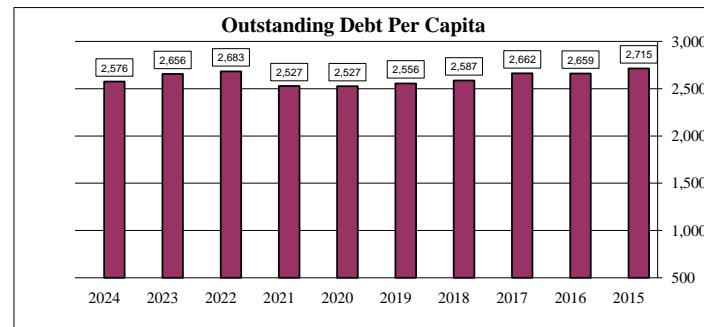
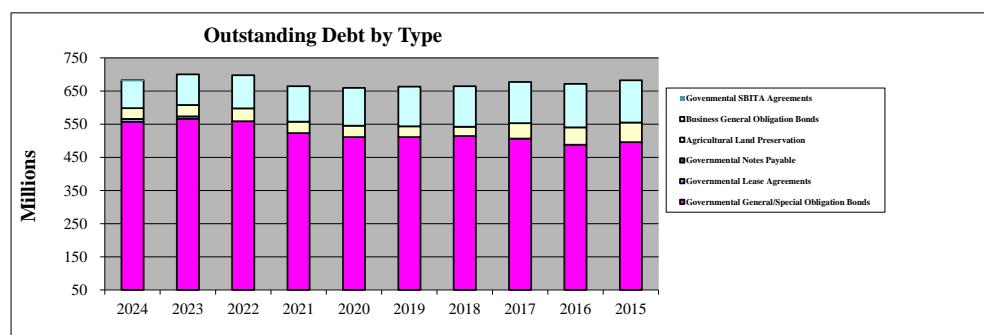
Last Ten Fiscal Years

Table 11

Fiscal Year Ending June 30,	Governmental Activities						Business-type Activities						Total Primary Government	Percentage of Personal Income ⁽²⁾	Per Capita ⁽²⁾
	General/Special Obligation Bonds	Lease Agreements	SBITA Agreements	Notes Payable	Agricultural Land Preservation	Total Governmental Activities	General Obligation Bonds	SBITA Agreements	Business-type Activities	Total					
2024	\$ 557,056,500	\$ 7,859,195	\$ 2,845,268	-	\$ 32,638,298	\$ 600,399,261	\$ 83,887,725	\$ 386,976	\$ 84,274,701	\$ 684,673,962	3.20%	2,576			
2023	565,839,901	8,599,657	1,710,357	-	34,448,962	610,598,877	92,044,529	-	92,044,529	702,643,406	3.51%	2,656			
2022	558,808,917	7,877,804	-	-	38,877,841	605,564,562	99,999,139	-	99,999,139	705,563,701	3.77%	2,683			
2021	523,432,419	-	-	-	34,075,560	557,507,979	107,144,397	-	107,144,397	664,652,376	3.79%	2,527			
2020	510,934,673	-	-	-	34,657,127	545,591,800	114,206,271	-	114,206,271	659,798,071	4.02%	2,527			
2019	510,848,176	-	-	-	32,994,659	543,842,835	119,780,161	-	119,780,161	663,622,996	4.31%	2,556			
2018	514,171,551	-	-	1,300,000	28,321,359	543,792,910	122,350,421	-	122,350,421	666,143,331	4.54%	2,587			
2017	506,694,682	-	-	1,311,917	46,621,431	554,628,030	124,264,790	-	124,264,790	678,892,820	4.80%	2,662			
2016	487,822,233	-	-	1,312,618	52,282,849	541,417,700	131,755,478	-	131,755,478	673,173,178	4.95%	2,659			
2015	495,916,560	-	-	1,313,319	59,359,303	556,589,182	127,341,763	-	127,341,763	683,930,945	5.22%	2,715			

(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.



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

Table 12

Fiscal Year	Debt Limit	Total Debt Applicable to the Limit	Legal Debt Margin	Total Debt Applicable to the Limit as a % of Debt Limit
2024	\$ 2,160,764,977	\$ 557,525,963	\$ 1,603,239,014	25.80%
2023	2,086,429,971	565,499,915	1,520,930,056	27.10%
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%

Legal Debt Margin Calculation for Fiscal Year 2024

(1) Net Assessed Value - Real Property	\$ 32,124,475,356
(2) Debt Limit=6% of Net Assessed Value - Real Property	\$ 1,927,468,521
(1) Assessed Value - Personal Property	<u>1,555,309,706</u>
(2) Debt Limit=15% of Net Assessed Value - Personal Property	<u>233,296,456</u>
Total Debt Limit	2,160,764,977
(3) Amount of Debt Applicable to Debt Limit	684,673,962
Less Other deductions allowed by law:	
(3) Debt Payable from Special Revenue Fund	(32,638,298)
Debt Payable from Debt Service Fund	(10,235,000)
(3) Debt Payable from Enterprise Revenues	<u>(84,274,701)</u>
Total Debt Applicable to Debt Limitation	557,525,963
Legal Debt Margin	<u>\$ 1,603,239,014</u>

(1) Table 6

(2) Pursuant to the Local Government Article §10-203 of the Annotated Code of Maryland

(3) Table 11

HARFORD COUNTY, MARYLAND

Bond Coverage - Water and Sewer ⁽¹⁾

Including Capital Recovery Fees

Last Ten Fiscal Years

Table 13

Fiscal Year Ending June 30,	Area			User		Total Gross Revenues	Operating Expense ⁽⁴⁾	Net Revenue Available for Debt Service	Debt Service Requirements ⁽⁵⁾			Coverage
	Gross Revenues ⁽²⁾	Connection Charges	Benefit Assessment	Assessments and Surcharges ⁽³⁾	Principal	Interest	Total					
2024	\$ 73,225,924	\$ 506,655	\$ 92,174	\$ 11,409,934	\$ 85,234,687	\$ 46,339,821	\$ 38,894,866	\$ 2,795,330	\$ 1,476,336	\$ 4,271,666	9.11	
2023	63,588,675	1,399,779	89,992	18,810,820	83,889,266	41,886,453	42,002,813	8,454,727	2,143,560	10,598,287	3.96	
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	

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

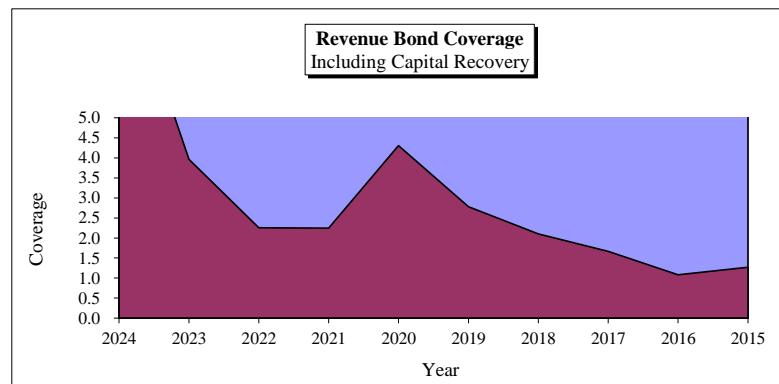
(2) Includes Total Operating Revenue, Interest Income, Grant Revenue and Other Income.

(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.



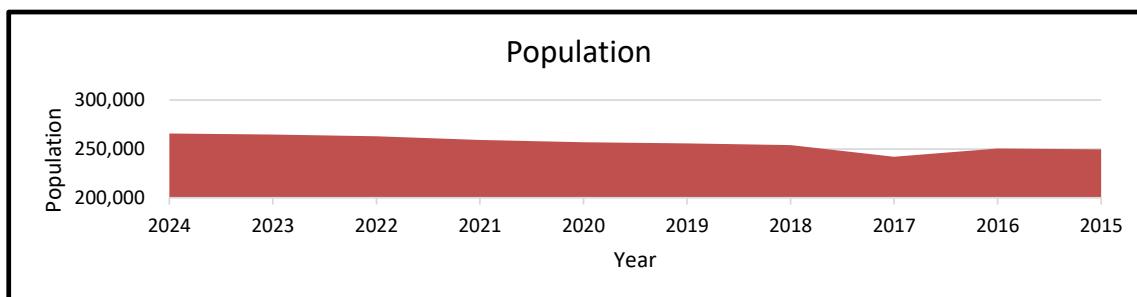
HARFORD COUNTY, MARYLAND
Demographic Statistics
Last Ten Fiscal Years

Table 14

Fiscal Year			Personal		Education of
Ending		Per Capita	Income	Unemployment	Bachelor Degree
June 30,	Population	Income	(000's)	Rate	or Higher
2024	265,793	\$ 80,105 ⁽⁶⁾	\$ 21,370,368 ⁽⁶⁾	3.0%	Not Available
2023	264,578	75,336 ⁽⁶⁾	20,002,217 ⁽⁶⁾	1.5%	41.0 40.5%
2022	262,977	70,851	18,721,655	4.3%	40.4 37.8%
2021	259,118	66,633	17,523,077	5.7%	40.8 36.9%
2020	256,805	62,868	16,416,097	7.2%	40.9 36.7%
2019	255,594	59,333	15,403,672	3.7%	40.6 35.8%
2018	253,884	56,965	14,665,878	4.1%	40.6 35.2%
2017	241,948	55,490	14,153,654	4.2%	40.3 34.5%
2016	250,448	53,702	13,593,278	4.4%	40.1 33.8%
2015	249,690	52,025	13,106,665	5.5%	39.9 33.4%

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 FY2023 and FY2024.
- (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 2023 and 2024 were estimated because data was unavailable



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

Table 15

Fiscal Year 2024			
	Number of Employees⁽¹⁾	Rank	Percentage of Total County Employment
U.S. Army Aberdeen Proving Ground	21,000	1	22.29%
Harford County Public Schools	5,625	2	5.97%
UM Upper Chesapeake Health	2,885	3	3.06%
Harford County Government	1,554	4	1.65%
Harford Community College	1,428	5	1.52%
Klein's ShopRite of Maryland	1,200	6	1.27%
Smith's Detection, Inc.	1,000	7	1.06%
Kohl's E-Fulfillment Center	954	8	1.01%
Rite Aid Mid-Atlantic Customer Distribution Center	900	9	0.96%
Frito Lay, Inc.	810	10	0.86%
Total	<u><u>37,356</u></u>		<u><u>39.65%</u></u>
Total County Employment ⁽²⁾	<u><u>94,219</u></u>		<u><u>100%</u></u>

Fiscal Year 2015			
	Number of Employees⁽¹⁾	Rank	Percentage of Total County Employment
U.S. Army Aberdeen Proving Ground	16,797	1	20.39%
Harford County Public Schools	5,369	2	6.52%
UM Upper Chesapeake Medical Center	3,129	3	3.80%
Harford County Government	1,938	4	2.35%
Rite Aid Mid-Atlantic Customer Support Center	1,300	5	1.58%
Kohl's	1,255	6	1.52%
Harford Community College	1,029	7	1.25%
Klein's ShopRite	1,000	8	1.21%
Walmart	900	9	1.09%
Jacob's Technology	865	10	1.05%
Total	<u><u>33,582</u></u>		<u><u>40.76%</u></u>
Total County Employment ⁽³⁾	<u><u>82,385</u></u>		<u><u>100%</u></u>

Source:

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

HARFORD COUNTY, MARYLAND
Capital Asset and Infrastructure Asset Statistics by Function/Program ⁽¹⁾
Last Ten Fiscal Years

Table 16

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Agricultural Preservation										
Acres of Farm Land in Preservation Program	52,478	51,214	49,264	45,687	44,618	43,806	39,680	39,680	39,078	38,671
General Government										
Office Buildings	6	6	5	5	5	5	5	5	13	13
Garage	1	1	1	1	1	1	1	1	1	1
Vehicles	170	64	61	47	45	32	27	28	17	25
Education-Primary thru Community College ⁽²⁾										
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	1
Libraries	11	11	11	11	11	11	11	11	11	11
Parks and Recreation										
Number of Parks	97	97	97	97	97	96	96	95	95	96
Rec, Comm. & Visitor Ctrs	10	8	8	8	8	8	8	8	8	8
Acres of Land	5,060	4,891	4,891	4,886	4,540	4,539	4,539	4,543	4,543	4,608
Vehicles	77	36	37	38	41	53	55	58	58	48
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	15	3	3	3	3	3	3	3	3	3
Sheriff's Vehicles	458	517	481	439	370	380	361	336	367	379
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	94	46	17	14	15	21	17	13	13	16
Hazmat Vehicles	16	5	8	8	7	8	9	8	8	9
DILP Vehicles	20	10	13	13	13	22	21	21	29	17

(continued)

HARFORD COUNTY, MARYLAND
Capital Asset and Infrastructure Asset Statistics by Function/Program ⁽¹⁾
Last Ten Fiscal Years
(continued)

Table 16

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Works										
Highways										
County Maintained Roads-Paved Miles	1,050	1,050	1,047	1,037	1,032	1,029	1,027	1,023	1,018	1,017
County Maintained Roads-Unpaved Miles	38	38	38	42	42	44	44	45	45	46
Office Buildings	6	3	3	3	3	3	3	3	3	3
Equipment Sheds	3	7	7	8	8	8	8	8	8	8
Salt Dome	7	3	3	4	4	4	4	4	4	4
Vehicles	249	291	286	301	296	278	252	253	276	303
Water & Sewer										
Miles of Water Mains and Laterals	760	755	750	749	719	711	705	703	696	691
Water Treatment Plants	3	3	3	3	3	3	3	3	3	3
Booster Stations	15	13	13	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	806	801	798	798	798	798	798	798	792	787
Wastewater Treatment Plants	3	3	3	3	3	3	3	3	3	3
Wastewater Pumping Stations	53	52	52	51	51	51	51	51	52	50
Vehicles	144	139	142	127	122	113	108	109	103	113
Waste Disposal										
Waste to Energy Facility	-	-	-	-	-	-	-	-	1	1
Vehicles	-	-	-	-	-	-	-	-	5	9
Landfills										
Buildings	2	2	2	2	2	2	2	2	2	2
Pole barn/garage	3	2	2	2	2	2	2	2	2	2
Vehicles	61	37	38	41	39	42	41	42	35	44
Social Services & Health										
Senior/Activity Centers	5	5	5	5	5	5	5	5	5	5
Buses	36	36	37	37	33	39	38	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	1	2	2	2	2	4	9

(1) Information from County Agencies/Component Units

(2) Harford County does not own the Education Capital Assets but the County pays for their construction.

HARFORD COUNTY, MARYLAND

Operating Indicators by Function ⁽¹⁾

Last Ten Fiscal Years

Table 17

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Agricultural Preservation</u>										
Number of settlements	7	12	38	3	7	21	-	3	-	9
<u>County Council</u>										
Number of bills introduced	34	32	32	34	32	26	43	26	44	25
Number of bills passed	27	27	28	34	32	24	41	24	42	24
<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 & Permits</u>										
Permits issued	17,160	15,339	15,497	17,026	16,991	17,664	17,295	17,261	19,933	19,215
Commercial construction permits	12	15	10	8	19	18	9	4	15	24
Residential construction permits	832	1,036	744	857	738	738	632	846	488	1,079
<u>Judicial</u>										
<u>Circuit Court</u>										
Number of cases filed (Calendar year)	1,505	1,295	1,453	790	1,381	1,448	1,889	1,839	1,847	1,998
<u>District Court</u>										
Number of cases filed (Calendar year)	2,467	3,752	7,484	9,552	7,827	7,883	7,645	7,738	7,826	8,228
<u>Education</u>										
<u>Board of Education</u>										
Administrators	256	254	251	234	226	252	254	254	254	253
Support	2,158	2,158	2,083	1,964	1,889	1,858	1,909	1,919	1,974	2,003
Teachers/Counselors/Mentors	3,239	3,213	3,151	2,962	2,905	2,947	2,962	2,985	2,989	3,000
Number of students	38,105	38,037	37,897	37,333	38,429	37,826	37,780	37,426	37,448	37,537
<u>Community College</u>										
Number of credit students	4,342	4,128	4,146	4,629	5,040	5,350	5,375	5,764	5,759	5,962
Faculty	363	329	327	330	384	374	383	407	415	450
Administrators	31	31	30	29	30	29	28	26	31	31
Staff	455	476	427	412	515	515	543	534	530	489
Visiting Professors	18	23	45	43	46	43	39	42	41	41
<u>Libraries</u>										
Number of registered borrowers	145,635	193,240	223,448	252,725	206,595	196,853	196,219	193,747	185,638	181,393
Circulation (000) ⁽²⁾	3,147,447	3,043	2,877	1,945	2,646	3,384	3,616	3,697	3,783	3,872
Materials collection (000)	1,016	1,007	1,009	1,010	1,080	1,052	1,113	1,090	979	822
Library personnel	212	210	210	210	242	242	242	242	240	243
<u>Parks and Recreation</u> ⁽³⁾										
Volunteer recreation councils	19	19	19	20	20	20	20	20	22	22
Number of P&R volunteers	9,233	9,620	9,053	4,365	11,561	15,694	14,308	13,571	13,271	14,250
Recreation registrations	53,317	49,693	46,338	33,177	55,286	66,089	65,122	69,625	66,074	73,066

(continued)

HARFORD COUNTY, MARYLAND
Operating Indicators by Function ⁽¹⁾
Last Ten Fiscal Years

(continued)

Table 17

Function/Program	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Public Safety										
Number of volunteers - Fire & EMS	855	885	1,208	1,256	1,048	1,141	1,178	1,181	1,189	1,170
Fire & EMS responses	40,764	30,956	Not Available	25,532	29,939	30,620	30,482	29,974	28,604	29,704
Police responses	209,049	121,191	139,511	215,090	170,029	222,182	284,966	273,589	296,213	227,027
911 calls	101,168	103,352	100,542	103,447	103,525	104,120	104,456	104,385	101,033	101,915
Special Operations incidents	243	221	105	110	135	179	193	183	196	187
EOC activations/exercises	13	12	8	20	25	27	32	26	38	25
Community policing programs	202	187	162	219	108	244	240	122	156	134
Neighborhood watch programs	34	27	34	36	18	19	25	26	35	38
Public Works										
Solid Waste										
Tons of recycled materials ⁽⁴⁾	2,205	2,463	2,308	2,701	2,775	2,977	8,704	9,974	21,184	10,358
Tons of solid waste processed ⁽⁴⁾	14,614	19,060	11,949	14,227	16,109	17,678	12,654	12,638	120,509	140,792
Highways										
Number of snow routes	77	77	77	75	75	75	75	75	75	75
Social Services/Health										
Transportation										
Annual ridership	383,066	319,193	260,105	116,431	308,049	358,499	298,405	326,706	359,269	365,905
Vehicle miles traveled	1,125,786	1,170,970	1,249,229	916,727	881,566	1,030,718	848,951	743,196	769,333	741,767
Water & Sewer Operations										
Daily average water consumption in gal.(000)	9,626	9,868	9,379	9,877	9,855	9,721	9,350	9,350	9,379	9,800
Daily average effluent treatment in gal. (000)	11,641	10,861	11,112	12,176	12,027	14,300	11,854	10,712	12,126	12,714
Number of new accounts added	237	281	279	453	567	450	371	287	291	227

(1) Information from County Agencies/Component Units

(2) Library circulation amount for FY 17 updated in FY 18.

(3) In FY 2017, information for the Number of P&R volunteers and Recreation Registrations was updated to a Fiscal Year basis for FY 2010 to FY 2017. Previously, information was provided on a calendar year basis.

(4) In FY 2017, Harford County outsourced the solid waste function for the majority of the year.

HARFORD COUNTY, MARYLAND
Full-time Equivalent Government Employees by Function⁽¹⁾
Last Ten Fiscal Years

Table 18

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County Council	29	28	28	28	28	27	27	27	27	28
General Government										
County Executive	10	4	4	4	4	4	4	4	4	11
Administration	8	50	50	50	50	50	50	49	49	67
Procurement	14	10	10	10	10	10	10	11	14	14
Treasury	43	41	41	41	41	41	41	42	42	44
Law	15	15	15	15	15	15	15	15	16	16
Planning & Zoning	36	37	37	37	37	36	36	37	38	41
Human Resources	9	9	9	9	9	8	8	8	9	7
Gov't & Community Relations	-	7	7	7	6	6	6	6	4	-
Information & Communication Technology	27	25	25	25	23	23	23	23	24	29
Conservation of Natural Resources	5	5	5	5	5	5	5	5	5	4
Economic Development	11	17	17	17	21	21	14	20	22	17
	178	220	220	220	221	219	212	220	227	250
Judicial										
Judicial	36	33	33	33	32	32	32	30	30	29
State's Attorney	82	69	63	59	59	59	59	59	59	59
	118	102	96	92	91	91	91	89	89	88
Parks and Recreation	71	73	78	78	85	86	86	94	94	103
Public Safety										
Sheriff's Office	597	583	538	536	537	529	529	535	535	528
Emergency Services	257	127	114	114	106	106	106	90	91	94
Inspections, Licenses & Permits	31	31	31	31	31	31	31	30	29	39
	885	741	683	681	674	666	666	655	655	661
Public Works										
Public Works - Administration	58	15	13	14	18	20	20	14	30	24
Public Works - Solid Waste	-	-	-	-	-	-	-	-	23	33
Public Works - Watershed Management	5	5	5	4	-	-	-	-	-	12
Public Works - Highways	176	177	177	177	175	175	175	187	190	196
Public Works - Water & Sewer	168	168	168	168	169	170	170	170	170	172
	407	365	363	363	364	365	365	371	413	437
Social Services & Health										
Community Services	27	25	25	25	25	25	25	25	25	40
Housing Agency	8	-	-	-	-	-	8	8	9	7
	35	25	25	25	25	25	33	33	34	47
Grand Totals	1,723	1,554	1,493	1,487	1,488	1,479	1,480	1,489	1,539	1,614

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



HARFORD COUNTY

Bob Cassilly, County Executive

www.HarfordCountyMD.gov