

HARFORD COUNTY ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2023



BOB CASSILLY, COUNTY EXECUTIVE

HARFORD COUNTY, MARYLAND

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED

JUNE 30, 2023



Prepared by:

*Department of the Treasury
Harford County, Maryland*

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

*Rick Pernas, CPA
Harford County Deputy Treasurer*



HARFORD COUNTY, MARYLAND

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Introductory Section

ROBERT G. CASSILLY
Harford County Executive

ROBERT S. McCORD
Director of Administration



ROBERT F. SANDLASS, JR.
Treasurer

October 12, 2023

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, 2023, 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, 2023, 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, 2023, 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 264,578. 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 as one of the County's largest revenue sources. The fiscal year 2023 taxable assessable base resulted in an increase over the fiscal year 2022 assessable base of 3.4%. 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 2023 assessments are for "Group 2" properties and were based on an evaluation of 89,880 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 2023 assessment, 96.4% of "Group 2" residential properties saw an increase in property value statewide. In Harford County, residential assessments increased by 17.1% and commercial

assessments for Group 2 increased by 10.4% since their last assessment in January of 2020. This is the tenth 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 has shown increases beginning in 2012 through 2023 using the modified accrual basis of accounting. The year over year increase for 2020 to 2021, 2021 to 2022, and 2022 to 2023 was 18.2%, 2.9% and 5.2%. Income tax is budgeted at \$311.0 million for fiscal year 2024. The recent growth in income tax revenue is largely due to distributions from the Comptroller's office within the reporting period being larger than prior year.

Long-term financial planning: The County has a new County Executive and in his first budget he has demonstrated fiscal responsibility while still maintaining essential services for our citizens. The FY2024 budget reduced the County's appropriated fund balance from nearly \$90.0 million to \$74.1 million.

Fiscal year 2024 budget, including all funds, is \$1.2 billion, an increase of 0.3% or \$4.1 million from fiscal year 2023. The total 2024 General Fund Operating Budget is \$768.5 million and the Capital Budget, excluding the Water and Sewer Capital Fund is \$239.1 million.

County Executive Cassilly has invested in public safety, education, reinvested in our workforce, and funded our first responders at historic levels without raising taxes by adopting the previous year's tax rate of \$0.9779.

We continue our county's commitment to a high quality of education for our children. The fiscal year 2024 budget included the operating funding for Harford County Public Schools of \$314.9 million which is over the state-required maintenance of effort. Major school projects include \$20.8 million for upgrades to Harford Technical High School, \$17.1 for upgrades to Aberdeen Middle School, and \$16.0 million for planning of the combination special education and elementary school called Harford Academy.

The capital budget in fiscal year 2024 includes \$23.2 million for road and bridge maintenance and repairs, \$2.0 million for trails and linear parks countywide, and \$0.7 million for development of a new Perryman Park. 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 3.0% COLA per qualifying County employee for fiscal year 2024. Half of this increase will come in July, with the other half possible in January, depending on economic conditions. Equivalent increases for the States' Attorney, Circuit Court, and the Sheriff's Office were also implemented. The Sheriff's Office will receive \$8.4 million for pay-scale enhancements, 10 new deputy positions, additional overtime pay, 30 new police vehicles and other mandated funding requirements.

For fiscal year 2024, the county is providing \$8.0 million to Emergency Services for 111 new positions for paramedics and support staff. In addition, there is an increase of \$1.3 million for 17 new dispatchers needed to reduce unacceptable workloads on the 9-1-1 staff. These workloads threatened our ability to properly respond to the thousands of emergency situations our residents face each year. The added staff are also needed to accommodate changes in the state law that preclude the transfer of 9-1-1 calls to dispatchers in the municipalities.

The fiscal year 2024 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 Aberdeen Proving Ground, Maryland is Harford County's number one employer. Primarily a scientific and technical research and development facility, APG has a workforce with one of the highest concentrations of advanced degrees among military installations in the nation.

The County continues to invest one hundred percent of cash held temporarily idle during the year using an equity in pooled cash system. For fiscal year 2023, the weighted average yield on investments was 3.61 percent. In addition, Agricultural Land Preservation, Capital Project, Sheriff's Office Pension System (SOPS), Volunteer Fireman's Length of Service Award Program (LOSAP), and the Other Post-Employment Benefits (OPEB) trust fund, have cash that is invested separately.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Harford County, Maryland for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2022. This was the thirty-eighth consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

In addition, the County received its thirty-fifth GFOA Award for Distinguished Budget Presentation for its annual appropriated budget for the fiscal year beginning July 1, 2022. 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,

A handwritten signature in blue ink, appearing to read 'RFS', followed by a checkmark.

Robert F. Sandlass, Jr.
Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Harford County
Maryland**

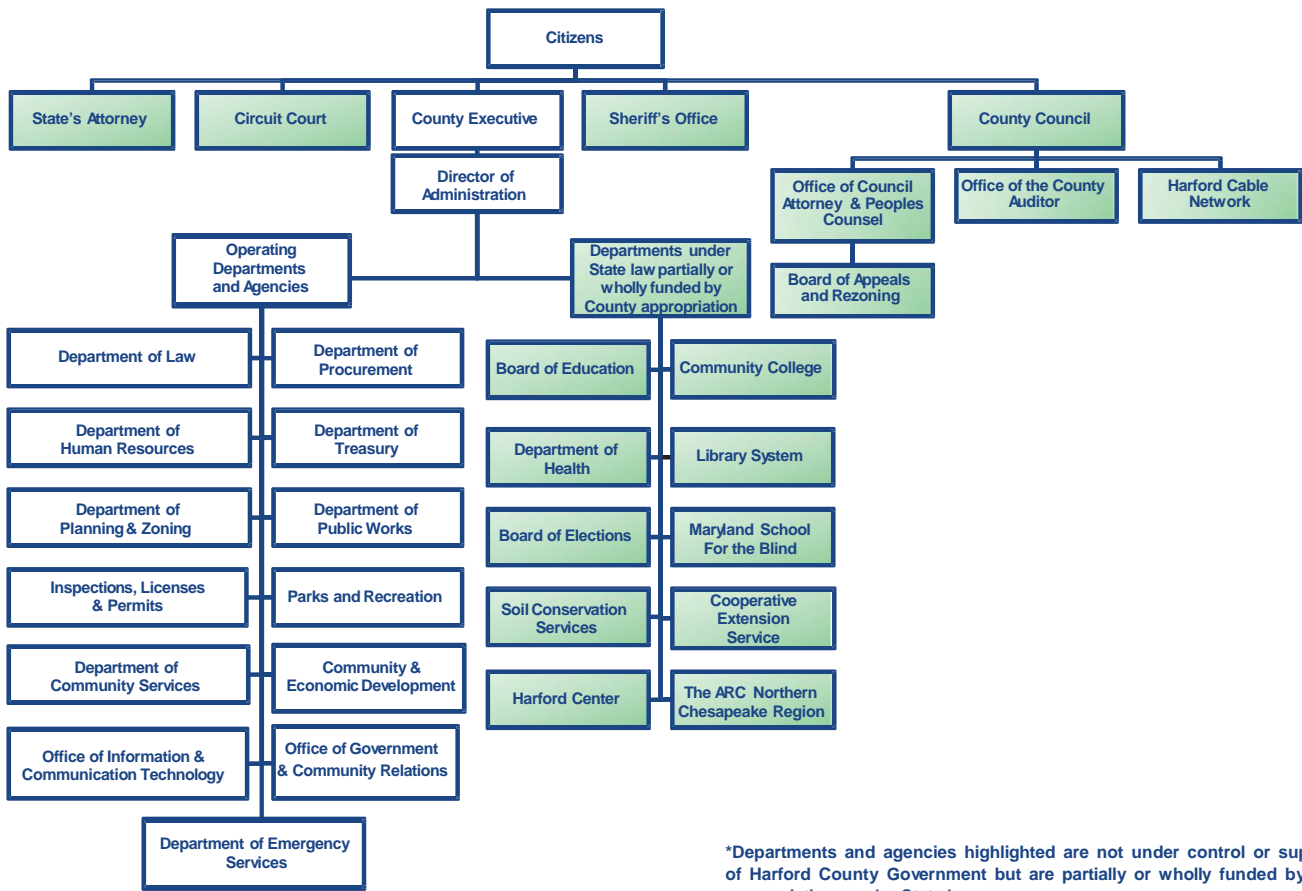
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

HARFORD COUNTY GOVERNMENT ORGANIZATION CHART



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

**HARFORD COUNTY, MARYLAND
GOVERNMENTAL ORGANIZATION
CERTAIN ELECTED AND APPOINTED OFFICIALS
AS OF JUNE 30, 2023**

CERTAIN ELECTED OFFICIALS

County Executive

Robert G. Cassilly

President of the County Council
County Council Members

Patrick S. Vincenti
Dion F. Guthrie
Aaron D. Penman
Tony “G” Giangiordano
James Reilly
Jessica Boyle-Tsottles
Jacob Bennett

CERTAIN APPOINTED OFFICIALS

Director of Administration
Treasurer
County Attorney
Deputy Treasurer
Director of Emergency Services
Director of Housing & Community Services
Director of Human Resources
Director of Inspections, Licenses and Permits
Director of Parks and Recreation
Director of Planning and Zoning
Director of Procurement
Director of Public Works
Director of Economic Development
Director of Information and Communication Technology

Robert McCord
Robert F. Sandlass, Jr.
Jefferson Blomquist
Rick Pernas, CPA
Rick Ayers
Barbara Richardson
Tiffany Stephens
Richard Truitt
Paul Magness
Shane Grimm
Karen Myers
Joseph Siemek
Karen Holt
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





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, 2023, 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, 2023, 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 aggregately discretely presented component units as of June 30, 2023. 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

Emphasis of Matter

Change in Accounting Principle

As discussed in Note 5H to the financial statements, effective July 1, 2022, the County adopted new accounting guidance for subscription-based information technology arrangements (SBITA). The guidance requires entities to recognize a right-to-use subscription asset and corresponding SBITA liability for all SBITAs with terms greater than twelve months. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Required Supplementary Information

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

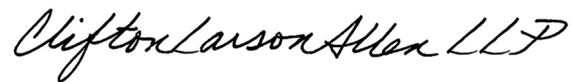
In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If,

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

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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2023 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Baltimore, Maryland
October 11, 2023

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, 2023. 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 \$1.0 billion. The unrestricted portion of this is a deficit of \$119.1 million and is composed of an unrestricted deficit in the governmental activities of \$199.4 million and a balance of \$80.3 million unrestricted in the business-type activities.
- The County's net position had an overall increase of \$69.4 million during the current fiscal year. In the governmental activities, total revenues decreased 0.3%, expenses increased 8.5%, and change in net position increased by \$41.7 million, or 8.9% from the prior fiscal year. Property tax revenue decreased \$5.0 million due to a property tax cut in fiscal year 2023. This deficit is expected to greatly decrease or be eliminated as soon as next year as property assessments continue to increase. Income taxes decreased \$12.9 million as a result of a cooling economy and \$14.3 million in recordation and transfer tax decreased as the housing market tightened, and interest rates continuously rose. These revenue decreases were tempered by an increase in charges for services and investment earnings. Overall expenses increased by \$61.6 million mostly due to inflationary conditions and additional resources allocated to education. In the business-type activities, total revenues increased by 21.9% primarily due to an increase in connections to the system resulting in higher capital contributions and increased interest income while expenses increased slightly by \$0.4 million or 0.8% primarily due to cost of goods and services increasing overall which led to an increase of net position of \$27.7 million or 5.4% over the prior fiscal year.

Fund Level:

- The General Fund had a decrease in fund balance of \$36.4 million. The Highways Fund had an increase in fund balance of \$1.0 million.
- Approximately 63.9% of the total governmental fund balance, \$215.6 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 \$160.6 million or 23.4% of total General Fund expenditures. Restricted fund balance of the General Fund was \$13.5 million or 7.7% of total fund balance, leaving \$0.8 million or 0.4% of total fund balance as nonspendable in the General Fund.
- The business-type activities operating revenue fell short of operating expenses resulting in an operating loss of \$1.5 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, \$897.3 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 \$271.5 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 \$119.1 million; business-type activities have a balance of \$80.3 million unrestricted net position while the unrestricted net position for governmental activities is negative \$199.4 million. The major reason for negative unrestricted net position in the governmental funds relates to the

building of schools. Counties in the State of Maryland issue debt for public school construction; however, school buildings are recorded as assets of each public school system. Although net position, as noted earlier, is an indicator of a government's overall financial condition, the issuance of debt for Harford County Public Schools and Harford Community College construction, which increases the government's liabilities without the addition of corresponding assets, causes an imbalance on the Statement of Net Position.

The net position of governmental activities increased \$41.7 million during fiscal year 2023, while program revenues increased \$14.7 million and general revenues decreased \$17.2 million over fiscal year 2022. Governmental activities general revenues for 2023 showed a decrease in property taxes of \$5.0 million, a decrease of income taxes of \$12.9 million, a decrease of \$6.6 million in recordation taxes, a decrease in transfer tax of \$7.7 million, offset by an increase of \$14.5 million in investment earnings. The majority of the increase in program revenues came from opioid settlements from various manufacturers and distributors.

The net position of business-type activities increased \$27.7 million during fiscal year 2023. Charges for services revenue increased \$1.9 million, 3.7% from fiscal year 2022 to 2023, due to legislation increasing the rate charged for services. Expenses for the business-type activities increased \$0.4 million, 0.8%, 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	
	2023	2022	2023	2022	2023	2022
Current & Other Assets	\$ 549,336,782	\$ 574,240,037	\$ 247,766,757	\$ 219,580,214	\$ 797,103,539	\$ 793,820,251
Capital Assets	877,543,802	832,859,949	414,818,436	423,067,423	1,292,362,238	1,255,927,372
Total Assets	1,426,880,584	1,407,099,986	662,585,193	642,647,637	2,089,465,777	2,049,747,623
Deferred Outflows of Resources	85,829,490	100,868,228	7,849,956	8,962,459	93,679,446	109,830,687
Noncurrent Liabilities	882,628,675	860,104,861	112,904,480	120,496,122	995,533,155	980,600,983
Other Liabilities	49,718,300	79,174,268	10,449,641	9,857,010	60,167,941	89,031,278
Total Liabilities	932,346,975	939,279,129	123,354,121	130,353,132	1,055,701,096	1,069,632,261
Deferred Inflows of Resources	71,175,852	101,175,765	6,549,431	8,470,886	77,725,283	109,646,651
Net Investment in Capital Assets	573,419,995	546,803,717	323,944,404	324,912,563	897,364,399	871,716,280
Restricted	135,212,148	37,708,913	136,273,139	124,386,096	271,485,287	162,095,009
Unrestricted	(199,444,896)	(116,999,310)	80,314,054	63,487,419	(119,130,842)	(53,511,891)
Total Net Position	\$ 509,187,247	\$ 467,513,320	\$ 540,531,597	\$ 512,786,078	\$ 1,049,718,844	\$ 980,299,398

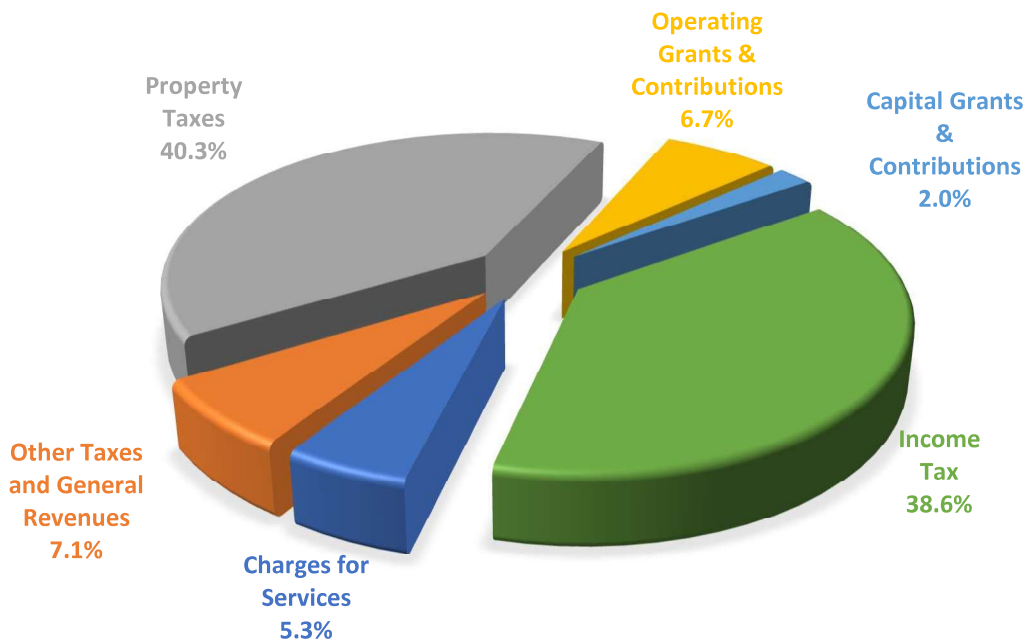
Harford County Government's Changes in Net Position

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for Services	\$ 43,451,130	\$ 23,783,455	\$ 54,710,548	\$ 52,780,943	\$ 98,161,678	\$ 76,564,398
Operating Grants & Contributions	54,873,142	58,344,246	496,546	486,602	55,369,688	58,830,848
Capital Grants & Contributions	16,086,772	17,605,802	22,183,968	15,195,342	38,270,740	32,801,144
Program revenues Total	114,411,044	99,733,503	77,391,062	68,462,887	191,802,106	168,196,390
General revenues:						
Property Taxes	331,683,658	336,638,498	-	-	331,683,658	336,638,498
Income Taxes	317,327,716	330,271,264	-	-	317,327,716	330,271,264
Impact Fees	1,779,600	2,579,400	-	-	1,779,600	2,579,400
911 Program Taxes	2,887,154	2,787,525	-	-	2,887,154	2,787,525
Recordation Taxes	17,926,336	24,493,653	-	-	17,926,336	24,493,653
Transfer Taxes	18,421,754	26,152,638	-	-	18,421,754	26,152,638
Hotel Taxes	2,743,554	2,287,207	-	-	2,743,554	2,287,207
Other Taxes	690,494	607,016	-	-	690,494	607,016
Investment Earnings	12,037,294	(2,433,863)	8,130,674	1,623,331	20,167,968	(810,532)
Unrestricted Grants & Contributions	329,608	410,192	-	-	329,608	410,192
Miscellaneous	2,610,807	1,807,970	250,907	277,305	2,861,714	2,085,275
Total Revenues	<u>822,849,019</u>	<u>825,335,003</u>	<u>85,772,643</u>	<u>70,363,523</u>	<u>908,621,662</u>	<u>895,698,526</u>
Program Expenses:						
Agricultural Preservation	1,831,441	5,715,267	-	-	1,831,441	5,715,267
County Council	3,485,729	3,263,077	-	-	3,485,729	3,263,077
General Government	66,763,768	52,153,627	-	-	66,763,768	52,153,627
Education-Primary thru Community College	364,647,185	332,479,006	-	-	364,647,185	332,479,006
Harford Center	675,745	620,193	-	-	675,745	620,193
Judicial	12,638,809	12,117,727	-	-	12,638,809	12,117,727
Libraries	22,899,727	20,220,623	-	-	22,899,727	20,220,623
Parks, Recreation and Natural Resources	18,922,729	17,066,691	-	-	18,922,729	17,066,691
Public Safety	148,778,633	144,268,172	-	-	148,778,633	144,268,172
Public Works	90,253,605	83,644,249	-	-	90,253,605	83,644,249
Social Services	34,872,569	34,375,290	-	-	34,872,569	34,375,290
Unallocated Debt Interest / Other Costs	15,405,152	14,106,448	-	-	15,405,152	14,106,448
Water and Sewer	-	-	58,027,124	57,593,048	58,027,124	57,593,048
Total Expenses	<u>781,175,092</u>	<u>720,030,370</u>	<u>58,027,124</u>	<u>57,593,048</u>	<u>839,202,216</u>	<u>777,623,418</u>
Change in Net Position	41,673,927	105,304,633	27,745,519	12,770,475	69,419,446	118,075,108
Net Position - Beginning	467,513,320	362,208,687	512,786,078	500,015,603	980,299,398	862,224,290
Net Position - Ending	<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>

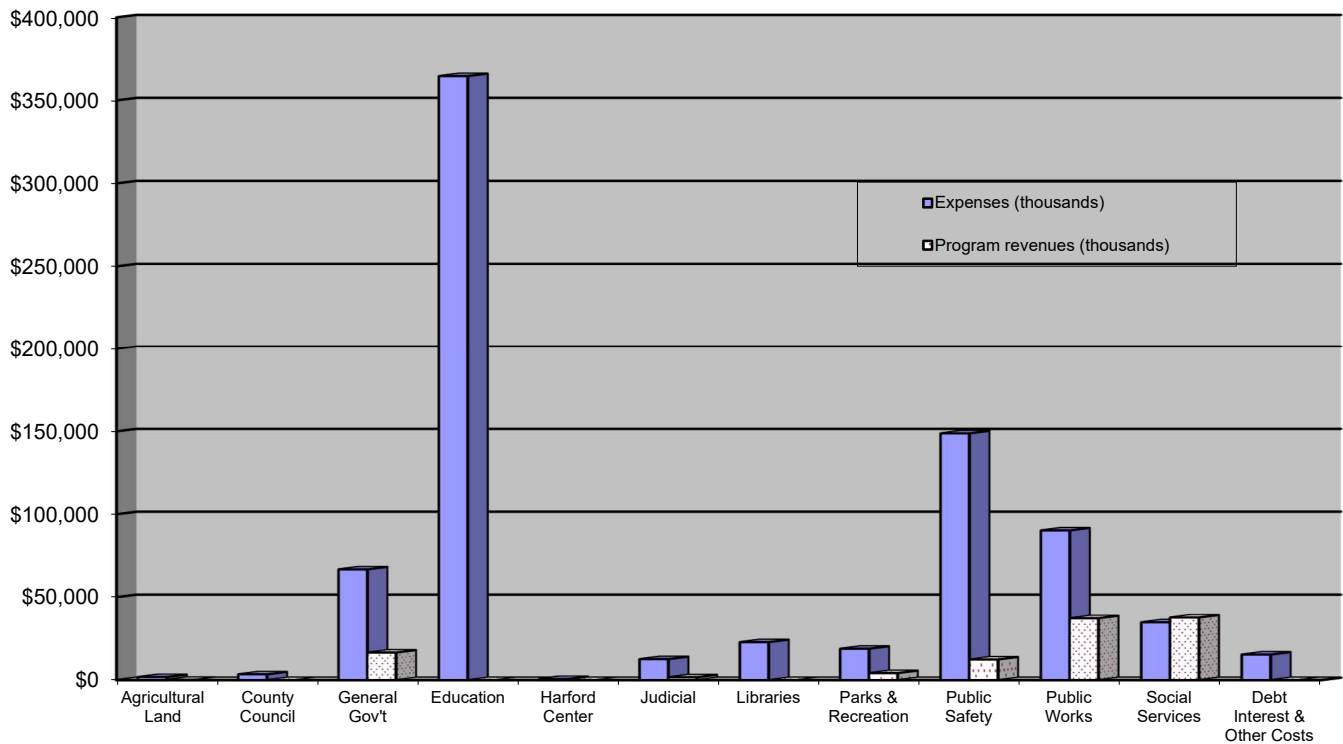
Governmental activities: The change in net position of governmental activities increased \$41.7 million during fiscal year 2023. Key elements are as follows:

- Total Government Activities expenses increased \$61.1 million or 8.5% from fiscal year 2022. The increase is partially due to funding Education \$32.2 million over the prior year to help support the growing needs of County schools. An increase in General Government of \$14.6 million, in Public Safety of \$4.5 million and Public Works of \$6.6 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 decreased in fiscal year 2023 by \$5.0 million over the prior year mostly due to a decrease in the property tax rate of \$0.05 per \$100 of assessed value for properties.
- The County recorded \$317.3 million in income tax revenue for the fiscal year 2023. This is a \$12.9 million or 3.9% decrease from fiscal year 2022 using the accrual basis of accounting. The change can be attributed to a cooling economy.
- Recordation and Transfer Tax decreased \$14.3 million in fiscal year 2023 over fiscal year 2022. In fiscal year 2023 the number of real estate transactions decreased primarily due to increasing interest rates which has slowed the purchasing and refinancing of real estate properties.
- Impact Fees decreased by \$0.8 million due to a slowdown of new residential construction in the county in part due to the rising interest rates and an increase in construction costs.
- Operating Grants and Contributions decreased \$3.5 million or 5.9% from the prior fiscal year and Capital Grants and Contributions decreased \$1.5 million or 8.6% as the COVID-19 funding from the federal government continues to decrease.

Revenues by Source-Governmental Activities



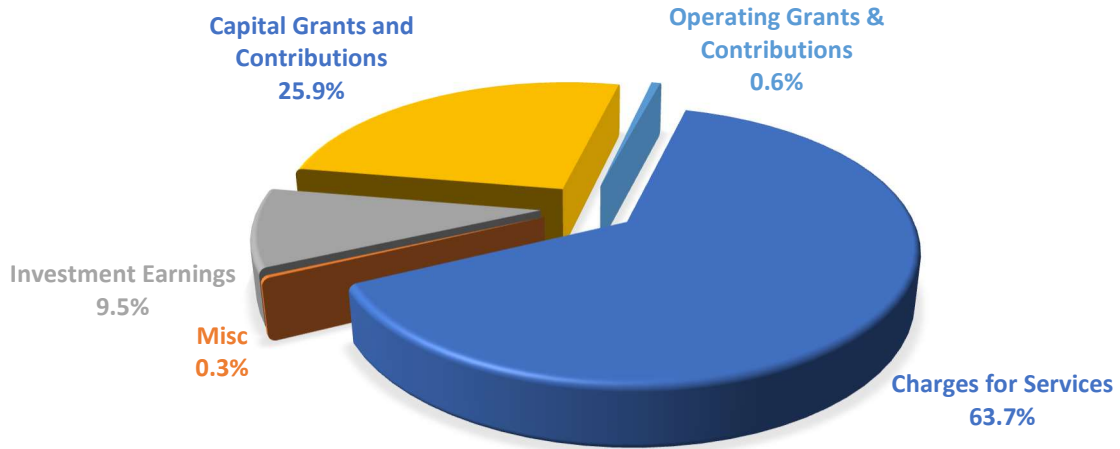
Expenses and Program Revenues-Governmental Activities



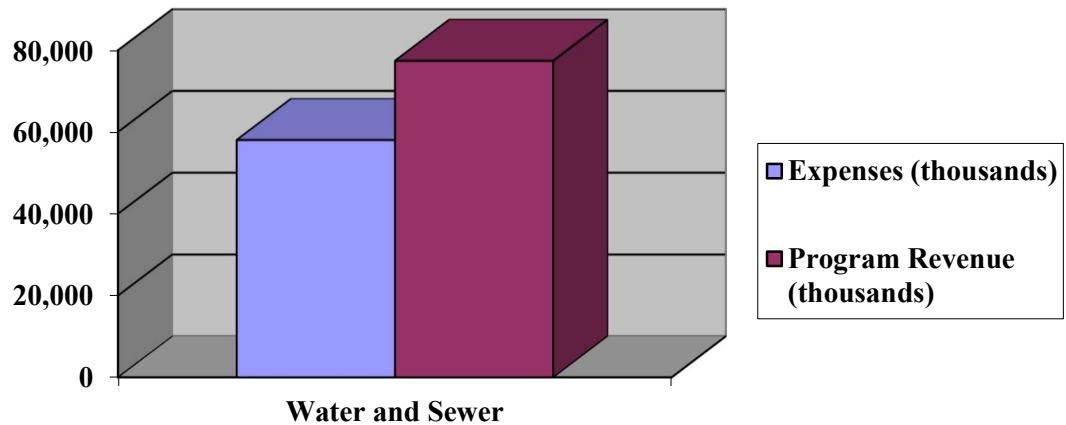
Business-type activities Business-type activities recorded an increase in net position of \$27.7 million during fiscal year 2023. Key elements are as follows:

- The increase in charges for services, \$1.9 million or 3.7% is attributed to an increase in the water and sewer rates.
- The increase in capital grants and contributions of \$7.0 million due mostly to connection charges from development.
- Expenses grew by \$0.4 million or 0.8% which was mostly due to inflationary increases on goods and services.

Revenues by Source-Business-type Activities



Expenses and Program Revenues-Business-type Activities



Financial Analysis of the County's Funds

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

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

As of the end of the current fiscal year, the governmental funds reported combined ending fund balances of \$337.6 million. Approximately 63.9% of this total amount, or \$215.6 million, constitutes *assigned and unassigned fund balance*, which is available for spending at the government's discretion. The remainder of

fund balance, \$122.0 million, is *nonspendable or restricted* to indicate that it is not available for new spending because it has been dedicated. The nonspendable and restricted fund balance, at 36.1% of total fund balance, does not significantly affect the availability of fund resources for future use.

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, the assigned and unassigned fund balance of the General Fund was \$160.6 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 23.4% of total General Fund expenditures, while total fund balance represents 25.5% of that same amount.

The County's General Fund total fund balance decreased by \$36.4 million during the current fiscal year. The decrease is mostly due to an increase in expenditure of \$65.9 million. This is primarily attributed to an increase in costs and services due to inflationary conditions, increases in wages, along with a \$32.2 million increase in school funding.

The Highways Fund has a total fund balance of \$26.2 million of which 92.6% of the fund balance is restricted, 4.9% is restricted due to bond proceeds of \$1.2 million and the remaining 95.1% or 23.1 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 increased from last fiscal year by \$1.0 million. This is attributed to an increase in investment interest from the prior year due to favorable interest rates.

The Grant Fund has a total fund balance of \$15.5 million all under the restricted category due to the legally binding nature of the grant agreements. The Grant Fund balance increased by \$4.3 million primarily due to a decrease in expenditures, as the need for COVID-19 related services declines.

The Agricultural Land Preservation Fund has a total restricted fund balance of \$37.7 million. The fiscal year fund balance decreased by \$9.4 million mostly due to an increase in cash purchases of development rights from fiscal year 2022 combined with a decrease in transfer tax, which is the main revenue source of this fund.

The Capital Project Fund has a total fund balance of \$70.0 million. General obligation bonds of \$48.5 million were issued during fiscal year 2023 to help pay the cost of County capital projects. Of the total fund balance, \$15.0 million is restricted for dedicated revenues for Harford County Public Schools and Parks and Recreation projects and \$55.0 million is assigned for the purpose of the fund. The increase in fund balance of \$24.0 million is primarily attributed to an increase in paygo funding.

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, 2023, was \$13.4 million. Of the total fund balance, \$4.3 million is restricted for debt service and unspent bond proceeds, \$8.8 million is restricted for Watershed Management and \$0.3 is restricted for Parks and Recreation. The decrease in the total fund balances of \$0.9 million is mostly attributed to a decrease in recordation tax in the Watershed Management Fund of \$1.1 million from the prior year.

Proprietary funds The County's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position of the Water and Sewer Fund at the end of the year amounted to \$78.7 million and unrestricted net position of the Internal Service Fund totaled \$28.1 million, a \$6.8 million increase, mostly due to increased revenues in the form of premiums, interest income and settlements with a slight decrease in claims and expenses. 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 2023 increased by \$9.1 million over the original budget. \$2.1 million was allocated to appropriated funds to account for expenses attributable to payment of anticipated retirements and \$7.0 million was allocated to the

Department of Emergency Services for taking over the responsibilities from the Harford County Volunteer Fire and EMS Foundation, Inc. Revenue variances of \$29.8 million from the final fiscal year 2023 budget is attributed in part to a bond premium of \$4.9 million that was not budgeted and by the using \$43.1 million of the budgeted \$99.0 million appropriated fund balance. A cautious spending policy also led to the \$29.8 million or 3.9% decrease in actual General Fund expenditures compared to the final General Fund budget.

Capital Asset and Debt Administration

Capital assets The County's capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$1.3 billion (net of accumulated depreciation). This investment in capital assets includes land, development rights, construction in progress, buildings, improvements, machinery and equipment, vehicles, intangibles, infrastructure, leases, and SBITA. The total net increase in the County's capital assets for the current fiscal year is \$36.4 million.

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

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 303,610,779	\$ 297,418,617	\$ 1,535,972	\$ 1,535,972	\$ 305,146,751	\$ 298,954,589
Development Rights	183,862,601	171,389,451	-	-	183,862,601	171,389,451
Construction in Progress	26,254,302	23,780,867	7,861,633	5,419,887	34,115,935	29,200,754
Buildings	152,298,221	148,842,315	132,089,355	137,556,779	284,387,576	286,399,094
Improvements	32,713,499	33,077,820	222,117,714	225,119,475	254,831,213	258,197,295
Machinery and Equipment	18,293,166	8,300,598	19,176,838	20,240,502	37,470,004	28,541,100
Vehicles	25,033,585	19,811,108	3,016,348	3,499,925	28,049,933	23,311,033
Intangibles	2,040,885	2,529,227	363,608	452,744	2,404,493	2,981,971
Infrastructure	122,370,054	119,684,571	28,656,968	29,242,139	151,027,022	148,926,710
Leased Building	8,359,384	8,025,375	-	-	8,359,384	8,025,375
Leased Equipment	327,656	-	-	-	327,656	-
SBITA Assets	2,379,670	-	-	-	2,379,670	-
Total Capital Assets	\$ 877,543,802	\$ 832,859,949	\$ 414,818,436	\$ 423,067,423	\$ 1,292,362,238	\$ 1,255,927,372

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

- The new North Harford EMS Station was opened in November 2022 and was capitalized for \$5.2 million. The station will primarily serve the rural communities of northern Harford County.
- The Darlington Library was completed in Fiscal Year 2023 and was capitalized for \$2.9 million. The building was opened to the public in October 2022.
- The Stafford Road Bridge was completed in May 2023 and capitalized for \$3.2 million. The bridge carries Stafford Road over Deer Creek and was rehabilitated to provide safe and adequate transportation.

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 2023 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 2023 totaled \$4.3 million.
- The Harford Technical High School Limited Renovation Project had expenditures of \$3.2 million in Fiscal Year 2023. The project will include systemic renovation projects which include HVAC, windows, doors, and plumbing along with updating the culinary arts and cosmetology program spaces.
- The Center for Educational Opportunity Roof Replacement will replace the roof on the main building and annex along with the planetarium which has ponding water, failing expansion joints and the roof membrane is pulling away from the gravel stop. In Fiscal Year 2023, expenditures were \$1.5 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 \$702.6 million. Of this amount, \$92.0 million is considered self-supporting debt, funded through various surcharges and assessments related to the operation of the water and sewer systems of the County. Also considered self-supporting are \$34.4 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 \$10.7 million associated with the incremental property tax revenues related to a special taxing district.

The County's Outstanding Debt

Bonds, Installment Purchase Agreements, Lease Agreements and SBITA Agreements

	Governmental Activities		Business-type Activities		Total Primary Government	
	2023	2022	2023	2022	2023	2022
Installment Purchase Agreements	\$ 34,448,962	\$ 38,877,841	\$ -	\$ -	\$ 34,448,962	\$ 38,877,841
Bonds Payable	565,839,901	558,808,917	92,044,529	99,999,139	657,884,430	658,808,056
Lease Agreements	8,599,657	7,877,804	-	-	8,599,657	7,877,804
SBITA Agreements	1,710,357	-	-	-	1,710,357	-
	<u>\$ 610,598,877</u>	<u>\$ 605,564,562</u>	<u>\$ 92,044,529</u>	<u>\$ 99,999,139</u>	<u>\$ 702,643,406</u>	<u>\$ 705,563,701</u>

The total debt of the Primary Government decreased by \$2.9 million or 0.4%, during the current fiscal year. For governmental activities, debt increased by \$5.1 million due to a general obligation bond sale of \$48.5 million, a premium of \$5.8 million, the issuance of lease and SBITA agreements of \$5.3 million and the recording of the beginning balance of SBITA agreements of \$1.7 million due to the implementation GASB 96, offset by principal payments and reductions of \$56.2 million. In business-type activities, debt decreased \$8.0 million, due to bond principal payments and reductions of \$9.7 million, offset by a bond sale of \$1.5 million and a premium of \$0.2 million. During fiscal year 2023, 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 \$2.1 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 2024 remains unchanged at \$0.9779 per \$100 of assessed valuation. Net property tax receipts recorded in the General Fund for fiscal year 2024 are expected to increase by 3.59% from those approved for fiscal year 2023. The increase is due to the reassessment of properties in the "Group 2" area of the County which consists mainly of the Bel Air area. Statewide, the assessment notices mailed to a third of property owners reflect an increase by an average of 20.6% since they were last assessed in 2021. In Harford County the overall increase was 16.0%, residential assessments increased by 17.1% and commercial assessments increased by 10.4%. The Homestead Tax Credit rate is 5% for Harford County for fiscal year 2024 and remains unchanged from the past fiscal year.
- In fiscal year 2024, the County's income tax rate stayed at 3.06%. Income tax revenue is budgeted at \$311.0 million for fiscal year 2024. We are expecting very limited growth in income tax for fiscal year 2024 over the amount we estimated for fiscal year 2023 as the economy is expected to cool and most likely enter recession.
- 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 2023, the County's original budget appropriated \$89.9 million in General Fund Balance to balance the 2023 budget. In fiscal year 2024, the County appropriated \$74.1 million in General Fund Balance to balance the 2024 budget.
- For fiscal year 2024, Harford County Public Schools are funded at \$314.9 million, which is \$10.0 million over the state-required Maintenance of Effort level.
- Harford County Public Schools fiscal year 2024 capital budget contains 16 planned projects totaling \$86.8 million for facility construction, renovations, replacements, fleet and technology for students. Of the total General Fund debt service budget, 54.8% is allocated for school debt.

These and other economic factors were considered when preparing the fiscal year 2024 General Fund budget, which estimates total revenues at \$768.5 million: an increase of \$15.9 million or 2.1% over fiscal year 2023 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 rising 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. We have added a conditional, phase-in 3.0% cost of living adjustment for all county, sheriff's office, state's attorney and judicial system employees. Half of this increase will come in July, with the other half possible in January, depending on economic conditions. The sheriff's office budget will also include an additional \$4.7 million for pay-scale enhancements to continue to attract and maintain the best law enforcement personnel as well as \$1.0 million to fund 10 new deputy positions. Emergency services includes \$8.0 million to hire 111 new positions which includes 41 paramedics, 60 emergency medical technicians, eight shift supervisors, a shift manager and a training officer. The state's attorney will have a net increase of \$0.5 million which includes 13 new positions, a chief of administration, administrative assistant, two legal assistants and seven body-worn camera technicians. Two temporary law clerk positions have also been made permanent, and funding has been provided for additional staff salary increases. 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 2024 approved budget from the 2023 fiscal year original approved budget for the Water and Sewer Operating Fund is an increase of \$7.7 million or 10.7%.

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, 2023

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	\$ 317,590,745	\$ 208,418,853	\$ 526,009,598	\$ -	\$ -	\$ -	\$ -
Cash and Investments	24,172,386	4,500	24,176,886	103,178,093	2,715,155	47,094,838	12,020,339
Taxes and Accounts Receivable (Net)	23,041,443	12,237,524	35,278,967	20,786,858	10,195	2,632,919	223,117
Federal and State Receivable	163,390,149	-	163,390,149	17,472,036	1,471	-	-
Internal Balances	(1,636,253)	1,636,253	-	-	-	-	-
Due From Primary Government	-	-	-	5,203,233	-	-	40,051
Inventories	1,938,600	3,476,748	5,415,348	870,713	-	319,396	-
Lease Receivable	143,530	-	143,530	-	-	180,676	-
Loans Receivable	3,174,413	-	3,174,413	-	-	-	-
Prepaid Items and Other Assets	-	-	-	574,265	44,382	702,757	74,261
Deposit with Trustee	1,498,631	-	1,498,631	-	-	2,579,149	3,260,233
Benefit Assessment	394,105	21,428,239	21,822,344	-	-	-	-
Restricted Assets - Investments	15,629,033	564,640	16,193,673	-	-	23,522,931	-
Capital Assets:							
Land, Development Rights & CIP	513,727,682	9,397,605	523,125,287	62,532,452	-	6,833,218	-
Other Capital Assets, Net of Depreciation	363,816,120	405,420,831	769,236,951	674,684,584	820,052	88,264,678	5,352,972
Total Assets	1,426,880,584	662,585,193	2,089,465,777	885,302,234	3,591,255	172,130,562	20,970,973
DEFERRED OUTFLOWS OF RESOURCES							
Loss on Refunding	8,761,859	1,655,964	10,417,823	-	-	-	-
Pension and OPEB Deferrals	77,067,631	6,193,992	83,261,623	521,964,073	-	397,248	7,284,163
Total Deferred Outflow of Resources	85,829,490	7,849,956	93,679,446	521,964,073	-	397,248	7,284,163
LIABILITIES							
Accounts Payable	12,367,324	1,251,475	13,618,799	6,211,347	30,616	3,205,374	238,334
Due to Component Units	5,243,284	-	5,243,284	-	-	-	-
Retainages Payable	1,025,579	46,040	1,071,619	-	-	-	-
Payable to State of Maryland	131,032	1,119,084	1,250,116	-	59,987	-	-
Accrued Expenses	10,131,610	1,565,987	11,697,597	1,766,905	110,069	2,448,404	1,194,750
Unearned Revenue	18,118,343	-	18,118,343	11,479,879	-	1,472,436	9,000
Performance Deposits	1,027,619	24,549	1,052,168	-	-	-	-
Escrow Accounts	1,258,602	6,420,689	7,679,291	-	-	-	-
Other Liabilities	414,907	21,817	436,724	-	-	97,897	-
Noncurrent Liabilities:							
Due within one year	71,739,426	11,034,290	82,773,716	12,208,356	-	951,365	26,585
Due in more than one year	810,889,249	101,870,190	912,759,439	1,002,987,670	-	3,910,194	3,543,527
Total Liabilities	932,346,975	123,354,121	1,055,701,096	1,034,654,157	200,672	12,085,670	5,012,196
DEFERRED INFLOWS OF RESOURCES							
Gain on Refunding	-	328,255	328,255	-	-	-	-
Pension and OPEB Deferrals	71,175,852	6,221,176	77,397,028	789,706,033	-	399,640	21,714,180
Total Deferred Inflow of Resources	71,175,852	6,549,431	77,725,283	789,706,033	-	399,640	21,714,180
NET POSITION							
Net Investment in Capital Assets	573,419,995	323,944,404	897,364,399	721,177,586	820,052	92,621,895	5,271,881
Restricted for:							
Highways Projects	24,269,145	-	24,269,145	-	-	-	-
Grant Programs	28,836,850	-	28,836,850	12,465,958	-	-	-
Capital Projects	69,992,055	-	69,992,055	15,246,952	-	-	-
Debt Service	3,251,025	-	3,251,025	-	-	-	-
Watershed Management	8,802,999	-	8,802,999	-	-	-	-
Water & Sewer	-	136,273,139	136,273,139	-	-	-	-
Public Safety	60,074	-	60,074	-	-	-	-
Donor & Board Restrictions/Endowments	-	-	-	-	576,396	17,789,007	1,367,909
Unrestricted (deficit)	(199,444,896)	80,314,054	(119,130,842)	(1,165,984,379)	1,994,135	49,631,598	(5,111,030)
Total Net Position	\$ 509,187,247	\$ 540,531,597	\$ 1,049,718,844	\$ (417,093,883)	\$ 3,390,583	\$ 160,042,500	\$ 1,528,760

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, 2023

Exhibit 2

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position						
		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	\$ 1,831,441	\$ -	\$ 149,003	\$ -	\$ (1,682,438)	\$ -	\$ (1,682,438)	\$ -	\$ -	\$ -	\$ -
County Council	3,485,729	-	-	-	(3,485,729)	-	(3,485,729)	-	-	-	-
General Government	66,763,768	4,330,488	3,874,103	8,393,980	(50,165,197)	-	(50,165,197)	-	-	-	-
Education-Primary thru Comm. College	364,647,185	-	-	-	(364,647,185)	-	(364,647,185)	-	-	-	-
Harford Center	675,745	-	-	-	(675,745)	-	(675,745)	-	-	-	-
Judicial	12,638,809	-	1,696,346	-	(10,942,463)	-	(10,942,463)	-	-	-	-
Libraries	22,899,727	-	-	-	(22,899,727)	-	(22,899,727)	-	-	-	-
Parks, Recreation and Natural Resources	18,922,729	968,755	82,213	3,159,705	(14,712,056)	-	(14,712,056)	-	-	-	-
Public Safety	148,778,633	5,646,295	5,373,668	1,405,866	(136,352,804)	-	(136,352,804)	-	-	-	-
Public Works	90,253,605	15,923,406	18,293,311	3,127,221	(52,909,667)	-	(52,909,667)	-	-	-	-
Social Services	34,872,569	16,582,186	25,404,498	-	7,114,115	-	7,114,115	-	-	-	-
Unallocated Debt Interest / Other Costs	15,405,152	-	-	-	(15,405,152)	-	(15,405,152)	-	-	-	-
Total Governmental Activities	781,175,092	43,451,130	54,873,142	16,086,772	(666,764,048)	-	(666,764,048)	-	-	-	-
Business-type Activities											
Water and Sewer	58,027,124	54,710,548	496,546	22,183,968	-	19,363,938	19,363,938	-	-	-	-
Total Business-type Activities	58,027,124	54,710,548	496,546	22,183,968	-	19,363,938	19,363,938	-	-	-	-
Total Primary Government	\$ 839,202,216	\$ 98,161,678	\$ 55,369,688	\$ 38,270,740	(666,764,048)	19,363,938	(647,400,110)	-	-	-	-
Component Units:											
Harford County Public Schools	\$ 721,919,914	\$ 9,248,749	\$ 189,263,451	\$ 25,291,629				(498,116,085)	-	-	-
Harford Center, Inc.	3,500,153	2,103,914	646,522	106,950				-	(642,767)	-	-
Harford Community College	68,913,198	19,702,059	27,623,759	1,629,764				-	-	(19,957,616)	-
Harford County Public Library	20,234,661	344,875	4,447,838	-				-	-	-	(15,441,948)
Total Component Units	\$ 814,567,926	\$ 31,399,597	\$ 221,981,570	\$ 27,028,343				(498,116,085)	(642,767)	(19,957,616)	(15,441,948)
General Revenues:											
Taxes:											
Property Taxes					331,683,658	-	331,683,658	-	-	-	-
Income Taxes					317,327,716	-	317,327,716	-	-	-	-
Impact Fees					1,779,600	-	1,779,600	-	-	-	-
911 Program Taxes					2,887,154	-	2,887,154	-	-	-	-
Recordation Taxes					17,926,336	-	17,926,336	-	-	-	-
Transfer Taxes					18,421,754	-	18,421,754	-	-	-	-
Hotel Taxes					2,743,554	-	2,743,554	-	-	-	-
Other Taxes					690,494	-	690,494	-	-	-	-
Investment Earnings					12,037,294	8,130,674	20,167,968	4,766,259	134,573	2,602,966	382,014
Grants and Contributions not Restricted to Specific Purposes					329,608	-	329,608	503,613,300	611,075	20,058,360	20,886,654
Miscellaneous					2,610,807	250,907	2,861,714	13,252,460	110,812	(281,086)	-
Total General Revenues					708,437,975	8,381,581	716,819,556	521,632,019	856,460	22,380,240	21,268,668
Change in Net Position											
Net Position - Beginning					41,673,927	27,745,519	69,419,446	23,515,934	213,693	2,422,624	5,826,720
Net Position - Ending					467,513,320	512,786,078	980,299,398	(440,609,817)	3,176,890	157,619,876	(4,297,960)
					\$ 509,187,247	\$ 540,531,597	\$ 1,049,718,844	\$ (417,093,883)	\$ 3,390,583	\$ 160,042,500	\$ 1,528,760

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

HARFORD COUNTY, MARYLAND

**Balance Sheet
Governmental Funds
June 30, 2023**

Exhibit 3

	General	Highways	Grant	Agricultural Land Preservation	Capital Project	Non-major Governmental Funds	Total Governmental Funds
ASSETS							
Equity in Pooled Cash and Investments	\$ 139,550,206	\$ 23,395,007	\$ 19,617,320	\$ 13,677,038	\$ 82,936,849	\$ 10,980,993	\$ 290,157,413
Cash and Investments	155,371	13,000	-	24,003,565	-	450	24,172,386
Taxes and Accounts Receivable (Net)	4,438,028	524,017	15,115,106	-	81,577	70,986	20,229,714
Federal and State Receivable	153,364,964	866,693	5,399,133	-	3,759,359	-	163,390,149
Inventories	-	1,938,600	-	-	-	-	1,938,600
Lease Receivable	143,530	-	-	-	-	-	143,530
Loans Receivable	777,711	-	2,396,702	-	-	-	3,174,413
Deposit with Trustee	-	-	-	-	-	1,498,631	1,498,631
Benefit Assessment	-	-	-	-	394,105	-	394,105
Restricted Assets - Investments	13,432,715	1,177,682	-	-	-	1,018,636	15,629,033
TOTAL ASSETS	\$ 311,862,525	\$ 27,914,999	\$ 42,528,261	\$ 37,680,603	\$ 87,171,890	\$ 13,569,696	\$ 520,727,974
LIABILITIES							
Accounts Payable	\$ 5,598,777	\$ 943,754	\$ 881,722	\$ 18,603	\$ 4,708,552	\$ 147,390	\$ 12,298,798
Due to Component Units	-	-	-	-	5,243,284	-	5,243,284
Retainages Payable	-	-	79,483	-	946,096	-	1,025,579
Payable to State of Maryland	131,032	-	-	-	-	-	131,032
Accrued Expenditures	2,642,521	285,965	123,223	-	-	13,967	3,065,676
Unearned Revenue	56,059	-	12,606,983	-	5,455,301	-	18,118,343
Performance Deposits	753,580	274,039	-	-	-	-	1,027,619
Escrow Accounts	698,570	123,991	-	-	432,497	3,544	1,258,602
Other Liabilities	414,907	-	-	-	-	-	414,907
Total Liabilities	10,295,446	1,627,749	13,691,411	18,603	16,785,730	164,901	42,583,840
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue	126,681,449	79,505	13,382,064	-	394,105	-	140,537,123
Total Deferred Inflows of Resources	126,681,449	79,505	13,382,064	-	394,105	-	140,537,123
FUND BALANCES							
Nonspendable	777,711	1,938,600	-	-	-	-	2,716,311
Restricted	13,492,789	24,269,145	15,454,786	37,662,000	15,005,388	13,404,795	119,288,903
Assigned	153,997,402	-	-	-	54,986,667	-	208,984,069
Unassigned	6,617,728	-	-	-	-	-	6,617,728
Total Fund Balances	174,885,630	26,207,745	15,454,786	37,662,000	69,992,055	13,404,795	337,607,011
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 311,862,525	\$ 27,914,999	\$ 42,528,261	\$ 37,680,603	\$ 87,171,890	\$ 13,569,696	

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.	(1,636,253)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	877,543,802
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.	140,537,123
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.	28,129,669
Deferred outflow of resources, including loss on refunding, pension and OPEB deferrals.	85,829,490
Deferred inflow of resources, including pension and OPEB deferrals.	(71,175,852)
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.	(887,647,743)

Net Position of Governmental Activities \$ 509,187,247

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, 2023

Exhibit 4

	General	Highways	Grant	Agricultural Land Preservation	Capital Project	Non-major Governmental Funds	Governmental Funds
REVENUES							
Taxes	\$ 611,926,813	\$ 40,025,260	\$ -	\$ 9,210,877	\$ 24,149,789	\$ 5,230,976	\$ 690,543,715
Revenues from Other Agencies	3,366,408	3,610,975	37,819,290	149,003	15,956,366	-	60,902,042
Investment Income	6,705,928	932,381	1,608	(20,294)	3,064,282	429,765	11,113,670
Charges for Current Services	17,900,156	2,275,809	4,632,390	-	108,051	818,757	25,735,163
Miscellaneous	1,398,150	76,361	765,551	20,036	831,216	-	3,091,314
Licenses and Permits	4,272,916	-	-	-	-	-	4,272,916
Fines and Forfeitures	57,228	15,437	96,372	-	-	-	169,037
Total Revenues	<u>645,627,599</u>	<u>46,936,223</u>	<u>43,315,211</u>	<u>9,359,622</u>	<u>44,109,704</u>	<u>6,479,498</u>	<u>795,827,857</u>
EXPENDITURES							
Current:							
Agricultural Preservation	-	-	-	13,112,466	-	-	13,112,466
County Council	3,675,595	-	-	-	-	-	3,675,595
General Government	48,138,263	-	8,837,416	-	-	-	56,975,679
Education-Primary thru Comm. College	344,119,463	-	-	-	-	-	344,119,463
Harford Center	675,745	-	-	-	-	-	675,745
Judicial	12,022,230	-	1,542,521	-	-	-	13,564,751
Libraries	20,886,654	-	-	-	-	-	20,886,654
Parks, Recreation and Natural Resources	10,988,639	-	82,169	-	-	619,090	11,689,898
Public Safety	148,647,699	-	2,451,385	-	-	-	151,099,084
Public Works	23,348,554	33,278,847	7,224,053	-	-	2,909,690	66,761,144
Social Services	12,832,402	-	20,575,232	-	-	-	33,407,634
Capital Outlay	-	-	-	-	85,143,752	-	85,143,752
Debt Service:							
Principal	43,472,029	1,625,686	-	4,428,879	-	1,337,774	50,864,368
Interest	17,251,745	959,697	-	1,119,400	-	1,022,942	20,353,784
Administrative Costs	256,011	19,349	-	139,165	-	53,767	468,292
Total Expenditures	<u>686,315,029</u>	<u>35,883,579</u>	<u>40,712,776</u>	<u>18,799,910</u>	<u>85,143,752</u>	<u>5,943,263</u>	<u>872,798,309</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(40,687,430)</u>	<u>11,052,644</u>	<u>2,602,435</u>	<u>(9,440,288)</u>	<u>(41,034,048)</u>	<u>536,235</u>	<u>(76,970,452)</u>
OTHER FINANCING SOURCES (USES)							
Transfers In	30,111,194	137,153	2,495,457	-	39,711,000	-	72,454,804
Transfers Out	(30,755,457)	(10,601,000)	(753,982)	-	(28,462,365)	(1,882,000)	(72,454,804)
Issuance of Bonds	-	-	-	-	48,500,000	-	48,500,000
Issuance of Lease Agreements	-	-	-	-	3,945,135	-	3,945,135
Issuance of SBITA Agreements	-	-	-	-	1,298,955	-	1,298,955
Premium on Issuance of Bonds	4,937,249	397,066	-	-	-	494,730	5,829,045
Total Other Financing Sources (Uses)	<u>4,292,986</u>	<u>(10,066,781)</u>	<u>1,741,475</u>	<u>-</u>	<u>64,992,725</u>	<u>(1,387,270)</u>	<u>59,573,135</u>
Net Change in Fund Balances	(36,394,444)	985,863	4,343,910	(9,440,288)	23,958,677	(851,035)	(17,397,317)
Fund Balances - Beginning	211,280,074	25,221,882	11,110,876	47,102,288	46,033,378	14,255,830	355,004,328
Fund Balances - Ending	<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>

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, 2023

Exhibit 5

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

Net change in fund balances--total governmental funds	\$	(17,397,317)
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation and amortization exceeded capital outlays in the current period.		33,165,541
---	--	------------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		26,097,538
--	--	------------

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.		(4,483,970)
--	--	-------------

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.		(1,871,886)
---	--	-------------

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.		(598,038)
---	--	-----------

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>6,762,059</u>
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Change in net position of governmental activities	\$	<u><u>41,673,927</u></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, 2023

Exhibit 6

	General				Highways			
	Budgeted Amounts		Actual	Variance With Final Budget	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final			Original	Final		
REVENUES								
Taxes	\$ 593,713,500	\$ 593,713,500	\$ 610,445,170	\$ 16,731,670	\$ 39,799,800	\$ 39,799,800	\$ 39,790,847	\$ (8,953)
Revenues from Other Agencies	2,600,000	2,600,000	3,366,408	766,408	3,012,000	3,012,000	3,610,975	598,975
Investment Income	2,500,000	2,500,000	6,705,928	4,205,928	20,000	20,000	932,381	912,381
Charges for Current Services	15,935,700	15,935,700	17,900,156	1,964,456	830,300	830,300	2,275,809	1,445,509
Miscellaneous	10,470,043	10,470,043	10,960,460	490,417	8,171,225	8,171,225	10,217,051	2,045,826
Licenses and Permits	4,630,100	4,630,100	4,272,916	(357,184)	-	-	-	-
Fines and Forfeitures	33,000	33,000	57,228	24,228	11,000	11,000	15,437	4,437
Total Revenues	629,882,343	629,882,343	653,708,266	23,825,923	51,844,325	51,844,325	56,842,500	4,998,175
EXPENDITURES								
Current:								
Agricultural Preservation	-	-	-	-	-	-	-	-
County Council	4,377,175	4,377,175	3,725,802	651,373	-	-	-	-
General Government	63,949,196	66,049,196	57,436,680	8,612,516	-	-	-	-
Education-Primary thru Comm. College	344,119,463	344,119,463	344,119,463	-	-	-	-	-
Harford Center	682,212	682,212	675,745	6,467	-	-	-	-
Judicial	14,010,613	14,010,613	12,409,421	1,601,192	-	-	-	-
Libraries	20,886,654	20,886,654	20,886,654	-	-	-	-	-
Parks, Recreation and Natural Resources	13,759,918	13,759,918	11,290,095	2,469,823	-	-	-	-
Public Safety	154,640,872	161,640,872	152,985,222	8,655,650	-	-	-	-
Public Works	26,224,428	26,224,428	23,687,266	2,537,162	49,146,106	49,246,106	43,582,869	5,663,237
Social Services	14,842,617	14,842,617	12,927,988	1,914,629	-	-	-	-
	657,493,148	666,593,148	640,144,336	26,448,812	49,146,106	49,246,106	43,582,869	5,663,237
Debt Service	61,616,852	61,616,852	60,979,785	637,067	2,652,894	2,652,894	2,604,732	48,162
Total Expenditures	719,110,000	728,210,000	701,124,121	27,085,879	51,799,000	51,899,000	46,187,601	5,711,399
Excess (Deficiency) of Revenues Over Expenditures	(89,227,657)	(98,327,657)	(47,415,855)	50,911,802	45,325	(54,675)	10,654,899	10,709,574
OTHER FINANCING SOURCES (USES)								
Appropriated Fund Balance	89,887,657	98,987,657	43,122,869	(55,864,788)	10,370,675	10,470,675	-	(10,470,675)
Transfers In	32,800,000	32,800,000	30,111,194	(2,688,806)	185,000	185,000	137,153	(47,847)
Transfers Out	(33,460,000)	(33,460,000)	(30,755,457)	2,704,543	(10,601,000)	(10,601,000)	(10,601,000)	-
Premium on Issuance of Bonds	-	-	4,937,249	4,937,249	-	-	397,066	397,066
Total Other Financing Sources (Uses)	89,227,657	98,327,657	47,415,855	(50,911,802)	(45,325)	54,675	(10,066,781)	(10,121,456)
Net Change in Fund Balances	\$ -	\$ -	-	\$ -	\$ -	\$ -	588,118	\$ 588,118
Less: Appropriated Fund Balance			(43,122,869)				-	
Fund Balance - Beginning			216,532,266				25,015,166	
Prior Year Encumbrances Cancelled			275,019				114,565	
Fund Balance - Ending			\$ 173,684,416				\$ 25,717,849	

(continued)

HARFORD COUNTY, MARYLAND
Statement of Revenues, Expenditures, Encumbrances
And Changes In Fund Balances
Budgetary Basis (Non-GAAP) vs. Actual
Governmental Funds
For The Year Ended June 30, 2023
(continued)

Exhibit 6

	Agricultural Land Preservation			
	Budgeted Amounts		Actual Amounts	Variance With Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 11,000,000	\$ 11,000,000	\$ 9,210,877	\$ (1,789,123)
Revenues from Other Agencies	349,000	349,000	149,003	(199,997)
Investment Income	501,000	501,000	(20,294)	(521,294)
Charges for Current Services	-	-	-	-
Miscellaneous	-	-	20,036	20,036
Licenses and Permits	-	-	-	-
Fines and Forfeitures	-	-	-	-
Total Revenues	11,850,000	11,850,000	9,359,622	(2,490,378)
EXPENDITURES				
Current:				
Agricultural Preservation	23,550,000	21,673,860	13,112,466	8,561,394
County Council	-	-	-	-
General Government	-	-	-	-
Education-Primary thru Comm. College	-	-	-	-
Harford Center	-	-	-	-
Judicial	-	-	-	-
Libraries	-	-	-	-
Parks, Recreation and Natural Resources	-	-	-	-
Public Safety	-	-	-	-
Public Works	-	-	-	-
Social Services	-	-	-	-
	23,550,000	21,673,860	13,112,466	8,561,394
Debt Service	3,800,000	5,676,140	5,687,444	(11,304)
Total Expenditures	27,350,000	27,350,000	18,799,910	8,550,090
Excess (Deficiency) of Revenues Over Expenditures	(15,500,000)	(15,500,000)	(9,440,288)	6,059,712
OTHER FINANCING SOURCES (USES)				
Appropriated Fund Balance	15,500,000	15,500,000	9,440,288	(6,059,712)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Premium on Issuance of Bonds	-	-	-	-
Total Other Financing Sources (Uses)	15,500,000	15,500,000	9,440,288	(6,059,712)
Net Change in Fund Balances	\$ -	\$ -	-	\$ -
Less: Appropriated Fund Balance			(9,440,288)	
Fund Balance - Beginning			47,102,288	
Prior Year Encumbrances Cancelled			-	
Fund Balance - Ending			\$ 37,662,000	

HARFORD COUNTY, MARYLAND
Statement of Net Position
Proprietary Funds
June 30, 2023

Exhibit 7

ASSETS	Business-Type Activities		Governmental Activities	
	Enterprise Fund, Water and Sewer		Internal Service Fund	
Current Assets:				
Equity in Pooled Cash and Investments	\$	208,418,853	\$	27,433,332
Cash and Investments		4,500		-
Restricted Assets - Investments		564,640		-
Accounts Receivable (Net)		12,237,524		2,811,729
Inventories		3,476,748		-
Benefit Assessment		1,953,631		-
Total Current Assets		<u>226,655,896</u>		<u>30,245,061</u>
Noncurrent Assets:				
Benefit Assessment		19,474,608		-
Capital Assets, Net of Depreciation				-
Land and Construction in Progress		9,397,605		-
Property, Plant & Equipment		<u>405,420,831</u>		<u>-</u>
Total Capital Assets		<u>414,818,436</u>		<u>-</u>
Total Noncurrent Assets		<u>434,293,044</u>		<u>-</u>
Total Assets		<u>660,948,940</u>		<u>30,245,061</u>
DEFERRED OUTFLOWS OF RESOURCES				
Loss on Refunding		1,655,964		-
Contributions Subsequent to Measurement Date		1,740,290		-
Changes of Assumptions		1,367,272		-
Changes in Proportion		1,054,006		-
Difference Between Expected and Actual Experience		1,170,546		-
Net Difference Between Projected and Actual Investment Earnings		<u>861,878</u>		<u>-</u>
Total Deferred Outflow of Resources		<u>7,849,956</u>		<u>-</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable		575,663		68,526
Accounts Payable from Restricted Assets		675,812		-
Retainage Payable from Restricted Assets		46,040		-
Payable to the State of Maryland		1,119,084		-
Accrued Expenses		1,565,987		-
Performance Deposits		24,549		-
Escrow Accounts		6,420,689		-
Other Liabilities		21,817		-
Compensated Absences-Current		1,420,672		-
Bonds Payable-Current		9,613,618		-
Estimated Current Liability for Claims in Process		-		1,335,800
Total Current Liabilities		<u>21,483,931</u>		<u>1,404,326</u>
Noncurrent Liabilities:				
Compensated Absences		2,439,794		-
Bonds Payable		82,430,911		-
Net Pension and OPEB Liability		16,999,485		-
Estimated Liability for Claims in Process		-		711,066
Total Noncurrent Liabilities		<u>101,870,190</u>		<u>711,066</u>
Total Liabilities		<u>123,354,121</u>		<u>2,115,392</u>
DEFERRED INFLOWS OF RESOURCES				
Gain on Refunding		328,255		-
Changes of Assumptions		94,961		-
Changes in Proportion		785,205		-
Difference Between Actual and Proportionate Share of Contributions		179		-
Difference Between Expected and Actual Experience		4,921,170		-
Net Difference Between Projected and Actual Investment Earnings		<u>419,661</u>		<u>-</u>
Total Deferred Inflow of Resources		<u>6,549,431</u>		<u>-</u>
NET POSITION				
Net Investment in Capital Assets		323,944,404		-
Restricted - Capital Projects		136,273,139		-
Unrestricted		<u>78,677,801</u>		<u>28,129,669</u>
Total Net Position		<u>538,895,344</u>	\$	<u>28,129,669</u>
The net result of the look-back approach for consolidating the Internal Service fund is an interfund receivable for the business-type activities in the Statement of Net Position		<u>1,636,253</u>		
Net Position of Business-Type Activities	\$	<u>540,531,597</u>		

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, 2023

Exhibit 8

	<u>Business-Type Activities</u>	<u>Governmental Activities</u>
	<u>Enterprise Fund, Water and Sewer</u>	<u>Internal Service Fund, Self Insurance</u>
Operating Revenues:		
Charges for Services	\$ -	\$ 34,387,638
Income from Water Operations	23,853,072	-
Income from Sewer Operations	29,258,737	-
Miscellaneous	1,598,739	280,860
Total Operating Revenues	<u>54,710,548</u>	<u>34,668,498</u>
Operating Expenses:		
General and Administrative Expenses	7,823,549	-
Operations and Maintenance-Water	14,160,267	-
Operations and Maintenance-Sewer	19,652,554	-
Insurance Claims and Expenses	-	28,830,063
Depreciation	14,595,149	-
Total Operating Expenses	<u>56,231,519</u>	<u>28,830,063</u>
Operating Income (Loss)	(1,520,971)	5,838,435
Nonoperating Revenues (Expenses):		
Grant Revenue	496,546	-
Interest Expense	(2,143,560)	-
Interest Income	8,130,674	923,624
Other Expense	(250,083)	-
Other Income	250,907	-
Total Nonoperating Revenue (Expenses)	<u>6,484,484</u>	<u>923,624</u>
Income (Loss) Before Capital Contributions	4,963,513	6,762,059
Capital Contributions	<u>22,183,968</u>	<u>-</u>
Change in Net Position	27,147,481	6,762,059
Total Net Position - Beginning	511,747,863	21,367,610
Total Net Position - Ending	\$ <u><u>538,895,344</u></u>	\$ <u><u>28,129,669</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	\$ 27,147,481	
Eliminating the effect of the internal service fund, using the "look-back" method resulted in decreased expenses in the enterprise fund	<u>598,038</u>	
Net Change in Net Position--Business-Type Activities	\$ <u><u>27,745,519</u></u>	

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

HARFORD COUNTY, MARYLAND
Statement of Cash Flows
Proprietary Funds
For The Year Ended June 30, 2023

	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	\$ 54,203,303	\$ -
Receipts from Interfund Services Provided	-	34,387,638
Receipts from Others for Claims	-	280,860
Receipts from Customer Deposits and Rental Income	1,862,534	-
Proceeds from Federal and State Grants	496,546	-
Payment of Deposits to Customer	(281,659)	-
Payments to Employees for Services	(19,943,320)	-
Payments to Suppliers for Goods and Services	(23,883,785)	(1,612,505)
Payments for Claims	-	(29,342,410)
Net Cash Provided By (Used For) Operating Activities	<u>12,453,619</u>	<u>3,713,583</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and Construction of Capital Assets	(2,577,898)	-
Principal Payments on Long Term Debt	(8,214,820)	-
Bond/Lease Service Costs	(131,665)	-
Interest Paid on Bonds/Leases	(3,456,111)	-
Proceeds from Federal and State Grants	-	-
Tap Fees in Excess of Connection Costs	20,302,386	-
Proceeds from Bond Sale	1,500,000	-
Premium and Accrued Interest, net of Underwriters Fees	180,280	-
Proceeds from Sale of Capital Assets	2,162	-
Net Cash Used For Capital and Related Financing Activities	<u>7,604,334</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment Income	8,128,879	923,624
Net Cash Provided by Investing Activities	<u>8,128,879</u>	<u>923,624</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>28,186,832</u>	<u>4,637,207</u>
Cash and Cash Equivalents, Beginning	<u>180,801,161</u>	<u>22,796,125</u>
Cash and Cash Equivalents, Ending (For Water & Sewer: Includes Equity and Pooled Cash of \$208,418,853, Cash and Investments of \$4,500 and Restricted Cash of \$564,640)	<u>\$ 208,987,993</u>	<u>\$ 27,433,332</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating Income (Loss)	\$ (1,520,971)	\$ 5,838,435
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided By (Used In) Operating Activities:		
Depreciation	14,595,149	-
Rental Income	132,489	-
Proceeds from Federal and State Grants	496,546	-
Accounts Receivable	(469,188)	(1,278,524)
Inventory	(491,030)	-
Contributions Subsequent to Measurement Date	453,792	-
Changes in Assumptions	454,265	-
Changes in Proportion	380,241	-
Difference Between Expected and Actual Experience	407,933	-
Net Difference Between Projected and Actual Investment Earnings	(861,878)	-
Accounts Payable	(410,162)	-
Accrued Expenses	(603,712)	23,514
Estimated Payables for Future Claims	-	(869,842)
Escrow Accounts	1,410,329	-
Other Liabilities	60	-
Compensated Absences	318,829	-
Net Pension Liability	1,721,170	-
Net OPEB Liability	(1,677,031)	-
Changes in Assumptions	(56,456)	-
Changes in Proportion	639,741	-
Difference Between Actual and Proportionate Share of Contributions	(203)	-
Difference Between Expected and Actual Experience	3,026,975	-
Net Difference Between Projected and Actual Investment Earnings	(5,493,269)	-
Net Cash Provided By (Used For) Operating Activities	<u>\$ 12,453,619</u>	<u>\$ 3,713,583</u>
SCHEDULE OF NON-CASH CAPITAL AND RELATED FINANCING ACTIVITIES:		
Developer Contributions of Capital Assets	<u>\$ 3,441,922</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, 2023

Exhibit 10

	<u>Pension and OPEB Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Custodial Funds</u>
ASSETS			
Equity in Pooled Cash and Investments	\$ 2,052,296	\$ 2,656,338	\$ 873,612
Cash Equivalents	664,447	566,777	23,262,297
Investments, at Fair Value			
Debt Securities	49,424,355	-	-
Fixed Income Funds	6,975,768	-	-
Equities and Equivalents	228,565,266	-	-
Total Investments	<u>284,965,389</u>	<u>-</u>	<u>-</u>
Total Assets	<u>287,682,132</u>	<u>3,223,115</u>	<u>24,135,909</u>
LIABILITIES			
Accounts Payable	<u>11,000</u>	<u>186,279</u>	<u>-</u>
Total Liabilities	<u>11,000</u>	<u>186,279</u>	<u>-</u>
NET POSITION			
Restricted for:			
Pension	120,208,860	-	-
OPEB	167,462,272	-	-
Individuals, organizations, and other governments	-	3,036,836	24,135,909
Total Net Position	<u>\$ 287,671,132</u>	<u>\$ 3,036,836</u>	<u>\$ 24,135,909</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, 2023

Exhibit 11

	<u>Pension and OPEB Trust Funds</u>	<u>Private Purpose Trust Funds</u>	<u>Custodial Funds</u>
ADDITIONS			
Contributions			
Grant, Contributions or Seizures	\$ -	\$ -	\$ 6,930,169
Member Contributions	-	48,794	-
Employee Contributions	879,820	-	-
Employer Contributions	7,990,172	-	-
Plan Sponsor Contributions	2,777,628	-	-
Total Contributions	<u>11,647,620</u>	<u>48,794</u>	<u>6,930,169</u>
Investment Earnings			
Net Gain in Fair Value of Investments	23,248,591	-	-
Interest and Dividends	5,092,063	112,467	1,038,837
Total Investment Earnings	<u>28,340,654</u>	<u>112,467</u>	<u>1,038,837</u>
Less Investment Expense	<u>(604,816)</u>	<u>-</u>	<u>-</u>
Net Investment Income	<u>27,735,838</u>	<u>112,467</u>	<u>1,038,837</u>
Total Additions	<u>39,383,458</u>	<u>161,261</u>	<u>7,969,006</u>
DEDUCTIONS			
Administrative Expenses	94,975	-	-
Payments to Participants or Beneficiaries	16,748,344	429,388	10,453,874
Total Deductions	<u>16,843,319</u>	<u>429,388</u>	<u>10,453,874</u>
Net Increase (Decrease) in Fiduciary Net Position	22,540,139	(268,127)	(2,484,868)
Net Position - Beginning	265,130,993	3,304,963	26,620,777
Net Position - Ending	\$ <u><u>287,671,132</u></u>	\$ <u><u>3,036,836</u></u>	\$ <u><u>24,135,909</u></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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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, 2023

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.mlqip.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, 2023

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, 2023, 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 noncancellable leases of equipment and real estate and a subscriber of subscription-based information technology arrangements (SBITAs) for noncancellable 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, 2023

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 noncancellable 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 noncancellable 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 noncancellable 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, 2023

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 position that applies to a future period(s) 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, 2023

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 position that applies to a future period(s) 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, and lease receivables. 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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

outstanding debt directly attributable to the acquisition, construction, or improvement of those assets. The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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

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

Restricted – This component consists of amounts that have constraints placed on them either externally by third parties (creditors, grantors, contributors, or laws or regulations of other governments) or by law through constitutional provisions or enabling legislation. Enabling legislation authorizes the County to assess, levy, charge or otherwise mandate payment of resources 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, 2023. 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, 2023

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 provisions of Governmental Accounting Standard Board (GASB) issued Statement No. 96 entitled *Subscription-Based Information Technology Arrangements*, see Note 5H – Implementation of New Accounting Principle for further detail on the effect on these statements. The County also adopted Standard No. 91 entitled *Conduit Debt Obligations*, Standard No. 94 entitled *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, and Standard No. 99 entitled *Omnibus 2022*. The adoption of these standards did not have a material effect on these statements.

As of year ended June 30, 2023, GASB issued Statement No. 100 entitled *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, and Statement No. 101 entitled *Compensated Absences*. 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, 2023

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	\$ 7,065,934
Installment Purchase Agreements	34,448,962
Bonds Payable - General Obligation	496,659,313
Bonds Payable - Special Obligation	10,650,000
Bonds Payable - Premium on Issuance of Bonds	58,530,588
Leases Payable	8,599,657
SBITAs Payable	1,710,357
Landfill Closure Liability	25,654,020
Compensated Absences	36,031,936
Net Pension Liability	159,526,113
Net OPEB Liability	48,770,863
Total	\$ <u>887,647,743</u>

Another element of that reconciliation explains that “deferred outflows of resources, including loss on refunding, contributions subsequent to measurement date, changes in assumptions, changes in proportion, 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	\$ 8,761,859
Contribution Subsequent to Measurement Date	21,671,294
Changes of Assumptions	16,507,041
Changes in Proportion	18,280,485
Difference Between Expected and Actual Experience	6,587,365
Net Difference Between Projected and Actual Investment Earnings	14,021,446
Total	\$ <u>85,829,490</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

Another element of that reconciliation explains that “deferred inflows of resources, including changes in 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	\$ 4,910,254
Changes in Proportion	6,083,787
Difference Between Actual and Proportionate Share of Contributions	2,235
Difference Between Expected and Actual Experience	57,159,584
Net Difference Between Projected and Actual Investment Earnings	3,019,992
Total	\$ <u><u>71,175,852</u></u>

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

The governmental funds statement of revenues, expenditures, and changes in fund balances includes a reconciliation between the *net change in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of that reconciliation explains that, “Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Purchase of Capital Assets	\$ 66,420,985
Depreciation and Amortization	(33,255,444)
Total	\$ <u><u>33,165,541</u></u>

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

Contributed Assets	\$ 9,995,965
Trade in Value of Assets	67,502
Disposal of Assets	(128,492)
Property Tax Unavailable Revenue	(130,185)
Income Tax Unavailable Revenue	3,046,736
Lease Receivable Unavailable Revenue	(28,001)
Special Assessments Unavailable Revenue	(108,051)
Opioid Settlement Unavailable Revenue	13,382,064
Total	\$ <u><u>26,097,538</u></u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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	\$ 493,287
Amortization of Bond Premium	5,257,789
Amortization of Deferred Loss	(1,526,279)
Issuance of Bonds	(48,500,000)
Issuance of Lease Agreements	(3,945,135)
Issuance of SBITA Agreements	(1,298,955)
Premium on Issuance of Bonds	(5,829,045)
Principal Payments on Issuance of Installment Purchase Agreements	4,428,879
Principal Payments on General Obligation Bonds	41,635,272
Principal Payments on Special Obligation Bonds	405,000
Principal Payments on Lease Agreements	3,146,289
Principal Payments on SBITA Agreements	1,248,928
Total	\$ <u><u>(4,483,970)</u></u>

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	\$ (1,994,653)
Difference between OPEB Expense and Contributions	5,478,035
Compensated Absences Expense	(4,139,272)
Landfill Closure/Solid Waste Expense	(1,215,996)
Total	\$ <u><u>(1,871,886)</u></u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023, supplemental appropriations adopted in the General Fund were \$9,100,000; \$100,000 in the Highways Fund; and \$50,000 in the Enterprise Fund. Throughout the year, the County Executive has the authority to approve various intradepartmental transfers, which is the legal level of budgetary control. Transfers between departments require the County Council's approval and are only completed after April 1.

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

- Encumbrances are treated as expenditures for budgetary accounting purposes.
- Payroll is accrued for 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, 2023

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, 2023, the changes in fund balances are reconciled as follows:

	General Fund	Highways Fund
	<u> </u>	<u> </u>
Basis of Budgeting - Net Change in Fund Balances	\$ -	\$ 588,118
Basis Adjustments:		
Revenue for Budgetary, not GAAP Purposes	(8,080,667)	(9,906,277)
Encumbrances Adjustment	1,831,753	(61,810)
Expenditures for Budgetary, not GAAP Purposes	8,080,667	9,906,277
Expenditures for GAAP, not for Budgetary Purposes	4,896,672	459,555
Fund Balance Appropriated for Budget not GAAP	(43,122,869)	-
GAAP Basis - Net Changes in Fund Balances	\$ <u>(36,394,444)</u>	\$ <u>985,863</u>

As of June 30, 2023, the ending fund balances are reconciled as follows:

	General Fund	Highways Fund
	<u> </u>	<u> </u>
Basis of Budgeting - Fund Balances	\$ 173,684,416	\$ 25,717,849
Encumbrances	3,843,735	775,861
Expenditures for GAAP, not for Budgetary Purposes	<u>(2,642,521)</u>	<u>(285,965)</u>
GAAP Basis - Fund Balances	\$ <u>174,885,630</u>	\$ <u>26,207,745</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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 (\$3,573,405) and the collected bank balance was \$171,901. 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, 2023, 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	\$ 526,009,598
Cash and Investments	24,176,886
Restricted Assets - Cash and Investments	16,193,673
Pension and Other Post Employment Benefit Trust Funds - Exhibit 10	
Equity in Pooled Cash and Investments	2,052,296
Cash Equivalents	664,447
Investments	284,965,389
Private Purpose Trust Funds - Exhibit 10	
Equity in Pooled Cash and Investments	2,656,338
Cash Equivalents	566,777
Custodial Funds - Exhibit 10	
Equity in Pooled Cash and Investments	873,612
Cash Equivalents	23,262,297
Total All Equity in Pooled Cash	881,421,313
Less: Investments - Primary Government	(884,994,718)
The Carrying Amount of Combined Deposits	\$ (3,573,405)

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

COMPONENT UNITS

At year-end, the carrying amount of combined deposits was \$60,921,177. 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	\$ 103,178,093
Harford Center, Inc.	2,715,155
Harford Community College	47,094,838
Harford Community College restricted	23,522,931
Harford County Public Library	12,020,339
Total Component Unit Cash & Investments	<u>188,531,356</u>
Less: Investments--Component Units	<u>(127,610,179)</u>
Cash in the Bank	<u><u>\$ 60,921,177</u></u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

b. INVESTMENTS

PRIMARY GOVERNMENT

As of June 30, 2023, the County had the following investments and maturities.

Investment Type		Investment Maturities (Years)			
Pooled Investments		Amount	Less than 1	1 - 5	5+
Federal Agencies	\$	257,855,474	\$ 257,855,474	\$ -	\$ -
MLGIP		123,851,308	123,851,308	-	-
Repurchase Agreements		151,623,728	151,623,728	-	-
Mutual Funds		2,008,060	2,008,060	-	-
Subtotal		<u>535,338,570</u>	<u>535,338,570</u>	<u>-</u>	<u>-</u>
Non-Pooled Investments					
MLGIP		16,193,673	16,193,673	-	-
U.S. Strip Treasuries		24,003,565	1,087,606	1,606,367	21,309,592
Trust Fund Annuity Contract		566,777	66,134	403,155	97,488
MLGIP - Fiduciary Funds		23,262,297	23,262,297	-	-
Other Post Employment Benefits and Pension Funds:					
Short-Term Investments		664,447	664,447	-	-
Equities		183,532,071	183,532,071	-	-
Multi-Adviser Hedge Fund		45,033,195	45,033,195	-	-
Fixed Income Funds		6,975,768	6,975,768	-	-
US Treasury Obligations		19,067,194		8,554,324	10,512,870
US Government Agencies		11,444,712	-	-	11,444,712
Corporate Bonds		18,912,449	2,419,568	9,504,210	6,988,671
Subtotal		<u>349,656,148</u>	<u>279,234,759</u>	<u>20,068,056</u>	<u>50,353,333</u>
Total	\$	<u><u>884,994,718</u></u>	<u><u>\$ 814,573,329</u></u>	<u><u>\$ 20,068,056</u></u>	<u><u>\$ 50,353,333</u></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, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Harford County, Maryland had the following recurring fair value measurements as of June 30, 2023:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance as of June 30, 2023
Investments by fair value level:				
Pooled Investments				
Federal Agencies	\$ -	\$ 257,855,474	\$ -	\$ 257,855,474
Mutual Funds	-	2,008,060	-	2,008,060
Non-Pooled Investments				
U.S. Strip Treasuries	-	24,003,565	-	24,003,565
Other Post Employment Benefits and Pension Funds				
Short-Term Investments	-	664,447	-	664,447
Equities	183,532,071	-	-	183,532,071
Fixed Income Funds	6,975,768	-	-	6,975,768
US Treasury Obligations	-	19,067,194	-	19,067,194
US Government Agencies	-	11,444,712	-	11,444,712
Corporate Bonds	-	18,912,449	-	18,912,449
Total investments at Fair Value	\$ <u>190,507,839</u>	\$ <u>333,955,901</u>	\$ <u>-</u>	<u>524,463,740</u>
Investments carried at amortized cost:				
Pooled Investments				
MLGIP				123,851,308
Repurchase Agreements				151,623,728
Non-Pooled Investments				
MLGIP				16,193,673
Trust Fund Annuity Contract				566,777
MLGIP - Fiduciary Funds				<u>23,262,297</u>
Total investments at amortized cost:				<u>315,497,783</u>
Investments Measured at Net Asset Value:				
Multi-Strategy Adviser Hedge Fund Portfolios LLC				7,013,710
Real Estate Income Trust, Inc.				15,306,738
Partners Group Private Equity (Master Fund), LLC				15,373,321
FS Credit Real Estate Income Trust, Inc.				<u>7,339,426</u>
Total Investments				\$ <u>884,994,718</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 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.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Multi-Strategy Adviser Hedge Fund Portfolios LLC: Series G is designed to serve as a core hedge fund holding with the goal of providing additional diversification to an overall investment portfolio. Series G's investment objective is to seek capital appreciation. In doing so, Series G seeks to realize attractive risk-adjusted returns, net of fees and expenses, over a three- to five-year investment horizon. To achieve the objectives of Series G, SkyBridge will seek to allocate Series G's assets across certain hedge fund strategies. The current investment portfolio includes investments in Investment Funds which represent 85% of the portfolio (29% in Digital Assets, 22% in event driven, 21% in relative value and 13% in directional equity) 11% in Private Equity and 4% other assets. The Company uses the NAV provided by the Investment Funds as its measure of fair value. Structured credit-focused managers invest in securities composed primarily of residential mortgages, commercial mortgages, corporate loans, and consumer debt. 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. These may include multifamily, retail, office, hotel, and industrial assets, as well as others including, without limitation, healthcare, student housing, senior living, data centers, manufactured housing and storage properties. The current investment portfolio includes approximately 20% debt securities and 80% real estate. 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 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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

mortgages. As of December 31, 2022, the fund owned \$8.2 billion of assets, 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: 61% in multifamily, 11% in hospitality, 10% in office, 6% in retail, 5% in industrial, 4% in self-storage, 2% in various other property types and 1% in mixed use. 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, 2023, 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, 2023, 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, 2023, the County's investments were not exposed to custodial credit risk.

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

Interest Rate Risk: The investment policies of the Sheriff Pension, LOSAP, and OPEB plans do not limit investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates. Fluctuating rates of return are characteristic of the securities markets; the Fund's greatest concern is long-term

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

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

COMPONENT UNITS

As of June 30, 2023, total investments of the component units, in the amount of \$127,610,179 was distributed by type as follows:

	MLGIP	Other Investments	Total
Harford County Public Schools	\$ 74,086,137	\$ -	\$ 74,086,137
Harford Center, Inc.	-	1,410,768	1,410,768
Harford Community College	23,094,172	18,664,468	41,758,640
Harford County Public Library	10,354,634	-	10,354,634
Total	\$ <u>107,534,943</u>	\$ <u>20,075,236</u>	\$ <u>127,610,179</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

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.

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	\$ 1,054,013	\$ 126,173	\$ -	\$ -
Impact Fees	45,600	-	-	-
Hotel Taxes	293,502	-	-	-
Municipality	-	-	-	-
Interest Accrual	56,555	4,904	-	-
Service Billings	3,031,091	413,160	1,432	81,577
Insurance Provider	-	-	-	-
Opioid Settlement	-	-	15,113,674	-
Gross Receivables	4,480,761	544,237	15,115,106	81,577
Less: Allowance for Uncollectible	(42,733)	(20,220)	-	-
Total	\$ 4,438,028	\$ 524,017	\$ 15,115,106	\$ 81,577

	Non-major Governmental	Water and Sewer	Internal Service Fund	Total
Property Taxes	\$ -	\$ -	\$ -	\$ 1,180,186
Impact Fees	-	-	-	45,600
Hotel Taxes	-	-	-	293,502
Municipality	63,484	-	-	63,484
Interest Accrual	4,242	1,240,961	-	1,306,662
Service Billings	3,260	11,040,038	-	14,569,126
Insurance Provider	-	-	2,811,729	2,811,729
Opioid Settlement	-	-	-	15,113,674
Gross Receivables	70,986	12,280,999	2,811,729	35,385,395
Less: Allowance for Uncollectible	-	(43,475)	-	(106,428)
Total	\$ 70,986	\$ 12,237,524	\$ 2,811,729	\$ 35,278,967

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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	\$ 770,000	\$ -	\$ 770,000
Stuart Terrace	7,711	-	7,711
Housing Agency	-	1,581,394	1,581,394
CDBG	-	975,843	975,843
Economic Development Opportunity	-	170,231	170,231
	<u>777,711</u>	<u>2,727,468</u>	<u>3,505,179</u>
Less: Allowance for Uncollectible	-	(330,766)	(330,766)
Total	<u>\$ 777,711</u>	<u>\$ 2,396,702</u>	<u>\$ 3,174,413</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	\$ 125,953,603	\$ -	\$ -	\$ -	\$ 125,953,603
Property Taxes Receivable	584,316	79,505	-	-	663,821
Lease Receivable	143,530	-	-	-	143,530
Special Assessments Receivable	-	-	-	394,105	394,105
Opioid Receivable	-	-	13,382,064	-	13,382,064
Total	<u>\$ 126,681,449</u>	<u>\$ 79,505</u>	<u>\$ 13,382,064</u>	<u>\$ 394,105</u>	<u>\$ 140,537,123</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	\$ 53,473	\$ -	\$ -	\$ 53,473
Walk-in Assessment Escrow	2,586	-	-	2,586
Grant Drawdown in Excess of Expenditures	-	12,606,983	-	12,606,983
Prepaid Contribution	-	-	5,455,301	5,455,301
Total	<u>\$ 56,059</u>	<u>\$ 12,606,983</u>	<u>\$ 5,455,301</u>	<u>\$ 18,118,343</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

C. CAPITAL ASSETS

PRIMARY GOVERNMENT

Capital Asset Activity for the year ended June 30, 2023, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, not being depreciated or amortized:				
Land	\$ 297,418,617	\$ 6,192,162	\$ -	\$ 303,610,779
Development Rights	171,389,451	12,473,150	-	183,862,601
Construction in Progress	23,780,867	27,017,898	(24,544,463)	26,254,302
Total Capital Assets, not being depreciated or amortized	<u>492,588,935</u>	<u>45,683,210</u>	<u>(24,544,463)</u>	<u>513,727,682</u>
Capital Assets, being depreciated or amortized:				
Buildings	238,673,062	9,071,878	(578,237)	247,166,703
Improvements other than buildings	112,928,268	3,070,558	-	115,998,826
Machinery and Equipment	36,812,453	12,064,649	(2,385,881)	46,491,221
Vehicles	57,781,918	10,149,902	(2,485,940)	65,445,880
Intangibles	5,198,193	-	-	5,198,193
Infrastructure	295,309,409	15,344,422	-	310,653,831
Right to Use Leased Building	10,862,938	3,547,919	(76,993) ²	14,333,864
Right to Use Leased Equipment	-	397,218	-	397,218
Right to Use SBITA Assets	1,660,330 ¹	1,699,159	-	3,359,489
Total Capital Assets, being depreciated or amortized	<u>759,226,571</u>	<u>55,345,705</u>	<u>(5,527,051)</u>	<u>809,045,225</u>
Less Accumulated Depreciation or Amortization for:				
Buildings	(89,830,747)	(5,535,037)	497,302	(94,868,482)
Improvements other than buildings	(79,850,448)	(3,434,879)	-	(83,285,327)
Machinery and Equipment	(28,511,855)	(2,072,080)	2,385,880	(28,198,055)
Vehicles	(37,970,810)	(4,879,869)	2,438,384	(40,412,295)
Intangibles	(2,668,966)	(488,342)	-	(3,157,308)
Infrastructure	(175,624,838)	(12,658,939)	-	(188,283,777)
Right to Use Leased Building	(2,837,563)	(3,136,917)	-	(5,974,480)
Right to Use Leased Equipment	-	(69,562)	-	(69,562)
Right to Use SBITA Assets	-	(979,819)	-	(979,819)
Total Accumulated Depreciation or Amortization	<u>(417,295,227)</u>	<u>(33,255,444)</u>	<u>5,321,566</u>	<u>(445,229,105)</u>
Total Capital Assets, being depreciated or amortized, net	<u>341,931,344</u>	<u>22,090,261</u>	<u>(205,485)</u>	<u>363,816,120</u>
Governmental Activities Capital Assets, net	<u>\$ 834,520,279</u>	<u>\$ 67,773,471</u>	<u>\$ (24,749,948)</u>	<u>\$ 877,543,802</u>

¹ The County implemented GASB Statement No. 96 effective July 1, 2022. As a result, the beginning balances include the SBITA assets for those qualifying SBITAs that were in place at that date.

² There was a partial lease termination of \$76,993.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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	\$ 1,535,972	\$ -	\$ -	\$ 1,535,972
Construction in Progress	5,419,887	2,441,746	-	7,861,633
Total Capital Assets, not being depreciated	<u>6,955,859</u>	<u>2,441,746</u>	<u>-</u>	<u>9,397,605</u>
Capital Assets, being depreciated or amortized:				
Buildings	275,326,047	-	-	275,326,047
Improvements other than buildings	350,252,477	3,241,922	-	353,494,399
Machinery and Equipment	33,755,266	348,670	(105,357)	33,998,579
Vehicles	8,138,133	315,986	(232,148)	8,221,971
Intangibles	1,165,845	-	-	1,165,845
Infrastructure	32,764,570	-	-	32,764,570
Total Capital Assets, being depreciated or	<u>701,402,338</u>	<u>3,906,578</u>	<u>(337,505)</u>	<u>704,971,411</u>
Less Accumulated Depreciation or Amortization for:				
Buildings	(137,769,268)	(5,467,424)	-	(143,236,692)
Improvements other than buildings	(125,133,002)	(6,243,683)	-	(131,376,685)
Machinery and Equipment	(13,514,764)	(1,412,334)	105,357	(14,821,741)
Vehicles	(4,638,208)	(797,401)	229,986	(5,205,623)
Intangibles	(713,101)	(89,136)	-	(802,237)
Infrastructure	(3,522,431)	(585,171)	-	(4,107,602)
Total Accumulated Depreciation or	<u>(285,290,774)</u>	<u>(14,595,149)</u>	<u>335,343</u>	<u>(299,550,580)</u>
Total Capital Assets, being depreciated or amortized, net	<u>416,111,564</u>	<u>(10,688,571)</u>	<u>(2,162)</u>	<u>405,420,831</u>
Business-type Activities Capital Assets, net	<u>\$ 423,067,423</u>	<u>\$ (8,246,825)</u>	<u>\$ (2,162)</u>	<u>\$ 414,818,436</u>
Depreciation or Amortization Expense was charged to functions/programs of the primary government as follows:				
Governmental Activities:				
General Government	\$ 5,692,757			
Judicial	124,232			
Libraries	1,043,038			
Parks and Recreation	3,825,527			
Public Safety	4,667,740			
Public Works	15,774,721			
Social Services & Health	<u>2,127,429</u>			
Total Depreciation or Amortization Expense - Governmental Activities	<u>\$ 33,255,444</u>			
Business-type Activities				
Water and Sewer	<u>\$ 14,595,149</u>			

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

COMPONENT UNITS

Harford County Public Schools: Capital Asset Activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated or amortized				
Land	\$ 9,672,942	\$ -	\$ -	\$ 9,672,942
Construction in Progress	63,257,874	16,223,861	(26,622,225)	52,859,510
Total Capital Assets, not being depreciated or amortized	<u>72,930,816</u>	<u>16,223,861</u>	<u>(26,622,225)</u>	<u>62,532,452</u>
Capital Assets, being depreciated or amortized				
Land Improvements	20,151,474	186,121	1,111,250	21,448,845
Buildings	914,083,657	320,343	25,182,974	939,586,974
Furniture and Equipment	55,134,001	4,986,324	(876,274)	59,244,051
Right to Use Leased Assets	19,942,253	147,492	-	20,089,745
Right to Use SBITA Assets	-	474,642	-	474,642
Total Capital Assets, being depreciated or amortized	<u>1,009,311,385</u>	<u>6,114,922</u>	<u>25,417,950</u>	<u>1,040,844,257</u>
Accumulated Depreciation or Amortization				
Land Improvements	(12,238,984)	(866,526)	-	(13,105,510)
Buildings	(278,423,913)	(20,705,048)	-	(299,128,961)
Furniture and Equipment	(42,794,076)	(2,645,980)	1,170,320	(44,269,736)
Right to Use Leased Asset	(4,498,116)	(4,925,752)	-	(9,423,868)
Right to Use SBITA Asset	-	(231,598)	-	(231,598)
Total Accumulated Depreciation or Amortization	<u>(337,955,089)</u>	<u>(29,374,904)</u>	<u>1,170,320</u>	<u>(366,159,673)</u>
Total Capital Assets, being depreciated or amortized	<u>671,356,296</u>	<u>(23,259,982)</u>	<u>26,588,270</u>	<u>674,684,584</u>
Total Capital Assets, net	<u>\$ 744,287,112</u>	<u>\$ (7,036,121)</u>	<u>\$ (33,955)</u>	<u>\$ 737,217,036</u>

The Harford Center, Inc.: Capital Asset Activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, being depreciated				
Equipment - Other	\$ 192,031	\$ 30,496	\$ (20,593)	\$ 201,934
Equipment - Transportation	956,962	54,001	-	1,010,963
Leasehold Improvements	981,366	28,568	(29,068)	980,866
Total Capital Assets, being depreciated	<u>2,130,359</u>	<u>113,065</u>	<u>(49,661)</u>	<u>2,193,763</u>
Accumulated Depreciation				
Capital Assets	<u>(1,229,367)</u>	<u>(192,796)</u>	<u>48,452</u>	<u>(1,373,711)</u>
Total Capital Assets, net	<u>\$ 900,992</u>	<u>\$ (79,731)</u>	<u>\$ (1,209)</u>	<u>\$ 820,052</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Harford Community College: Capital Asset Activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, not being depreciated or amortized				
Land	\$ 3,741,759	\$ -	\$ -	\$ 3,741,759
Construction in Progress	3,157,855	1,287,617	(1,354,013)	3,091,459
Total Capital Assets, not being depreciated or amortized	<u>6,899,614</u>	<u>1,287,617</u>	<u>(1,354,013)</u>	<u>6,833,218</u>
Capital Assets, being depreciated				
Land Improvements	18,116,228	-	-	18,116,228
Buildings	124,861,057	1,767,958	(575,825)	126,053,190
Furniture and Equipment	7,619,969	985,550	(138,257)	8,467,262
Computer Technology	4,694,144	408,095	(13,802)	5,088,437
Vehicles	1,065,247	95,972	(74,573)	1,086,646
Right to Use Leased Assets	-	243,797	-	243,797
Right to Use SBITA Assets	1,081,388 ¹	1,868,444	-	2,949,832
Library Materials	1,429,079	58,554	(30,510)	1,457,123
Total Capital Assets, being depreciated or amortized	<u>158,867,112</u>	<u>5,428,370</u>	<u>(832,967)</u>	<u>163,462,515</u>
Accumulated Depreciation or Amortization				
Land Improvements	(11,223,465)	(600,078)	-	(11,823,543)
Buildings	(46,772,563)	(3,691,718)	293,475	(50,170,806)
Furniture and Equipment	(5,483,631)	(412,520)	104,390	(5,791,761)
Computer Technology	(4,138,998)	(146,406)	15,950	(4,269,454)
Vehicles	(806,339)	(89,414)	75,573	(820,180)
Right to Use Leased Assets	-	(44,696)	-	(44,696)
Right to Use SBITA Assets	-	(725,401)	-	(725,401)
Library Materials	(1,486,906)	(95,600)	30,510	(1,551,996)
Total Accumulated Depreciation or Amortization	<u>(69,911,902)</u>	<u>(5,805,833)</u>	<u>519,898</u>	<u>(75,197,837)</u>
Total Capital Assets, being depreciated or amortized	<u>88,955,210</u>	<u>(377,463)</u>	<u>(313,069)</u>	<u>88,264,678</u>
Total Capital Assets, net	<u>\$ 95,854,824</u>	<u>\$ 910,154</u>	<u>\$ (1,667,082)</u>	<u>\$ 95,097,896</u>

¹ The College implemented GASB Statement No. 96 effective July 1, 2022. As a result, the beginning balances include the SBITA assets for those qualifying SBITAs that were in place at that date.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Harford County Public Library: Capital Asset Activity for the year ended June 30, 2023 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, being depreciated or amortized				
Circulating Materials	\$ 4,272,319	\$ 1,644,218	\$ (1,404,616)	\$ 4,511,921
Improvements to Buildings	3,413,981	94,991	(94,702)	3,414,270
Furniture and Equipment	3,400,696	727,103	(39,312)	4,088,487
Computer Equipment	2,416,507	433,141	(200,074)	2,649,574
Vehicles	582,847	71,004	-	653,851
Right to Use Leased Equipment	172,539	67,770	-	240,309
Total Capital Assets, being depreciated or amortized	<u>14,258,889</u>	<u>3,038,227</u>	<u>(1,738,704)</u>	<u>15,558,412</u>
Accumulated Depreciation or Amortization				
Circulating Materials	(2,128,450)	(1,464,038)	1,404,616	(2,187,872)
Improvements to Buildings	(2,018,059)	(252,983)	76,406	(2,194,636)
Furniture and Equipment	(2,856,141)	(222,062)	37,746	(3,040,457)
Computer Equipment	(2,273,244)	(147,360)	199,799	(2,220,805)
Vehicles	(346,402)	(74,612)	-	(421,014)
Right to Use Leased Equipment	(143,926)	(16,867)	20,137	(140,656)
Total Accumulated Depreciation or Amortization	<u>(9,766,222)</u>	<u>(2,177,922)</u>	<u>1,738,704</u>	<u>(10,205,440)</u>
Total Capital Assets, net	<u>\$ 4,492,667</u>	<u>\$ 860,305</u>	<u>\$ -</u>	<u>\$ 5,352,972</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, 2023, these interfund balances are:

	Due to	Due From
Primary Government:		
Capital Projects Fund	\$ 5,243,284	\$ -
Component Units:		
Harford County Public Schools	-	5,203,233
Harford County Public Library	-	40,051
Total	<u>\$ 5,243,284</u>	<u>\$ 5,243,284</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

b. INTERFUND TRANSFERS

Transfers are used to, (1) move general fund revenues to provide matching funds for various grant programs, (2) move operating fund revenues into the capital project fund as paygo monies, (3) move dedicated revenues mandated to be collected in the capital project fund to the general fund to pay for qualified debt service expenditures, and (4) move dedicated revenue above the contractual amount to pay the yearly debt service from the Beechtree Tax Increment Financing to the General Fund and Special Revenue Fund. The interfund transfers for the current fiscal year are:

Transfers In					
Transfer Out	General Fund	Highways Fund	Grant Fund	Capital Project Fund	Total
General Fund	\$ -	\$ -	\$ 2,495,457	\$ 28,260,000	\$ 30,755,457
Highways Fund	-	-	-	10,601,000	10,601,000
Grant Fund	753,982	-	-	-	753,982
Capital Projects Fund	28,462,365	-	-	-	28,462,365
Non-major Gov't Funds	894,847	137,153	-	850,000	1,882,000
Total Transfers In	\$ 30,111,194	\$ 137,153	\$ 2,495,457	\$ 39,711,000	\$ 72,454,804

E. TAX ABATEMENTS

As of June 30, 2023, 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, 2023

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	\$ 350,612
Agricultural Preservation Credits	1,716,056
Enterprise Zone Credits	1,564,181
Total	<u>\$ 3,630,849</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

F. NON-CURRENT LIABILITIES

a. CHANGES IN NON-CURRENT LIABILITIES

PRIMARY GOVERNMENT

	Balance July 1, 2022	Additions	Principal Repayments & Reductions	Balance June 30, 2023	Due Within One Year
Governmental Activities:					
Installment Purchase Agreement	\$ 38,877,841	\$ -	\$ (4,428,879)	\$ 34,448,962	\$ 1,810,664
Bonds Payable					
General Obligation Bonds	489,794,585	48,500,000	(41,635,272)	496,659,313	43,303,234
Special Obligation Bonds	11,055,000	-	(405,000)	10,650,000	415,000
Premium on Issuance of Bonds	57,959,332	5,829,045	(5,257,789)	58,530,588	5,459,180
Lease Agreements	7,877,804	3,945,135	(3,223,282) ²	8,599,657	2,929,244
SBITA Agreements	1,660,330 ¹	1,298,955	(1,248,928)	1,710,357	1,261,250
Landfill Closure/Solid Waste	24,438,024	1,477,483	(261,487)	25,654,020	291,487
Compensated Absences	31,892,664	7,228,215	(3,088,943)	36,031,936	14,933,567
Est. Liab. For Claims in Pro.	2,916,708	934,729	(1,804,571)	2,046,866	1,335,800
Net Pension Liability	128,114,871	31,411,242	-	159,526,113	-
Net OPEB Liability	67,178,032	-	(18,407,169)	48,770,863	-
Governmental Activities - Long-term Liabilities	<u>\$ 861,765,191</u>	<u>\$ 100,624,804</u>	<u>\$ (79,761,320)</u>	<u>\$ 882,628,675</u>	<u>\$ 71,739,426</u>
Business-type Activities:					
Bonds Payable					
General Obligation Bonds	\$ 89,130,415	\$ 1,500,000	\$ (8,454,727)	\$ 82,175,688	\$ 8,431,766
Premium on Issuance of Bonds	10,868,724	180,280	(1,180,163)	9,868,841	1,181,852
Compensated Absences	3,541,637	554,112	(235,283)	3,860,466	1,420,672
Net Pension Liability	7,679,594	1,721,170	-	9,400,764	-
Net OPEB Liability	9,275,752	-	(1,677,031)	7,598,721	-
Business-type activities - Long-term Liabilities	<u>\$ 120,496,122</u>	<u>\$ 3,955,562</u>	<u>\$ (11,547,204)</u>	<u>\$ 112,904,480</u>	<u>\$ 11,034,290</u>

¹ The County implemented GASB Statement No. 96 effective July 1, 2022. As a result, the beginning balances include the SBITA Agreements for those qualifying SBITAs that were in place at that date.

² There was a partial lease termination of \$76,993.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023, was \$2,086,429,971 and the legal debt margin was \$1,520,930,056.

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
<u>Harford County Public Schools</u>				
Notes Payable	\$ 14,043,880	\$ (1,642,432)	\$ 12,401,448	\$ 1,673,519
Lease Agreements	13,398,125	(5,576,009)	7,822,116	3,891,640
SBITA Agreements	-	225,702	225,702	222,331
Compensated Absences	35,622,606	3,613,912	39,236,518	6,420,866
Net OPEB Liability	812,260,000	114,688,000	926,948,000	-
Net Pension Liability	20,759,982	7,802,260	28,562,242	-
Total	<u>\$ 896,084,593</u>	<u>\$ 119,111,433</u>	<u>\$ 1,015,196,026</u>	<u>\$ 12,208,356</u>
<u>Harford Community College</u>				
Compensated Absences	\$ 1,274,722	\$ (38,034)	\$ 1,236,688	\$ 156,188
Lease Agreements	-	203,958	203,958	45,808
SBITA Agreements	1,100,333 ¹	1,171,710	2,272,044	749,369
Net Pension Liability	898,458	250,412	1,148,870	-
Total	<u>\$ 3,273,513</u>	<u>\$ 1,588,046</u>	<u>\$ 4,861,560</u>	<u>\$ 951,365</u>
<u>Harford County Public Library</u>				
Lease Obligations	\$ 30,294	\$ 50,797	\$ 81,091	\$ 26,585
Compensated Absences	479,638	(727)	478,911	-
Net OPEB Liability	1,349,952	(200,348)	1,149,604	-
Net Pension Liability	1,299,252	561,254	1,860,506	-
Total	<u>\$ 3,159,136</u>	<u>\$ 410,976</u>	<u>\$ 3,570,112</u>	<u>\$ 26,585</u>

¹ The College implemented GASB Statement No. 96 effective July 1, 2022. As a result, the beginning balances include the SBITA assets for those qualifying SBITAs that were in place at that date.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023, range from 0.76% to 5.91%. The annual requirements to amortize agricultural land preservation installments outstanding as of June 30, 2023, are as follows:

AGRICULTURAL LAND PRESERVATION INSTALLMENTS

Year Ending June 30,	Principal	Interest	Total Requirement
2024	\$ 1,810,664	\$ 963,783	\$ 2,774,447
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	\$ <u>34,448,962</u>	\$ <u>6,478,260</u>	\$ <u>40,927,222</u>

For the year ended June 30, 2023, total principal and interest incurred related to agricultural land preservation installment was \$4,428,879 and \$1,119,400, respectively.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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 2023, the County issued \$48,500,000 in the Governmental activities and \$1,500,000 in the Business-Type activities of general obligation bonds. As of June 30, 2023, general obligation bonds payable are comprised of the following individual issues:

Governmental activities:

Type of Bond	Issued Amount	Outstanding June 30, 2023	Interest Rate	Fiscal Year of Final Maturity
Refunding Bond of 2012	\$ 6,931,393	\$ 632,956	2.0% - 4.0%	2024
Public Improvement Bond of 2013	30,000,000	15,000,000	3.0% - 5.0%	2033
Refunding Bond of 2013	59,750,398	19,547,328	2.0% - 5.0%	2028
Public Improvement Bond of 2014	33,180,257	18,240,257	2.0% - 5.0%	2034
Public Improvement Bond of 2015	42,000,000	25,200,000	3.0% - 5.0%	2034
Refunding Bond of 2015	55,994,243	38,884,446	2.95% - 5.0%	2029
Public Improvement Bond of 2016	27,132,515	17,636,135	2.0% - 5.0%	2035
Public Improvement Bond of 2017	53,177,000	37,217,000	3.0% - 5.0%	2036
Public Improvement Bond of 2018	43,000,000	32,250,000	2.5% - 5.0%	2037
Public Improvement Bond of 2019	34,000,000	27,200,000	3.0% - 5.0%	2038
Public Improvement Bond of 2020	37,000,000	31,450,000	2.0% - 5.0%	2039
Refunding Bond of 2020	64,986,408	52,857,540	5.00%	2031
Public Improvements Bond of 2021	52,215,000	46,993,500	1.3% - 5.0%	2040
Refunding Bond of 2022	17,793,395	16,175,151	5.00%	2032
Public Improvements Bond of 2022	72,500,000	68,875,000	2.5% - 5.0%	2041
Public Improvements Bond of 2023	48,500,000	48,500,000	4.0% - 5.0%	2042
Total Bonds Outstanding	<u>\$ 678,160,609</u>	<u>\$ 496,659,313</u>		

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUND TYPES – CONTINUED

The annual requirements to amortize general obligation bond debt outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Requirement
2024	\$ 43,303,234	\$ 18,664,971	\$ 61,968,205
2025	42,499,368	16,804,973	59,304,341
2026	41,536,478	14,891,584	56,428,062
2027	40,036,979	13,184,451	53,221,430
2028	39,353,380	11,511,414	50,864,794
2029-2033	157,741,739	34,813,433	192,555,172
2034-3038	92,330,885	12,308,742	104,639,627
2039-2043	39,857,250	2,300,576	42,157,826
Total	<u>\$ 496,659,313</u>	<u>\$ 124,480,144</u>	<u>\$ 621,139,457</u>

For the year ended June 30, 2023, total principal and interest incurred related to general obligation bonds was \$41,635,272 and \$18,629,024, respectively.

Business-Type Activities:

	Originally Issued	Outstanding June 30, 2023	Interest Rate	Fiscal Year of Final Maturity
Refunding Bond of 2012	\$ 2,043,607	\$ 187,044	2.0% - 4.0%	2024
Public Improvement Bond of 2013	10,000,000	5,950,000	3.0% - 5.0%	2033
Refunding Bond of 2013	14,909,602	4,877,673	2.0% - 5.0%	2028
Public Improvement Bond of 2014	6,819,743	4,384,743	2.0% - 5.0%	2034
Public Improvement Bond of 2015	3,000,000	2,075,000	3.0% - 5.0%	2034
Refunding Bond of 2015	13,925,757	9,670,554	2.95% - 5.0%	2029
Public Improvement Bond of 2016	12,867,485	9,563,865	2.0% - 5.0%	2035
Public Improvement Bond of 2017	1,823,000	1,428,000	3.0% - 5.0%	2036
Public Improvement Bond of 2018	7,000,000	5,825,000	2.5% - 5.0%	2037
Public Improvement Bond of 2019	6,000,000	4,800,000	3.0% - 5.0%	2038
Public Improvement Bond of 2020	3,000,000	2,550,000	2.0% - 5.0%	2039
Refunding Bond of 2020	22,643,592	18,417,460	5.00%	2031
Public Improvements Bond of 2021	2,785,000	2,506,500	1.3% - 5.0%	2040
Refunding Bond of 2022	6,671,605	6,064,849	5.00%	2032
Public Improvements Bond of 2022	2,500,000	2,375,000	2.5% - 5.0%	2041
Public Improvements Bond of 2023	1,500,000	1,500,000	4.0% - 5.0%	2042
Total Bonds Outstanding	<u>\$ 117,489,391</u>	<u>\$ 82,175,688</u>		

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

The annual requirements to amortize business-type activities bonded debt outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Total Requirement
2024	\$ 8,431,766	\$ 3,138,354	\$ 11,570,120
2025	8,300,632	2,678,868	10,979,500
2026	8,163,522	2,415,958	10,579,480
2027	7,883,021	2,092,565	9,975,586
2028	7,841,620	1,772,653	9,614,273
2029-2033	29,403,261	4,466,877	33,870,138
2034-3038	10,259,116	937,155	11,196,271
2039-2043	1,892,750	86,610	1,979,360
Total	\$ 82,175,688	\$ 17,589,040	\$ 99,764,728

For the year ended June 30, 2023, total principal and interest incurred related to business-type activities was \$8,454,727 and \$2,143,560 respectively.

2. Special Obligations Bonds

PRIMARY GOVERNMENT

As of June 30, 2023, there was \$10,650,000 of Special Obligation Tax Increment Bonds payable from property tax revenue generated from assessment increases occurring since the formation of the tax increment district. This debt is included in the primary government's long term debt on the Statement of Net Position. In the future, these bonds will be paid from incremental property tax revenue and/or special district tax on the district. These bonds do not have Harford County, Maryland's full faith and credit pledged.

Governmental activities:	Originally Issued	Outstanding as of June 30, 2023
Refunding Special Obligation Bond of 2021		
4% - due serially to 2041	\$ 11,365,000	\$ 10,650,000

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

The annual requirements to amortize special obligation bond debt outstanding as of June 30, 2023, are as follows:

Year Ending June 30,	Principal	Interest	Total Requirement
2024	\$ 415,000	\$ 417,700	\$ 832,700
2025	430,000	400,800	830,800
2026	450,000	383,200	833,200
2027	465,000	364,900	829,900
2028	485,000	345,900	830,900
2029-2033	2,735,000	1,416,100	4,151,100
2034-3038	3,330,000	811,400	4,141,400
2039-2042	2,340,000	142,800	2,482,800
Total	\$ <u>10,650,000</u>	\$ <u>4,282,800</u>	\$ <u>14,932,800</u>

For the year ended June 30, 2023, the total principal and interest incurred related to Special Obligation Bonds was \$405,000 and \$432,075, 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	\$ 14,731,082
Less: Accumulated Depreciation	(6,044,042)
Net Book Value	\$ <u>8,687,040</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

The annual requirements to amortize lease agreements outstanding as of June 30, 2023, are as follows:

	Principal	Interest	Total Requirement
2024	\$ 2,929,244	\$ 139,598	\$ 3,068,842
2025	2,579,374	89,337	2,668,711
2026	1,684,431	49,586	1,734,017
2027	1,027,549	20,895	1,048,444
2028	322,749	3,589	326,338
2029 - 2033	56,310	1,669	57,979
	<u>\$ 8,599,657</u>	<u>\$ 304,674</u>	<u>\$ 8,904,331</u>

For the year ended June 30, 2023, the total principal and interest incurred related to lease agreements was \$3,146,289 and \$153,925, respectively. In fiscal year 2023 there was a partial termination of a lease, the principal was reduced by \$76,993.

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 10 years with discount rates ranging from 1.2% to 2.64%.

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

Year Ending June 30,	Amount
2024	\$ 3,993,983
2025	2,857,804
2026	939,959
2027	188,744
2028	833
Total Minimum Lease Payments	<u>7,981,323</u>
Less: Amount Representing Interest	<u>(159,207)</u>
Present Value Minimum Lease Payments	<u>\$ 7,822,116</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

Harford Community College: During the year ended June 30, 2023, the College entered into a five-year noncancelable lease with UB Bank for thirty-seven multi-functional devices. The discount rate is 5.432%.

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

Year Ending June 30,	Amount
2024	\$ 55,880
2025	55,880
2026	55,880
2027	55,880
2028	4,657
Total Minimum Lease Payments	228,177
Less: Amount Representing Interest	(24,219)
Present Value Minimum Lease Payments	\$ 203,958

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 \$240,309 as of June 30, 2023. Amortization expense relating to the leases was \$16,867 for the year ended June 30, 2023. Accumulated amortization relating to the leases was \$140,656 as of June 30, 2023.

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

Year Ending June 30,	Amount
2024	\$ 27,279
2025	17,209
2026	16,769
2027	15,103
2028	5,955
Total Minimum Lease Payments	82,315
Less: Amount Representing Interest	(1,224)
Present Value Minimum Lease Payments	\$ 81,091

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, 2023

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
2024	\$ 1,902,794
2025	1,902,794
2026	1,902,794
2027	1,902,794
2028	1,902,794
2029-2032	3,805,589
Total Minimum Note Payments	13,319,559
Less: Amount Representing Interest	(918,111)
Present Value Minimum Note Payments	\$ 12,401,448

f. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

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 1.21% to 2.80%. The assets acquired and capitalized under the right to use SBITAs is as follows:

Right to Use SBITA Assets Cost	\$ 3,359,489
Less: Accumulated Depreciation	(979,819)
Net Book Value	\$ 2,379,670

The annual requirements to amortize SBITA agreements outstanding as of June 30, 2023, are as follows:

	Principal	Interest	Total Requirement
2024	\$ 1,261,250	\$ 35,644	\$ 1,296,894
2025	359,521	9,359	368,880
2026	89,586	1,867	91,453
	\$ 1,710,357	\$ 46,870	\$ 1,757,227

For the year ended June 30, 2023, the total principal and interest incurred related to SBITA agreements was \$1,248,928 and \$19,360, respectively.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

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 3 years with discount rates ranging from 1.2% to 2.10%.

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

Year Ending June 30,	Amount
2024	\$ 225,099
2025	3,442
Total Minimum SBITA Payments	228,541
Less: Amount Representing Interest	(2,839)
Present Value Minimum SBITA Payments	\$ 225,702

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, 2023, were as follows:

Year Ending June 30,	Amount
2024	\$ 812,155
2025	595,085
2026	465,731
2027	443,955
2028	116,396
2029	6,009
Total Minimum SBITA Payments	2,439,331
Less: Amount Representing Interest	(167,288)
Present Value Minimum SBITA Payments	\$ 2,272,043

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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 4 – DETAILED NOTES ON ALL FUNDS – CONTINUED

costs will be paid only near or after the date that the landfill stops accepting waste, GASB Statement No. 18 requires the County to measure and recognize a portion of these closure and post-closure care costs each period based on landfill capacity used as of each balance sheet date.

As of June 30, 2023, the following changes occurred in Landfill Closure Liability recorded in Non-current Liabilities in the Statement of Net Position:

	Beginning Balance	Current Year Additions (Deductions)	Ending Balance
Cumulative Liability for Open Landfills	\$ 11,933,469	\$ 1,477,483	\$ 13,410,952
Estimated Liability for Closed Landfills	3,645,052	(259,935)	3,385,117
Waste to Energy Liability	8,859,503	(1,552)	8,857,951
	<u>\$ 24,438,024</u>	<u>\$ 1,215,996</u>	<u>\$ 25,654,020</u>

The Cumulative Liability for Open Landfills represents the cost, based on use of 84.7% of the estimated capacity. The County will recognize the remaining estimated cost of the Harford Waste Disposal Center closure and post-closure of \$2,415,311 as the remaining estimated capacity is used.

The Cumulative Liability for Open Landfills as of June 30, 2023 is \$13,410,952. Harford County has a landfill capping capital project with a remaining balance of \$1,717,904 resulting from prior appropriations to begin the closure of the older cells and has assigned fund balance of \$11,693,048 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 at June 30, 2023. Harford County has a Waste-to-Energy facility capital project with sufficient appropriation authority to close this facility for the total amount of the liability.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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	\$ -	\$ 1,938,600	\$ -	\$ -	\$ -	\$ -	\$ 1,938,600
Long Term Rec.	777,711	-	-	-	-	-	777,711
Sub-total	777,711	1,938,600	-	-	-	-	2,716,311
Restricted for:							
Education	-	-	-	-	-	-	-
Debt Service	13,432,715	1,177,682	-	-	697,265	4,269,661	19,577,323
Public Safety	60,074	-	-	-	-	-	60,074
Watershed Management	-	-	-	-	-	8,802,999	8,802,999
Highways	-	23,091,463	-	-	-	-	23,091,463
Ag. Preservation	-	-	-	37,662,000	-	-	37,662,000
Parks and Rec	-	-	-	-	4,006,031	332,135	4,338,166
Grants	-	-	15,454,786	-	-	-	15,454,786
Capital Projects	-	-	-	-	10,302,092	-	10,302,092
Sub-total	13,492,789	24,269,145	15,454,786	37,662,000	15,005,388	13,404,795	119,288,903
Assigned to:							
Approp. of Fund Bal.	68,447,172	-	-	-	-	-	68,447,172
Fiscal Stabilization Fund	38,424,800	-	-	-	-	-	38,424,800
Encumbrances:							
General Government	531,923	-	-	-	-	-	531,923
Public Safety	2,893,529	-	-	-	-	-	2,893,529
Public Works	410,955	-	-	-	-	-	410,955
Parks and Recreation	7,328	-	-	-	-	-	7,328
Landfill Closure Costs	11,693,048	-	-	-	-	-	11,693,048
Income Tax	1,588,647	-	-	-	-	-	1,588,647
Watershed Management	30,000,000	-	-	-	-	-	30,000,000
Capital Projects	-	-	-	-	54,986,667	-	54,986,667
Sub-total	153,997,402	-	-	-	54,986,667	-	208,984,069
Unassigned:	6,617,728	-	-	-	-	-	6,617,728
Total Fund Balances	\$ 174,885,630	\$ 26,207,745	\$ 15,454,786	\$ 37,662,000	\$ 69,992,055	\$ 13,404,795	\$ 337,607,011

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 – OTHER INFORMATION

A. SELF-INSURANCE/RISK MANAGEMENT

PRIMARY GOVERNMENT

The County carries commercial property insurance coverage with a \$75,000 deductible on both real and personal property, and a \$25,000 deductible for physical damage to County-owned vehicles.

The County is self-insured for Workers' Compensation, General and Automobile liability losses. The self-insurance program is administered by a risk manager as established by the Harford County Code. The County carries excess coverage for these exposures, with a \$350,000 retention for General and Automobile liability claims, 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 \$2,046,866 reported in the Internal Service fund as of June 30, 2023, 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, 2023. 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
2021	\$ 3,311,968	\$ 1,701,076	\$ (2,170,463)	\$ 2,842,581
2022	2,842,581	1,239,093	(1,164,966)	2,916,708
2023	2,916,708	934,729	(1,804,571)	2,046,866

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, 2023

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, 2023, the County estimates that no material liabilities will result from such audits.

The County had \$354,929,004 authorized but unobligated capital project appropriations as of June 30, 2023, in the governmental capital fund and \$94,834,622 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 2013, 2018, 2020, 2021, 2022 and 2023. 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, 2023.

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, 2023, the County has 1 conduit debt obligation, an Economic Development Revenue Bond known as Aberdeen Proving Ground Military Housing Project Series 2009. The Series 2009 Bonds will mature on December 15, 2039 and has an outstanding principal amount of \$44.7 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, 2023

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, 2023, the County recognized aggregated pension liabilities of \$168,926,877, and aggregated pension expense of \$25,924,757 for all three pension systems. At June 30, 2023, 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	\$ 18,428,584	\$ -
Changes in Assumptions	16,788,681	5,005,215
Changes in Proportion	19,334,491	6,868,992
Differences Between Actual and Proportionate Share of Contributions	-	2,414
Difference Between Expected and Actual Experience	2,872,489	12,011,854
Net Difference between Projected and Actual Investments Earnings	3,648,801	3,439,653
Total	\$ <u>61,073,046</u>	\$ <u>27,328,128</u>

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
JUNE 30, 2023

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, 2023, to the System, exclusive of contributions made directly by the State of Maryland, were equal to the actuarially determined amount, as follows:

	2023	2022	2021
Primary Government	\$ 18,428,584	\$ 16,258,092	\$ 16,610,259

PRIMARY GOVERNMENT

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions: As of June 30, 2023, the County reported a liability of \$142,531,711 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all participants members, actuarially determined. As of June 30, 2022, the County's proportion was 0.7123546%. This is a decrease of 0.0414498% from the prior fiscal year.

For the year ended June 30, 2023, the County recognized pension expense of \$15,471,584. As of June 30, 2023, 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, 2023

NOTE 5 – OTHER INFORMATION – CONTINUED

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions Subsequent to the		
Measurement Date	\$ 18,428,584	\$ -
Changes in Assumptions	16,788,681	1,292,983
Changes in Proportion	19,334,491	6,868,992
Differences Between Actual and Proportionate		
Share of Contributions	-	2,414
Difference Between Expected and Actual		
Experience	-	10,234,356
Net Difference between Projected and Actual		
Investments Earnings	-	3,439,653
Total	\$ <u>54,551,756</u>	\$ <u>21,838,398</u>

Contributions subsequent to the measurement date in the amount of \$18,428,584 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>	
2024	\$ 3,750,406
2025	2,084,267
2026	(1,033,938)
2027	10,634,767
2028	(1,150,728)
Total	\$ <u>14,284,774</u>

Actuarial Assumptions: The key actuarial assumptions used to perform the June 30, 2022, 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/MP2018

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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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	37%	6.0%
Private Equity	13%	8.5%
Rate Sensitive	21%	1.2%
Credit Opportunity	8%	4.9%
Real Assets	15%	5.2%
Absolute Return	6%	3.5%
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	\$ 218,688,980	\$ 142,531,711	\$ 79,338,807

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, 2022. This can be found at <https://sra.maryland.gov/annual-financial-reports>.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 – OTHER INFORMATION – CONTINUED

COMPONENT UNITS

Harford County Public Schools: As of June 30, 2023, the Public Schools reported a liability of approximately \$28.6 million for its proportionate share of the Employees Retirement System of the State of Maryland (ERS) net pension liability. The ERS net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Public 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, 2023, the Public Schools proportion for ERS was 0.14%, which was substantially the same from its proportion measured as of June 30, 2022.

For the year ended June 30, 2023, the Public Schools recognized pension expense for ERS of approximately \$4.2 million. As of June 30, 2023, 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	\$ 3,476,891	\$ -
Changes in Assumptions	3,082,968	254,245
Changes in Proportion	2,994,487	64,183
Differences Between Actual and Proportionate Share of Contributions	-	465
Differences in Expected and Actual Experience	-	1,981,140
Net Difference between Projected and Actual Earnings on Pension Plan Investments	36,727	-
Total	\$ <u>9,591,073</u>	\$ <u>2,300,033</u>

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

Harford Community College: As of June 30, 2023, the College reported a liability of \$1,148,870 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2023, the College's proportionate share was 0.0057419%.

For the year ended June 30, 2023 the College recognized pension expenses of \$84,803. At June 30, 2023, 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, 2023

NOTE 5 – OTHER INFORMATION – CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions Subsequent to the Measurement Date	\$ 152,972	\$ -
Changes in Assumptions	133,604	12,610
Change in Proportion	38,189	49,003
Change in Proportion Share of Contributions	-	24
Difference Between Expected and Actual Experience	-	83,903
Net Difference Between Projected and Actual		
Investment Earnings	-	15,868
Total	<u>\$ 324,765</u>	<u>\$ 161,408</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, 2023, the Library reported a liability of \$1,860,506 for its proportionate share of the net pension liability of the System. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Library's proportion of the 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, 2022, the Library's proportion was approximately 0.0092986%.

For the year ended June 30, 2023, the Library recognized pension expense of \$99,304. At the measurement date of June 30, 2022, 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	\$ 238,906	\$ -
Changes in Assumptions	730,495	4,054
Change in Proportion	327,099	44,170
Difference Between Expected and Actual Experience	39,843	-
Net Difference Between Projected and Actual		
Investment Earnings	-	698,480
Total	<u>\$ 1,336,343</u>	<u>\$ 746,704</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, 2023

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, 2022 was as follows:

Retirees and Beneficiaries Currently Receiving Benefits	107
Terminated Plan Members Entitled to, but not yet Receiving Benefits	5
Active Plan Members	123
Total	<u>235</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, 2023

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 31.85% 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, 2023, the ratings of the underlying investments of the Plan's debt securities were as follows:

	AAA	Rating		Baa1/Baa2/ Baa3	Total
		Aa1/Aa2/Aa 3	A1/A2/A3		
U.S. Treasury Obligations	\$ 5,530,557	\$ -	\$ -	\$ -	\$ 5,530,557
U.S. Governmental Agencies	3,240,678	-	-	-	3,240,678
Corporate Bonds	-	225,131	1,818,409	3,163,662	5,207,202
Total	<u>\$ 8,771,235</u>	<u>\$ 225,131</u>	<u>\$ 1,818,409</u>	<u>\$ 3,163,662</u>	<u>\$ 13,978,437</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, 2023, 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, 2023, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 10.52%. 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, 2023, were as follows:

Total pension liability	\$ 100,765,947
Plan fiduciary net position	(81,499,334)
County's net pension liability	<u>\$ 19,266,613</u>
Plan fiduciary net position as a percentage of the total pension liability	80.88%

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 – OTHER INFORMATION – CONTINUED

Actuarial Assumptions: The total pension liability was determined by an actuarial valuation as of July 1, 2022 rolled forward to June 30, 2023 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, 2022.

The long-term expected rate of return of pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target allocation percentage and by adding expected inflation (3.0%). The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	42%	9.3%
International Equity	18%	8.3%
Fixed Income	20%	3.9%
Hedged Strategies	20%	6.5%
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, 2023

NOTE 5 – OTHER INFORMATION – CONTINUED

	Increases (Decreases)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
	(a)	(b)	(a)-(b)
Balances at 6/30/2022	\$ 93,065,702	\$ 74,206,782	\$ 18,858,920
Changes for the Year:			
Service Cost	2,474,729	-	2,474,729
Interest	6,363,192	-	6,363,192
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience	3,188,235	-	3,188,235
Contributions - Employer	-	3,007,172	(3,007,172)
Contributions - Employee	-	879,820	(879,820)
Net Investment Income	-	7,785,003	(7,785,003)
Benefit Payments, Including Refunds of Employee Contributions	(4,325,911)	(4,325,911)	-
Administrative Expense	-	(53,532)	53,532
Net Changes	<u>7,700,245</u>	<u>7,292,552</u>	<u>407,693</u>
Balances at 6/30/2023	<u>\$ 100,765,947</u>	<u>\$ 81,499,334</u>	<u>\$ 19,266,613</u>

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 6.0%	Discount Rate 7.0%	1% Increase 8.0%
County's Net Pension Liability	\$ 32,893,529	\$ 19,266,613	\$ 8,113,630

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023, the County recognized pension expense of \$3,475,664. As of June 30, 2023, 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	\$ -	\$ 316,247
Difference Between Expected and Actual Experience	2,550,588	534,508
Net Difference between Projected and Actual Investments Earnings	2,276,621	-
Total	\$ <u>4,827,209</u>	\$ <u>850,755</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,	
2024	\$ 387,143
2025	180,512
2026	3,292,704
2027	116,095
Total	\$ <u>3,976,454</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, 2023

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, 2022 was as follows:

Retirees and Beneficiaries Currently Receiving Benefits	614
Terminated Plan Members Entitled to, but not yet Receiving Benefits	376
Active Plan Members	885
Total	<u><u>1,875</u></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, 2023, was determined as part of the September 30, 2020, actuarial valuation using the entry age normal funding method, with a 15-year amortization of the unfunded liability. Under this method, a normal cost is calculated which would, if contributed annually, fund each volunteer's benefits during his or her career at a level dollar amount. The unfunded actuarial liability is calculated at each valuation date as the present value of all plan benefits, less current assets. The actuarial assumptions included a 6% investment rate of return compounded annually. The firemen are voluntary and, therefore, would not have a projected salary increase.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2023, the ratings of the underlying investments of the Plan's debt securities were as follows:

	AAA	Rating			Total
		Aa1/Aa2/Aa 3	A1/A2/A3	Baa1/Baa2/ Baa3	
U.S. Treasury Obligations	\$ 2,687,010	\$ -	\$ -	\$ -	\$ 2,687,010
U.S. Governmental Agencies	1,534,219	-	-	-	1,534,219
Corporate Bonds	-	44,586	884,939	1,552,482	2,482,007
Total	<u>\$ 4,221,229</u>	<u>\$ 44,586</u>	<u>\$ 884,939</u>	<u>\$ 1,552,482</u>	<u>\$ 6,703,236</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, 2023 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, 2023, the annual money-weighted rate of return pension plan investments, net of pension plan investment expense, was 10.31%. 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, 2023 were as follows:

Total pension liability	\$ 45,838,079
Plan fiduciary net position	<u>(38,709,526)</u>
County's net pension liability	<u>\$ 7,128,553</u>
Plan fiduciary net position as a percentage of the total pension liability	84.45%

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 – OTHER INFORMATION – CONTINUED

Actuarial Assumptions: The total pension liability in the September 30, 2022 actuarial valuation rolled forward to June 30, 2023 was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Inflation	3%
Salary Increases	Not Applicable
Investment Rate of Return	7%, Net of Pension Plan Investment Expense, Including Inflation
Mortality	Pub-2010 Safety Employees/Retirees/Survivors Headcount-Weighted Mortality with generational projection using scale MP2020

The actuarial assumptions used were based on the results of an actuarial valuation as of September 30, 2022.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (3%). The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	42%	9.3%
International Equity	18%	8.3%
Fixed Income	20%	3.9%
Hedged Strategies	20%	6.5%
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, 2023

NOTE 5 – OTHER INFORMATION – CONTINUED

	Increases (Decreases)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
Balances at 6/30/2022	\$ 38,656,817	\$ 34,809,294	\$ 3,847,523
Changes for the Year:			
Service Cost	694,940	-	694,940
Interest	2,617,377	-	2,617,377
Changes in Benefit Terms	7,047,544		7,047,544
Differences Between Expected and Actual Experience	(647,167)	-	(647,167)
Changes of Assumptions	-		-
Contributions - Plan Sponsor	-	2,777,628	(2,777,628)
Net Investment Income	-	3,681,079	(3,681,079)
Benefit Payments, Including Refunds of Member Contributions	(2,531,432)	(2,531,432)	-
Administrative Expense	-	(27,043)	27,043
Net Changes	<u>7,181,262</u>	<u>3,900,232</u>	<u>3,281,030</u>
Balances at 6/30/2023	<u>\$ 45,838,079</u>	<u>\$ 38,709,526</u>	<u>\$ 7,128,553</u>

5. Changes in the Net Pension Liability

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

	1% Decrease 6.0%	Discount Rate 7.0%	1% Increase 8.0%
County's Net Pension Liability	\$ 12,585,482	\$ 7,128,553	\$ 2,631,856

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

For the year ended June 30, 2023, the County recognized pension expense of \$6,977,509. At June 30, 2023, 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, 2023

NOTE 5 – OTHER INFORMATION – CONTINUED

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ -	\$ 3,395,985
Difference Between Expected and Actual Experience	321,901	1,242,990
Net Difference between Projected and Actual Investments Earnings	1,372,180	-
Total	\$ <u>1,694,081</u>	\$ <u>4,638,975</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,	
2024	\$ (980,931)
2025	(1,014,936)
2026	270,269
2027	(1,219,296)
2028	-
Total	\$ <u>(2,944,894)</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, 2023 and 2022.

**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, 2023

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 2023.

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 2023. 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, 2023

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, 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

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 know 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, 2023

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 \$4,983,000 annual required contribution (ARC), now known as the actuarially determined contribution (ADC) during fiscal year 2023.

The funding for the RHS will be negotiated by the County and both Unions each year. The County may contribute to the employee's accounts those amounts that the County Council appropriates based on the formula designated in the agreement. The formula to be utilized will be the annual salaries of the employees enrolled in the RHS calculated by a percentage of those aggregate salaries that is determined by the County, AFSCME, and MCEA, which will constitute the funds to be contributed to the RHS by the County. The funds will be equally distributed between the participants in the RHS. There was a total of \$3,819,760 contributed to this plan and a total of 532 employees are currently enrolled as of June 30, 2023.

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 \$336,416 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, 2023

NOTE 5 – OTHER INFORMATION – CONTINUED

As of June 30, 2023, the ratings of the underlying investments of the Plan's debt securities were as follows:

		Rating			
	AAA	Aa1/Aa2/Aa 3	A1/A2/A3	Baa1/Baa2/ Baa3	Total
U.S. Treasury Obligations	\$ 10,849,626	\$ -	\$ -	\$ -	\$ 10,849,626
U.S. Government Agencies	6,669,816	-	-	-	6,669,816
Corporate Bonds	-	699,018	3,958,015	6,566,207	11,223,240
Total	<u>\$ 17,519,442</u>	<u>\$ 699,018</u>	<u>\$ 3,958,015</u>	<u>\$ 6,566,207</u>	<u>\$ 28,742,682</u>

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.

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	(167,462,272)
County's net OPEB liability	<u>\$ 67,337,115</u>

Plan fiduciary net position as a percentage of the total OPEB liability 71.32%

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	4.0%
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:

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 – OTHER INFORMATION – CONTINUED

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	42%	9.3%
International Equity	18%	8.3%
Fixed Income	20%	3.9%
Hedged Strategies	20%	6.5%
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)
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	<u>22,314,886</u>	<u>11,347,355</u>	<u>10,967,531</u>
Balances at 6/30/2023	<u>\$ 234,799,387</u>	<u>\$ 167,462,272</u>	<u>\$ 67,337,115</u>

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

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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 (2.94%) or 1 percentage point higher (4.94%) than the current healthcare cost trend rates:

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

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, 2021 valuation data that was used to calculate the ADC for fiscal year 2023:

Plan Participants	
Retirees (Pre-Medicare)	287 *
Retirees (Medicare Age)	644 *
Active Employees	858
Total	<u>1,789</u>

*includes spouses

Contributions: The County contributed \$11,798,000 actuarially determined contribution (ADC) during fiscal year 2022 and the retirees paid \$1,389,939 toward the cost of their benefits. The Trust reimbursed the County for the County's share of retirees' premiums of \$9,419,900, leaving the Trust Net Position of \$156,114,917.

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

Trust Net Position as of July 1, 2021	\$ 175,525,450
County Contribution	11,798,000
Net Appreciation in Fair Value of Investments	(24,741,723)
Interest and Dividends	3,357,823
Retirees Contributions	1,389,939
Payment for County's Share of Premiums	(9,419,900)
Payment for Retiree's Share of Premiums	(1,389,939)
Payment for Administrative and Investment Expenses	(404,733)
Trust Net Position as of June 30, 2022	<u>\$ 156,114,917</u>

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 – OTHER INFORMATION – CONTINUED

Net OPEB Liability of the County

The components of the net OPEB liability of the County at June 30, 2022, were as follows:

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

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

Inflation	2.5%
Salary increases	3.5%, average, including inflation
Investment rate of return	7.0%, net of OPEB plan investment expense
Ultimate Healthcare cost trend rate	4.0%
Mortality	MP-2019 Mortality Improvement Scale

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the period July 1, 2021 through June 30, 2022.

The long-term expected rate of return of OPEB plan investments was determined using a building block method in which best-estimate ranges of expected future real rate of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 (see the discussion of investment policy) are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	42%	9.3%
International Equity	18%	8.3%
Fixed Income	20%	3.9%
Hedged Strategies	20%	6.5%
Total	<u>100%</u>	

Rate of Return: For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -11.97%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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

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 6.0%	Discount Rate 7.0%	1% Increase 8.0%
County's Net OPEB Liability	\$ 86,811,838	\$ 56,369,584	\$ 31,524,554

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

	1% Decrease 3.0%	Healthcare Cost Trend Rates 4.0%	1% Increase 5.0%
County's Net OPEB Liability	\$ 28,689,703	\$ 56,369,584	\$ 90,814,949

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 – OTHER INFORMATION – CONTINUED

For the year ended June 30, 2022, the County recognized OPEB expenses of (\$991,585). At June 30, 2022, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions Subsequent to the Measurement Date	\$ 4,983,000	\$ -
Changes in Assumptions	1,085,632	-
Difference Between Expected and Actual Experience	4,885,422	50,068,900
Net Difference between Projected and Actual Investments Earnings	11,234,523	-
Total	<u>\$ 22,188,577</u>	<u>\$ 50,068,900</u>

Contributions subsequent to the measurement date in the amount of \$4,983,000, reported as deferred outflows of resources related to OPEB, will be recognized as a reduction in net OPEB liability in the subsequent fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended June 30,</u>	
2024	\$ (9,088,143)
2025	(10,078,362)
2026	(10,316,589)
2027	(3,380,229)
Total	<u>\$ (32,863,323)</u>

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, 2023

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 Education, 621 Ridgely Avenue, Suite 300, Annapolis, Maryland 21401-1112 or calling 410-841-5414.

Plan Membersip. As of June 30, 2023, membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	3,060
Inactive Plan Members Entitled to, but not yet Receiving Benefit Payments	80
Active Plan Members	<u>5,307</u>
Total Participants	<u><u>8,447</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, 2023 was \$23,750,906.

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, 2023, was \$1,400,835.

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, 2023, was \$73,259.

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

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, 2022	\$ 878,897,000	\$ 66,637,000	\$ 812,260,000
Changes for the Year:			
Service Cost	32,230,000	-	32,230,000
Interest	31,847,000	-	31,847,000
Differences Between Expected and Actual Experience	28,722,000	-	28,722,000
Changes of Assumptions	52,992,000	-	52,992,000
Contributions - Employer	-	25,225,000	(25,225,000)
Net Investment Income	-	5,891,000	(5,891,000)
Benefit Payments	(23,225,000)	(23,225,000)	-
Administrative Expense	-	(13,000)	13,000
Net Changes	122,566,000	7,878,000	114,688,000
Balance - June 30, 2023	\$ 1,001,463,000	\$ 74,515,000	\$ 926,948,000

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, 2023, 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, 2023

NOTE 5 – OTHER INFORMATION – CONTINUED

Employees Covered by Benefit Terms: At June 30, 2023, the following employees were covered by the benefit terms:

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

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, 2023, the College's annual required contribution; contributions made and net OPEB obligation were:

	Total OPEB Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net OPEB (Asset) Liability (a)-(b)
Balance - June 30, 2022	\$ 745,568	\$ 756,143	\$ (10,575)
Changes for the Year:			
Service Cost	16,991	-	16,991
Interest	48,348	-	48,348
Contributions - Employer	-	38,082	(38,082)
Net Investment Income	-	81,102	(81,102)
Benefit Payments	(38,082)	(38,082)	-
Administrative Expense	-	(1,952)	1,952
Net Changes	<u>27,257</u>	<u>79,150</u>	<u>(51,893)</u>
Balance - June 30, 2023	<u>\$ 772,825</u>	<u>\$ 835,293</u>	<u>\$ (62,468)</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, 2023

NOTE 5 – OTHER INFORMATION – CONTINUED

Employees Covered by Benefit Terms: At July 1, 2022, the following employees were covered by the benefit terms:

Retirees Currently Receiving Benefits	64
Active Employees	<u>78</u>
Total Plan Members	<u><u>142</u></u>

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 2023, the Library contributed \$530,972 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, 2023

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, 2022	\$ 6,003,000	\$ 4,653,000	\$ 1,350,000
Changes for the Year:			
Service Cost	108,000	-	108,000
Interest	411,000	-	411,000
Differences Between Expected and Actual Experience	(748,000)	-	(748,000)
Changes of Assumptions	1,046,000	-	1,046,000
Contributions - Employer	-	531,000	(531,000)
Net Investment Income	-	506,000	(506,000)
Benefit Payments	(251,000)	(251,000)	-
Administrative Expense	-	(20,000)	20,000
Net Changes	566,000	766,000	(200,000)
Balance - June 30, 2023	\$ 6,569,000	\$ 5,419,000	\$ 1,150,000

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, 2023

NOTE 5 – OTHER INFORMATION – CONTINUED

Combining Statement of Fiduciary Net Position
Pension and OPEB Trust Funds
June 30, 2023

	Sheriff's Office Pension System	Firemen's LOSAP	OPEB Trust	Total
ASSETS				
Equity in Pooled Cash and Investments	\$ 288,666	\$ 217,847	\$ 1,545,783	\$ 2,052,296
Cash Equivalents	199,170	99,669	365,608	664,447
Investments, at Fair Value				
Debt Securities	13,978,437	6,703,236	28,742,682	49,424,355
Fixed Income Funds	2,017,076	965,721	3,992,971	6,975,768
Equities and Equivalents	65,023,485	30,726,553	132,815,228	228,565,266
Total Investments	81,018,998	38,395,510	165,550,881	284,965,389
Total Assets	81,506,834	38,713,026	167,462,272	287,682,132
LIABILITIES				
Accounts Payable	7,500	3,500	-	11,000
Total Liabilities	7,500	3,500	-	11,000
NET POSITION				
Net Position Restricted for Pension & OPEB	\$ 81,499,334	\$ 38,709,526	\$ 167,462,272	\$ 287,671,132

Combining Statement of Changes in Fiduciary Net Position
Pension and OPEB Trust Funds
For the Year Ended June 30, 2023

	Sheriff's Office Pension System	Firemen's LOSAP	OPEB Trust	Total
ADDITIONS				
Contributions				
Employee Contributions	\$ 879,820	\$ -	\$ -	\$ 879,820
Employer Contributions	3,007,172	-	4,983,000	7,990,172
Plan Sponsor Contributions	-	2,777,628	-	2,777,628
Total Contributions	3,886,992	2,777,628	4,983,000	11,647,620
Investment Earnings				
Net Gain in Fair Value of Investments	6,599,230	3,182,289	13,467,072	23,248,591
Interest and Dividends	1,361,889	600,171	3,130,003	5,092,063
Total Investment Earnings	7,961,119	3,782,460	16,597,075	28,340,654
Less Investment Expense	(176,116)	(101,381)	(327,319)	(604,816)
Net Investment Income	7,785,003	3,681,079	16,269,756	27,735,838
Total Additions	11,671,995	6,458,707	21,252,756	39,383,458
DEDUCTIONS				
Administrative Expenses	53,532	27,043	14,400	94,975
Benefits	4,325,911	2,531,432	9,891,001	16,748,344
Total Deductions	4,379,443	2,558,475	9,905,401	16,843,319
Change in Net Position	7,292,552	3,900,232	11,347,355	22,540,139
NET POSITION				
Net Position Restricted for Pensions & OPEB- Beginning	74,206,782	34,809,294	156,114,917	265,130,993
Net Position Restricted for Pensions & OPEB- Ending	\$ 81,499,334	\$ 38,709,526	\$ 167,462,272	\$ 287,671,132

HARFORD COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2023

NOTE 5 – OTHER INFORMATION – CONTINUED

H. IMPLEMENTATION OF NEW ACCOUNTING PRINCIPLE

PRIMARY GOVERNMENT / COMPONENT UNITS

The County and the College has adopted GASB Statement No. 96 entitled *Subscription-Based Information Technology Arrangements*. This GASB Statement establishes a single model to account for subscription-based information technology arrangements (SBITAs) based on the foundational principle that SBITAs are financings of the right to use another party's IT software. A SBITA is defined as a contract that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. The required changes are reflected in the County's financial statements and notes to those statements. Adoption of the new standard resulted in the following additions to the opening balances in the statement of net position, which had no impact on net position.

PRIMARY GOVERNMENT

	<u>Governmental Activities</u>
Right to Use SBITA Assets	\$ 1,660,330
SBITA Agreements	1,660,330

COMPONENT UNITS

	<u>Harford Community College</u>
Right to Use SBITA Assets	\$ 1,081,388
SBITA Agreements	1,100,333

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
County's Portion of the Net Pension Liability	0.712%	0.754%	0.668%	0.641%	0.615%	0.554%	0.554%	0.555%	0.516%	0.490%
County's Proportionate Share of the Net Pension Liability	\$ 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	\$ 100,990,844
County's Covered Payroll	\$ 97,125,319	\$ 93,570,411	\$ 88,593,541	\$ 86,232,721	\$ 83,683,463	\$ 78,232,243	\$ 78,993,465	\$ 84,055,462	\$ 83,785,718	\$ N/A
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	146.75%	120.86%	170.54%	153.36%	154.12%	153.19%	165.46%	137.30%	109.33%	N/A
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	71.56%	76.57%	66.13%	67.79%	68.10%	66.50%	62.75%	66.00%	69.17%	64.58%

Notes to Schedule:

Benefit Changes: There were no benefit changes during the years 2014 through 2023

Changes in Assumptions:

Inflation assumption changed as follows:

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%
6/30/2014	2.90%

Investment return assumptions changed as follows:

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%
6/30/2014	7.65%

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

Schedule 2

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 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	\$ 12,028,358
Contributions in Relation to the Actuarially Determined Contribution	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	12,028,358
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
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
Contributions as a Percentage of Covered Payroll	17.45%	16.74%	17.75%	16.18%	15.27%	14.65%	14.42%	13.66%	13.93%	14.36%

Notes to Schedule:

Valuation Date:

Actuarially determined contribution amounts are calculated as of the end of the fiscal year (June 30) for the year immediately following the fiscal year. Actuarial valuations are performed every year.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization period	25 years closed schedule ending June 30, 2039; 16 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
(Information for FY2014 is not available)

Schedule 3

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 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	\$ 1,411,599
Interest	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	3,982,000
Changes of Benefit Terms	-	6,510,703	-	-	-	-	-	-	54,206	70,000
Differences Between Expected and Actual Experience	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	(4,325,911)	(3,770,340)	(3,634,145)	(3,360,042)	(3,304,800)	(3,114,982)	(3,130,152)	(2,923,123)	(2,824,515)	(2,576,248)
Net Change in Total Pension Liability	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	2,887,351
Total Pension Liability - Beginning	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	58,180,000
Total Pension Liability - Ending (a)	\$ 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
Plan Fiduciary Net Position										
Contributions - Employer	\$ 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	\$ 2,376,590
Contributions - Employee	879,820	806,654	624,192	608,411	572,139	543,245	504,456	499,165	485,297	451,766
Net Investment Income	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	7,088,964
Benefit Payments, Including Refunds of Employee Contributions	(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)	(2,576,248)
Administrative Expense	(53,532)	(63,687)	(51,848)	(47,609)	(55,298)	(47,326)	(49,292)	(47,558)	(49,460)	(53,240)
Net Change in Plan Fiduciary Net Position	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	7,287,832
Plan Fiduciary Net Position - Beginning	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	41,278,840
Plan Fiduciary Net Position - Ending (b)	\$ 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
County's Net Pension (Asset) Liability - Ending (a) - (b)	\$ 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	\$ 12,500,679
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.88%	79.74%	102.53%	82.55%	82.56%	82.59%	80.44%	74.79%	79.35%	79.53%
Covered Payroll	\$ 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	\$ 6,813,000
County's Net Pension Liability as a Percentage of Covered Payroll	204.07%	211.92%	-23.08%	164.02%	164.12%	162.00%	189.13%	234.10%	183.47%	183.48%
Expected Average Remaining Service Years of All Participants	5	5	5	5	5	5	6	6	5	6

Notes to Schedule:

Benefit Changes:

There were no changes in FY2023.

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

There were no changes in FY2016 to FY2021.

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

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

Change of Assumptions:

There were no changes in FY2023.

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

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

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

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

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

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

Schedule 5

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 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	\$ 2,376,590
Contributions in Relation to the Actuarially Determined Contribution	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	2,376,590
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 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	\$ 6,813,000
Contributions as a Percentage of Covered Payroll	31.85%	31.79%	29.87%	30.41%	31.34%	30.48%	33.12%	35.02%	34.66%	34.88%

Notes to Schedule:

Valuation Date:

Actuarially determined contribution amounts are calculated as of the beginning of the fiscal year (July 1) for the year immediately following the fiscal year. Actuarial valuations are performed every year.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Percentage of Payroll
Remaining Amortization period	20 years for gains and losses (closed), 30 years for prior plan and assumptions changes, 15 years for July 1, 2013 plan changes (closed)
Asset Valuation Method	5-year Smoothed 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 MP2020

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

Schedule 6

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Annual money-weighted rate of return, net of investment expense	10.52%	-11.91%	29.04%	4.24%	5.96%	9.19%	12.81%	-1.93%	4.64%	17.11%	12.34%

HARFORD COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LENGTH OF SERVICE AWARD PROGRAM FOR VOLUNTEER FIREMEN
Last 10 Fiscal Years

	Schedule 7									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	\$ 694,940	\$ 534,102	\$ 875,915	\$ 624,471	\$ 615,292	\$ 644,327	\$ 641,506	\$ 638,884	\$ 677,920	\$ 644,795
Interest	2,617,377	2,947,669	2,125,666	2,119,864	2,084,466	2,024,849	1,961,742	1,853,894	1,805,872	1,755,000
Changes of benefit terms	7,047,544	-	5,211,638	-	-	-	-	-	-	-
Differences between Expected and Actual Experience	(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	(2,531,432)	(2,205,644)	(2,144,817)	(1,843,634)	(1,799,894)	(1,745,944)	(1,701,351)	(1,659,153)	(1,594,505)	(1,510,673)
Net Change in Total Pension Liability	7,181,262	(4,555,569)	6,712,203	247,295	611,837	1,020,601	1,074,064	1,818,576	832,688	889,122
Total Pension Liability - Beginning	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	30,006,000
Total Pension Liability - Ending (a)	<u>\$ 45,838,079</u>	<u>\$ 38,656,817</u>	<u>\$ 43,212,386</u>	<u>\$ 36,500,183</u>	<u>\$ 36,252,888</u>	<u>\$ 35,641,051</u>	<u>\$ 34,620,450</u>	<u>\$ 33,546,386</u>	<u>\$ 31,727,810</u>	<u>\$ 30,895,122</u>
Plan Fiduciary Net Position										
Contributions - Plan Sponsor	\$ 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	\$ 1,934,886
Net Investment Income	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	2,818,129
Benefit Payments, Including Refunds of Member Contributions	(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)	(1,510,673)
Administrative Expense	(27,043)	(10,488)	(17,841)	(26,479)	(13,738)	(13,588)	(16,468)	(15,246)	(13,710)	(15,129)
Net Change in Plan Fiduciary Net Position	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	3,227,213
Plan Fiduciary Net Position - Beginning	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	19,815,049
Plan Fiduciary Net Position - Ending (b)	<u>\$ 38,709,526</u>	<u>\$ 34,809,294</u>	<u>\$ 40,074,837</u>	<u>\$ 32,529,348</u>	<u>\$ 30,951,437</u>	<u>\$ 28,946,179</u>	<u>\$ 26,796,906</u>	<u>\$ 24,211,507</u>	<u>\$ 24,305,004</u>	<u>\$ 23,042,262</u>
County's Net Pension Liability - Ending (a) - (b)	<u>\$ 7,128,553</u>	<u>\$ 3,847,523</u>	<u>\$ 3,137,549</u>	<u>\$ 3,970,835</u>	<u>\$ 5,301,451</u>	<u>\$ 6,694,872</u>	<u>\$ 7,823,544</u>	<u>\$ 9,334,879</u>	<u>\$ 7,422,806</u>	<u>\$ 7,852,860</u>
Plan Fiduciary Net Position as a Percentage of the Total										
Pension Liability	84.45%	90.05%	92.74%	89.12%	85.38%	81.22%	77.40%	72.17%	76.60%	74.58%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
County's Net Pension Liability as a Percentage of Covered										
Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Expected Average Remaining Service Years of All Participants	4	6	6	6	6	6	6	6	8	7

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 and FY2022.

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

Change of Assumptions:

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.

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

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

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

	Schedule 8									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 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	\$ 1,934,886
Contributions in Relation to the Actuarially Determined Contribution	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	1,934,886
Contribution (Excess) Deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (49,844)	\$ -
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	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	3.0 Percent
Salary Increases	Not Applicable
Investment Rate of Return	7.0 percent, Net of Pension Plan Investment Expense, Including Inflation
Retirement Age	Upon First Eligibility for Benefits
Mortality	Pub-2010 Safety Employees/Retirees/Survivors Headcount-Weighted Mortality with generational projection using scale MP2020.

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

Schedule 9

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Annual money-weighted rate of return, net of investment expense	10.31%	-11.83%	23.86%	4.81%	6.06%	7.50%	10.50%	-0.71%	4.18%	13.97%	10.00%

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

Schedule 10

	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability							
Service Cost	\$ 3,154,076	\$ 3,684,121	\$ 3,883,889	\$ 3,919,887	\$ 4,301,469	\$ 4,664,771	\$ 4,493,999
Interest	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)	15,324,353	(51,044,889)	(5,305,240)	(2,844,948)	(24,559,327)	29,312,522	-
Changes in Assumptions	(5,520,624)	-	-	1,012,350	3,403,456	-	-
Benefit Payments	(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	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	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)	\$ 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	\$ 4,983,000	\$ 11,798,000	\$ 11,893,000	\$ 11,752,000	\$ 13,639,000	\$ 12,333,000	\$ 9,931,000
Net Investment Income	16,269,756	(21,774,233)	38,855,304	5,920,806	6,666,841	10,018,063	11,411,408
Benefit Payments	(9,891,001)	(9,419,900)	(9,360,731)	(10,706,482)	(10,777,035)	(8,892,619)	(7,892,866)
Administrative Expense	(14,400)	(14,400)	(13,500)	(141,900)	(19,250)	(17,000)	(12,750)
Net Change in Plan Fiduciary Net Position	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	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)	\$ 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)	\$ 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	71.32%	73.47%	69.66%	54.56%	53.47%	47.38%	49.89%
Covered-Employee Payroll ¹	\$ 74,562,963	\$ 76,583,520	\$ 71,917,966	\$ 70,366,268	\$ 68,362,146	\$ 64,837,247	\$ 64,554,891
County's Net OPEB Liability as a Percentage of Covered Payroll¹	6.68%	15.41%	16.54%	16.70%	19.95%	19.02%	15.38%
Expected Average Remaining Service Years of All Participants	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 pf service to age 62 or 20 years of service.

There were no benefit changes FY2017 - FY2022

Change of Assumptions:

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Contribution	\$ 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	\$ 13,381,000
Contributions in Relation to the Actuarially Determined Contribution	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	13,381,000
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll ¹	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	69,467,666
Contributions as a Percentage of Covered-Employee Payroll ¹	6.68%	15.41%	16.54%	16.70%	19.95%	19.02%	15.38%	16.04%	21.36%	19.26%

Notes to Schedule:

Benefit Changes: None

Change of Assumptions:

In FY 2023, as of January 2021, Medicare-eligible retirees, are required to enroll in a Medicare Advantage Plan.

In FY 2022, the mortality assumption was updated to the latest SOA public sector experience study rates. The medical trend was updated. The trend was developed using the Society of Actuaries (SOA)

Long-Run Medical Cost Trend Model baseline assumptions. The prior valuation used the SOA model as updated in November 2016 and included the impact of the Cadillac Tax. The current valuation uses the model as updated in September 2019 and doesn't include the impact.

Methods and assumptions used to determine contribution rates:

Valuation Date	Actuarially determined contribution rates are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Projected Unit Credit
Amortization method	Level Percentage of Payroll, closed
Remaining amortization period	18
Asset valuation method	Fair Value of Assets
Investment rate of return	7.00%
Payroll growth rate	3.50%
Inflation	2.50%
Healthcare cost trend rate	The trend for 2022 is 6.00%. 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

	2023	2022	2021	2020	2019	2018	2017
Annual money-weighted rate of return, net of investment expense	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, 2023

Exhibit A-1

	Special Revenue		Debt Service	Total
	Parks and Recreation	Watershed Management	Beechtree TIF	Non-major Governmental Funds
ASSETS				
Equity in Pooled Cash and Investments	\$ 340,991	\$ 8,887,608	\$ 1,752,394	\$ 10,980,993
Cash and Investments	450	-	-	450
Taxes and Accounts Receivable (Net)	3,260	67,726	-	70,986
Deposit with Trustee	-	-	1,498,631	1,498,631
Restricted Assets - Investments	-	1,018,636	-	1,018,636
TOTAL ASSETS	\$ 344,701	\$ 9,973,970	\$ 3,251,025	\$ 13,569,696
LIABILITIES				
Accounts Payable	\$ 5,749	\$ 141,641	\$ -	\$ 147,390
Accrued Expenditures	3,273	10,694	-	13,967
Escrow Accounts	3,544	-	-	3,544
Total Liabilities	12,566	152,335	-	164,901
FUND BALANCES				
Restricted	332,135	9,821,635	3,251,025	13,404,795
Total Fund Balances	332,135	9,821,635	3,251,025	13,404,795
TOTAL LIABILITIES AND FUND BALANCES	\$ 344,701	\$ 9,973,970	\$ 3,251,025	\$ 13,569,696

HARFORD COUNTY, MARYLAND
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-major Governmental Funds
For the Year Ended June 30, 2023

Exhibit A-2

	<u>Special Revenue</u>		<u>Debt Service</u>	<u>Total</u>
	<u>Parks and Recreation</u>	<u>Watershed Management</u>	<u>Beechtree TIF</u>	<u>Non-major Governmental Funds</u>
REVENUES				
Taxes	\$ -	\$ 2,987,424	\$ 2,243,552	\$ 5,230,976
Investment Income	9,286	327,817	92,662	429,765
Charges for Current Services	818,757	-	-	818,757
Total Revenues	<u>828,043</u>	<u>3,315,241</u>	<u>2,336,214</u>	<u>6,479,498</u>
EXPENDITURES				
Current:				
Parks, Recreation and Natural Resources	619,090	-	-	619,090
Public Works	-	2,909,690	-	2,909,690
Debt Service:				
Principal	-	932,774	405,000	1,337,774
Interest	-	590,867	432,075	1,022,942
Administrative Costs	-	23,667	30,100	53,767
Total Expenditures	<u>619,090</u>	<u>4,456,998</u>	<u>867,175</u>	<u>5,943,263</u>
Excess (Deficiency) of Revenues over Expenditures	<u>208,953</u>	<u>(1,141,757)</u>	<u>1,469,039</u>	<u>536,235</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	-	(850,000)	(1,032,000)	(1,882,000)
Premium on Issuance of Bonds	-	494,730	-	494,730
Total Other Financing Sources (Uses)	<u>-</u>	<u>(355,270)</u>	<u>(1,032,000)</u>	<u>(1,387,270)</u>
Net Change in Fund Balances	208,953	(1,497,027)	437,039	(851,035)
Fund Balances - Beginning	123,182	11,318,662	2,813,986	14,255,830
Fund Balances - Ending	<u>\$ 332,135</u>	<u>\$ 9,821,635</u>	<u>\$ 3,251,025</u>	<u>\$ 13,404,795</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, 2023

Exhibit B-1

	<u>Bar Library</u>	<u>BVL Cooperating Parties Group</u>	<u>OT Cooperating Parties Group</u>	<u>Total</u>
ASSETS				
Equity in Pooled Cash and Investments	\$ 358,943	\$ 1,625,245	\$ 672,150	\$ 2,656,338
Cash Equivalents	-	566,777	-	566,777
Total Assets	<u>358,943</u>	<u>2,192,022</u>	<u>672,150</u>	<u>3,223,115</u>
LIABILITIES				
Accounts Payable	<u>11,508</u>	<u>4,465</u>	<u>170,306</u>	<u>186,279</u>
Total Liabilities	<u>11,508</u>	<u>4,465</u>	<u>170,306</u>	<u>186,279</u>
NET POSITION				
Restricted for Individuals, Organizations, and Other Governments	\$ <u>347,435</u>	\$ <u>2,187,557</u>	\$ <u>501,844</u>	\$ <u>3,036,836</u>

HARFORD COUNTY, MARYLAND
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2023

Exhibit B-2

	<u>Bar Library</u>	<u>BVL Cooperating Parties Group</u>	<u>OT Cooperating Parties Group</u>	<u>Total</u>
ADDITIONS				
Member Contributions	\$ 48,794	\$ -	\$ -	\$ 48,794
Interest and Dividends	13,296	99,171	-	112,467
Total Additions	<u>62,090</u>	<u>99,171</u>	<u>-</u>	<u>161,261</u>
DEDUCTIONS				
Payments to Participants or Beneficiaries	100,423	36,936	292,029	429,388
Total Deductions	<u>100,423</u>	<u>36,936</u>	<u>292,029</u>	<u>429,388</u>
Net Increase (Decrease) in Fiduciary Net Position	(38,333)	62,235	(292,029)	(268,127)
Net Position - Beginning	385,768	2,125,322	793,873	3,304,963
Net Position - Ending	\$ <u><u>347,435</u></u>	\$ <u><u>2,187,557</u></u>	\$ <u><u>501,844</u></u>	\$ <u><u>3,036,836</u></u>

HARFORD COUNTY, MARYLAND
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2023

Exhibit B-3

	<u>Healthcare Consortium</u>	<u>Seizure of Assets</u>	<u>Total</u>
ASSETS			
Equity in Pooled Cash	\$ -	\$ 873,612	\$ 873,612
Cash Equivalents	23,262,297	-	23,262,297
Total Assets	<u>23,262,297</u>	<u>873,612</u>	<u>24,135,909</u>
NET POSITION			
Net Position Restricted for Individuals, Organizations, and Governments	\$ <u>23,262,297</u>	\$ <u>873,612</u>	\$ <u>24,135,909</u>

HARFORD COUNTY, MARYLAND
Combining Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2023

Exhibit B-4

	Healthcare Consortium		Seizure of Assets		Total
ADDITIONS					
Grant, Contributions or Seizures	\$ 6,570,358	\$	359,811	\$	6,930,169
Interest and Dividends	1,003,949		34,888		1,038,837
Total Additions	<u>7,574,307</u>		<u>394,699</u>		<u>7,969,006</u>
DEDUCTIONS					
Payments to Participants or Beneficiaries	<u>10,000,000</u>		<u>453,874</u>		<u>10,453,874</u>
Total Deductions	<u>10,000,000</u>		<u>453,874</u>		<u>10,453,874</u>
Net Increase (Decrease) in Fiduciary Net Position	(2,425,693)		(59,175)		(2,484,868)
Net Position - Beginning	25,687,990		932,787		26,620,777
Net Position - Ending	<u>\$ 23,262,297</u>	\$	<u>873,612</u>	\$	<u>24,135,909</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, 2023

Exhibit C-1

REVENUES	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Taxes				
Admissions and Amusement Tax	\$ 250,000	\$ 250,000	\$ 477,834	\$ 227,834
Business Personal Property/Current Year	375,000	375,000	215,262	(159,738)
Business Personal Property/Prior Years	-	-	(5,884)	(5,884)
Corporate Property/Current Year	16,000,000	16,000,000	16,518,720	518,720
Corporate Property/Prior Years	-	-	(162,916)	(162,916)
Delinquent Tax Costs	75,000	75,000	59,168	(15,832)
Heavy Equipment Receipts Tax - Corporate	225,000	225,000	241,990	16,990
Hotel Occupancy Tax	2,100,000	2,100,000	2,743,554	643,554
Impact Fees	3,500,000	3,500,000	1,779,600	(1,720,400)
Income Taxes	299,775,000	299,775,000	314,280,980	14,505,980
Interest on Delinquent Taxes	800,000	800,000	685,719	(114,281)
Mobile Home Excise Tax	210,000	210,000	212,660	2,660
Payment in Lieu of Taxes	560,000	560,000	457,602	(102,398)
Penalty	975,000	975,000	793,964	(181,036)
Railroad and Public Utilities/Current Year	15,700,000	15,700,000	17,996,834	2,296,834
Real Property - Full Year Levy/Current Year	255,100,000	255,100,000	255,922,668	822,668
Real Property - Full Year Levy/Prior Years	-	-	570	570
Real Property - Half Year Levy/Current Year	755,000	755,000	694,139	(60,861)
Real Property - Half Year Levy/Prior Years	-	-	(2,179)	(2,179)
911 Program Fee	2,700,000	2,700,000	2,887,154	187,154
	<u>599,100,000</u>	<u>599,100,000</u>	<u>615,797,439</u>	<u>16,697,439</u>
Less: Tax Credits and Uncollectibles				
Ag. Preservation Incentive/Easements	(1,400,000)	(1,400,000)	(1,481,643)	(81,643)
Community Association Credit	(5,300)	(5,300)	(5,122)	178
Conservation Land Tax Credit	(1,700)	(1,700)	(1,290)	410
Discounts Allowed on Taxes	-	-	145	145
Enterprise Zone Tax Credit	(1,460,000)	(1,460,000)	(1,379,041)	80,959
Habitat For Humanity Tax Credit	(5,000)	(5,000)	(2,413)	2,587
Historical Tax Credit	(4,500)	(4,500)	(5,183)	(683)
Homeowner's Tax Credit - County	(260,000)	(260,000)	(253,553)	6,447
Homestead Tax Credit - County	(300,000)	(300,000)	(331,346)	(31,346)
Landfill Proximity Credit	(60,000)	(60,000)	(59,116)	884
Senior/Retired Military Tax Credit	(1,580,000)	(1,580,000)	(1,508,439)	71,561
Solar/Geothermal Energy Tax Credit	(410,000)	(410,000)	(372,715)	37,285
Uncollectible Property Taxes	100,000	100,000	47,447	(52,553)
	<u>(5,386,500)</u>	<u>(5,386,500)</u>	<u>(5,352,269)</u>	<u>34,231</u>
Total Taxes	<u>593,713,500</u>	<u>593,713,500</u>	<u>610,445,170</u>	<u>16,731,670</u>

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2023
(continued)

Exhibit C-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
Revenues from Other Agencies				
DNR Parks PILOT	80,000	80,000	93,976	13,976
Jury Compensation	100,000	100,000	229,305	129,305
Medicare D Subsidy	315,000	315,000	222,722	(92,278)
Police Protection	2,105,000	2,105,000	2,682,117	577,117
State 911 Fee	-	-	138,288	138,288
Total Revenues from Other Agencies	2,600,000	2,600,000	3,366,408	766,408
Investment Income	2,500,000	2,500,000	6,705,928	4,205,928
Charges for Current Services				
Abandoned Buildings	1,000	1,000	8,308	7,308
Administrative Fee - Cobra Insurance	600	600	-	(600)
Auto Commute - County Employees	4,500	4,500	1,666	(2,834)
Bad Check Fee	5,500	5,500	4,825	(675)
Board of Prisoners	100,000	100,000	201,054	101,054
Building Plan Review	-	-	240	240
Building Reinspection Fee	2,500	2,500	2,550	50
Child Custody	3,000	3,000	415	(2,585)
Commissions	170,000	170,000	195,639	25,639
Community Work Service	7,500	7,500	8,855	1,355
Concept Plans	9,500	9,500	1,456	(8,044)
County Recreation Programs	40,000	40,000	106,612	66,612
Detention Center Commissary	420,000	420,000	570,486	150,486
Electrical Reinspection Fees	2,500	2,500	3,150	650
EMS-Ambulance Fees	1,000,000	1,000,000	1,411,641	411,641
Extension Preliminary Plan Approval	100	100	125	25
False Burglar Alarm Service Charges	40,000	40,000	80,102	40,102
False Fire Alarm Service Charges	9,000	9,000	298	(8,702)
Final Plats	17,000	17,000	22,250	5,250
Flying Point and Mariner Park Revenue	35,000	35,000	35,369	369
Food Service Licenses	80,000	80,000	120,875	40,875
Forest Conservation Plan Review	5,000	5,000	4,604	(396)
Forest Stand Delineation Review	3,500	3,500	6,862	3,362
Ground Floor Fees	2,000	2,000	300	(1,700)
Harford TV	2,000	2,000	340	(1,660)
Hazardous Material Spill Cleanup	9,500	9,500	1,844	(7,656)
Household Waste - Private Vehicle Charge	670,000	670,000	580,381	(89,619)
ICT/HMAN Maintenance Fee	-	-	14,926	14,926
Inmate Fees for Medical Services	1,000	1,000	5,434	4,434

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2023
(continued)

Exhibit C-1

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Charges for Current Services (continued)				
Inspections	6,000	6,000	9,355	3,355
Mechanical Investigation Fees	500	500	500	-
Mechanical Reinspection Fee	500	500	300	(200)
Miscellaneous Revenue - Sheriff's Office	10,000	10,000	95,844	85,844
Noxious Weed	15,000	15,000	25,477	10,477
Overtime Reimbursements - Sheriff	310,000	310,000	629,136	319,136
Percolation Tests	25,000	25,000	26,500	1,500
Plumbing Reinspection Fees	500	500	750	250
Police Reports	22,000	22,000	30,879	8,879
Public Swimming Pool & Spa Permit	15,000	15,000	30,200	15,200
Publications	100	100	34	(66)
Publication/Ad Charges	25,000	25,000	28,515	3,515
Recycled Batteries	6,000	6,000	3,310	(2,690)
Recycled Scrap Metal	150,000	150,000	133,306	(16,694)
Recycling Revenue - Misc.	3,000	3,000	1,511	(1,489)
Reproduction	2,500	2,500	1,642	(858)
Sale of Compost - Scarboro	40,000	40,000	28,146	(11,854)
Sale of Mulch - Scarboro	80,000	80,000	77,434	(2,566)
Sale of Rock	-	-	8,400	8,400
Sanitation Construction Permit Fee	12,000	12,000	9,408	(2,592)
Sanitation Permits	10,000	10,000	8,650	(1,350)
Senior Center Fees	285,000	285,000	290,670	5,670
Sheriff's Fees	200,000	200,000	258,572	58,572
Sheriff's Licenses	4,000	4,000	10,080	6,080
Site Plans	15,000	15,000	15,988	988
Social Security Payments - Inmates	10,000	10,000	14,800	4,800
Subdivision Plans	20,000	20,000	16,492	(3,508)
Subdivision Plat Review	7,000	7,000	7,400	400
Tax Lien Certification	270,000	270,000	187,075	(82,925)
Tax Lien Filing Fees	200	200	950	750
Tax Sale Auctioneer Fees	4,000	4,000	2,410	(1,590)
Technical Review	83,000	83,000	26,105	(56,895)
Telephone Service	11,000	11,000	9,626	(1,374)
Tipping Fee Landfill	11,500,000	11,500,000	12,366,679	866,679
Tire Disposal Fees	700	700	577	(123)
Training Academy - Sheriff's Office	40,000	40,000	16,585	(23,415)
Weekend Prisoner Revenue	30,000	30,000	82,676	52,676
Well Sampling	20,000	20,000	17,170	(2,830)
Work Release Revenue	15,000	15,000	27	(14,973)

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2023
(continued)

Exhibit C-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
Charges for Current Services (continued)				
Zoning Appeals	40,000	40,000	31,351	(8,649)
Zoning Certificates	3,500	3,500	3,820	320
Zoning Reclass Fee	3,500	3,500	1,199	(2,301)
Total Charges for Current Services	15,935,700	15,935,700	17,900,156	1,964,456
Miscellaneous				
Edgewood Community Center	15,000	15,000	15,201	201
Grant Unemployment	55,000	55,000	57,930	2,930
Interest on Miscellaneous Invoices	1,000	1,000	191	(809)
Lease Income	-	-	28,001	28,001
Lease Interest	-	-	3,995	3,995
Miscellaneous Revenue	385,700	385,700	228,279	(157,421)
Over and Short	1,000	1,000	(782)	(1,782)
Pcard Rebate	-	-	61,481	61,481
Postage	190,000	190,000	103,102	(86,898)
Pro Rata Charges - Highways	3,549,819	3,549,819	3,549,819	-
Pro Rata Charges - Parks and Recreation	66,909	66,909	66,909	-
Pro Rata Charges - Watershed Management	113,112	113,112	113,112	-
Pro Rata Charges - Water and Sewer	3,880,503	3,880,503	3,880,503	-
Pro Rata Charges - Self Insurance	309,000	309,000	309,000	-
Recovery from Capital Projects	25,000	25,000	292	(24,708)
Reimbursement of AG Credits	1,458,000	1,458,000	1,481,643	23,643
Rental Income	280,000	280,000	510,317	230,317
Sale of Equipment	40,000	40,000	105,020	65,020
Sale of Vehicles	100,000	100,000	446,447	346,447
Total Miscellaneous	10,470,043	10,470,043	10,960,460	490,417
Licenses and Permits				
Auctioneers Licenses	8,000	8,000	6,150	(1,850)
Building Inspection Services	145,000	145,000	115,381	(29,619)
Building Penalty	500	500	6,300	5,800
Building Permits	490,000	490,000	425,971	(64,029)
Cable TV	2,400,000	2,400,000	2,203,270	(196,730)
Dog Licenses	20,000	20,000	18,158	(1,842)
Electrical Board of Examiners	98,000	98,000	79,945	(18,055)
Electrical Penalty	500	500	-	(500)
Electrical Permits	450,000	450,000	477,726	27,726
Forest Harvest Permit	2,000	2,000	2,425	425
Kennel Licenses	1,000	1,000	1,350	350

(continued)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2023
(continued)

Exhibit C-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
Licenses and Permits (continued)				
Marriage Licenses	7,500	7,500	7,750	250
Marriage Licenses/Spouse Abuse	51,000	51,000	52,390	1,390
Massage Establishment Licenses	200	200	100	(100)
Mechanical Licenses	10,000	10,000	8,205	(1,795)
Mechanical Permits	270,000	270,000	275,039	5,039
Mobile Home Park Licenses	12,000	12,000	11,640	(360)
Pawnbrokers Licenses	700	700	500	(200)
Pet Shop/Grooming Licenses	900	900	1,150	250
Plumbing Licenses	45,000	45,000	21,685	(23,315)
Plumbing Permits	355,000	355,000	304,724	(50,276)
Plumbing Penalty	300	300	-	(300)
Refuse Licenses	15,000	15,000	13,550	(1,450)
Solicitors Licenses	1,000	1,000	796	(204)
Taxi Cab Licenses	2,000	2,000	1,025	(975)
Towing Licenses	4,500	4,500	4,700	200
Traders Licenses	240,000	240,000	232,986	(7,014)
Total Licenses and Permits	4,630,100	4,630,100	4,272,916	(357,184)
Fines and Forfeitures				
Court Fines	10,000	10,000	32,808	22,808
Dog License Fines	3,000	3,000	1,940	(1,060)
Parking Fines	10,000	10,000	12,220	2,220
Parking Fines - County Lots	10,000	10,000	10,260	260
Total Fines and Forfeitures	33,000	33,000	57,228	24,228
OTHER FINANCING SOURCES (USES)				
Appropriated Fund Balance	89,887,657	98,987,657	43,122,869	(55,864,788)
Operating Transfers In:				
Beechtree TIF Debt Service Fund	1,100,000	1,100,000	894,847	(205,153)
Capital Project	31,700,000	31,700,000	28,462,365	(3,237,635)
Grants	-	-	753,982	753,982
Total Operating Transfers In	32,800,000	32,800,000	30,111,194	(2,688,806)
Premium on Issuance of Bonds	-	-	4,937,249	4,937,249
Total Other Financing Sources (Uses)	122,687,657	131,787,657	78,171,312	(53,616,345)
Total Revenues and Other Financing Sources (Uses)	\$ 752,570,000	\$ 761,670,000	\$ 731,879,578	\$ (29,790,422)

HARFORD COUNTY, MARYLAND
General Fund
Schedule of Expenditures, Encumbrances and Other Financing Sources (Uses)
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2023

Exhibit C-2

EXPENDITURES	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Current:				
County Council				
Board of Appeals & Rezoning	\$ 241,009	\$ 241,009	\$ 189,047	\$ 51,962
County Council Office	2,129,045	2,146,045	1,764,591	381,454
HarfordTV	992,802	992,802	921,451	71,351
Office of County Attorney	407,319	390,319	258,902	131,417
Office of County Auditor	607,000	607,000	591,811	15,189
Total County Council	4,377,175	4,377,175	3,725,802	651,373
General Government				
Office of the County Executive	953,309	953,309	732,766	220,543
Director of Administration				
Budget & Management Research	957,915	957,915	896,154	61,761
Central Services	712,086	687,086	546,576	140,510
Citizen Affairs & Agricultural Services	649,958	638,193	482,846	155,347
Director of Administration	694,113	744,113	592,667	151,446
Facilities & Operations	6,499,449	6,474,599	5,965,322	509,277
Property Management	1,512,201	1,512,051	1,167,857	344,194
Department of Procurement				
Procurement Operations	1,179,861	1,179,861	1,095,780	84,081
Department of the Treasury				
Bureau of Accounting	2,175,416	2,140,416	1,934,505	205,911
Bureau of Revenue Collections	1,562,591	1,562,591	1,299,898	262,693
Office of the Treasurer	865,199	900,199	763,425	136,774
Department of Law				
Department of Law	2,435,991	2,435,991	1,750,508	685,483
Law Enforcement Administrative Boards	200,000	200,000	6,987	193,013
Risk Management	259,231	259,231	193,352	65,879
Department of Planning & Zoning				
Comprehensive Planning and Special Projects	1,636,556	1,671,556	1,638,370	33,186
Current Planning	2,437,371	2,402,371	1,813,722	588,649
Director of Planning & Zoning	826,314	826,314	640,583	185,731
Department of Personnel				
Human Resources	1,284,279	1,284,279	1,188,128	96,151
Personnel Matters	1,827,007	3,927,007	3,318,389	608,618
Office of Government & Community Relations	869,529	881,294	856,411	24,883
Office of Information and Communication Technology				
Information and Communication Technology	12,977,811	12,977,811	10,605,559	2,372,252
Broadband	650,000	650,000	404,476	245,524
Elections				
Board of Elections	1,434,553	1,604,085	1,552,669	51,416
Election Expense	1,994,522	1,824,990	1,638,529	186,461
Economic Development				
Office of Economic Development	2,155,972	2,155,972	1,740,452	415,520
Tourism & Marketing	4,880,000	4,880,000	4,782,420	97,580

(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, 2023
(continued)

Exhibit C-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
General Government (continued)				
Benefits	3,373,634	3,373,634	3,196,167	177,467
Insurance	779,184	779,184	779,184	-
Miscellaneous				
Appropriations to Towns	3,720,144	3,720,144	3,720,144	-
Appropriations to State	1,170,000	1,170,000	957,834	212,166
Contingency Reserve	100,000	100,000	-	100,000
Humane Society	1,175,000	1,175,000	1,175,000	-
Total General Government	63,949,196	66,049,196	57,436,680	8,612,516
Education-Primary thru Comm. College				
Harford County Public Schools	324,237,657	324,237,657	324,237,657	-
Harford Community College	19,881,806	19,881,806	19,881,806	-
Total Education-Primary thru Community College	344,119,463	344,119,463	344,119,463	-
Harford Center	682,212	682,212	675,745	6,467
Judicial				
Circuit Court	2,557,675	2,557,841	2,333,139	224,702
Community Work Service	482,160	482,160	419,756	62,404
Family Court Services Division	815,709	815,709	647,235	168,474
Grand Jury	14,000	16,800	16,800	-
Jury Commissioner	453,209	453,209	357,733	95,476
Jury Services	278,000	275,034	224,346	50,688
Magistrates	289,141	289,141	270,290	18,851
State's Attorney	9,120,719	9,120,719	8,140,122	980,597
Total Judicial	14,010,613	14,010,613	12,409,421	1,601,192
Libraries	20,886,654	20,886,654	20,886,654	-
Parks, Recreation and Natural Resources				
Department of Parks and Recreation				
Parks and Facilities	7,316,128	7,316,128	5,984,045	1,332,083
Parks & Recreation Administration	1,406,240	1,406,240	1,087,963	318,277
Recreational Services	4,050,938	4,050,938	3,336,420	714,518
Conservation of Natural Resources				
Extension Service	298,826	298,826	296,177	2,649
Soil Conservation	687,786	687,786	585,490	102,296
Total Parks, Recreation and Natural Resources	13,759,918	13,759,918	11,290,095	2,469,823
Public Safety				
Sheriff's Office				
Administration	9,366,341	9,355,941	8,768,139	587,802
Correctional Services	32,786,653	32,078,741	30,105,723	1,973,018
Court Services	9,780,722	9,802,722	9,020,360	782,362

(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, 2023
(continued)

Exhibit C-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
Public Safety (continued)				
Criminal Investigation	14,014,071	13,849,440	12,910,761	938,679
Inmate Welfare Fund	989,856	990,156	837,672	152,484
Patrol Operations	43,301,785	44,148,428	42,939,894	1,208,534
School Safety	3,795,842	3,809,842	3,722,517	87,325
Department of Inspections, Licenses and Permits				
Building Services	1,385,860	1,377,340	1,156,137	221,203
Director of DILP	1,019,704	1,028,224	947,298	80,926
Electrical Services	919,868	920,018	803,244	116,774
Plumbing Services	882,468	882,318	835,148	47,170
Emergency Services				
Administration	2,115,616	2,205,616	2,049,868	155,748
Emergency Medical Services	11,931,598	18,931,598	18,075,196	856,402
HAZMAT Response Team	930,244	910,244	719,936	190,308
Natural Disasters	100,000	100,000	-	100,000
Special Operations & Technical Services & Support	3,094,739	3,094,739	2,996,560	98,179
Volunteer Fire Companies	8,911,423	8,911,423	8,662,423	249,000
911 Emergency Communications	9,314,082	9,244,082	8,434,346	809,736
Total Public Safety	154,640,872	161,640,872	152,985,222	8,655,650
Public Works				
Department of Public Works				
Bureau of Environmental Affairs	212,083	212,083	206,979	5,104
Bureau of Solid Waste Management	7,165,010	7,423,010	6,596,588	826,422
Capital Projects Management	1,336,397	1,336,397	1,097,677	238,720
Closed Landfills - Post Closure Costs	261,602	261,602	254,557	7,045
Stormwater Management	1,749,336	1,749,336	1,164,708	584,628
Transfer Station	15,500,000	15,242,000	14,366,757	875,243
Total Public Works	26,224,428	26,224,428	23,687,266	2,537,162
Social Services				
Department of Community Services				
Director - Community Services	2,844,084	2,844,084	2,619,363	224,721
Office of Drug Control	1,503,800	1,503,800	1,299,226	204,574
Office on Aging	2,677,595	2,677,595	1,825,453	852,142
ARC Northern Chesapeake Region	2,175,580	2,175,580	2,171,650	3,930
Housing Agency Services	1,623,390	1,623,390	1,047,459	575,931
Health Department	4,018,168	4,018,168	3,964,837	53,331
Total Social Services	14,842,617	14,842,617	12,927,988	1,914,629
Debt Service				
Principal	43,469,210	43,609,210	43,472,029	137,181
Interest	17,507,642	17,367,642	17,251,745	115,897
Administration Costs	640,000	640,000	256,011	383,989
Total Debt Service	61,616,852	61,616,852	60,979,785	637,067

(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, 2023
(continued)

Exhibit C-2

	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
OTHER FINANCING SOURCES (USES)				
Operating Transfers Out:				
Grants	5,150,000	5,150,000	2,495,457	2,654,543
Capital Project	28,310,000	28,310,000	28,260,000	50,000
Total Operating Transfers Out	33,460,000	33,460,000	30,755,457	2,704,543
Total Other Financing Sources (Uses)	33,460,000	33,460,000	30,755,457	2,704,543
 Total Expenditures and Other Financing Sources (Uses)	 \$ 752,570,000	 \$ 761,670,000	 \$ 731,879,578	 \$ 29,790,422

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, 2023

Exhibit D-1

REVENUES	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Taxes				
Business Personal Property/Current Year	\$ 49,000	\$ 49,000	\$ 29,861	\$ (19,139)
Business Personal Property/Prior Years	-	-	(915)	(915)
Corporate Property/Current Year	2,390,000	2,390,000	2,160,477	(229,523)
Corporate Property/Prior Years	-	-	(23,902)	(23,902)
Interest on Delinquent Taxes	155,000	155,000	110,712	(44,288)
Payment in Lieu of Taxes	265,000	265,000	371,161	106,161
Penalty	160,000	160,000	128,811	(31,189)
Railroad and Public Utilities/Current Year	2,500,000	2,500,000	2,598,051	98,051
Real Property-Full Year Levy/Current Year	35,000,000	35,000,000	35,106,765	106,765
Real Property-Full Year Levy/Prior Years	-	-	95	95
Real Property-Half Year Levy/Current Year	100,000	100,000	95,821	(4,179)
	40,619,000	40,619,000	40,576,937	(42,063)
Less: Tax Credits and Uncollectibles				
AG Preservation Tax Credit	(235,000)	(235,000)	(234,413)	587
Community Association Credit	(700)	(700)	(644)	56
Conservation Land Tax Credit	(300)	(300)	(210)	90
Discounts Allowed on Taxes	500	500	24	(476)
Enterprise Zone Tax Credits	(205,000)	(205,000)	(185,140)	19,860
Habitat For Humanity Credit	(700)	(700)	-	700
Historical Tax Credit	(500)	(500)	(842)	(342)
Homeowner's Tax Credit - County	(30,000)	(30,000)	(27,309)	2,691
Homestead Tax Credit - County	(40,000)	(40,000)	(53,940)	(13,940)
Landfill Proximity Credit	(9,500)	(9,500)	(10,073)	(573)
Senior/Retired Military Credit	(245,000)	(245,000)	(231,344)	13,656
Solar/Geothermal Energy Tax Credit	(63,000)	(63,000)	(48,854)	14,146
Uncollectible Property Taxes	10,000	10,000	6,655	(3,345)
	(819,200)	(819,200)	(786,090)	33,110
Total Taxes	39,799,800	39,799,800	39,790,847	(8,953)
Revenues from Other Agencies				
DNR Parks Pilot	12,000	12,000	12,912	912
Highways Users Tax	3,000,000	3,000,000	3,598,063	598,063
Total Revenues from Other Agencies	3,012,000	3,012,000	3,610,975	598,975
Investment Income	20,000	20,000	932,381	912,381
Charges for Current Services				
Auto Maintenance - Contract	55,000	55,000	76,235	21,235
Auto Maintenance - Non-Contract	15,000	15,000	345,929	330,929
Fuel Charges - County	450,000	450,000	1,516,436	1,066,436
Inspections	150,000	150,000	191,024	41,024
Recycled Scrap Metal	3,300	3,300	9,223	5,923

(continued)

HARFORD COUNTY, MARYLAND
Highways Fund
Schedule of Revenues and Other Financing Sources
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2023
(continued)

Exhibit D-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
Charges for Current Services (continued)				
Road Access Permit Fees	20,000	20,000	16,765	(3,235)
Signs and Linestriping	55,000	55,000	45,901	(9,099)
Technical Review	27,000	27,000	46,246	19,246
Utility Permit Fees	55,000	55,000	28,050	(26,950)
Total Charges for Current Services	830,300	830,300	2,275,809	1,445,509
Miscellaneous				
Director of DPW - Environmental Affairs	15,454	15,454	15,454	-
Director of DPW - Watershed	6,128	6,128	6,128	-
Director of DPW - Water and Sewer	218,743	218,743	218,743	-
Fleet Lease Revenue	1,000	1,000	2,157	1,157
Fuel Charges	2,000,000	2,000,000	3,363,534	1,363,534
Interest on Miscellaneous Invoices	600	600	492	(108)
Miscellaneous Revenue	194,200	194,200	34,664	(159,536)
Over and Short	100	100	8	(92)
Pcard Rebate	-	-	10,567	10,567
Recovery from Capital Projects	1,100,000	1,100,000	1,016,437	(83,563)
Reimbursement from Other Departments	58,000	58,000	29,851	(28,149)
Reimbursement of AG Credit	242,000	242,000	234,413	(7,587)
Sale of Property - Equipment	-	-	12,000	12,000
Sale of Property - Vehicles	405,000	405,000	18,630	(386,370)
Vehicle Maintenance - Contract	2,905,000	2,905,000	3,666,386	761,386
Vehicle Maintenance - Non Contract	1,025,000	1,025,000	1,587,587	562,587
Total Miscellaneous	8,171,225	8,171,225	10,217,051	2,045,826
Fines and Forfeitures				
Vegetation Violations	11,000	11,000	15,437	4,437
Total Fines and Forfeitures	11,000	11,000	15,437	4,437
OTHER FINANCING SOURCES (USES)				
Appropriated Fund Balance	10,370,675	10,470,675	-	(10,470,675)
Operating Transfers In:				
Beechtree TIF Debt Service Fund	185,000	185,000	137,153	(47,847)
Total Operating Transfers In	185,000	185,000	137,153	(47,847)
Premium on Issuance of Bonds	-	-	397,066	397,066
Total Other Financing Sources (Uses)	10,555,675	10,655,675	534,219	(10,121,456)
Total Revenues and Other Financing Sources (Uses)	\$ 62,400,000	\$ 62,500,000	\$ 57,376,719	\$ (5,123,281)

HARFORD COUNTY, MARYLAND
Highways Fund
Schedule of Expenditures, Encumbrances and Other Financing Sources (Uses)
Budgetary (Non-GAAP) Basis
For The Year Ended June 30, 2023

Exhibit D-2

EXPENDITURES	BUDGETED AMOUNTS		ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
Current:				
Public Works				
Benefits	\$ 88,134	\$ 88,134	\$ 53,196	\$ 34,938
Bureau of Construction Management	2,896,268	2,896,268	2,039,206	857,062
Bureau of Highways Engineering	3,053,096	3,053,096	2,470,783	582,313
Bureau of Highways Maintenance	28,041,466	28,772,124	26,599,867	2,172,257
Contingency	200,000	200,000	-	200,000
Director of Public Works	396,269	396,269	330,208	66,061
Fleet Management	10,774,282	10,794,282	10,782,294	11,988
Personnel Matters	511,246	611,246	450,438	160,808
Snow Removal	2,786,298	2,035,640	457,830	1,577,810
Insurance	399,047	399,047	399,047	-
Total Public Works	49,146,106	49,246,106	43,582,869	5,663,237
Debt Service				
Principal	1,634,296	1,634,296	1,625,686	8,610
Interest	988,598	988,598	959,697	28,901
Administrative Costs	30,000	30,000	19,349	10,651
Total Debt Service	2,652,894	2,652,894	2,604,732	48,162
Total Expenditures	51,799,000	51,899,000	46,187,601	5,711,399
OTHER FINANCING SOURCES (USES)				
Transfers Out - Capital Projects	10,601,000	10,601,000	10,601,000	-
Total Other Financing Sources (Uses)	10,601,000	10,601,000	10,601,000	-
Total Expenditures and Other Financing Sources (Uses)	\$ 62,400,000	\$ 62,500,000	\$ 56,788,601	\$ 5,711,399

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, 2023

Exhibit D-3

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
REVENUES				
Investment Income	\$ 100	\$ 100	\$ 9,286	\$ 9,186
Charges for Current Services	837,300	837,300	818,757	(18,543)
Miscellaneous	600	600	-	(600)
Total Revenue	<u>838,000</u>	<u>838,000</u>	<u>828,043</u>	<u>(9,957)</u>
 EXPENDITURES				
Current:				
Parks, Recreation and Natural Resources	<u>838,000</u>	<u>838,000</u>	<u>628,036</u>	<u>209,964</u>
Total Expenditures	<u>838,000</u>	<u>838,000</u>	<u>628,036</u>	<u>209,964</u>
 Excess (Deficiency) of Revenues Over Expenditures	<u>-</u>	<u>-</u>	<u>200,007</u>	<u>200,007</u>
 Net Change in Fund Balance	\$ <u>-</u>	\$ <u>-</u>	200,007	\$ <u>200,007</u>
 Fund Balance - Beginning			<u>135,401</u>	
 Fund Balance - Ending			\$ <u>335,408</u>	

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, 2023

Exhibit D-4

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
REVENUES				
Taxes	\$ 3,300,000	\$ 3,300,000	\$ 2,987,424	\$ (312,576)
Investment Income	50,000	50,000	327,817	277,817
Total Revenues	3,350,000	3,350,000	3,315,241	(34,759)
EXPENDITURES				
Current:				
Public Works	2,332,192	3,332,192	2,924,527	407,665
Debt Service	1,567,808	1,567,808	1,547,308	20,500
Total Expenditures	3,900,000	4,900,000	4,471,835	428,165
Excess (Deficiency) of Revenues Over Expenditures	(550,000)	(1,550,000)	(1,156,594)	393,406
OTHER FINANCING SOURCES (USES)				
Appropriated Fund Balance	2,400,000	2,400,000	1,511,864	(888,136)
Transfers Out	(1,850,000)	(850,000)	(850,000)	-
Premium on Issuance on Bonds	-	-	494,730	494,730
Total Other Financing Sources (Uses)	550,000	1,550,000	1,156,594	(393,406)
Net Change in Fund Balance	\$ -	\$ -	-	\$ -
Less: Appropriated Fund Balance			(1,511,864)	
Fund Balance - Beginning			11,344,193	
Fund Balance - Ending			\$ 9,832,329	

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, 2023

Exhibit E-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
REVENUES				
Taxes	\$ 1,900,000	\$ 1,900,000	\$ 2,243,552	\$ 343,552
Investment Income	2,000	2,000	92,662	90,662
Total Revenues	1,902,000	1,902,000	2,336,214	434,214
 EXPENDITURES				
Debt Service	870,000	870,000	867,175	2,825
Total Expenditures	870,000	870,000	867,175	2,825
 Excess (Deficiency) of Revenues Over Expenditures	1,032,000	1,032,000	1,469,039	437,039
 OTHER FINANCING SOURCES (USES)				
Transfers Out	(1,032,000)	(1,032,000)	(1,032,000)	-
Total Other Financing Sources (Uses)	(1,032,000)	(1,032,000)	(1,032,000)	-
 Net Change in Fund Balance	\$ -	\$ -	437,039	\$ 437,039
 Fund Balance - Beginning			2,813,986	
Fund Balance - Ending			\$ 3,251,025	

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, 2023

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
General Government			
Reforestation Proceeds	\$ 680,000	\$ 382,012	\$ 297,988
Facilities Repair Program	39,518,213	36,199,263	3,318,950
County Facility System Security Access/Fuel Dispensing	1,415,000	854,715	560,285
Site Acquisition	26,607,761	21,603,926	5,003,835
Stormwater Enhancement	900,000	693,956	206,044
Sunnyview Stream Restoration	5,192,220	537,692	4,654,528
Courthouse Building Repairs	10,034,900	10,023,672	11,228
Reforestation Proceeds-Critical Area	100,000	63,879	36,121
Wheel Creek Watershed Restoration	7,789,607	6,899,161	890,446
Humane Society	7,050,000	6,155,403	894,597
Safeguarding Business Operations	19,625,400	15,275,868	4,349,532
Bynum Run at St Andrews Way Stream Restoration	2,297,026	1,839,630	457,396
Fleet Replacement	20,540,000	20,308,105	231,895
Refresh Program	4,353,478	3,582,980	770,498
Joppatowne Area Watershed Restoration	5,950,000	2,702,985	3,247,015
Plumtree Run Watershed Restoration	8,643,452	5,458,760	3,184,692
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)	28,280,000	26,685,089	1,594,911
Efficiency Capital Investment Projects	1,485,400	557,365	928,035
* Lilly Run Watershed Restoration	661,445	86,445	575,000
Underground/Aboveground Storage Tank Management	1,344,000	718,211	625,789
Maintenance/Repair of Dams	2,505,000	779,687	1,725,313
MD 924 Small Area Corridor Plan	300,000	214,873	85,127
Riverside Area Watershed Restoration	4,560,886	383,327	4,177,559
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	10,110,579	9,064,421
Watershed Restoration Assessment	9,800,000	5,363,776	4,436,224
Watershed Restoration Improvements	6,900,000	3,588,020	3,311,980
Watershed Restoration Maintenance	860,000	832,139	27,861
Harford Cable Network High Definition Upgrade	600,000	433,396	166,604
Abingdon Library Window Replacement	1,259,000	1,074,950	184,050
Hazard/Flood Mitigation Service	500,000	-	500,000
Harford County Sheriff's Office Central Precinct and Training Facility	22,500,000	933,800	21,566,200
Lease Revenue-General	11,500,000	5,104,237	6,395,763
Board of Education-Debt Service FY22	19,880,000	19,880,000	-
Disparity Study	600,000	316,075	283,925
African American Heritage Program	1,000,000	892,799	107,201
Board of Ed Debt Service FY23	31,700,000	28,462,365	3,237,635
Broadband Infrastructure	25,000,000	10,179,728	14,820,272
County Owned Stormwater Management Rehabilitation and Repair	550,000	-	550,000
Facilities Repair Program	5,000,000	1,204,840	3,795,160
Maintenance/Repair of County Dams	450,000	35,244	414,756
Maintenance/Repair of Stormwater Facilities	1,000,000	140,062	859,938
Maintenance/Repair of Dams	895,000	679,527	215,473
Septic System Disconnection	650,000	581,898	68,102
County Owned Stormwater Management Rehabilitation and Repair	50,000	50,000	-
Upper Bynum Run Watershed Restoration Improvements	4,000,000	289,583	3,710,417
Middle Bynum Run Watershed Restoration Improvements	1,650,000	-	1,650,000

(continued)

Harford County, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2023

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
General Government (continued)			
Maintenance/Repair of Stormwater Facilities	872,850	-	872,850
Bynum Run Watershed Restoration Improvements	1,300,000	517,119	782,881
County Owned Watershed Restoration Improvements	3,700,000	2,476,986	1,223,014
Riverside Area Watershed Restoration	1,700,000	-	1,700,000
Septic System Disconnection	250,000	3,440	246,560
Stormwater Pollution Prevention	300,000	288,391	11,609
Watershed Restoration Assessment	1,200,000	130,624	1,069,376
Watershed Restoration Improvements	2,313,555	27,310	2,286,245
Watershed Restoration Maintenance	300,000	227,804	72,196
Total General Government	401,969,510	277,513,919	124,455,591
Education			
Aberdeen High School North/Center For Career Opportunity	665,000	648,843	16,157
Security Cameras	1,871,600	1,427,700	443,900
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	25,126,747	167,253
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	204,308	22,340
Swimming Pool Renovations	858,731	858,731	-
Roof Replacement - Aberdeen Middle School	1,477,702	1,477,702	-
George D Lisby HVAC Systemic Renovation	4,840,000	4,820,437	19,563
North Bend Elementary School Central Plant and Fire Alarm	1,054,500	1,024,097	30,403
Roof Replacement - Hickory Elementary School	755,615	755,615	-
Roye Williams HVAC Systemic Renovation	6,743,000	6,743,000	-
HCPS Facilities Repair Program	923,665	352,193	571,472
Educational Facility Program	6,840,247	3,228,327	3,611,920
Fleet Replacement	6,115,159	2,791,766	3,323,393
Life, Health, Safety and Compliance Measures	5,890,226	999,904	4,890,322
Roof Replacement-Bel Air Middle School	1,693,475	1,635,482	57,993
Technology Infrastructure	5,280,860	1,607,610	3,673,250
Athletic and Recreation Repair Improvements	571,507	436,040	135,467
Major HVAC	1,491,914	561,464	930,450
HCPS Facilities Master Plan	1,070,000	847,656	222,344
Abingdon Elementary School Central Plant	1,247,000	384,321	862,679
HCPS Site Improvements	1,880,000	228,654	1,651,346
Homestead Wakefield Elementary School Major Project	28,175,000	9,311,670	18,863,330
Roof Replacement-Center for Educational Opportunity	1,850,000	1,530,952	319,048
Bakerfield Elementary School	625,000	8,100	616,900
Harford Technical High School Limited Renovation Projects	10,000,000	3,212,047	6,787,953
Meadowvale Elementary School	430,000	11,210	418,790
Roof Replacement-Bakerfield Elementary School	930,000	800,852	129,148
Swan Creek HVAC Upgrades	1,665,000	50,709	1,614,291
Total Education	254,639,881	202,671,131	51,968,750

(continued)

Harford County, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2023

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Public Safety			
Computer Equipment/Networks	3,480,415	3,480,415	-
New Emergency Operations Center Complex	37,494,525	35,305,948	2,188,577
Public Safety Communication in School Buildings	750,000	709,736	40,264
Volunteer Fire Company Facility Repair	5,960,000	4,246,091	1,713,909
Volunter Fire Company Public Safety Equipment	4,125,000	3,045,049	1,079,951
Mobile/Portable Radio Upgrades	8,365,000	4,753,698	3,611,302
Whiteford Volunteer Fire Company-Renovation of Main Station	1,200,000	352,257	847,743
Aberdeen VFC Main Station Renovation	1,500,000	1,500,000	-
Multi-Agency Public Safety Mobile Command Center	1,800,000	1,800,000	-
Next Gen 911	11,735,000	8,180,530	3,554,470
HCSO Mobile Data Terminal Replacement	551,400	551,400	-
North Harford Station	4,700,000	4,700,000	-
Riverside Fire and EMS Station	7,000,000	554,073	6,445,927
HCSO Body Worn Camera	1,005,000	1,001,110	3,890
HCSO Fleet Replacement	6,000,000	3,804,704	2,195,296
Susquehanna House Company Hose 1 Replacement	2,500,000	2,500,000	-
Darlington VFC Fire House #1	1,000,000	-	1,000,000
HCDC Facility Repairs/Upgrades	2,040,000	227,034	1,812,966
HCSO Cell Site Simulator	600,000	478,130	121,870
HCSO In-Car Camera Systems	400,000	400,000	-
Total Public Safety	102,206,340	77,590,175	24,616,165
Community College			
New Allied Health and Nursing Building	7,891,000	7,891,000	-
* Edgewood Hall Renovations	3,464,575	3,464,575	-
Fallston Hall Renovations	3,375,000	2,718,947	656,053
Chesapeake Welcome Center	18,439,425	958,781	17,480,644
Total Community College	33,170,000	15,033,303	18,136,697
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	2,309,100	1,816,142	492,958
Bel Air Library Renovations	800,000	723,883	76,117
Total Library	22,307,300	21,320,733	986,567
Landfill			
Harford County Waste Disposal Center Compost Area Facilities	484,088	477,600	6,488
Harford Waste Disposal Center Landfill Capping	9,695,000	7,977,096	1,717,904
Waste to Energy Facility Closure	13,163,753	3,142,048	10,021,705
HWDC Pavement Upgrades	800,000	800,000	-
Tollgate Yard Trim Recycling Center 15	475,081	380,047	95,034
Scarboro Landfill Groundwater Treatment Plant	250,000	23,015	226,985
Solid Waste Facilities Repair Program	2,000,000	972,979	1,027,021
Environmental Studies and Projects	233,801	32,627	201,174
Total Landfill	27,101,723	13,805,412	13,296,311

(continued)

Harford County, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2023

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Parks, Recreation and Natural Resources			
Churchville Complex Development	8,616,830	7,990,784	626,046
Heavenly Waters Park	2,120,000	1,130,139	989,861
Schucks Road Regional Sports Complex	8,110,415	6,037,616	2,072,799
Athletic Field Improvements	25,550,000	22,974,532	2,575,468
Indoor Recreation Facility	1,474,000	1,124,455	349,545
Bleacher Renovations	590,000	155,697	434,303
Darlington Park Development	1,985,000	1,512,731	472,269
Mariner Point Park Renovations	736,000	471,187	264,813
Nuttall Avenue Park Development	650,000	217,042	432,958
Churchville Center Renovations	875,000	378,509	496,491
Eden Mill Park Rehabilitation	1,255,000	837,625	417,375
Park Improvements	780,000	532,494	247,506
Park Land Acquisition	15,096,000	9,146,812	5,949,188
Playground Equipment	6,325,000	4,392,616	1,932,384
Anita C. Leight Center Improvements	1,055,000	652,256	402,744
Emmorton Rec and Tennis Center Improvements	2,195,000	1,435,045	759,955
Tennis/Multipurpose Courts	1,960,000	1,572,617	387,383
Equestrian Center Improvements	650,000	425,843	224,157
Backstop Renovations	270,000	63,017	206,983
Emily Bayless Graham Park	3,995,000	2,008,268	1,986,732
Gunpowder River Dredging	2,234,000	1,791,801	442,199
Parking Lot Paving	1,399,000	1,066,619	332,381
Rockfield Park Improvements	270,000	86,272	183,728
Trails and Linear Parks	18,200,000	5,392,835	12,807,165
Edgewood Rec and Community Center	225,000	47,844	177,156
Northern Regional Park	825,000	458,454	366,546
ADA Improvements	470,000	310,323	159,677
Debris-Derelict Boats	100,000	-	100,000
Disc Golf Course	50,000	46,791	3,209
Fallston Recreation Complex Improvements	325,000	325,000	-
Robert Copenhaver Park Improvements	300,000	286,072	13,928
SWM Pond Repair and Renovation	1,025,000	710,288	314,712
Enlarged Gymnasiums	1,200,000	1,200,000	-
Jarrettsville Recreation Center	4,710,775	433,415	4,277,360
Swan Harbor Farm Improvements	814,000	730,534	83,466
Canoe and Kayak Water Access	1,330,000	685,268	644,732
Flying Point Park Improvements	1,053,000	496,167	556,833
Francis Silver Park Improvements	425,000	227,440	197,560
Heavenly Waters Park-Soma	200,000	99,790	100,210
Demarco Memorial Park Improvements	40,000	-	40,000
Tollgate Woodshop	40,000	2,869	37,131
Bush River Dredging and DMP Site	1,040,000	990,000	50,000
Edgeley Grove Farm	140,000	67,209	72,791
Facility Renovations	799,000	599,063	199,937
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	255,000	204,959	50,041

(continued)

Harford County, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2023

(continued)

Exhibit F-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Parks, Recreation and Natural Resources (continued)			
Edgewood Recreation Park	50,000	19,811	30,189
Rock Glenn Park	1,300,000	1,234,978	65,022
Dog Park Construction and Improvements	673,500	588,997	84,503
Norrisville Park	1,375,000	110,835	1,264,165
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	120,000	100,641	19,359
Aberdeen Activity Center	9,000,000	178,065	8,821,935
Benson Field Development	100,000	98,050	1,950
Bulkhead Renovations	40,000	-	40,000
Oakington Peninsula Park System	400,000	32,600	367,400
Prospect Mill Park	250,000	142,914	107,086
Vale Road Park	125,000	124,641	359
Joppa/Joppatowne Youth/Senior Center	500,000	-	500,000
Outdoor AED Construction	30,000	-	30,000
P&R Facility Development Renovations	2,656,315	101,600	2,554,715
12 Stones Park	250,000	-	250,000
Total Parks, Recreation and Natural Resources	142,297,835	83,719,999	58,577,836
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	1,527,000	1,465,254	61,746
Culvert Rehabilitation	4,730,000	4,726,659	3,341
* Primrose Place	146,000	132,605	13,395
Intersection Improvements	5,066,728	3,659,377	1,407,351
Village of Scot's Fancy-Starmount Lane	750,000	715,128	34,872
Shucks Road Improvements	1,043,368	737,697	305,671
Drainage Improvements	1,925,000	1,780,016	144,984
Storm Drain Rehabilitation	2,241,231	2,192,129	49,102
Sidewalks and Handicapped Ramps	1,829,300	1,504,922	324,378
Traffic Calming and Road Safety Improvements	950,000	904,487	45,513
Safeguarding Business Operations	3,787,450	3,277,726	509,724
Fleet Replacement	20,192,000	20,118,919	73,081
700 MHZ Wireless Radio System Equipment	1,600,000	1,600,000	-
Efficiency Capital Investment Project	405,000	260,533	144,467
Guardrails Fiscal Year 2013	1,350,000	1,118,203	231,797
HMAN (Harford County Metro Area Network)	930,000	926,458	3,542
New Roads and Storm Drains	3,025,000	2,051,657	973,343
Refresh Program	790,500	587,303	203,197
Landis Circle-Foxborough Farm	350,000	255,377	94,623
Traffic Signals 15	679,601	54,552	625,049
APG Gate Pilot	2,500,000	2,105,686	394,314
Resurfacing Roadways	44,697,870	34,763,429	9,934,441
Fleet Maintenance Facility	7,246,000	5,706,804	1,539,196
Spesutia Road Reconstruction/Upgrade	5,750,000	584,443	5,165,557
Trimble Road (Joppa Road to Garnett Road)	75,000	-	75,000
Woodley Road Extension to MD 715	12,250,000	1,304,863	10,945,137

(continued)

Harford County, Maryland
Capital Projects Fund
Schedule of Appropriations, Expenditures, and Encumbrances
Budgetary (Non-GAAP) Basis
For the Year Ended June 30, 2023

(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	2,150,000	62,426	2,087,574
Moore's Mill Road	10,363,088	9,479,496	883,592
Trappe Church Road #161	700,000	117,315	582,685
Tollgate Road/Vale Corridor	200,000	10,825	189,175
Norrisville Highways Facility	4,200,000	-	4,200,000
Streetlights	50,000	49,700	300
Curb, Sidewalks, and Handicap Ramp Replacement	400,000	1,299	398,701
Total Roads	153,716,075	108,414,579	45,301,496
Highways-Bridges			
Bridge Inspection Program	3,640,000	3,640,000	-
Bridge Rehabilitation	7,400,000	4,359,279	3,040,721
Road and Bridge Scour Repairs	2,475,000	1,731,306	743,694
Robinson Mill Road Bridge #154	2,115,000	1,905,182	209,818
Abingdon Road Bridge #169 Over CSX	7,730,000	1,381,963	6,348,037
Chestnut Hill Bridge #40	2,065,000	1,599,030	465,970
Phillips Mill Road Bridge #70	3,550,000	2,987,037	562,963
Bridge Rehabilitation	5,216,381	4,801,947	414,434
Bridge Painting	950,000	541,242	408,758
Fawn Grove Road Bridge #132	10,000	5,467	4,533
Stafford Road Bridge	3,755,000	3,700,183	54,817
Glenville Road Bridge #30	860,000	270,670	589,330
Johnson Mill Road Bridge #45	1,450,000	232,940	1,217,060
Bridge Inspection Program	3,000,000	2,169,960	830,040
Bridge Inspection Program-Under 20' Spans	650,000	369,350	280,650
Grier Nursery Road Bridge #43	1,000,000	416,663	583,337
Hookers Mill Road Bridge #13	500,000	258,551	241,449
Boggs Road Bridge #66	400,000	392,917	7,083
Deep Run Road Bridge #152	350,000	286,204	63,796
Glen Cove Road Bridge #155	1,475,912	900,894	575,018
Madonna Road Bridge #113	600,000	127,671	472,329
Hookers Mill Road Bridge #13	100,000	-	100,000
Scarboro Road Bridge #140	375,000	334,355	40,645
Ayres Chapel Road Bridge #116	400,000	-	400,000
Stafford Road Bridge #162	400,000	2,624	397,376
Structural Evaluation	570,000	443,872	126,128
Total Bridges	51,037,293	32,859,307	18,177,986
Total Highways	204,753,368	141,273,886	63,479,482
 Total Capital Projects	 1,188,445,957	 832,928,558	 355,517,399
*Less Closed Projects	(4,272,020)	(3,683,625)	(588,395)
 Total Open Capital Projects	 \$ 1,184,173,937	 \$ 829,244,933	 \$ 354,929,004

Enterprise Fund

HARFORD COUNTY, MARYLAND
Water and Sewer Enterprise Fund
Schedule of Capital Projects, Appropriations, and Expenditures
For the Year Ended June 30, 2023

Exhibit G-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Sewer Projects			
Bush Creek Pump Station 4th Pump	\$ 28,400,000	\$ 26,312,233	\$ 2,087,767
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	1,000,000	482,544	517,456
Sod Run Facility Improvements	18,343,151	3,744,468	14,598,683
Renewal and Replacement - Sewer	2,250,000	1,166,284	1,083,716
Bill Bass Pump Station Forcemain Replacement	810,302	415,216	395,086
Oaklyn Manor/Joppa Area Sewer Relief	1,678,255	1,464,291	213,964
Town Center Drive Pump Station	599,677	599,677	-
Bynum Ridge Sewer Replacement	800,000	639,972	160,028
Bio Solids Facilities Enhancements	19,500,000	5,479,421	14,020,579
Fallston Sanitation Sub-District Sewer Capacity Study	300,000	206,889	93,111
Brentwood Park Pumping Station Improvements	2,987,045	293,902	2,693,143
Delta Wastewater Treatment Plan Upgrades	225,000	5,884	219,116
Inventory Storage Control and Improvements	385,000	107,178	277,822
Pumping Station Improvements	1,065,000	215,854	849,146
Sod Run Wastewater Treatment Plant Ultraviolet Disinfection Project	6,700,000	434,208	6,265,792
Fallston Area Sewer	3,800,000	-	3,800,000
Freys Road Sewer Petition	1,275,000	-	1,275,000
Hickory Sewer Infrastructure Improvement Project	3,000,000	-	3,000,000
Magnolia Sewer Petition	689,500	49,177	640,323
Woodridge Sewer Petition	4,020,300	-	4,020,300
Future Petition Projects	375,000	5,840	369,160
Total Sewer Projects	109,473,554	49,639,569	59,833,985
Water Projects			
Abingdon Road Water Main Parallel	3,271,540	283,940	2,987,600
Magnolia Booster Station	1,800,000	188,621	1,611,379
City of Baltimore Deer Creek Pump Station	5,200,000	3,101,041	2,098,959
City of Baltimore Raw Water Supply	1,300,000	1,221,539	78,461
Renewal and Replacement Water	2,650,000	1,141,324	1,508,676
Water Meter Upgrade	2,110,000	1,675,263	434,737
Water Zone Improvements	1,030,000	409,645	620,355
Replacement of Water Booster Station	2,250,000	690,080	1,559,920
SHA Improvement Projects	590,000	220,442	369,558
U.S. 40 and Rt. 159 SHA Water Relocation	3,900,000	3,256,330	643,670

HARFORD COUNTY, MARYLAND
Water and Sewer Enterprise Fund
Schedule of Capital Projects, Appropriations, and Expenditures
For the Year Ended June 30, 2023
(continued)

Exhibit G-1

	TOTAL APPROPRIATIONS	TOTAL EXPENDITURES	UNEXPENDED APPROPRIATIONS
Water Projects (continued)			
Water System Model Study	300,000	298,810	1,190
Infrastructure Management System Enhancement	700,000	366,069	333,931
Perryman GAC Plant Improvements	250,000	90,034	159,966
Perryman Wellfield Improvement	350,000	-	350,000
Abingdon Water Treatment Plant PH Control System	250,000	238,798	11,202
Havre de Grace Water Treatment Plant Upgrade	1,150,000	44,699	1,105,301
SCADA Information Management Systems	2,500,000	515,477	1,984,523
U.S. 40 Water Main Replacement	600,000	-	600,000
Water and Sewer Infrastructure Improvement Project	1,241,340	236,142	1,005,198
Water Tank Design and Construction	300,000	179,011	120,989
Abingdon Water Treatment Plant Switch Gear/Generator	5,150,000	97,058	5,052,942
Central W&S Laboratory	335,000	84,144	250,856
Oak Grove Booster Station	2,330,000	43,830	2,286,170
Water and Sewer Facilities Repair Program	1,250,000	121,721	1,128,279
Abingdon Water Park Main	1,000,000	-	1,000,000
Joppatowne Facility Improvements	250,000	22,931	227,069
Total Water Projects	42,057,880	14,526,949	27,530,931
Other Projects			
Safeguarding Business Operations	3,991,650	3,465,788	525,862
Fleet Replacement	9,072,000	7,452,381	1,619,619
* 700 MHZ Wireless Radio System Equipment	607,660	607,660	-
HMAN (Harford County Metro Area Network)	1,220,000	1,165,034	54,966
Refresh Program	817,000	610,996	206,004
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	1,138,342	1,361,658
Efficiency Capital Investment Project	480,000	255,143	224,857
Fleet Maintenance Facility	1,420,000	1,167,588	252,412
MDTA I-95 Improvements	1,450,000	272,247	1,177,753
Lease Revenue-Water and Sewer	2,000,000	-	2,000,000
Total Other Projects	23,728,310	16,258,604	7,469,706
Total Water, Sewer and Other Projects	175,259,744	80,425,122	94,834,622
*Less Closed Projects	(607,660)	(607,660)	-
Total Open Water, Sewer and Other Projects	\$ 174,652,084	\$ 79,817,462	\$ 94,834,622





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.

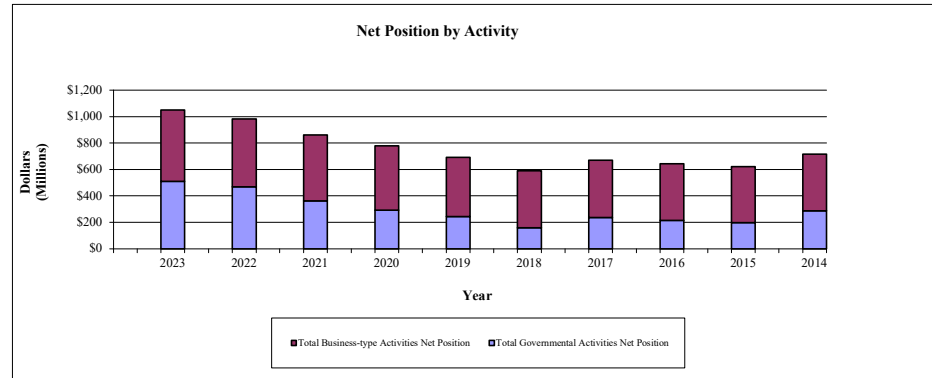
Operating Information

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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 436,216,089
Restricted	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	75,653,146
Unrestricted	(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)	(225,213,903)
Total Governmental Activities Net Position	\$ 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	\$ 286,655,332
Business-Type Activities										
Net Investment in Capital Assets	\$ 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	\$ 332,396,851
Restricted	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	51,921,308
Unrestricted	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	45,045,731
Total Business-type Activities Net Position	\$ 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	\$ 429,363,890
Primary Government										
Net Investment in Capital Assets	\$ 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	\$ 768,612,940
Restricted	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	127,574,454
Unrestricted	(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)	(180,168,172)
Total Primary Government Net Position	\$ 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	\$ 716,019,222



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

Table 2

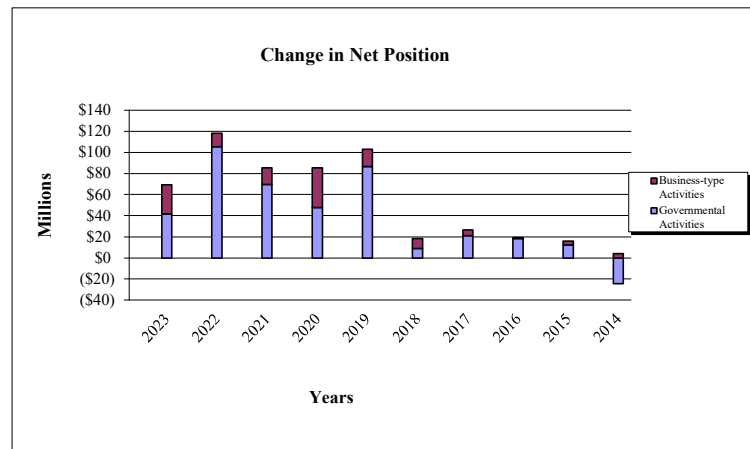
Expenses (by function)	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<i>Governmental Activities</i>										
Agricultural Preservation	\$ 1,831,441	\$ 5,715,267	\$ 4,212,983	\$ 2,954,760	\$ 4,098,178	\$ 3,283,221	\$ 3,163,287	\$ 2,861,659	\$ 3,636,451	\$ 3,398,295
County Council	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	2,536,764
General Government	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	55,642,498
Education-Primary thru Com. College	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	250,907,788
Harford Center	675,745	620,193	604,012	588,303	578,036	553,036	553,036	693,036	553,036	553,036
Judicial	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	9,982,512
Libraries	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	17,271,606
Parks, Recreation and Natural Resources	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	17,520,868
Public Safety	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	105,436,479
Public Works	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	77,195,654
Social Services	34,872,569	34,375,290	46,678,435	31,411,699	28,005,721	27,334,522	27,050,519	25,633,629	26,622,115	26,384,324
Unallocated Debt Interest/Other Costs	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	17,409,320
Total Governmental Activities	781,175,092	720,030,370	744,678,445	676,755,882	631,500,233	595,823,082	579,490,525	587,673,284	582,948,212	584,239,144
<i>Business-type Activities</i>										
Water and Sewer	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	48,734,923
Total Business-type Activities	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	48,734,923
Total Primary Government Expenses	\$ 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	\$ 632,974,067
Program Revenues										
<i>Governmental Activities</i>										
Charges for Services										
General Government	\$ 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	\$ 2,478,640
Public Safety	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	3,889,979
Public Works	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	13,843,482
Other Activities	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	1,456,139
Operating Grants and Contributions	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	21,717,403
Capital Grants and Contributions	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	9,982,404
Total Governmental Activities Program Revenue	114,411,044	99,733,503	110,096,872	73,207,516	55,290,485	61,014,661	52,155,162	64,918,321	65,420,100	53,368,047
<i>Business-type Activities</i>										
Charges for Services	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	28,421,736
Operating Grants and Contributions	496,546	486,602	330,000	445,651	330,000	804,406	802,598	972,710	461,364	444,149
Capital Grants and Contributions	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	20,089,299
Total Business-type Activities Program Revenue	77,391,062	68,462,887	68,874,766	86,923,994	66,893,554	58,979,062	54,248,645	47,140,226	48,140,371	48,955,184
Total Primary Government Program Revenues	\$ 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	\$ 102,323,231
Net (Expense) Revenue										
<i>Governmental Activities</i>	\$ (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)	\$ (530,871,097)
<i>Business-type Activities</i>	19,363,938	10,869,839	13,843,060	33,595,415	12,322,602	6,454,070	3,054,252	(1,456,429)	(606,612)	220,261
Total Primary Government Net Expense	\$ (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)	\$ (530,650,836)

(continued)

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

Table 2

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Revenues and Other Changes in Net Position										
<i>Governmental Activities</i>										
Taxes										
Property Taxes	\$ 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	\$ 285,269,614
Income Taxes	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	190,722,550
Other Taxes	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	26,539,923
Investment Earnings	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	1,532,992
Grants and Contributions	329,608	410,192	403,251	383,055	360,549	440,319	407,167	245,326	254,020	269,076
Miscellaneous	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	2,231,878
Total Governmental Activities	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	506,566,033
<i>Business-type Activities</i>										
Recordation Tax	-	-	-	-	-	-	-	-	2,174,467	1,767,810
Investment Earnings	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	2,225,142
Miscellaneous	250,907	277,305	402,470	166,566	-	-	-	-	-	-
Total Business-type Activities	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	3,992,952
Total Primary Government	\$ 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	\$ 510,558,985
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>	\$ 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	\$ (24,305,064)
<i>Business-type Activities</i>	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	4,213,213
Total Primary Government	\$ 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	\$ (20,091,851)



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

Table 3

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General Fund										
Nonspendable	\$ 777,711	\$ 833,412	\$ 889,113	\$ 944,814	\$ 1,000,515	\$ 1,056,216	\$ 1,170,244	\$ 175,875	\$ 594,147	\$ 1,199,545
Restricted	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	4,618,253
Assigned	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	58,554,927
Unassigned	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	8,415,752
Total General Fund	<u>174,885,630</u>	<u>211,280,074</u>	<u>184,016,762</u>	<u>147,521,246</u>	<u>135,719,200</u>	<u>115,492,181</u>	<u>101,142,266</u>	<u>81,921,493</u>	<u>72,145,587</u>	<u>72,788,477</u>
All Other Governmental Funds ⁽¹⁾										
Nonspendable	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	1,519,258
Restricted	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	18,150,339
Committed	-	-	-	-	-	-	37,090,908	44,793,964	49,265,285	48,625,100
Assigned	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	56,929,645
Unassigned	-	-	(4,185,151)	-	-	-	-	-	-	-
Total All Other Governmental Funds	<u>162,721,381</u>	<u>143,724,254</u>	<u>106,752,719</u>	<u>103,336,204</u>	<u>120,819,856</u>	<u>126,016,539</u>	<u>118,428,080</u>	<u>90,281,669</u>	<u>115,061,051</u>	<u>125,224,342</u>
Total Fund Balance	<u>\$ 337,607,011</u>	<u>\$ 355,004,328</u>	<u>\$ 290,769,481</u>	<u>\$ 250,857,450</u>	<u>\$ 256,539,056</u>	<u>\$ 241,508,720</u>	<u>\$ 219,570,346</u>	<u>\$ 172,203,162</u>	<u>\$ 187,206,638</u>	<u>\$ 198,012,819</u>

(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

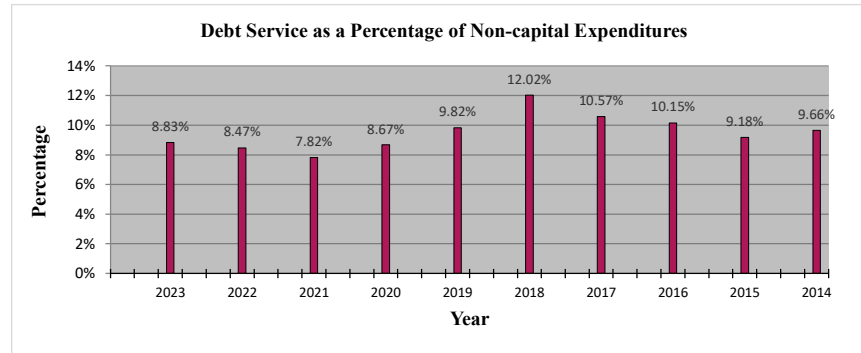
	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
REVENUES										
Taxes	\$ 690,543,715	\$ 694,945,104	\$ 683,284,499	\$ 614,696,959	\$ 596,226,344	\$ 569,724,966	\$ 548,777,295	\$ 534,559,224	\$ 513,835,241	\$ 501,523,551
Revenues from Other Agencies	60,902,042	67,607,283	82,907,192	45,538,640	31,698,332	34,464,443	30,247,886	34,278,746	33,802,477	29,595,350
Investment Income	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	1,503,056
Charges for Current Services	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	17,832,577
Miscellaneous	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	2,776,961
Licenses and Permits	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	3,939,672
Fines and Forfeitures	169,037	279,125	505,931	424,734	407,830	398,120	272,392	150,677	397,330	427,730
Total Revenues	<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>	<u>557,598,897</u>
EXPENDITURES										
Agricultural Preservation	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	249,145
County Council	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	2,554,700
General Government	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	41,960,700
Education-Primary thru Comm. College	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	236,262,341
Harford Center	675,745	620,193	604,012	588,303	578,036	553,036	553,036	693,036	553,036	553,036
Judicial	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	9,929,303
Libraries	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	16,158,310
Parks, Recreation and Natural Resources	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	11,970,808
Public Safety	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	98,702,584
Public Works	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	44,625,171
Social Services	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	26,067,117
Capital Outlay	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	84,079,924
Debt Service										
Principal	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	33,888,884
Interest	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	22,609,092
Administrative Cost	468,292	663,029	846,468	1,052,247	547,687	412,624	649,068	284,018	729,415	287,423
Total Expenditures	<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>	<u>629,898,538</u>
Excess (Deficiency) of Revenues Over Expenditures	<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>	<u>(72,299,641)</u>
OTHER FINANCING SOURCES (USES)										
Transfers In	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	44,180,743
Transfers (Out)	(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)	(44,180,743)
Issuance of Installment Purchase Agreements	48,500,000	5,412,730	472,275	3,119,179	9,432,238	-	1,809,630	-	3,097,591	-
Issuance of Bonds	3,945,135	72,500,000	52,215,000	37,000,000	34,000,000	43,000,000	53,177,000	27,132,515	42,000,000	33,180,257
Issuance of Refunding Bonds	1,298,955	17,793,395	11,365,000	64,986,408	-	-	-	-	55,994,243	-
Premium on Issuance of Bonds	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	2,373,456
Payment to Escrow Agent for Refunding	-	(21,210,080)	(13,816,589)	(78,025,740)	-	-	-	-	(64,383,471)	-
Total Other Financing Sources(Uses)	<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>	<u>35,553,713</u>
Net Change in Fund Balances	<u>\$ (17,397,317)</u>	<u>\$ 64,234,847</u>	<u>\$ 40,024,356</u>	<u>\$ (5,252,156)</u>	<u>\$ 15,314,980</u>	<u>\$ 22,002,108</u>	<u>\$ 47,418,523</u>	<u>\$ (15,250,991)</u>	<u>\$ (11,340,755)</u>	<u>\$ (36,745,928)</u>

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

Table 5

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Expenditures	\$ 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	\$ 629,898,538
Less Capital Asset Expenditures ⁽¹⁾	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	44,998,619
Non-capital Expenditures	<u>\$ 806,377,324</u>	<u>\$ 741,686,669</u>	<u>\$ 758,087,090</u>	<u>\$ 705,327,660</u>	<u>\$ 652,226,374</u>	<u>\$ 627,569,212</u>	<u>\$ 595,734,637</u>	<u>\$ 615,752,541</u>	<u>\$ 605,404,063</u>	<u>\$ 584,899,919</u>
Debt Service Expenditures										
Principal	\$ 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	\$ 33,888,884
Interest	<u>20,353,784</u>	<u>18,918,555</u>	<u>18,168,306</u>	<u>20,980,502</u>	<u>21,309,280</u>	<u>22,010,012</u>	<u>21,837,513</u>	<u>21,792,602</u>	<u>22,689,162</u>	<u>22,609,092</u>
Total Debt Service Expenditures	<u>\$ 71,218,152</u>	<u>\$ 62,800,304</u>	<u>\$ 59,261,371</u>	<u>\$ 61,178,217</u>	<u>\$ 64,076,802</u>	<u>\$ 75,426,860</u>	<u>\$ 62,998,912</u>	<u>\$ 62,473,150</u>	<u>\$ 55,578,560</u>	<u>\$ 56,497,976</u>
 Debt Service as a Percentage of Non-capital Expenditures	 <u>8.83%</u>	 <u>8.47%</u>	 <u>7.82%</u>	 <u>8.67%</u>	 <u>9.82%</u>	 <u>12.02%</u>	 <u>10.57%</u>	 <u>10.15%</u>	 <u>9.18%</u>	 <u>9.66%</u>

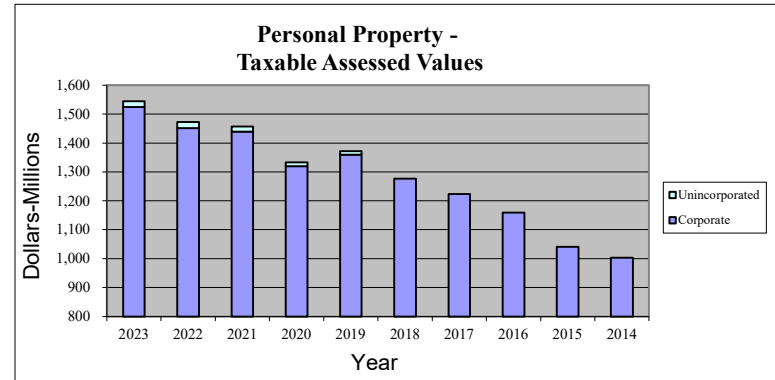
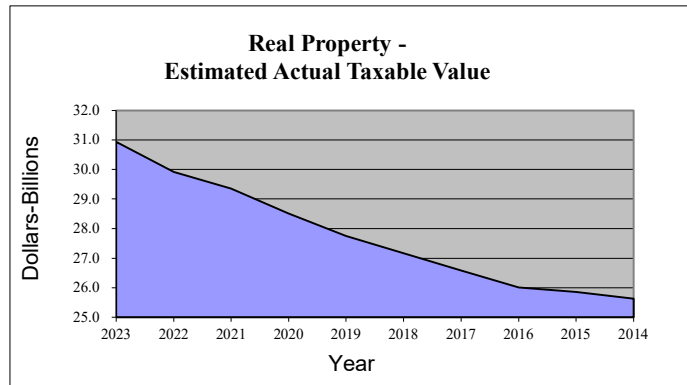
(1) Total Capital Asset Expenditures equals the Purchase of Capital Assets in that fiscal year.



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	Taxable Assessed Value
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
2014	28,326,084,804	2,691,553,831	25,634,530,973	1.0420	1,003,218,190	12,700,230	2.6050	26,650,449,393



(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⁾
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
2014	0.8960	0.1460	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⁾
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
2014	2.2400	0.3650	2.6050	1.1600	1.7000	1.7050

(1) Overlapping rates are those of local municipalities that apply to property owners within Harford County. Not all overlapping rates apply to all Harford County property owners.

For example, Town of Bel Air rates apply only to the County property owners whose property is located within that municipality's geographic boundaries.

(2) Assessed against all property within Harford County.

(3) Assessed against all property within Harford County, but not in an incorporated town.

(4) Assessed against all property within these incorporated towns.

Note: The County's direct property tax rates are set by the County Council and can only be changed by the Council.

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

Table 8

Fiscal Year 2023				
Taxpayer	Type of Business	Taxable Assessed Valuations ⁽¹⁾	County Taxes	Percentage of Total Assessed Valuation
Baltimore Gas & Electric Company	Public Utility	\$ 619,948,150	\$ 15,049,417	1.91%
Constellation Power Source Generation Inc.	Non-Utility Generator	77,622,260	1,897,709	0.24%
Constellation Energy Generation LLC	Non-Utility Generator	56,550,880	1,382,556	0.17%
Verizon-Maryland	Public Utility	57,962,890	1,346,653	0.18%
MCI Communication Services	Public Utility	50,956,260	1,297,993	0.16%
Columbia Gas Transmission	Public Utility	33,292,290	821,594	0.10%
Comcast of Harford County LLC	Cable Provider	32,816,800	765,820	0.10%
Frito-Lay, Inc.	Office/Industrial Ctr.	26,261,580	552,360	0.08%
Delmarva Power & Light Co	Public Utility	21,150,700	518,594	0.07%
Maryland American Water Company	Public Utility	19,876,580	463,711	0.06%
		996,438,390	\$ 24,096,407	3.07%
Total Taxable Assessed Valuation		\$ 32,468,611,248		

Fiscal Year 2014				
Taxpayer	Type of Business	Taxable Assessed Valuations ⁽¹⁾	County Taxes	Percentage of Total Assessed Valuation
Baltimore Gas & Electric Company	Public Utility	\$ 336,192,690	\$ 8,637,458	1.26%
Exelon Generation Company	Non-Utility Generator	94,266,460	2,455,641	0.35%
Verizon - Maryland	Public Utility	65,236,540	1,616,625	0.24%
PECO Energy Power Company	Non-Utility Generator	123,442,200	1,286,267	0.46%
Constellation Power Source Generation Inc.	Non-Utility Generator	54,824,087	1,219,777	0.21%
MCI Communication Services	Public Utility	42,183,220	1,098,740	0.16%
Kohl's Department Stores, Inc.	Retailer	49,610,477	693,551	0.19%
Festival at Bel Air LLC	Shopping Center	59,865,467	623,798	0.22%
Comcast of Harford County LLC	Cable Provider	22,248,571	555,799	0.08%
Harford Mall Business Trust	Shopping Center	54,340,300	486,889	0.20%
		902,210,012	\$ 18,674,545	3.37%
Total Taxable Assessed Valuation		\$ 26,650,449,393		

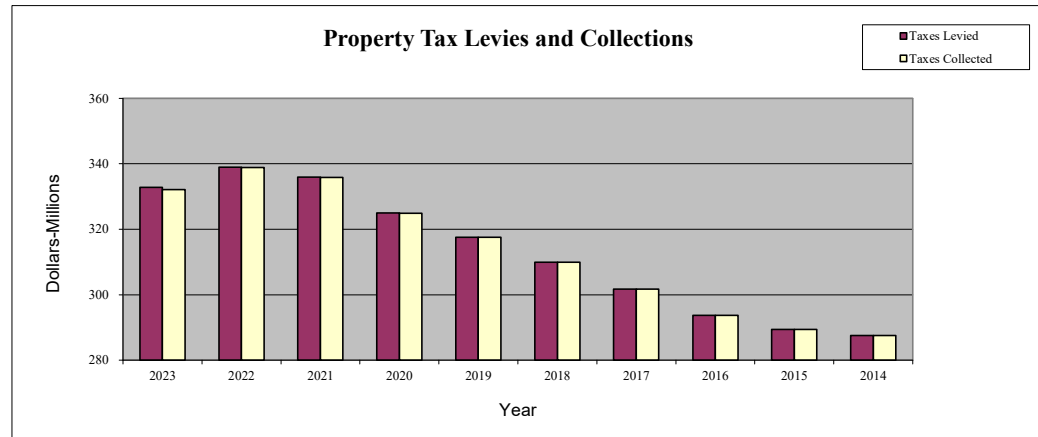
SOURCE: Harford County Department of the Treasury

(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		
2023	332,871,650	-	332,871,650	332,159,274	99.79%	-	332,159,274	99.79%	712,376	0.21%
2022	338,636,426	369,456	339,005,882	338,051,580	99.72%	852,244	338,903,824	99.97%	102,058	0.03%
2021	336,121,104	(198,776)	335,922,327	334,993,107	99.72%	850,566	335,843,673	99.98%	78,654	0.02%
2020	324,678,593	282,978	324,961,571	322,371,075	99.20%	2,544,680	324,915,755	99.99%	45,816	0.01%
2019	317,964,349	(415,658)	317,548,691	316,861,410	99.78%	634,509	317,495,920	99.98%	52,771	0.02%
2018	310,139,719	(228,792)	309,910,927	309,134,638	99.75%	752,370	309,887,008	99.99%	23,918	0.01%
2017	302,063,517	(304,590)	301,758,927	301,316,849	99.85%	428,990	301,745,839	99.99%	13,088	0.01%
2016	294,521,222	(809,377)	293,711,845	293,605,282	99.96%	95,610	293,700,892	99.99%	10,953	0.01%
2015	289,650,116	(301,783)	289,348,333	288,877,184	99.84%	459,323	289,336,507	99.99%	11,826	0.01%
2014	287,953,502	(449,555)	287,503,947	286,122,040	99.52%	1,372,042	287,494,082	99.99%	9,866	0.01%

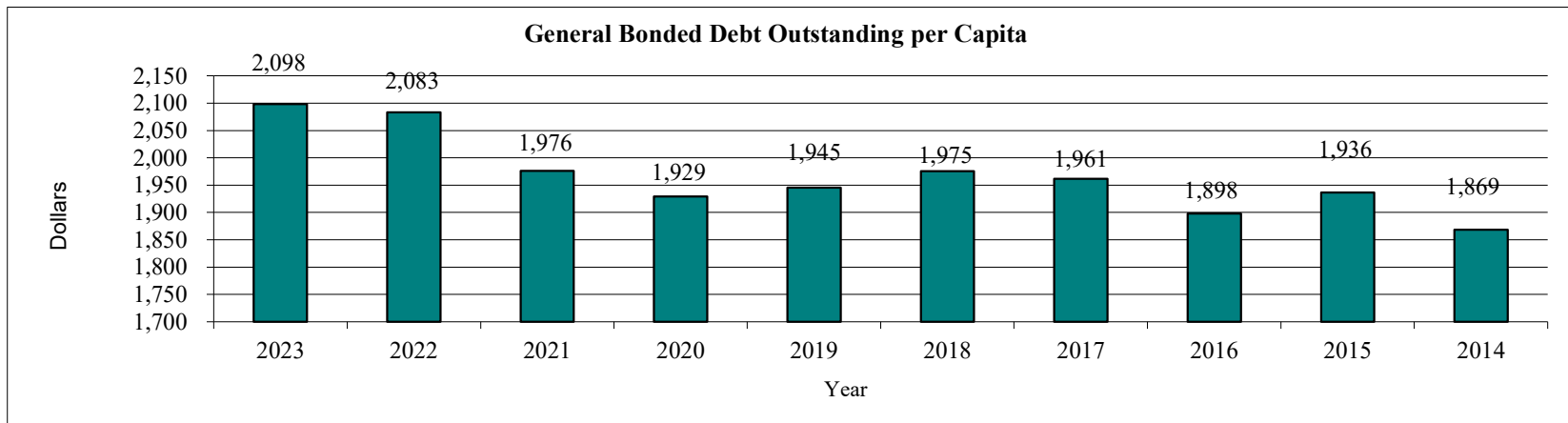


HARFORD COUNTY, MARYLAND
Ratios of General Bonded Debt Outstanding ⁽¹⁾
Last Ten Fiscal Years

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⁾
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
2014	(5)	524,885,655		132,046,646		191,075,915		465,856,386		1.75%		1,869

- (1) Bonded Debt is all debt backed by the full faith and credit and unlimited taxing authority of the County. Business-type bonds are included because they are backed by the full faith and credit and unlimited taxing authority of the County; however, business-type bonds are payable in the first instance from area connection charges, benefit assessments and surcharges. See Table 11 for specific information on business-type bonded debt.
- (2) Includes Notes Payable; all are backed by the full faith and credit and unlimited taxing authority of the County.
- (3) Agricultural Land Preservation debt and Water and Sewer debt are subtracted from the bonded debt because Agricultural Land Preservation debt is paid from dedicated revenues in the Agricultural Land Preservation Fund and Water and Sewer debt is paid from the Water and Sewer Enterprise Fund.
- (4) Information from Tables 6 and 14.
- (5) Governmental and Business-type general obligation debt has increased by \$12,836,002 and \$1,904,224 respectively due to implementing GASB 65 which removes deferred loss/gain on refunding as an offset to liabilities and reclass as a deferred outflow/inflow of resources.
- Note: Detail regarding the County's debt can be found in the notes to the financial statements.



HARFORD COUNTY, MARYLAND
Ratios of Outstanding Debt by Type ⁽¹⁾
Last Ten Fiscal Years

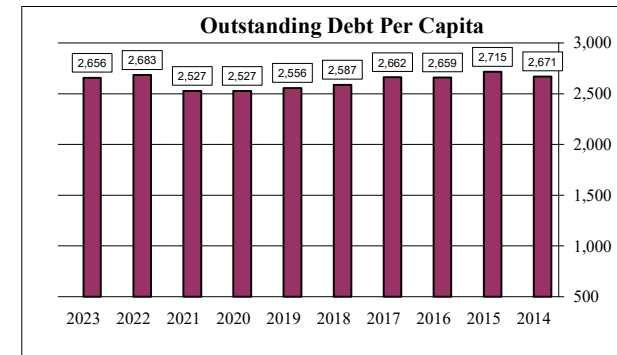
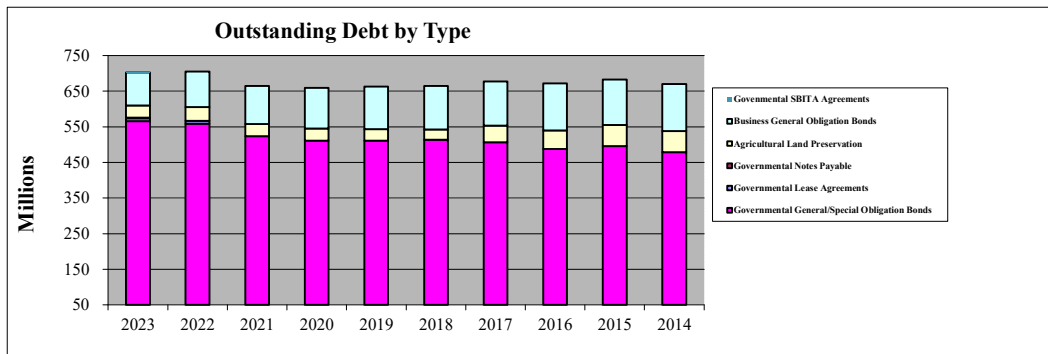
Table 11

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	Total Business-type Activities			
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
2014 ⁽³⁾	478,542,366	-	-	1,314,020	59,029,269	538,885,655	132,046,646	132,046,646	670,932,301	5.31%	2,671

(1) All debt reported by the primary government. Details regarding the County's debt can be found in the notes to the financial statements.

(2) Information from Table 14.

(3) Governmental and Business-type general obligation debt has increased by \$12,836,002 and \$1,904,224 respectively due to implementing GASB 65 which removes deferred loss/gain on refunding as an offset to liabilities and reclassified as a deferred outflow/inflow of resources.



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

Table 12

Fiscal Year	Debt Limit	Total Debt Applicable to the Limit	Legal Debt Margin	Total Debt Applicable to the Limit as a % of Debt Limit
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%
2014	1,692,448,434	465,856,386	1,226,592,048	27.53%

Legal Debt Margin Calculation for Fiscal Year 2023

(1) Net Assessed Value - Real Property	\$ 30,931,796,848	
(2) Debt Limit=6% of Net Assessed Value - Real Property		\$ 1,855,907,811
(1) Assessed Value - Personal Property	1,536,814,400	
(2) Debt Limit=15% of Net Assessed Value - Personal Property		230,522,160
Total Debt Limit		2,086,429,971
(3) Amount of Debt Applicable to Debt Limit	702,643,406	
Less Other deductions allowed by law:		
(3) Debt Payable from Special Revenue Fund	(34,448,962)	
Debt Payable from Debt Service Fund	(10,650,000)	
(3) Debt Payable from Enterprise Revenues	(92,044,529)	
Total Debt Applicable to Debt Limitation		565,499,915
Legal Debt Margin		\$ 1,520,930,056

(1) Table 6

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

(3) Table 11

HARFORD COUNTY, MARYLAND

Bond Coverage - Water and Sewer ⁽¹⁾

Including Capital Recovery Fees

Last Ten Fiscal Years

Table 13

Fiscal Year Ending June 30,	Gross Revenues ⁽²⁾	Area Connection Charges	Benefit Assessment	User Assessments and Surcharges ⁽³⁾	Total Gross Revenues	Operating Expense ⁽⁴⁾	Net Revenue Available for Debt Service	Debt Service Requirements ⁽⁵⁾			Coverage
								Principal	Interest	Total	
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
2014	32,858,837	1,238,139	899,888	8,531,527	43,528,391	33,619,976	9,908,415	8,546,381	4,434,807	12,981,188	0.76

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

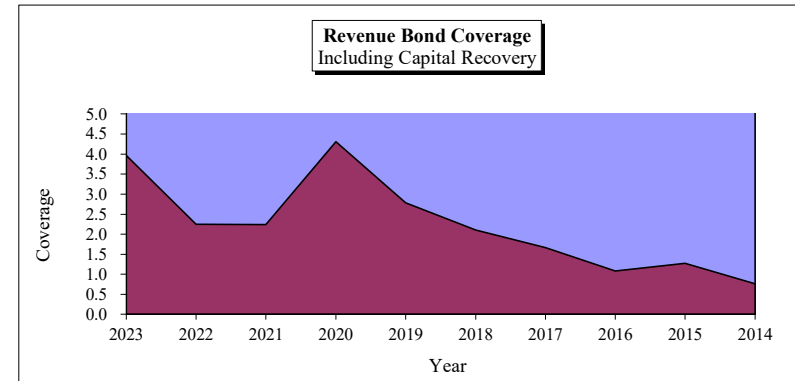
(2) Includes Total Operating Revenue, Interest Income, Grant Revenue and Other Income.

(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.



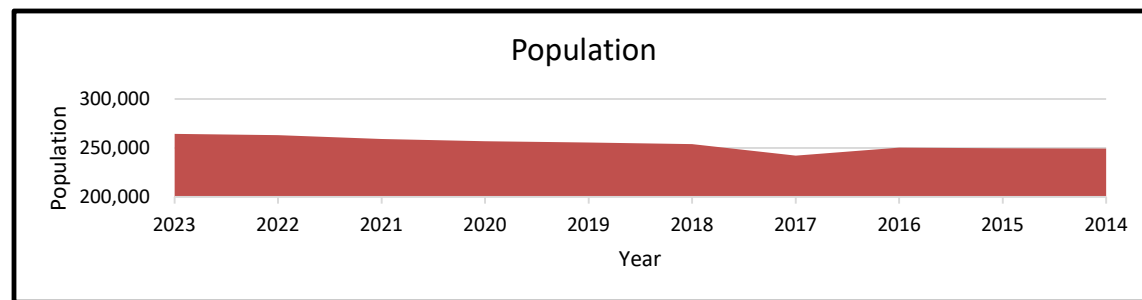
HARFORD COUNTY, MARYLAND
Demographic Statistics
Last Ten Fiscal Years

Table 14

Fiscal Year Ending June 30,	Population ⁽¹⁾	Per Capita Income ⁽²⁾	Personal Income ⁽²⁾ (000's)	Unemployment Rate ⁽³⁾	School Enrollment ⁽⁴⁾	Median Age ⁽⁵⁾	Education of Bachelor Degree or Higher ⁽⁵⁾
2023	264,578	\$ 75,336 ⁽⁶⁾	\$ 20,002,217 ⁽⁶⁾	1.5%	38,037	Not Available	Not Available
2022	262,977	70,851 ⁽⁶⁾	18,721,655 ⁽⁶⁾	4.3%	37,897	40.4	37.8%
2021	259,118	66,633	17,523,077	5.7%	37,333	40.8	36.9%
2020	256,805	62,868	16,416,097	7.2%	38,429	40.9	36.7%
2019	255,594	59,333	15,403,672	3.7%	37,826	40.6	35.8%
2018	253,884	56,965	14,665,878	4.1%	37,780	40.6	35.2%
2017	241,948	55,490	14,153,654	4.2%	37,426	40.3	34.5%
2016	250,448	53,702	13,593,278	4.4%	37,448	40.1	33.8%
2015	249,690	52,025	13,106,665	5.5%	37,537	39.9	33.4%
2014	249,415	50,316	12,641,106	6.0%	37,842	39.8	32.7%

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 FY2022 and FY2023.
- (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 2022 and 2023 were estimated because data was unavailable



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

Table 15

Fiscal Year 2023			
	Number of Employees ⁽¹⁾	Rank	Percentage of Total County Employment
U.S. Army Aberdeen Proving Ground	21,000	1	22.80%
Harford County Public Schools	5,625	2	6.11%
UM Upper Chesapeake Health	3,305	3	3.59%
Harford County Government	1,554	4	1.69%
Harford Community College	1,428	5	1.55%
Amazon Sorting Center MTN2	1,400	6	1.52%
Klein's ShopRite of Maryland	1,200	7	1.30%
Kohl's E-Fulfillment Center	954	8	1.04%
Rite Aid Mid-Atlantic Customer Distribution Center	900	9	0.98%
Frito Lay, Inc.	810	10	0.88%
Total	38,176		41.46%
Total County Employment ⁽²⁾	92,106		100%

Fiscal Year 2014			
	Number of Employees ⁽¹⁾	Rank	Percentage of Total County Employment
U.S. Army Aberdeen Proving Ground	16,221	1	19.00%
Harford County Public Schools	5,256	2	6.16%
Upper Chesapeake Health System	3,129	3	3.66%
Harford County Government	1,605	4	1.88%
Rite Aid Mid-Atlantic Customer Support Center	1,167	5	1.37%
Harford Community College	1,029	6	1.21%
Kohl's Distribution Center	905	7	1.06%
Jacobs Technology	865	8	1.01%
Kleins Shoprite	800	9	0.94%
Wegmans Food Markets	499	10	0.58%
Total	31,476		36.87%
Total County Employment ⁽³⁾	85,379		100%

Source:

- (1) Office of Economic Development, Harford County, Maryland
- (2) Maryland Department of Commerce (Harford County Brief Economic Facts 2023)
- (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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Agricultural Preservation										
Acres of Farm Land in Preservation Program	51,214	49,264	45,687	44,618	43,806	39,680	39,680	39,078	38,671	37,443
General Government										
Office Buildings	6	5	5	5	5	5	5	13	13	13
Garage	1	1	1	1	1	1	1	1	1	1
Vehicles	64	61	47	45	32	27	28	17	25	27
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	96	96	95	95	96	96
Rec, Comm. & Visitor Ctrs	8	8	8	8	8	8	8	8	8	8
Acres of Land	4,891	4,891	4,886	4,540	4,539	4,539	4,543	4,543	4,608	4,608
Vehicles	36	37	38	41	53	55	58	58	48	50
Public Safety										
Detention Center	1	1	1	1	1	1	1	1	1	1
Emergency Operations Center	1	1	1	1	1	1	1	1	1	1
Number of Stations	3	3	3	3	3	3	3	3	3	3
Sheriff's Vehicles	517	481	439	370	380	361	336	367	379	375
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	46	17	14	15	21	17	13	13	16	16
Hazmat Vehicles	5	8	8	7	8	9	8	8	9	11
DILP Vehicles	10	13	13	13	22	21	21	29	17	18

(continued)

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

Table 16

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public Works										
Highways										
County Maintained Roads-Paved Miles	1,050	1,047	1,037	1,032	1,029	1,027	1,023	1,018	1,017	1,013
County Maintained Roads-Unpaved Miles	38	38	42	42	44	44	45	45	46	46
Office Buildings	3	3	3	3	3	3	3	3	3	3
Equipment Sheds	7	7	8	8	8	8	8	8	8	8
Truck Bay	1	1	1	1	1	1	1	1	1	1
Salt Dome	3	3	4	4	4	4	4	4	4	4
Vehicles	291	286	301	296	278	252	253	276	303	288
Water & Sewer										
Miles of Water Mains and Laterals	755	750	749	719	711	705	703	696	691	689
Water Treatment Plants	3	3	3	3	3	3	3	3	3	3
Booster Stations	13	13	12	12	12	12	12	12	12	12
Water Tanks	12	12	12	12	12	12	12	12	12	12
Miles of Wastewater Mains and Laterals	801	798	798	798	798	798	798	792	787	784
Wastewater Treatment Plants	3	3	3	3	3	3	3	3	3	3
Wastewater Pumping Stations	52	52	51	51	51	51	51	52	50	53
Vehicles	139	142	127	122	113	108	109	103	113	120
Waste Disposal										
Waste to Energy Facility	-	-	-	-	-	-	-	1	1	1
Vehicles	-	-	-	-	-	-	-	5	9	12
Landfills										
Buildings	2	2	2	2	2	2	2	2	2	2
Pole barn/garage	2	2	2	2	2	2	2	2	2	2
Vehicles	37	38	41	39	42	41	42	35	44	45
Social Services & Health										
Senior/Activity Centers	5	5	5	5	5	5	5	5	5	5
Buses	36	37	37	33	39	38	43	43	43	43
Office Buildings	3	3	3	3	3	3	3	3	3	3
Transportation Facility	1	1	1	1	1	1	1	1	1	1
Other Vehicles	1	1	1	2	2	2	2	4	9	13

(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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Agricultural Preservation</u>										
Number of settlements	12	38	3	7	21	-	3	-	9	-
<u>County Council</u>										
Number of bills introduced	32	32	34	32	26	43	26	44	25	49
Number of bills passed	27	28	34	32	24	41	24	42	24	43
<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	15,339	15,497	17,026	16,991	17,664	17,295	17,261	19,933	19,215	18,293
Commercial construction permits	15	10	8	19	18	9	4	15	24	15
Residential construction permits	1,036	744	857	738	738	632	846	488	1,079	700
<u>Judicial</u>										
<u>Circuit Court</u>										
Number of cases filed (Calendar year)	1,295	1,453	790	1,381	1,448	1,889	1,839	1,847	1,998	2,118
<u>District Court</u>										
Number of cases filed (Calendar year)	3,752	7,484	9,552	7,827	7,883	7,645	7,738	7,826	8,228	7,623
<u>Education</u>										
<u>Board of Education</u>										
Administrators	254	251	234	226	252	254	254	254	253	256
Support	2,158	2,083	1,964	1,889	1,858	1,909	1,919	1,974	2,003	2,018
Teachers/Counselors/Mentors	3,213	3,151	2,962	2,905	2,947	2,962	2,985	2,989	3,000	2,982
Number of students	38,037	37,897	37,333	38,429	37,826	37,780	37,426	37,448	37,537	37,842
<u>Community College</u>										
Number of credit students	4,128	4,146	4,629	5,040	5,350	5,375	5,764	5,759	5,962	6,201
Faculty	329	327	330	384	374	383	407	415	450	469
Administrators	31	30	29	30	29	28	26	31	31	32
Staff	476	427	412	515	515	543	534	530	489	485
Visiting Professors	23	45	43	46	43	39	42	41	41	43
<u>Libraries</u>										
Number of registered borrowers	193,240	223,448	252,725	206,595	196,853	196,219	193,747	185,638	181,393	191,239
Circulation (000) ⁽²⁾	3,043	2,877	1,945	2,646	3,384	3,616	3,697	3,783	3,872	4,130
Materials collection (000)	1,007	1,009	1,010	1,080	1,052	1,113	1,090	979	822	941
Library personnel	210	210	210	242	242	242	242	240	243	242
<u>Parks and Recreation ⁽³⁾</u>										
Volunteer recreation councils	19	19	20	20	20	20	20	22	22	22
Number of P&R volunteers	9,620	9,053	4,365	11,561	15,694	14,308	13,571	13,271	14,250	14,297
Recreation registrations	49,693	46,338	33,177	55,286	66,089	65,122	69,625	66,074	73,066	73,359

(continued)

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

Table 17

Function/Program	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
<u>Public Safety</u>										
Number of volunteers - Fire & EMS	885	1,208	1,256	1,048	1,141	1,178	1,181	1,189	1,170	1,169
Fire & EMS responses	30,956	Not Available	25,532	29,939	30,620	30,482	29,974	28,604	29,704	26,195
Police responses	121,191	139,511	215,090	170,029	222,182	284,966	273,589	296,213	227,027	137,801
911 calls	103,352	100,542	103,447	103,525	104,120	104,456	104,385	101,033	101,915	99,555
Hazardous material incidents	221	105	110	135	179	193	183	196	187	210
EOC activations/exercises	12	8	20	25	27	32	26	38	25	30
Community policing programs	187	162	219	108	244	240	122	156	134	139
Neighborhood watch programs	27	34	36	18	19	25	26	35	38	33
<u>Public Works</u>										
<u>Solid Waste</u>										
Tons of recycled materials ⁽⁴⁾	2,463	2,308	2,701	2,775	2,977	8,704	9,974	21,184	10,358	126,923
Tons of solid waste processed ⁽⁴⁾	19,060	11,949	14,227	16,109	17,678	12,654	12,638	120,509	140,792	133,890
<u>Highways</u>										
Number of snow routes	77	77	75	75	75	75	75	75	75	75
<u>Social Services/Health</u>										
<u>Transportation</u>										
Annual ridership	319,193	260,105	116,431	308,049	358,499	298,405	326,706	359,269	365,905	356,770
Vehicle miles traveled	1,170,970	1,249,229	916,727	881,566	1,030,718	848,951	743,196	769,333	741,767	744,346
<u>Water & Sewer Operations</u>										
Daily average water consumption in gal.(000)	9,868	9,379	9,877	9,855	9,721	9,350	9,350	9,379	9,800	12,073
Daily average effluent treatment in gal. (000)	10,861	11,112	12,176	12,027	14,300	11,854	10,712	12,126	12,714	12,073
Number of new accounts added	281	279	453	567	450	371	287	291	227	312

(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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
County Council	28	28	28	28	27	27	27	27	28	28
General Government										
County Executive	4	4	4	4	4	4	4	4	11	11
Administration	50	50	50	50	50	50	49	49	67	65
Procurement	10	10	10	10	10	10	11	14	14	14
Treasury	41	41	41	41	41	41	42	42	44	44
Law	15	15	15	15	15	15	15	16	16	16
Planning & Zoning	37	37	37	37	36	36	37	38	41	41
Human Resources	9	9	9	9	8	8	8	9	7	7
Gov't & Community Relations	7	7	7	6	6	6	6	4	-	-
Information & Communication Technology	25	25	25	23	23	23	23	24	29	29
Conservation of Natural Resources	5	5	5	5	5	5	5	5	4	4
Economic Development	17	17	17	21	21	14	20	22	17	17
	220	220	220	221	219	212	220	227	250	248
Judicial										
Judicial	33	33	33	32	32	32	30	30	29	29
State's Attorney	69	63	59	59	59	59	59	59	59	59
	102	96	92	91	91	91	89	89	88	88
Parks and Recreation	73	78	78	85	86	86	94	94	103	102
Public Safety										
Sheriff's Office	583	538	536	537	529	529	535	535	528	525
Emergency Services	127	114	114	106	106	106	90	91	94	94
Inspections, Licenses & Permits	31	31	31	31	31	31	30	29	39	39
	741	683	681	674	666	666	655	655	661	658
Public Works										
Public Works - Administration	15	13	14	18	20	20	14	30	24	24
Public Works - Solid Waste	-	-	-	-	-	-	-	23	33	33
Public Works - Watershed Management	5	5	4	-	-	-	-	-	12	12
Public Works - Highways	177	177	177	177	175	175	187	190	196	196
Public Works - Water & Sewer	168	168	168	169	170	170	170	170	172	171
	365	363	363	364	365	365	371	413	437	436
Social Services & Health										
Community Services	25	25	25	25	25	25	25	25	40	39
Housing Agency	-	-	-	-	-	8	8	9	7	6
	25	25	25	25	25	33	33	34	47	45
Grand Totals	1,554	1,493	1,487	1,488	1,479	1,480	1,489	1,539	1,614	1,605

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



HARFORD COUNTY

Bob Cassilly, County Executive

www.HarfordCountyMD.gov