

**THE COUNTY COMMISSIONERS OF
QUEEN ANNE'S COUNTY, MARYLAND**

ANNUAL COMPREHENSIVE
FINANCIAL REPORT

JUNE 30, 2024

The background of the cover features a repeating pattern of Queen Anne's lace flowers in a light gray tone. A central dark gray rectangle with a thin gold border contains the main title and year. The text is in gold, with the year '2024' being the largest and most prominent element.

Queen Anne's County
M A R Y L A N D

2024

Annual Comprehensive Financial Report
*for the Fiscal Year ended
June 30, 2024*

Prepared by:
Queen Anne's County,
Office of Budget and Finance

QUEEN ANNE'S COUNTY, MARYLAND
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2024
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INTRODUCTORY SECTION



Queen Anne's County

OFFICE OF BUDGET AND FINANCE

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County Commissioners:

James J. Moran, At Large
Jack N. Wilson, Jr., District 1
J. Patrick McLaughlin, District 2
Philip L. Dumenil, District 3
Christopher M. Corchiarino, District 4

County Administrator: Todd R. Mohn
Director, Budget & Finance: Jeffrey A. Rank

December 23, 2024

The Board of County Commissioners and
The Citizens of Queen Anne's County, Maryland

FORMAL TRANSMITTAL OF THE ANNUAL COMPREHNSIVE FINANCIAL REPORT (ACFR)

State law requires that all general-purpose governments publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of Queen Anne's County, Maryland for the fiscal year ended June 30, 2024.

This report consists of management's representations concerning the finances of Queen Anne's County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in the report. To provide a reasonable basis for making these representations, the management of Queen Anne's County has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of Queen Anne's County's financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Because the cost of internal controls should not outweigh their benefits, Queen Anne's County's comprehensive framework of internal controls has been designed to provide a reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Queen Anne's County's financial statements have been audited by UHY LLP, a firm of licensed certified public accountants. The goal of the independent audit is to provide reasonable assurance that the financial statements of Queen Anne's County, for the fiscal year ended June 30, 2024, are free of material misstatement. The independent audit involves 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Queen Anne's County's financial statements for the fiscal year ended June 30, 2024, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of Queen Anne's County is part of a broader, federally mandated, "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Queen Anne's County's separately issued Single Audit report.

GAAP requires that management provide a narrative introduction, overview, and analysis, entitled 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. Queen Anne's County's MD&A can be found immediately following the report of the independent auditor.

PROFILE OF THE GOVERNMENT

Queen Anne's County is situated on the Eastern Shore of Maryland. It is bordered to the north by Kent County, to the east by the State of Delaware, to the south by Caroline and Talbot counties, and to the west by the Chesapeake Bay. Access to the Western Shore of Maryland is provided by the Chesapeake Bay Bridge. The County is 373 square miles in area and has approximately 52,508 citizens. The County seat is located in Centreville. The County Commissioners of Queen Anne's County are empowered to levy a property tax on both real and personal properties located within its boundaries.

Queen Anne's County was formed in 1706 and is governed by a five-member Board of County Commissioners. County code provides that one Commissioner be elected purely at large; the remaining four Commissioners must reside in specific districts, but are elected at large. The Commissioners operate under Maryland's Code Home Rule form of government. Both the executive and legislative functions of the County are vested with the Board of County Commissioners.

Queen Anne's County provides a full range of services including public safety (police, volunteer fire protection, emergency services, detention center, and animal control), highways and streets, solid waste, planning and zoning, economic development, culture and recreation, education, libraries, and general administrative services. In conjunction with the State, the County also operates services related to general community health and social services. In addition, the County operates a water and wastewater utility, an airport, a golf course, and public landings and marinas.

BUDGETARY CONTROLS

The annual budget serves as the foundation for the County's financial and budgetary controls to ensure compliance with legal provisions embodied in the annual appropriation resolution approved by the County Commissioners. The County budget is comprised of the budget message, current revenue and expense budgets and the capital budget and capital program. Activities of the general fund, certain special revenue funds, and the enterprise funds are included in the current budget.

The current operating budget includes appropriations for the full range of basic services. These services include county administration, public safety, education, public works, community services, parks, debt and other agencies. The capital budget includes funds to construct major governmental facilities such as the Detention Center renovation, roads, schools, and water and sewer infrastructure. Capital projects usually take more than a year to complete, unlike the operating budget which covers only a year.

The budget process begins each Fall when the County departments receive budget preparation instructions for the capital budget which is then followed by instructions for the operating budget. The budget preparation is directed by the Director of Budget and Finance. After a thorough review of the departmental requests, a County Administrator's proposed budget is submitted to the County Commissioners in March. The County Commissioners then conduct a series of public hearings and work sessions to review the proposed budget. After its review, the County Commissioners finalize the budget and set tax rates, fees and charges needed to generate enough revenue to balance the budget. The budget must be adopted by the County Commissioners on or before the last day of the month of the fiscal year currently ending, although the Commissioners typically adopt the budget at the end of May.

The Office of Budget and Finance is responsible for budgetary control. The appropriated budgets are prepared at the fund, function (e.g., public safety), and department (e.g., Detention Center) level. Expenditures/expenses may not legally exceed appropriations, based on the level at which they were adopted. For the General Fund, annual expenditure budgets are legally adopted at the departmental level. For all other Governmental Funds, for which annual budgets are adopted, expenditure budgets are legally adopted at the fund level. Budgets for the General Capital Projects Fund and the Roads Capital Projects Fund reflect multi-year appropriations at the individual project level.

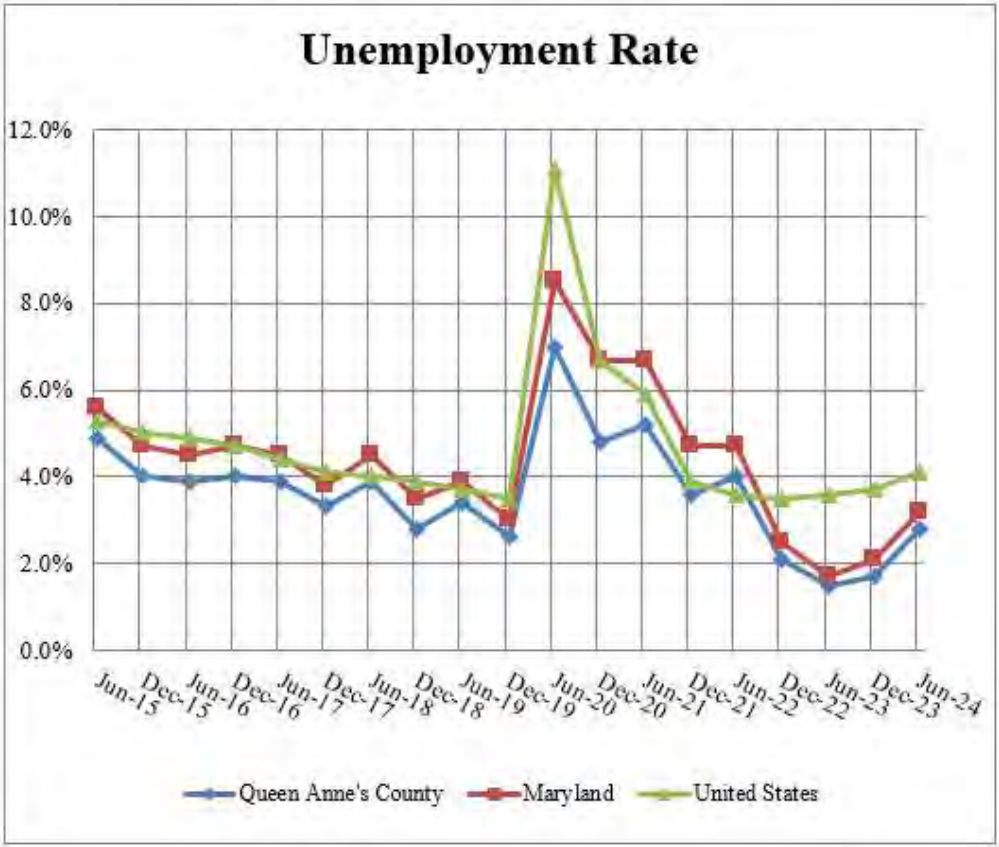
Department Heads may make transfers of appropriations within a department of up to \$100,000 with the approval of the County Administrator. Transfers of appropriations or appropriation of new revenues in excess of \$100,000 require the approval of the County Commissioners. Budget to actual comparisons are provided in this report for individual governmental funds for which an appropriated annual budget has been adopted. The budget comparisons for the General Fund are presented as part of the

Required Supplementary Information portion of this report. For non-major funds with appropriated annual budgets, budget to actual comparisons are presented in the Supplementary Information subsection of this report.

ECONOMIC OUTLOOK AND 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 Queen Anne’s County operates.

The unemployment rate for Queen Anne’s County is typically below the state and national averages, as shown in the chart below. The June 2024 rate for the County was 2.8%, compared to the state’s rate of 3.2% and the U.S.’s rate of 4.1%. The fiscal year 2024 average rate for the County was 2.1%. The increase in unemployment rate for fiscal year 2024 was the result of a combination of labor force growth and demographic shifts.



LOCAL ECONOMY

The local employment base is somewhat limited and centers on several stable manufacturers, as well as the agriculture, maritime, construction, retail, leisure, and hospitality industries. The three largest employers are governmental units, including the County, the Board of Education, and Chesapeake College. There is a small, but growing, base of specialty manufacturers. In addition, the County’s proximity to the Western Shore enables about 60% of the workforce to commute to locations outside the County, primarily to higher paying jobs in the Baltimore and Washington areas.

Property and income tax revenue increased when comparing current year to prior year for governmental funds. Property taxes increased in fiscal year 2024 by 5.2% to \$82.1 million due to an increase in assessable base. Local income tax is the County’s other main revenue source. Income tax collections increased by 8.2% in fiscal year 2024, from \$79.5 million in fiscal year 2023 to \$86.0 million in fiscal year 2024 as a result of increased wages and capital gains.

Recordation tax declined in fiscal year 2024 with a decrease of 14.0% over fiscal year 2023, from \$8.9 million in fiscal year 2023 to \$7.7 million in fiscal year 2024. The transfer tax revenue also decreased in fiscal year 2024 by 5.3%, from \$3.0 million in fiscal year 2023 to \$2.9 million in fiscal year 2024. In fiscal year 2024 Queen Anne's County received \$83 thousand of cannabis sales tax revenue for the first time due to Maryland legalizing the sale of recreational-use cannabis.

LONG TERM FINANCIAL PLANNING

Rainy Day Fund – Ordinance No. 12-21 was adopted in January 2013 for the purpose of establishing and maintaining a Rainy Day Fund for contingencies of an emergency nature; requiring annual reports on such fund balance; providing for the appropriation of such funds to meet emergency needs; and requiring surplus revenues be used to maintain the Rainy Day Fund at a set minimum amount. Beginning in fiscal year 2017, County Ordinance No. 16-24 changed the minimum amount of the rainy day fund to 8% (previously 7%) of the following year’s budgeted general fund operating revenues, as recommended by the Spending Affordability Committee. The County funded the Rainy Day Fund with the required amount of \$15,120,497 in fiscal year 2024.

Revenue Stabilization Fund (Previously “Special Fund”) – Resolution No. 14-05 was adopted in March 2014 for the purpose of establishing and maintaining a Special Fund to set aside certain general funds of the County for certain unanticipated projects, initiatives, and other one-time expenses. Resolution No. 16-99 was adopted in December 2016 for the purpose of renaming the “Special Fund” to the Revenue Stabilization Fund and revising the maximum amount of such fund. The maximum amount of the Revenue Stabilization Fund shall not exceed 5% of budgeted general fund operating revenues and the transfer to the General Fund shall only be made after the requirements of the Rainy Day Fund have been met. The County funded the Revenue Stabilization Fund with \$380,329 in fiscal year 2024. The current balance of the Revenue Stabilization Fund is \$9,450,311.

Spending Affordability Committee – Ordinance No. 15-11 was adopted in November 2015 for the purpose of establishing a committee to provide recommendations and projections for the upcoming budget year. Specifically, the Committee is charged to review in detail the status and projections of revenues and expenditures for the County for the next budget year and subsequent five years; to review future County revenue levels and consider the impact of economic factors such as changes in personal income and assessable base growth; and to review future expenditure levels with consideration of County long-term obligations and any pressure for growth in costs.

The Committee’s recommendations help determine general expenditure guidelines based on projected revenue, and the amount of new County debt authorization for the upcoming fiscal year. The Committee recommends policy changes primarily regarding budgeting, debt, and fund balance. This Committee also assesses the County’s ability to repay bond debt, determines debt capacity using several debt measures, and provides general guidance regarding future capital budgets.

Capital Projects - The County Commissioners’ six-year capital program, starting with fiscal year 2025, prioritizes capital expenditures over these years to meet the County’s needs. The six-year program totals \$331.1 million and includes: \$64.3 million for various school related projects (includes \$20.4 million for Centreville Middle School and \$9.0 million for the Board of Administration building); \$59.6 million for Roads Board capital projects (includes \$22.9 million for a pedestrian bridge crossing on US 50/301 and \$15.6 million for asphalt overlays); \$36.1 million for various Administration and General Services projects (includes \$16.0 million for Sheriff facilities and \$10.0 million for the Historic Courthouse); \$34.9 million for various Sanitary District projects (the Southern Kent Island Sewer service at \$14.7 million); \$24.8 million for the Detention Center regional jail; \$20.5 million for Parks (includes \$5.6 million for playgrounds and \$3.8 million for trail maintenance/amenities); \$20.3 million to Outside Agencies (includes \$5.7 million for the Chesapeake College Technical Building and \$5.0 million for allocations to Volunteer Fire Departments); and \$20.2 million for a new Recreation Center.

FINANCIAL POLICIES

Bond Ratings - The financial policies and management practices of Queen Anne’s County were recognized by three major rating agencies. Fitch Rating Service issued a AAA bond rating, Moody’s issued a rating of Aa1, and Standard & Poor’s also issued a AAA rating.

Debt Management Policy – In calendar year 2013, the County adopted Resolution 13-04, which revised the County’s Local Debt Policy. In accordance with this policy, the Director of Budget and Finance, is responsible for following certain procedures to ensure that debt limits established by the Policy are not exceeded. A key element of the Policy is that prior to the issuance of any new bonded indebtedness, the Director must certify that existing and new General Obligation Debt will not exceed (1) 2.5% of the total taxable assessable base and (2) \$3,000 per capita. This policy also stipulates that although there is some flexibility as to the acceptable percentage of debt service to general fund expenditures, and no absolute limit has been established by the rating agencies or the Government Finance Officers Association, anything above 12% of total general fund expenditures would be a cause to carefully monitor debt service. In addition to the debt management policy, the Spending Affordability Committee recommended that the limit of debt service to general fund expenditures should be limited to 10% and the County Commissioners have adopted that as a limit.

For fiscal year 2024, Queen Anne’s County general obligation debt was 1.27% of the total taxable assessable base, and the per capita debt measurement was \$2,374. The debt service was 7.7% of the general fund expenditures for the year. All thresholds are well below the policy limits.

Fund Balance Policy – Resolution 12-21 was adopted in calendar year 2012 for the purpose of establishing criteria in which year end fund balances can be used. There are five purposes for which using fund balance is permitted: (1) paygo for items/projects in the County Capital Improvement Plan, (2) as a supplement to the Rainy Day Fund if it is underfunded, (3) to pay down existing debt, (4) reserved for future non-operating expenses related to fiscal emergencies, and (5) as one time non-recurring expenditures of capital or non-capital items.

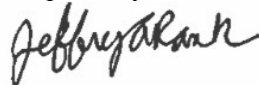
AWARDS AND ACKNOWLEDGMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Queen Anne’s County, Maryland for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award that recognizes conformance with the highest standards for preparation of state and local government financial reports. In order to be awarded a Certificate of Achievement, the County 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. Queen Anne’s County, Maryland has received a Certificate of Achievement for the last twenty-five consecutive years (fiscal years 1999-2023). We believe our current annual comprehensive financial report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the annual comprehensive financial report was made possible by the dedicated service of the entire staff of the finance office. Each member of the department has my sincere appreciation for the contributions made in preparation of this report. Special recognition is given to members of the Audit Team: Justine Franzen, who is the principal staff member responsible for preparing the report, Karen Rodgers, Lisa Taylor, and Hayley Effland. Their dedication and professionalism in the preparation of Queen Anne’s County financial statements has resulted in consistently accurate and transparent financial reporting.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Jeffrey Rank', written in a cursive style.

Jeffrey Rank
Director of Budget and Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Queen Anne's County
Maryland**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

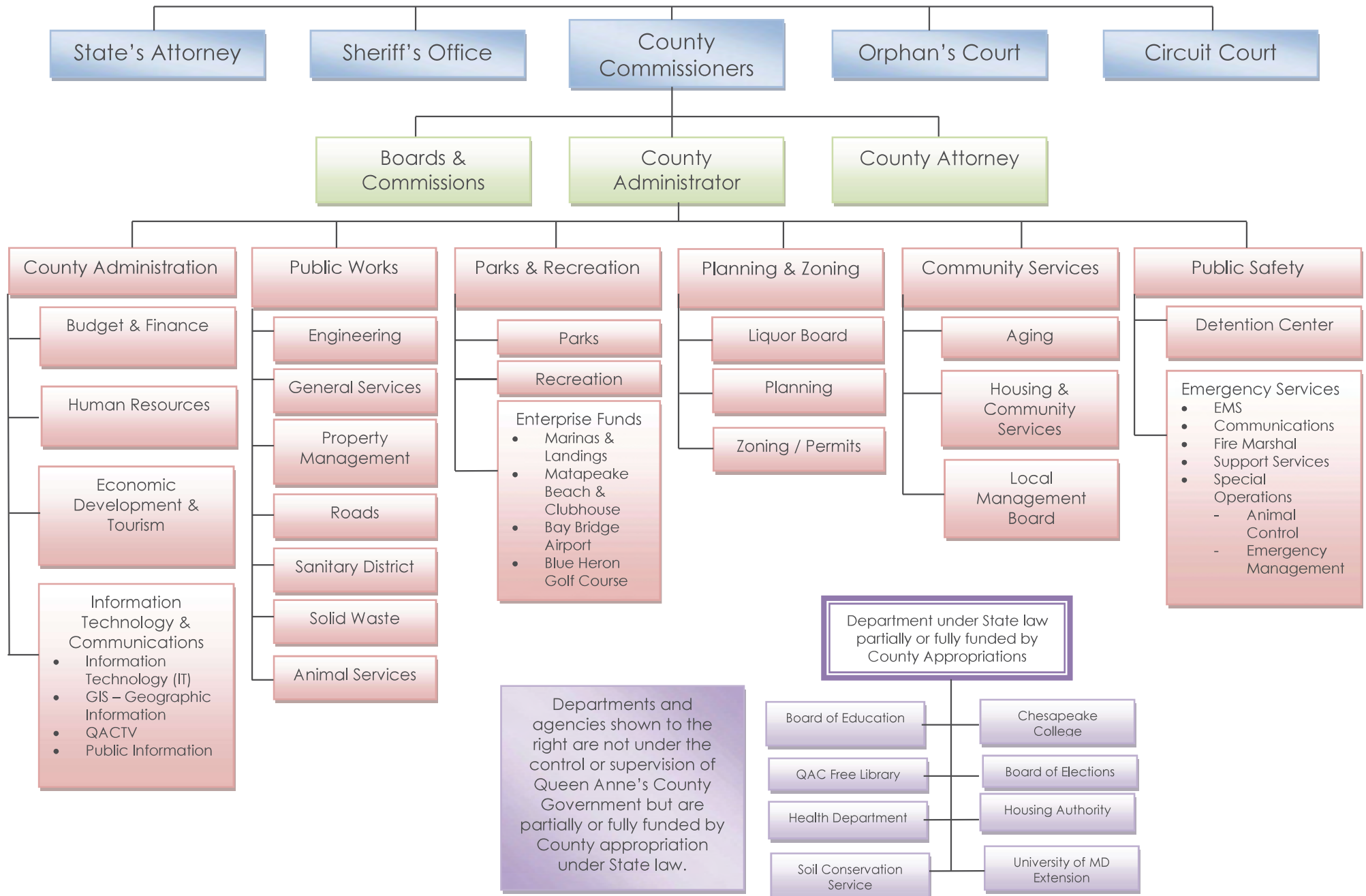
June 30, 2023

Christopher P. Morill

Executive Director/CEO

Queen Anne's County Government Organizational Chart

Queen Anne's County Voters



**QUEEN ANNE’S COUNTY, MARYLAND
GOVERNMENTAL ORGANIZATION
CERTAIN ELECTED AND OTHER OFFICIALS
AS OF JUNE 30, 2024**

CERTAIN ELECTED OFFICIALS

County Commissioners	James J. Moran, At Large Jack N. Wilson, Jr., District 1 J. Patrick McLaughlin, District 2 Philip L. Dumenil, District 3 Christopher M. Corchiarino, District 4
State’s Attorney	Lance G. Richardson, Esq.
Sheriff	Raymond G. Hofmann

CERTAIN DEPARTMENT HEADS AND OTHER OFFICIALS

County Administrator	Todd R. Mohn
Director of Public Works Director of Planning and Zoning Director of Community Services	Alan Quimby, P.E. Amy Moredock Catherine R. Willis
Director of Budget and Finance Director of IT Chief Treasury Officer	Jeffrey Rank Brian Riley Nancy Boone
County Attorney	Patrick E. Thompson, Esq.

Independent Auditor
UHY LLP
Certified Public Accountants
Salisbury, Maryland

Bond Counsel
McKennon, Shelton
& Henn, LLP
Baltimore, Maryland

Financial Advisor
Davenport & Company LLC
Towson, Maryland

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

County Commissioners of
Queen Anne's County
Centreville, 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 Queen Anne's County, Maryland (the "County") as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County, as of June 30, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Queen Anne's County Free Library (the "Library") as of June 30, 2024, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for the Library 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 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the County, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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 generally accepted auditing standards 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 generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The other supplementary information (OSI), as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The OSI, as listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the OSI, as listed in the table of contents, is 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 auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 23, 2024, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in dark ink, appearing to read "UHY LLP", is positioned above the typed text.

Salisbury, Maryland
December 23, 2024

Management's Discussion and Analysis

Introduction

This section of the Annual Comprehensive Financial Report of Queen Anne's County, Maryland (the County) presents a narrative overview and analysis of the financial activities of Queen Anne's County Government for the fiscal year ended June 30, 2024. We encourage readers to consider the discussion and analysis along with the other information in this report, including the transmittal letter, basic financial statements, and the notes to the financial statements.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to Queen Anne's County Government's basic financial statements. The County's basic financial statements are comprised of three components:

- Government-Wide Financial Statements
- Fund Financial Statements
- 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 Queen Anne's County Government's finances, in a manner comparable to a private sector business.

The *statement of net position* presents information on all of Queen Anne's County Government's assets and liabilities, with the difference between the two 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 Queen Anne's County Government is improving or declining.

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

Both of the government-wide financial statements distinguish functions of Queen Anne's County Government that are principally supported by taxes and intergovernmental revenue (*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 Queen Anne's County Government include general government, public safety, public works, health, social services, education, library, conservation of natural resources, and economic and community development. The *business-type activities* of Queen Anne's County Government include water and sewer services, an airport, a golf course, and public landings and marinas.

The government-wide financial statements include not only Queen Anne's County Government itself (known as the *primary government*), but also legally separate component units. Queen Anne's County Government has the following discretely presented component units: Queen Anne's County Board of Education and the Queen Anne's County Free 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 in the basic financial statements section of this report.

Fund Financial Statements: A *fund* is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Queen Anne’s County Government, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Queen Anne’s County Government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds. Fund financial statements can be found throughout this report, as listed in the table of contents.

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* 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. Both the balance sheet and the statement of revenues, expenditures, and changes in fund balances for governmental funds provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. These two reconciliations begin with *governmental fund* financial data; describe all transactions that are added or subtracted to yield *governmental activities*; and end with *governmental activities* financial data. These reconciliations can be found within this report, as listed in the table of contents.

Queen Anne’s County maintains three types of governmental funds: the general fund, a variety of special revenue funds, and five capital project funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for all governmental funds. Fund type is identified for each fund.

Queen Anne’s County adopts an annual appropriated budget for its general fund; school, fire, and parks impact fee capital projects funds; and the following special revenue funds: department of aging, housing and community services, grants fund, economic development incentive, roads operating fund, community partnerships for children, law library, inmate welfare, agricultural transfer, rural legacy, dredging special assessments, and Kent Narrows. A budgetary comparison statement has been provided for each of these funds, which can be found within this report, as listed in the table of contents.

Proprietary funds: Queen Anne’s County maintains *enterprise funds* to report the same functions presented as *business-type activities* in the government-wide financial statements. Queen Anne’s County Government uses enterprise funds to account for its water and sewer services, airport, golf course, and public landings and marinas. The basic proprietary fund financial statements can be found within this report, as listed in the table of contents.

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 Queen Anne’s County Government’s own programs. The County acts as a fiduciary for two trust and six custodial funds. The accounting used for fiduciary funds is much like that used for proprietary funds except that the custodial funds report only assets and liabilities and do not report net assets or changes therein. The basic fiduciary fund financial statements can be found within this report, as listed in the table of contents.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found within this report, as listed in the table of contents.

Government-wide Financial Analysis

Statement of Net Position

A summary of government-wide assets, liabilities, and net position is as follows:

Summary of Net Position	Governmental Activities		Business Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Current and Other Assets	\$ 227,640,414	\$ 223,507,249	\$ 66,024,027	\$ 65,914,665	\$ 293,664,441	\$ 289,421,914
Capital Assets	197,753,402	195,514,937	149,868,762	136,788,646	347,622,164	332,303,583
Total Assets	425,393,816	419,022,186	215,892,789	202,703,311	641,286,605	621,725,497
Total Deferred Outflows of Resources	22,636,795	16,533,659	1,957,649	1,445,535	24,594,444	17,979,194
Noncurrent liabilities	206,383,252	205,417,418	46,743,434	46,777,229	253,126,686	252,194,647
Other liabilities	18,807,651	21,139,189	1,586,995	2,226,209	20,394,646	23,365,398
Total Liabilities	225,190,903	226,556,607	48,330,429	49,003,438	273,521,332	275,560,045
Total Deferred Inflows of Resources	20,016,476	23,915,715	23,106,130	20,368,980	43,122,606	44,284,695
Net investment in capital assets	126,092,854	122,128,900	111,940,928	99,118,189	238,033,782	221,247,089
Restricted amounts	27,933,020	26,495,556	4,147,493	5,350,538	32,080,513	31,846,094
Unrestricted amounts (deficit)	48,797,358	36,459,067	30,325,458	30,307,701	79,122,816	66,766,768
Total Net Position	\$ 202,823,232	\$ 185,083,523	\$ 146,413,879	\$ 134,776,428	\$ 349,237,111	\$ 319,859,951

The County's total current and other assets increased by \$4.2 million, or 1.5 percent, to \$293.7 million. The County's total assets and deferred outflows of resources exceeded its total liabilities and deferred inflows of resources at the close of fiscal year 2024 by \$349.2 million.

Net position is divided into three categories: net investment in capital assets; restricted amounts; and unrestricted amounts. By far the largest portion, \$238.0 million, of the County's total net position reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, vehicles, and infrastructure), less any related and outstanding debt used to construct or acquire those assets. The County uses these capital assets to provide services to citizens; consequently, they are *not* available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay the debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

It is important to note that, although counties in the State of Maryland issue debt for the construction of schools, the school buildings are owned by each county's Board of Education. Ownership reverts to the county government only if the local Board determines a building is no longer needed for educational purposes. Therefore, while the County's financial statements include outstanding debt related to Board of Education capital assets, those statements do not include the capital assets funded by the debt. Debt outstanding for the Board of Education amounted to \$43.9 million on June 30, 2024. Absent the effect of this relationship, the County would have reported a positive unrestricted amount of \$123.0 million on its government-wide financial statements, rather than the positive unrestricted net assets of \$79.1 million reported herein. For a multi-year view of this calculation, see the Footnote presented in Table 1 of the Statistical Section.

An additional \$32.1 million of the County's total net position represents resources that are subject to restrictions on how they may be used. For governmental activities, this amount includes: \$15.6 million related to general government services; \$3.1 million for economic/community development; \$6.5 million for public safety; and \$2.8 million for conservation of natural resources. For business-type activities, this amount includes \$2.9 million restricted to meet Sanitary District debt covenants and \$1.2 million for the Bay Bridge Airport debt service.

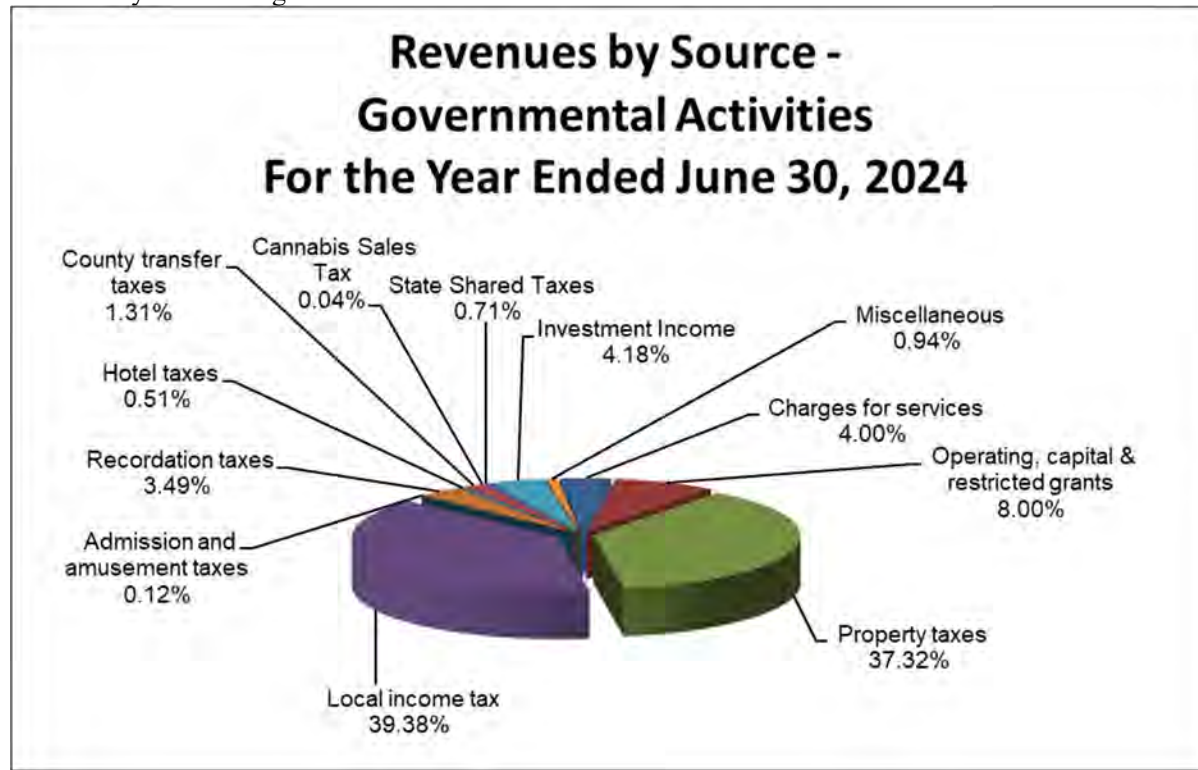
Statement of Activities

The following table summarizes changes in net position for governmental and business-type activities during the year:

Summary of Changes in Net Position	Governmental Activities		Business Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Program revenues:						
Charges for services	\$ 8,791,716	\$ 9,065,778	\$ 15,353,749	\$ 13,436,000	\$ 24,145,465	\$ 22,501,778
Operating grants and contributions	8,049,065	8,232,618	2,580,846	2,955,567	10,629,911	11,188,185
Capital grants and contributions	9,533,202	6,657,301	7,635,932	4,027,234	17,169,134	10,684,535
General revenues:						
Property taxes	82,047,674	78,022,772	-	-	82,047,674	78,022,772
Local income tax	86,567,013	83,439,604	-	-	86,567,013	83,439,604
Other local taxes						
Admission and amusement taxes	261,842	248,987	-	-	261,842	248,987
Recordation taxes	7,668,565	8,921,379	-	-	7,668,565	8,921,379
Hotel taxes	1,127,036	991,022	-	-	1,127,036	991,022
County transfer taxes	2,885,299	3,046,615	-	-	2,885,299	3,046,615
Cannabis Sales Tax	83,040	-	-	-	83,040	-
State Shared Taxes	1,560,187	1,352,592	-	-	1,560,187	1,352,592
Investment income	9,192,673	6,448,944	1,732,675	1,047,564	10,925,348	7,496,508
Gain (loss) on sale of capital assets	-	-	(21,552)	2,561	(21,552)	2,561
Miscellaneous	2,059,293	1,628,246	1,167,917	1,224,908	3,227,210	2,853,154
Total Revenues	219,826,605	208,055,858	28,449,567	22,693,834	248,276,172	230,749,692
Governmental Activities:						
General government	22,378,707	21,070,854	-	-	22,378,707	21,070,854
Public safety	49,458,541	42,482,230	-	-	49,458,541	42,482,230
Public works	20,222,362	19,422,823	-	-	20,222,362	19,422,823
Parks & recreation	7,458,494	6,338,014	-	-	7,458,494	6,338,014
Health & Social Services	7,944,933	7,219,183	-	-	7,944,933	7,219,183
Education & Library	83,355,583	69,770,287	-	-	83,355,583	69,770,287
Conservation of natural resources	3,702,670	3,386,538	-	-	3,702,670	3,386,538
Economic and Community development	2,826,682	2,798,777	-	-	2,826,682	2,798,777
Interest and fiscal charges	4,254,673	4,525,460	-	-	4,254,673	4,525,460
Business-type Activities:						
Water and sewer	-	-	14,932,981	13,822,527	14,932,981	13,822,527
Airport	-	-	966,183	1,058,318	966,183	1,058,318
Golf course	-	-	730,908	697,824	730,908	697,824
Public landings and marinas	-	-	666,295	684,685	666,295	684,685
Total Expenses	201,602,645	177,014,166	17,296,367	16,263,354	218,899,012	193,277,520
Increase in Net Position before Transfers	18,223,960	31,041,692	11,153,200	6,430,480	29,377,160	37,472,172
Transfers in (out)	(484,251)	(516,330)	484,251	516,330	-	-
Increase in Net Position	17,739,709	30,525,362	11,637,451	6,946,810	29,377,160	37,472,172
Net Position, prior year restated	185,083,523	154,558,161	134,776,428	127,829,618	319,859,951	282,387,779
Net Position - current year	\$ 202,823,232	\$ 185,083,523	\$ 146,413,879	\$ 134,776,428	\$ 349,237,111	\$ 319,859,951

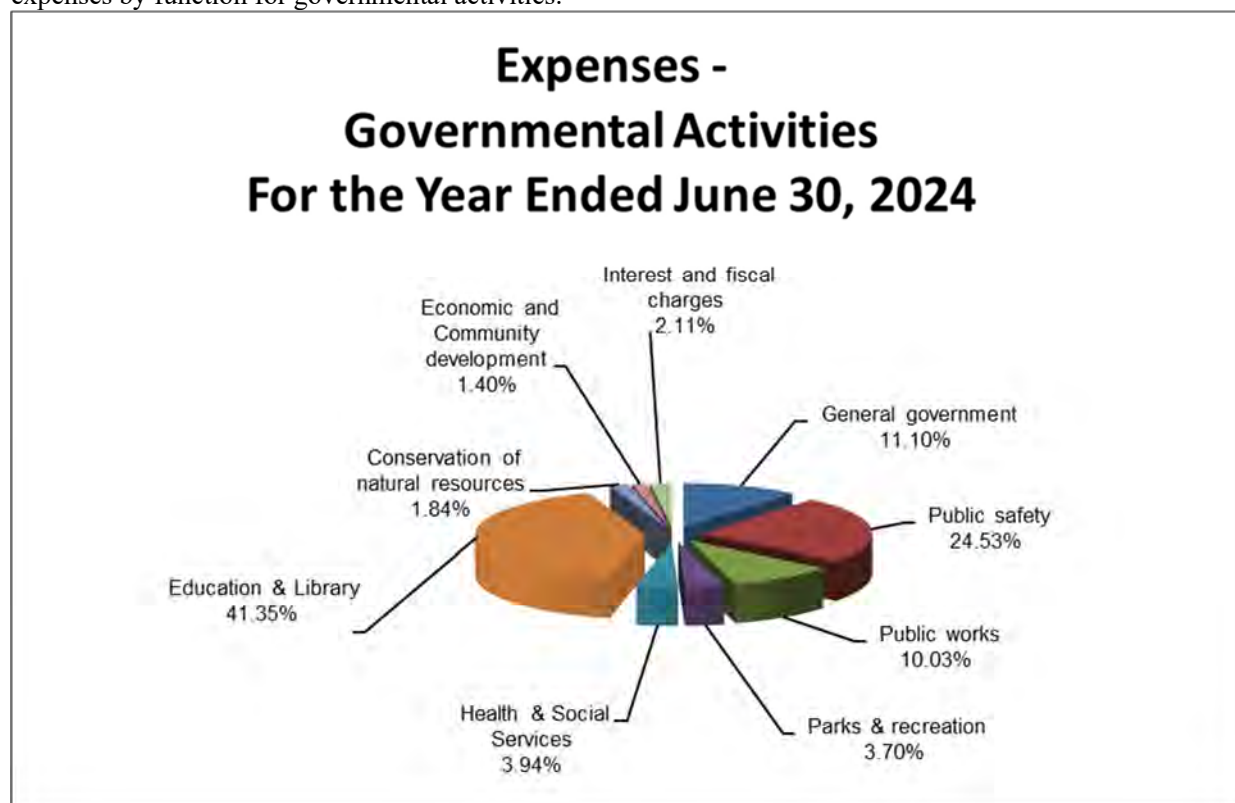
Governmental activities:

Revenues for governmental activities were \$219.8 million for fiscal year 2024. The following chart depicts revenues by source for governmental activities:



- Taxes comprise the largest source of County revenue, totaling \$182.2 million (82.9 percent) of total revenue for fiscal year 2024. Of that amount, property and local income tax together yielded \$168.6 million (76.7 percent) of all revenue. Each County sets its own property and income tax rates, within parameters established by the State. For fiscal year 2024, the County's property tax rate remained at \$.830 per \$100 of assessed value of real property, based on full cash value of that property. The County's local income tax rate was set at 3.2 percent, effective January 1, 2012 and thereafter. There is no local sales tax in the State of Maryland.
- Operating grants and contributions, totaling \$8.0 million, reflect grants from Federal and State agencies that support specific County programs. Programs that benefitted the most were: public safety (\$2.6 million or 32.6 percent), health and social services (\$2.6 million or 32.2 percent), general government (\$1.7 million or 21.6 percent), and economic/community development (\$1.1 million or 13.3 percent).
- Charges for services, totaling \$8.8 million, reflect fees charged to County citizens. These primarily support public safety (\$2.6 million or 29.8 percent), education and library (\$2.3 million or 26.1 percent), general government (\$1.7 million or 19.5 percent), parks and recreation (\$1.1 million or 13.1 percent), and public works (\$884 thousand or 10.1 percent).
- Capital grants and contributions, totaling \$9.5 million, reflect contributions from Federal and State agencies, as well as developers. Programs that benefitted the most were: public works (\$2.8 million or 29.8 percent), general government (\$2.5 million or 26.5 percent), conservation of natural resources (\$2.5 million or 26.0 percent), and parks and recreation (\$924 thousand or 9.7 percent).

Expenses for all governmental activities were \$201.6 million for fiscal year 2024. The following chart depicts expenses by function for governmental activities:



As noted in the chart above and the table below, by far the County's largest program and highest priority is education, with expenses totaling \$83.4 million (41.4 percent). The following table summarizes costs and program-related revenues for the same programs in order of priority, yielding net service costs:

Net Cost of Governmental Activities	Expenses		Program-Related Revenues		Net Cost of Services	
	2024	2023	2024	2023	2024	2023
Education and Library	\$ 83,355,583	\$ 69,770,287	\$ 2,291,783	\$ 3,217,120	\$ (81,063,800)	\$ (66,553,167)
Public Safety	49,458,541	42,482,230	5,425,416	5,673,779	(44,033,125)	(36,808,451)
Public Works	20,222,362	19,422,823	3,726,195	2,090,244	(16,496,167)	(17,332,579)
General Government	22,378,707	21,070,854	5,989,969	3,836,276	(16,388,738)	(17,234,578)
Parks & Recreation	7,458,494	6,338,014	2,089,772	1,768,302	(5,368,722)	(4,569,712)
Health & Social Services	7,944,933	7,219,183	3,242,021	3,333,514	(4,702,912)	(3,885,669)
Conservation of Natural Resources	3,702,670	3,386,538	2,493,968	2,083,924	(1,208,702)	(1,302,614)
Economic and Community Development	2,826,682	2,798,777	1,066,447	1,906,414	(1,760,235)	(892,363)
Interest and fiscal charges	4,254,673	4,525,460	48,412	46,124	(4,206,261)	(4,479,336)
Total	\$ 201,602,645	\$ 177,014,166	\$ 26,373,983	\$ 23,955,697	\$ (175,228,662)	\$ (153,058,469)

Of the total cost of \$201.6 million for governmental activities, \$26.4 million (13.1 percent), of those costs were covered by program-related revenues paid by individuals and external governmental entities. Of these outside entities, individuals who benefited directly from County programs were charged user fees of \$8.8 million, while governments and other organizations that benefited indirectly from these programs contributed operating grants of \$8.0 million and capital grants of \$9.5 million.

County taxpayers paid for most of the remaining \$175.2 million in net program costs, through a variety of County taxes. Net program costs of services provided to the public, in order of net cost, were: \$81.1 million for education and library; \$44.0 million for public safety; \$16.5 million for public works; \$16.4 million for general government; \$5.4 million for parks and recreation; \$4.7 million for health and social services; \$1.2 million for conservation of natural resources; \$1.8 million for economic and community development; and \$4.2 million for interest and fiscal charges. See Changes in Net Position and General Fund Budgetary Highlights for further details.

Changes in net position: Government-wide revenues, less expenses, plus/minus transfers in/out, yield changes in net position. During fiscal year 2024, governmental activities increased the County's net position overall by \$17.7 million, compared to an increase of \$30.5 million in fiscal year 2023. The following discussion explains changes in net position relative to the prior fiscal year.

Revenues for governmental activities increased by \$11.8 million (5.7 percent). The following key revenues changed, when compared to the prior fiscal year:

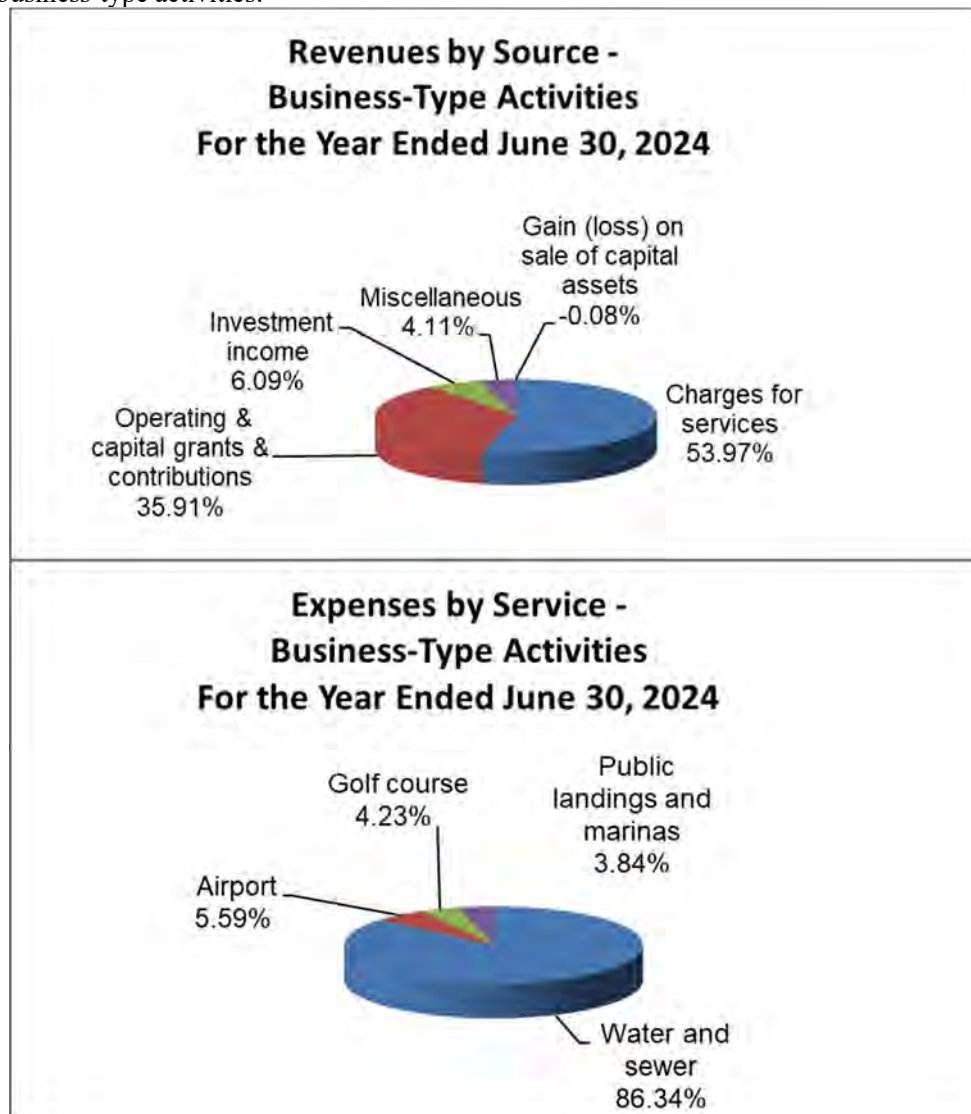
- Property taxes increased by \$4.0 million (5.2 percent), from \$78.0 million in fiscal year 2023 to \$82.0 million in fiscal year 2024 due to an increase in property assessments.
- Income taxes increased by \$3.1 million (3.7 percent), from \$83.4 million in fiscal year 2023 to \$86.6 million in fiscal year 2024. This increase was the result of increased receipts from the State for the County's portion of the income tax collections, capital gains and wage increases.
- Capital grants and contributions increased by \$2.9 million (43.2 percent), from \$6.7 million in fiscal year 2023 to \$9.5 million in fiscal year 2024. This is mainly due to the use of Federal ARPA funding in fiscal year 2024.
- Investment Income increased by \$2.7 million (42.5 percent), from \$6.4 million in fiscal year 2023 to \$9.2 million in fiscal year 2024. This increase was the result of increased interest rates.
- County recordation taxes decreased \$1.3 million (14.0 percent), from \$8.9 million in fiscal year 2023 to \$7.7 million in fiscal year 2024. This decrease is a result of increased interest rates, continued low housing inventory, and overall decrease in home sales.

Expenses for governmental activities increased by \$24.6 million (13.9 percent). Key positive and negative expense changes, in order of relative importance, are:

- Education & Library increased by \$13.6 million (19.5 percent). There was an increase of \$7.8 million for various school capital projects, such as the Board of Education new administration building and three school roofing projects. In addition, the County's allocation to the Board of Education increased by \$4.8 million in fiscal year 2024.
- Public Safety increased by \$7.0 million (16.4 percent). There was a \$3.4 million increase for the LOSAP liability due to changes in benefit terms. Emergency Services increased by \$1.7 million and the Sheriff's Office increased by \$1.6 million. The remaining increase was in various departments throughout the county.
- General Government increased by \$1.3 million (6.2 percent). \$897 thousand of the increase is related to funding the local Housing Authority.
- Parks & Recreation increased by \$1.1 million (17.7 percent). Increases occurred throughout the various Parks and Recreation departments.

Business-type activities:

Revenues, transfers in, and expenses for business-type activities were \$28.4 million, \$484 thousand, and \$17.3 million, respectively, for fiscal year 2024. The following two charts depict revenues by source and expenses by service for business-type activities:



Business-type activities increased the County's net position altogether to \$11.6 million in fiscal year 2024, which is \$4.7 million more than the prior year's increase of \$6.9 million. The fiscal year 2024 change in net position resulted primarily from:

- Operating Revenues before transfers increased by \$5.8 million (25.4 percent), from \$22.7 million in fiscal year 2023 to \$28.4 million in fiscal year 2024, for all business-type activities. Charges for services increased by \$1.9 million mainly due to an increase in sanitary restricted fund PWA sales. Operating grants and contributions decreased by \$375 thousand, mainly due to decreased state grant funding in the Sanitary district. Capital grants and contributions increased by \$3.6 million, mainly due to an increase in federal grant funding for the Airport Runway project and the use of federal ARPA funding.
- Operating Expenses increased by \$1.0 million (6.4 percent), from \$16.3 million in fiscal year 2023 to \$17.3 million in fiscal year 2024, for all business-type activities. The entire increase resulted from water and sewer activities due to Sanitary District SKI development phase 3.

Financial Analysis of the Government's Funds

As noted earlier, Queen Anne's County Government uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Detailed financial data based on the government's fund accounting can be found in the governmental fund statements in this report.

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

As of the end of the current fiscal year, Queen Anne's County Government's governmental funds reported combined ending fund balances of \$172.1 million, compared to \$166.0 million for the prior year. Approximately 27.0 percent of this total (\$46.5 million) constitutes *unassigned fund balance*, which is available for spending. The total *unassigned fund balance* of \$46.5 million is comprised of \$46.5 million of positive unassigned fund balance for the general fund.

The *nonspendable fund balance* of \$1.4 million which is not available for spending and includes amounts related to inventory, prepaid items and the excess of lease receivable balance over deferred inflow balance.

Restricted fund balance of \$33.9 million (19.7 percent) includes amounts that can be spent only for specific purposes stipulated by external sources or legal restrictions.

Committed fund balance of \$41.1 million (23.9 percent) represents those amounts that can be used only for the specific purposes of the government's highest level of decision-making authority.

The remaining \$49.2 million of fund balance (28.6 percent) constitutes *assigned fund balances*. These amounts are intended to be used by the government for the specific purposes of each fund.

More detailed information on each classification of governmental fund balance can be found in Note 12 of this report.

The General Fund is the chief operating fund of Queen Anne's County Government. At the end of the current fiscal year, the General Fund had a total fund balance of \$77.5 million, which is an increase of \$8.7 million (12.7 percent) from the fiscal year 2023 balance of \$68.8 million. Of the \$8.7 million increase, local property tax increased by \$4.0 million (5.2 percent) as a result due to an increase in assessments for tax district 4 by an average of 22%. Local income tax also increased \$6.5 million (8.3 percent) due to increases in wage rates and capital gains.

Of the total \$77.5 million in fund balance, \$46.5 million is unassigned, meaning that there are no constraints on how the funds can be spent. Beginning in fiscal year 2017, County Ordinance No. 16-24 changed the minimum amount of the rainy day fund to 8.0 percent (previously 7.0 percent) of budgeted general fund operating revenues as recommended by the Spending Affordability Committee. As a result of that Ordinance, \$15.1 million of rainy day funds are included in the General Fund's restricted fund balance of \$21.4 million for fiscal year 2024. The remaining fund balance is comprised of \$148 thousand in nonspendable, and \$9.5 million in committed.

For further explanations of General Fund revenues and expenditures, see the General Fund Budgetary Highlights section of this MD&A.

The General Capital Projects Fund accounts for all capital projects related to governmental funds, except those accounted for in the Roads Capital Projects Fund, which is discussed below.

As of June 30, 2024, the General Capital Projects Fund has a total fund balance of \$56.1 million, compared to \$61.3 million at the end of the prior fiscal year. The \$56.1 million in total fund balance is comprised of \$6.3 million in restricted fund balance, mainly for unspent bond proceeds, \$7.1 million of fund balance committed for specific projects, and \$42.6 million of assigned fund balance. The decrease in General Capital Projects fund balance resulted from the assignment of restricted bond proceeds.

The Roads Capital Projects Fund accounts for financial resources used for the construction of County Road infrastructure, as well as other large multi-year projects that relate to capital assets.

As of June 30, 2024, the Roads Capital Projects Fund has a total fund balance of \$6.5 million, compared to \$5.4 million at the end of the prior fiscal year. Of this total \$6.5 million fund balance, \$5.7 million has been assigned to fund ongoing projects, while \$857 thousand has been contributed by local developers and is committed to fund specific infrastructure improvements.

The Grants Fund accounts for activities funded by grants and is included in various governmental functions, depending on the grant.

As of June 30, 2024, the Grants Fund has a total fund balance \$0 due to the constraints of grant funding, all grant revenue must be expensed within the fiscal year.

Proprietary funds: Queen Anne’s County Government’s enterprise fund statements provide the same type of information found in the government-wide financial statements, but in more detail. Also, *due to/due from other funds* are combined in the government-wide statements and reported as Internal Balances between governmental and business-type activities, which net to zero.

Total *unrestricted net position* of the Sanitary District Enterprise Funds at the end of fiscal year 2024 amounted to \$30.7 million, which is a decrease of \$520 thousand compared to the prior year. Net investment in capital assets increased by \$6.8 million.

Total *net position* of the Sanitary District amounted to \$117.4 million at the end of fiscal year 2024, which increased by \$6.6 million when compared to the prior year.

The *unrestricted net position* of the Bay Bridge Airport Enterprise Fund at year end amounted to a deficit balance of \$585 thousand, reflecting an improvement of \$358 thousand. The investment in capital assets for the Bay Bridge Airport increased by \$5.9 million in the current fiscal year.

Total *net position* of the Bay Bridge Airport amounted to \$20.8 million at the end of fiscal year 2024, which is an increase of \$4.7 million from the prior year amount of \$16.1 million.

A discussion of Enterprise Fund capital assets and long-term debt can be found in those sections presented later in this MD&A.

General Fund Budgetary Comparisons

The County adopts an operating budget for the General Fund as of July 1 each year and amends that budget throughout the year in response to actual expenditures. The Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual can be found as part of Required Supplemental Information, which is located after the Notes. The Schedule reports original and final budgets, as well as the variance between actual expenditures and final budgets.

Original to Final Budget Comparisons: The final expenditure budget for the General Fund, including transfers out, totaled \$196.7 million. Amendments increased spending authority by \$13.1 million during fiscal year 2024, when compared to the original budget of \$183.6 million.

Major components of these expenditure budget increases are as follows:

- Budgeted Public Safety increased by \$2.3 million, mainly due to miscellaneous increases in the Sheriff's Office and Emergency Services.
- Budgeted Transfers Out to General Capital Projects increased by \$8.0 million from the original budget during the year. These funds will be used in subsequent years as funding for the larger capital projects.
- Budgeted Transfers Out to Roads Capital Projects increased by \$1.0 million from the original budget. Similarly to General Capital Projects, these additional funds will be used for Roads Capital projects in subsequent years.
- Budgeted Transfers Out to the Agricultural Transfer Tax Fund increased by \$1.3 million from the original budget, resulting from additional easements available and purchased during the fiscal year.

Budget to Actual Comparisons: Actual revenues for the General Fund, including other financing sources and before appropriated fund balance were more than final budgetary estimates by \$4.5 million.

Actual expenditures, and other financing uses, were less than final budgetary appropriations by \$5.7 million. The net effect of these two disparities was a positive variance of actual to final budget of \$10.2 million.

The most noteworthy differences between final budgeted amounts and actual amounts are summarized as follows:

Revenues:

- Local Property Tax revenue was \$2.1 million more than the final budget (2.7 percent) due to a higher than anticipated increase in assessments.
- Miscellaneous Income was \$719 thousand higher than the final budget (122.6 percent) due to the Workmen's Compensation audit that resulted in the County receiving a credit and other miscellaneous income categories resulting in higher than expected revenue.
- Local Income Tax revenue was \$671 thousand higher than the final budget (0.8 percent) due to strong economic growth and increased taxable income.

Expenditures:

- Final Budgeted Salaries and Benefits were \$51.8 million for the year, while actual costs were \$52.1 million. They were overspent at year-end by \$298 thousand (less than 1 percent). Budgeted salaries and benefits include reversions of \$1.9 million.
- Final Budgeted Other Operating Charges were \$144.9 million for the year, while actual costs were \$138.9 million. These costs were lower than budget at year end by \$6.0 million (4.1 percent). Operating Charges include contracted services, supplies, other charges, debt service, and transfers out.
 - Other Operating Expenses were underspent by \$3.5 million. Savings were realized in the Health Department (\$1.5 million), OPEB and other benefit charges (\$634 thousand), General Services (\$246 Thousand), and Insurance (\$245 thousand). The remaining savings for Other Operating Expenses were spread throughout the General Fund.
 - Transfers Out was underspent by \$1.3 million, due to savings realized by Roads Operating (\$740 thousand) the Department of Aging (\$186 thousand), and the Golf Course Enterprise Fund (\$186 thousand) which allowed these departments to forgo this portion of their appropriation.

- Contracted Services were underspent by \$787 thousand, with the largest savings realized by General Services (\$190 thousand), Detention Center (\$147 thousand), Information Technology (\$140 thousand), and Solid Waste (\$140 thousand).
- Capital Outlay was underspent by \$257 thousand, with the largest savings realized by Non-Departmental (\$125 thousand) and Detention Center (\$77 thousand).

Capital Assets and Debt Administration

Capital assets: Queen Anne’s County Government’s investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounted to \$347.6 million (net of accumulated depreciation). This investment in capital assets includes land and land improvements, intangible rights, construction in progress, buildings, improvements other than buildings, infrastructure, autos, machinery, and equipment. The total increase in the County’s investment in capital assets for the current fiscal year was \$15.3 million or 4.6%.

Capital asset activities, net of depreciation, are summarized as follows:

	Governmental Activities		Business Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and Land Improvements	\$ 87,169,068	\$ 86,490,462	\$ 13,406,924	\$ 13,406,924	\$ 100,575,992	\$ 99,897,386
Intangible Rights - Easements	821,819	821,819	6,140	6,140	827,959	827,959
Construction in Progress	2,878,827	11,539,664	6,599,907	8,202,979	9,478,734	19,742,643
Buildings	56,328,492	50,303,760	4,969,083	5,244,516	61,297,575	55,548,276
Improvements other than Buildings	17,839,824	15,432,697	9,847,789	9,187,831	27,687,613	24,620,528
Infrastructure	7,953,550	8,252,526	106,826,876	92,068,461	114,780,426	100,320,987
Auto, Machinery, and Equipment	23,352,834	20,911,398	8,102,603	8,527,421	31,455,437	29,438,819
Right-to-use Asset	503,191	570,845	109,440	144,374	612,631	715,219
Subscription Asset	905,797	1,191,766	-	-	905,797	1,191,766
Total	\$ 197,753,402	\$ 195,514,937	\$ 149,868,762	\$ 136,788,646	\$ 347,622,164	\$ 332,303,583

Noteworthy capital asset events during the current fiscal year for governmental activities included the following (majority of which was reclassified from Construction in Progress):

- Completion of the Kent Island Library Renovation totaling \$7.2 million.
- Equipment replacement totaling \$1.8 million.
- Replacement of departmental vehicles totaling \$1.7 million.
- Completion of Emergency Services Computer Aided Dispatch System totaling \$1.5 million.
- Completion of Chesapeake Heritage Visitor Center improvements totaling \$1.2 million.

Noteworthy capital asset events during the current fiscal year for business-type activities included the following (majority of which was reclassified from Construction in Progress):

- Completion of Sanitary district infrastructure projects totaling \$9.9 million, of which \$2.6 million was contributed by commercial developers to be maintained by the County.
- Completion of Bay Bridge Airport Runway Reconstruction totaling \$6.4 million.
- Completion of Chester West Water Main totaling \$1.4 million.
- Taxiway Lighting at Bay Bridge Airport totaling \$640 thousand and Runway Lighting at Bay Bridge Airport totaling \$359 thousand.

Additional information on the County’s capital assets can be found in Note 6 of this report.

Long-term debt: At the end of the current fiscal year, Queen Anne’s County Government had total bonded debt, loans, OPEB (Other Post-Employment Benefits), net pension liability, LOSAP (Volunteer Fireman Pension Plan Length of Service Award Program), compensated absence obligations, lease obligations, and subscription obligations of \$253.1 million for its governmental and business-type activities.

The full faith, credit and unlimited taxing power of the County are irrevocably pledged to the levy and collection of taxes in order to provide for the payment of principal and interest due on the bonded debt.

Of this \$253.1 million in debt, \$46.7 million is considered to be self-supporting, in that obligations of the County's enterprise funds will be funded through charges and assessments related to the operations of those funds. In addition, the Sanitary District's Debt Service Fund holds total assets of \$2.9 million, which are restricted to payment of the Sanitary District's subsequent year's debt. See Note 11 for restricted assets and subsequent year debt service obligations.

Debt activities are summarized as follows:

Outstanding Debt	Governmental Activities		Business Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Bonds, Notes, and Premiums	\$ 123,221,457	\$ 132,859,793	\$ 37,009,458	\$ 37,528,938	\$ 160,230,915	\$ 170,388,731
OPEB	24,652,577	26,810,247	5,590,368	5,854,976	30,242,945	32,665,223
Net Pension Liability	41,722,251	32,570,299	3,436,786	2,690,703	45,159,037	35,261,002
LOSAP Liability	11,180,243	7,757,868	-	-	11,180,243	7,757,868
Compensated Absences	4,148,535	3,625,663	596,108	558,231	4,744,643	4,183,894
Lease Liability	552,354	614,668	110,714	144,381	663,068	759,049
Subscription Liability	905,835	1,178,880	-	-	905,835	1,178,880
Total Noncurrent Liabilities	\$ 206,383,252	\$ 205,417,418	\$ 46,743,434	\$ 46,777,229	\$ 253,126,686	\$ 252,194,647

During the 2024 fiscal year, the County's total net debt increased by \$932 thousand (0.4 percent). Of this amount, governmental debt increased by \$966 thousand (0.5 percent), while business-type debt decreased by \$34 thousand (0.1 percent). In fiscal year 2024, the Sanitary District continued borrowing funds through the Maryland Water Quality Administration for the Southern Kent Island (SKI) project. The total amount borrowed for this project in fiscal year 2024 was \$1.8 million. In addition, the net pension liability increased by \$9.9 million, total other post-employment benefit obligations decreased by \$2.4 million, the LOSAP liability increased by \$3.4 million, and compensated absences increased by \$560 thousand. Decreases also occurred in both lease (\$96 thousand) and subscription liabilities (\$273 thousand) due to GASB standards. Offsetting these increases and decreases were changes in accruals, plus the County's repayment of existing debt in accordance with established repayment schedules for bonds, notes, and capital lease agreements.

Additional information on the County's long-term debt can be found in Note 9 of this report.

The public local laws of Queen Anne's County limit the amount of general obligation debt to no more than \$8.0 million, beyond any bonded indebtedness of the County. Currently, approximately \$7.5 million of this authority is available. All other debt has been authorized under specific legislation. Additional information on the computation of the legal debt margin can be found in Table 12 of the Statistical Section of this report.

Economic Factors and Next Year's Budget and Rates

The following economic factors were considered in preparing Queen Anne's County Government's operating and capital budgets for the 2025 fiscal year:

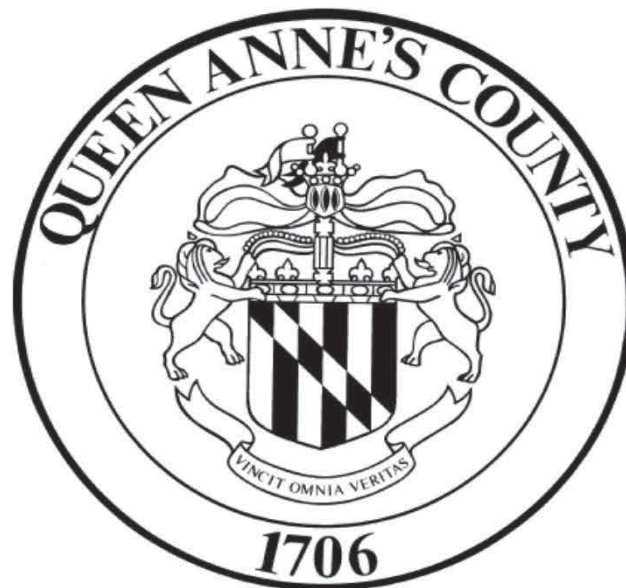
- Net assessable real property base is projected to increase by 4.5 percent over the previous year, based on State Assessment Office values used to compute the Constant Yield rate.
- Income tax revenue was projected at \$83.0 million for the 2025 budget.

The following are a few of the highlights from the fiscal year 2025 budget:

- OPEB shall continue to be funded in accordance with the approved ten-year plan;
- The Board of Education will be funded above Maintenance of Effort in fiscal year 2025;
- The County's property tax rates remained the same; and
- The County's income tax rates remained the same.

Requests for information

This financial report is designed to provide a general overview of Queen Anne's County Government'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 information should be addressed to the Queen Anne's County Finance Office, 107 N. Liberty Street, Centreville, Maryland 21617. This report can also be found on the County's website, <http://www.qac.org> (see Government, Departments, Budget and Finance Accounting section, Link to 2024 Annual Comprehensive Financial Report (ACFR)).



BASIC FINANCIAL STATEMENTS

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF NET POSITION
June 30, 2024

	PRIMARY GOVERNMENT		
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Equity in Pooled Cash and Investments	\$ 156,233,393	\$ 12,632,811	\$ 168,866,204
Cash and Cash Equivalents	-	-	-
Taxes Receivable (Net)	1,107,564	-	1,107,564
Accounts and Loans Receivable (Net)	7,737,150	650,223	8,387,373
Special Assessments (Net)	582,455	-	582,455
Lease receivable	957,290	1,849,710	2,807,000
Internal Balances	1,061,265	(1,061,265)	-
Due from Primary Government	-	-	-
Due from Other Governments	49,634,724	17,652	49,652,376
Inventories	1,218,486	818,087	2,036,573
Prepaid Items	112,309	2,520	114,829
Endowment Fund	-	-	-
Restricted Assets:			
LOSAP Plan Assets	6,120,385	-	6,120,385
Equity in Pooled Cash and Investments	2,875,393	28,355,590	31,230,983
Accounts Receivable (Net)	-	3,499,369	3,499,369
Special Assessments Receivable (Net)	-	19,259,330	19,259,330
Capital Assets:			
Nondepreciable Assets	90,869,714	20,012,971	110,882,685
Depreciable and Amortized Assets, Net	106,883,688	129,855,791	236,739,479
Total Assets	425,393,816	215,892,789	641,286,605
DEFERRED OUTFLOWS OF RESOURCES			
OPEB	672,067	126,911	798,978
Pension Benefits	20,367,949	1,827,201	22,195,150
LOSAP Benefits	1,351,258	-	1,351,258
Deferred Charge on Refunding	245,521	3,537	249,058
Total Deferred Outflows of Resources	22,636,795	1,957,649	24,594,444
LIABILITIES			
Accounts Payable and Other Current Liabilities	9,931,710	1,304,783	11,236,493
Accrued Interest Payable	1,798,218	143,264	1,941,482
Due to Component Units	2,966,615	-	2,966,615
Due to Other Governmental Agencies	316,871	-	316,871
Unearned Revenue	3,794,237	113,416	3,907,653
Escrow Deposits	-	25,532	25,532
Noncurrent Liabilities:			
Due within One Year	13,235,535	2,718,107	15,953,642
Due in More than One Year	193,147,717	44,025,327	237,173,044
Total Liabilities	225,190,903	48,330,429	273,521,332
DEFERRED INFLOWS OF RESOURCES			
OPEB	12,158,206	1,624,171	13,782,377
Pension Benefits	3,266,641	402,838	3,669,479
LOSAP Benefits	2,857,473	-	2,857,473
Lease receivable	921,365	1,818,199	2,739,564
Deferred Inflows related to Refundings	135,866	1,590	137,456
Deferred Assessments	582,455	19,259,332	19,841,787
Deferred Fees	94,470	-	94,470
Total Deferred Inflows of Resources	20,016,476	23,106,130	43,122,606
NET POSITION			
Net Investment in Capital Assets	126,092,854	111,940,928	238,033,782
Amounts Restricted for:			
General Government	15,581,891	-	15,581,891
Economic/Community Development	3,100,606	-	3,100,606
Public Safety	6,452,153	-	6,452,153
Conservation of Natural Resources	2,797,415	-	2,797,415
Social Services	955	-	955
Debt Service	-	4,147,493	4,147,493
Capital Projects	-	-	-
Other Purposes	-	-	-
Unrestricted Amounts (Deficit)	48,797,358	30,325,458	79,122,816
Total Net Position	\$ 202,823,232	\$ 146,413,879	\$ 349,237,111

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

QUEEN ANNE'S COUNTY, MARYLAND

STATEMENT OF NET POSITION

June 30, 2024

(CONTINUED)

COMPONENT UNITS	
BOARD OF EDUCATION	FREE LIBRARY
\$ -	\$ -
13,039,845	1,460,276
-	-
464,949	31,240
-	-
-	-
-	-
3,190,824	-
3,500,976	-
73,393	-
1,147,064	33,300
-	124,103
-	-
-	-
-	-
-	-
16,487,117	29,850
145,488,597	1,689,661
<u>183,392,765</u>	<u>3,368,430</u>
38,362,001	95,399
2,569,978	-
-	-
-	-
<u>40,931,979</u>	<u>95,399</u>
16,701,038	118,383
-	-
-	-
-	-
1,097,387	-
-	-
738,009	2,602
150,950,846	520,386
<u>169,487,280</u>	<u>641,371</u>
122,148,389	228,471
318,967	-
-	-
-	-
-	-
-	-
-	86,143
<u>122,467,356</u>	<u>314,614</u>
160,804,839	1,716,909
-	-
-	-
-	-
-	-
-	-
-	-
77,515	-
1,945,003	101,707
(230,457,249)	689,228
<u>\$ (67,629,892)</u>	<u>\$ 2,507,844</u>

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

	PRIMARY GOVERNMENT				
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	TOTAL REVENUE
PRIMARY GOVERNMENT					
Governmental Activities					
General Government	\$ 22,378,707	\$ 1,717,926	\$ 1,742,174	\$ 2,529,869	\$ 5,989,969
Public Safety	49,458,541	2,617,398	2,628,668	179,350	5,425,416
Public Works	20,222,362	883,739	6,270	2,836,186	3,726,195
Parks & Recreation	7,458,494	1,151,020	14,453	924,299	2,089,772
Health and social services	7,944,933	62,176	2,591,053	588,792	3,242,021
Education and Library	83,355,583	2,291,783	-	-	2,291,783
Conservation of Natural Resources	3,702,670	19,262	-	2,474,706	2,493,968
Economic/Community Development	2,826,682	-	1,066,447	-	1,066,447
Interest and Fiscal Charges	4,254,673	48,412	-	-	48,412
Total Governmental Activities	201,602,645	8,791,716	8,049,065	9,533,202	26,373,983
Business-type Activities					
Water and Sewer	14,932,981	14,162,090	2,565,847	2,607,219	19,335,156
Airport	966,183	6,049	-	5,028,713	5,034,762
Golf Course	730,908	720,153	-	-	720,153
Public Landings and Marinas	666,295	465,457	14,999	-	480,456
Total Business-type Activities	17,296,367	15,353,749	2,580,846	7,635,932	25,570,527
Total Primary Government	\$ 218,899,012	\$ 24,145,465	\$ 10,629,911	\$ 17,169,134	\$ 51,944,510
COMPONENT UNITS					
Board of Education	\$ 131,200,461	\$ 1,494,109	\$ 33,081,584	\$ 19,544,076	\$ 54,119,769
Free Library	3,429,761	21,139	367,152	-	388,291
Total Component Units	\$ 134,630,222	\$ 1,515,248	\$ 33,448,736	\$ 19,544,076	\$ 54,508,060
General Revenues					
Local Property Tax					
Local Income Tax					
Other Local Taxes					
Admission and Amusement Taxes					
Recordation Taxes					
Hotel Taxes					
County Transfer Taxes					
Cannabis Sales Tax					
State Shared Taxes					
Grants and Contributions Not Restricted to Specific Programs					
Investment Income					
Gain (loss) on Disposal of Capital Assets					
Miscellaneous					
Transfers In (Out)					
Total General Revenues and Transfers					
Change in Net Position					
Net Position - Beginning of Year					
Net Position - End of Year					

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

(CONTINUED)

NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION					
PRIMARY GOVERNMENT			COMPONENT UNITS		
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	BOARD OF EDUCATION	FREE LIBRARY	
\$ (16,388,738)	\$ -	\$ (16,388,738)	\$ -	\$ -	
(44,033,125)	-	(44,033,125)	-	-	
(16,496,167)	-	(16,496,167)	-	-	
(5,368,722)	-	(5,368,722)	-	-	
(4,702,912)	-	(4,702,912)	-	-	
(81,063,800)	-	(81,063,800)	-	-	
(1,208,702)	-	(1,208,702)	-	-	
(1,760,235)	-	(1,760,235)	-	-	
(4,206,261)	-	(4,206,261)	-	-	
(175,228,662)	-	(175,228,662)	-	-	
-	4,402,175	4,402,175	-	-	
-	4,068,579	4,068,579	-	-	
-	(10,755)	(10,755)	-	-	
-	(185,839)	(185,839)	-	-	
-	8,274,160	8,274,160	-	-	
\$ (175,228,662)	\$ 8,274,160	\$ (166,954,502)	\$ -	\$ -	
\$ -	\$ -	\$ -	\$ (77,080,692)	\$ -	
-	-	-	-	(3,041,470)	
-	-	-	(77,080,692)	(3,041,470)	
82,047,674	-	82,047,674	-	-	
86,567,013	-	86,567,013	-	-	
261,842	-	261,842	-	-	
7,668,565	-	7,668,565	-	-	
1,127,036	-	1,127,036	-	-	
2,885,299	-	2,885,299	-	-	
83,040	-	83,040	-	-	
1,560,187	-	1,560,187	-	-	
-	-	-	100,774,039	2,808,155	
9,192,673	1,732,675	10,925,348	480,147	94,857	
-	(21,552)	(21,552)	-	-	
2,059,293	1,167,917	3,227,210	28,085	4,235	
(484,251)	484,251	-	-	-	
192,968,371	3,363,291	196,331,662	101,282,271	2,907,247	
17,739,709	11,637,451	29,377,160	24,201,579	(134,223)	
185,083,523	134,776,428	319,859,951	(91,831,471)	2,642,067	
\$ 202,823,232	\$ 146,413,879	\$ 349,237,111	\$ (67,629,892)	\$ 2,507,844	

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

QUEEN ANNE'S COUNTY, MARYLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2024

	MAJOR FUNDS				NON-MAJOR	TOTAL
	GENERAL	GENERAL	ROADS	GRANTS	GOVERNMENTAL	GOVERNMENTAL
	FUND	CAPITAL	CAPITAL	FUND	FUNDS	FUNDS
ASSETS						
Cash and Cash Equivalents	\$ 67,317,886	\$ 54,701,783	\$ 6,516,310	\$ 2,664,619	\$ 25,032,795	\$ 156,233,393
Prepaid Items	112,309	-	-	-	-	112,309
Receivables:						
Taxes Receivable (Net)	1,107,564	-	-	-	-	1,107,564
Accounts Receivable (Net)	481,785	792,636	-	13,927	109,993	1,398,341
Lease Receivable	957,290	-	-	-	-	957,290
Loans Receivable (Net)	-	-	-	-	6,338,809	6,338,809
Special Assessments (Net)	-	-	22,901	-	559,554	582,455
Due from Other Governments	43,974,270	630,918	-	666,228	1,504,532	46,775,948
Due from Other Funds	392,417	875,336	-	-	-	1,267,753
Inventory	-	-	-	-	1,218,486	1,218,486
Restricted:						
Restricted LOSAP Plan Assets	6,120,385	-	-	-	-	6,120,385
Restricted Equity in Pooled Cash	-	2,875,393	-	-	-	2,875,393
Total Assets	\$ 120,463,906	\$ 59,876,066	\$ 6,539,211	\$ 3,344,774	\$ 34,764,169	\$ 224,988,126
LIABILITIES						
Accrued Liabilities	\$ 7,590,071	\$ 1,053,192	\$ 6,740	\$ 252,278	\$ 672,773	\$ 9,575,054
Due to Other Funds	-	-	-	-	206,488	206,488
Due to Component Units	-	2,768,173	-	128,404	70,038	2,966,615
Due to Other Governmental Agencies	-	-	-	-	316,871	316,871
Unearned Revenue	14,008	-	-	2,964,092	816,137	3,794,237
Total Liabilities	7,604,079	3,821,365	6,740	3,344,774	2,082,307	16,859,265
DEFERRED INFLOWS OF RESOURCES						
Unavailable Income Taxes	34,337,360	-	-	-	-	34,337,360
Unavailable Property Taxes	86,924	-	-	-	-	86,924
Unavailable Benefit Assessments	-	-	22,901	-	559,554	582,455
Unavailable Fees	-	-	-	-	94,470	94,470
Unavailable Lease Revenue	921,365	-	-	-	-	921,365
Total Deferred Inflows	35,345,649	-	22,901	-	654,024	36,022,574
FUND BALANCES						
Nonspendable	148,234	-	-	-	1,218,486	1,366,720
Restricted	21,377,816	6,320,750	-	-	6,230,744	33,929,310
Committed	9,450,311	7,096,362	857,300	-	23,714,705	41,118,678
Assigned	-	42,637,589	5,652,270	-	863,903	49,153,762
Unassigned	46,537,817	-	-	-	-	46,537,817
Total Fund Balances	77,514,178	56,054,701	6,509,570	-	32,027,838	172,106,287
Total Liabilities, Deferred Inflows and Fund Balances	\$ 120,463,906	\$ 59,876,066	\$ 6,539,211	\$ 3,344,774	\$ 34,764,169	\$ 224,988,126

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

QUEEN ANNE'S COUNTY, MARYLAND
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2024

Total Fund Balance - Governmental Funds	\$ 172,106,287
<u>Capital assets used in governmental fund activities are not current financial resources</u> and therefore are not reported in the funds.	197,753,402
<u>Receivables not included in the governmental funds because they relate to debt.</u> A portion of the County's 2014 Bond offering related to debt issued on behalf of Chesapeake College. Although Queen Anne's County will submit the payments to the lender for the bonds, there are five Counties total that will share the expense of the debt service for the Chesapeake College project. A receivable is booked in Government-Wide in order to offset the debt recorded on the books related to the portion of the Chesapeake College project that the other Counties are responsible for.	2,858,777
<u>Revenues that are deferred in the governmental funds because they do not</u> provide current financial resources are recognized as revenues in the Statement of Activities.	
Property Taxes deferred in governmental funds	86,924
Income Taxes deferred in governmental funds	34,337,360
<u>Long-term liabilities related to governmental fund activities are not due and</u> payable in the current period and therefore are not reported in the funds.	
Liability for Retirement Incentive and Employee Contracts	(356,657)
Bonds and Notes Payable	(123,221,457)
Accrued Interest Payable - long term debt	(1,760,831)
Accrued Interest Payable - leases	(16,023)
Accrued Interest Payable - Subscription	(21,364)
Lease Liability	(552,354)
Subscription Liability	(905,835)
OPEB	(24,652,577)
Net Pension Liability	(41,722,251)
Net LOSAP Liability	(11,180,243)
Accrued Compensated Absences	(4,148,535)
Deferred outflow of resources - OPEB	672,067
Deferred outflow of resources - Maryland State Pension	20,367,949
Deferred outflow of resources - LOSAP	1,351,258
Deferred outflow of resources - Refundings	245,521
Deferred inflow of resources - OPEB	(12,158,206)
Deferred inflow of resources - Maryland State Pension	(3,266,641)
Deferred inflow of resources - LOSAP	(2,857,473)
Deferred inflow of resources - Refundings	(135,866)
Total Net Position - Governmental Activities	\$ 202,823,232

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	MAJOR FUNDS				NON-MAJOR	TOTAL
	GENERAL	GENERAL	ROADS	GRANTS	GOVERNMENTAL	GOVERNMENTAL
	FUND	CAPITAL	CAPITAL	FUND	FUNDS	FUNDS
<u>REVENUES</u>						
Taxes						
Local Property Tax	\$ 82,049,357	\$ -	\$ -	\$ -	\$ 60,101	\$ 82,109,458
Local Income Tax	86,007,950	-	-	-	-	86,007,950
Admission and Amusement Taxes	261,842	-	-	-	-	261,842
Recordation Taxes	7,436,184	-	-	-	232,381	7,668,565
Hotel Taxes	1,127,036	-	-	-	-	1,127,036
County Transfer Taxes	2,885,299	-	-	-	-	2,885,299
Cannabis Sales Tax	83,040	-	-	-	-	83,040
State Shared Taxes	-	-	-	-	1,560,187	1,560,187
Franchise Fee	364,677	-	-	-	-	364,677
Licenses and Permits	802,612	40,520	-	-	-	843,132
Intergovernmental	3,265,896	6,728,766	1,257,288	2,012,200	4,117,604	17,381,754
Charges for Current Services	4,131,708	53,102	4,361	6,556	3,255,748	7,451,475
Fines and Forfeitures	51,929	-	-	-	80,498	132,427
Investment Income	7,418,478	647,542	193,482	-	933,171	9,192,673
Donations	177,540	-	-	-	22,978	200,518
Miscellaneous	1,305,909	410,591	-	291,856	50,937	2,059,293
Total Revenues	197,369,457	7,880,521	1,455,131	2,310,612	10,313,605	219,329,326
<u>EXPENDITURES</u>						
Current						
General Government	14,735,938	1,398,119	-	37,150	17,675	16,188,882
Public Safety	39,555,442	1,182,528	-	1,310,762	776,860	42,825,592
Public Works	8,058,493	2,806,512	3,087,605	16,145	5,825,692	19,794,447
Parks & Recreation	6,042,174	689,046	-	-	-	6,731,220
Health and Social Services	1,498,892	1,049,838	-	238,237	5,480,017	8,266,984
Education and Library	73,609,899	9,106,407	-	-	-	82,716,306
Conservation of Natural Resources	846,386	124,943	-	-	2,759,115	3,730,444
Economic/Community Development	1,165,297	17,633	-	756,107	1,115,909	3,054,946
Intergovernmental	689,608	-	-	-	-	689,608
Miscellaneous	7,232,373	-	-	-	-	7,232,373
Capital Outlay	-	7,710,870	1,308,398	-	-	9,019,268
Debt Service						
Principal	8,488,388	-	-	-	47,816	8,536,204
Interest and Fiscal Charges	4,254,673	-	-	-	-	4,254,673
Total Expenditures	166,177,563	24,085,896	4,396,003	2,358,401	16,023,084	213,040,947
Excess of Revenues Over (Under) Expenditures	31,191,894	(16,205,375)	(2,940,872)	(47,789)	(5,709,479)	6,288,379
<u>OTHER FINANCING SOURCES (USES)</u>						
Proceeds of Capital Asset Disposals	28,597	-	-	-	60,477	89,074
Insurance Proceeds	139,131	-	-	-	11,053	150,184
Subscription-Based IT Arrangements	38,000	-	-	-	-	38,000
Transfers In	2,165,911	10,925,521	4,015,480	47,789	9,380,073	26,534,774
Transfers Out	(24,853,114)	-	-	-	(2,165,911)	(27,019,025)
Other Financing Sources (Uses)	(22,481,475)	10,925,521	4,015,480	47,789	7,285,692	(206,993)
Change in Fund Balances	8,710,419	(5,279,854)	1,074,608	-	1,576,213	6,081,386
Fund Balances, July 1	68,803,759	61,334,555	5,434,962	-	30,451,625	166,024,901
Fund Balances, June 30	\$ 77,514,178	\$ 56,054,701	\$ 6,509,570	\$ -	\$ 32,027,838	\$ 172,106,287

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

QUEEN ANNE'S COUNTY, MARYLAND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2024

Net change in fund balance - Governmental Funds	\$	6,081,386
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Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of capital assets is allocated over the estimated useful lives of those assets through an annual depreciation charge. The differences are as follows:

Current year additions of capital assets		10,863,504
Current year disposals of capital assets		(684,764)
Depreciation expenses recorded in the Statement of Activities		(7,940,275)

Receivables not included in the governmental funds because they relate to debt.

A portion of the County's 2014 Bond offering related to debt issued on behalf of Chesapeake College. Although Queen Anne's County will submit the payments to the lender for the bonds, there are five Counties that will share the expense of the debt service for the Chesapeake College project. A receivable is booked in Government-Wide in order to offset the debt recorded on the books related to the portion of the Chesapeake College project that the other Counties are responsible for.

Change in bond receivable related to 2014 bonds		(229,388)
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Revenues that are earned but not collected within sixty days after the end of the fiscal year are not considered to be "available" to meet current cash requirements and are deferred in the Governmental Funds to the following year. However, these revenues are recognized in the Statement of Activities. The amount by which this type of deferred inflows increased or (decreased) relative to the prior year is as follows:

Change in Property Tax Deferred Inflows		(61,784)
Change in Income Tax Deferred Inflows		559,063

Liability for retirement incentive

As part of the retirement incentives offered in fiscal year 2018, retirees were given a certain period of health insurance at no cost, rather than the normal premium. The maximum period of no cost health insurance was five years. The liability for the benefit offered to the retirees is included in the government-wide statements and adjusted each year until the benefit period is over.

As part of an employee contract of a past employee, the County is responsible for a death benefit of \$250,000 plus inflation. This liability will remain until the payment is made.

Change in liability for the retirement incentive and employee contracts		(10,292)
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Issuance of long-term debt (e.g., bonds, notes, and financing leases) provides current financial resources to Governmental Funds, while repayment of principal due for long-term debt consumes current resources. In the Statement of Net Position, issuing debt increases long term liabilities, while repayment reduces those liabilities.

Retirements and repayments made on long term debt		8,765,592
Bond Premium amortization		872,744

Some accrued expenses, reported in the Statement of Activities, do not require the use of current financial resources and are not reported as expenditures in the Governmental Funds.

Change in:

Accrued Interest Payable - long term debt		344,199
Accrued Interest Payable - leases		(8,137)
Accrued Interest Payable - Subscription		6,885
Lease Liability		62,314
Subscription Liability		273,045
OPEB		2,157,670
Net pension liability - Maryland State Pension		(9,151,952)
Net LOSAP Liability		(3,422,375)
Accrued Compensated Absences		(522,872)
Deferred outflow of resources - OPEB		(711,463)
Deferred outflow of resources - Maryland State Pension		7,290,563
Deferred outflow of resources - LOSAP		(394,123)
Deferred outflow of resources - Refunding		(81,841)
Deferred inflow of resources - OPEB		2,117,206
Deferred inflow of resources - Maryland State Pension		1,178,081
Deferred inflow of resources - LOSAP		366,358
Deferred inflow of resources - Refunding		20,365

Change in Net Position - governmental activities	\$	17,739,709
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The accompanying notes to the basic financial statements are an integral part of this statement.

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
June 30, 2024

	SANITARY DISTRICT					
	SEWER OPERATIONS	WATER OPERATIONS	RESTRICTED FUND	DEBT SERVICE FUND	TOTAL	
<u>ASSETS</u>						
Current Assets						
Unrestricted						
Equity in Pooled Cash	\$ 2,535,638	\$ 7,369,108	\$ -	\$ -	\$ 9,904,746	
Prepaid Items	-	-	-	-	-	
Accounts Receivable (Net)	410,174	85,589	-	-	495,763	
Due from Other Governments	-	-	-	-	-	
Lease receivable	-	1,419,931	-	-	1,419,931	
Inventories	752,307	-	-	-	752,307	
Restricted						
Restricted Equity in Pooled Cash	-	-	26,185,033	2,170,557	28,355,590	
Restricted Accounts Receivable (Net)	-	-	2,745,269	754,100	3,499,369	
Total Current Assets	3,698,119	8,874,628	28,930,302	2,924,657	44,427,706	
Noncurrent Assets						
Restricted						
Special Assessments Receivable (Net)	-	-	706,812	18,552,518	19,259,330	
Total Noncurrent Restricted Assets	-	-	706,812	18,552,518	19,259,330	
Capital and Intangible Assets	152,659,989	43,326,321	-	-	195,986,310	
Less Accumulated Depreciation and Amortization	(62,035,890)	(14,684,693)	-	-	(76,720,583)	
Total Capital Assets, Net	90,624,099	28,641,628	-	-	119,265,727	
Total Assets	94,322,218	37,516,256	29,637,114	21,477,175	182,952,763	
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
OPEB	85,717	35,229	-	-	120,946	
Pension Benefits	1,266,973	367,231	-	-	1,634,204	
Deferred Charge on Refunding	-	-	-	-	-	
Total Deferred Outflows of Resources	1,352,690	402,460	-	-	1,755,150	
<u>LIABILITIES</u>						
Current Liabilities						
Payable from Unrestricted Assets						
Accounts Payable	725,490	111,437	75	-	837,002	
Accrued Interest Payable	118,431	-	-	-	118,431	
Escrow Deposits	-	-	-	-	-	
Due to Other Funds	-	-	-	-	-	
Unearned Revenue	86,934	-	-	-	86,934	
Current Portion of Compensated Absences	226,847	57,660	-	-	284,507	
Current Portion of Lease Payable	-	-	-	-	-	
Current Portion of Bonds/Notes Payable	2,137,805	-	-	-	2,137,805	
Total Current Liabilities	3,295,507	169,097	75	-	3,464,679	
Noncurrent Liabilities						
Payable from Unrestricted Assets						
Compensated Absences	157,944	40,147	-	-	198,091	
OPEB	3,824,440	1,282,222	-	-	5,106,662	
Net Pension Liability	2,421,117	669,406	-	-	3,090,523	
Lease Payable	-	-	-	-	-	
Bonds/Notes Payable	32,860,126	-	-	-	32,860,126	
Total Noncurrent Liabilities	39,263,627	1,991,775	-	-	41,255,402	
Total Liabilities	42,559,134	2,160,872	75	-	44,720,081	
<u>DEFERRED INFLOWS OF RESOURCES</u>						
OPEB	1,246,745	305,570	-	-	1,552,315	
Pension Benefits	265,824	89,479	-	-	355,303	
Bond Refundings	-	-	-	-	-	
Water and Sewer Assessments	-	-	706,812	18,552,520	19,259,332	
Lease receivable	-	1,388,119	-	-	1,388,119	
Total Deferred Inflows of Resources	1,512,569	1,783,168	706,812	18,552,520	22,555,069	
<u>NET POSITION</u>						
Net Investment in Capital Assets	55,147,600	28,641,628	-	-	83,789,228	
Amounts Restricted for:						
Debt Service	-	-	-	2,924,655	2,924,655	
Unrestricted Amounts (Deficit)	(3,544,395)	5,333,048	28,930,227	-	30,718,880	
Total Net Position	\$ 51,603,205	\$ 33,974,676	\$ 28,930,227	\$ 2,924,655	\$ 117,432,763	

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF NET POSITION
ENTERPRISE FUNDS
June 30, 2024

(CONTINUED)

			TOTAL PRIMARY GOVERNMENT
BAY BRIDGE AIRPORT	NON-MAJOR ENTERPRISE FUNDS	ENTERPRISE FUNDS	
\$ 1,868,339	\$ 859,726	\$ 12,632,811	
-	2,520	2,520	
63,470	90,990	650,223	
2,653	14,999	17,652	
429,779	-	1,849,710	
57,676	8,104	818,087	
-	-	28,355,590	
-	-	3,499,369	
2,421,917	976,339	47,825,962	
-	-	19,259,330	
-	-	19,259,330	
29,187,036	11,551,003	236,724,349	
(7,340,920)	(2,794,084)	(86,855,587)	
21,846,116	8,756,919	149,868,762	
24,268,033	9,733,258	216,954,054	
1,082	4,883	126,911	
51,039	141,958	1,827,201	
3,096	441	3,537	
55,217	147,282	1,957,649	
380,027	87,754	1,304,783	
15,818	9,015	143,264	
25,532	-	25,532	
875,336	185,929	1,061,265	
16,681	9,801	113,416	
26,543	40,375	351,425	
-	27,922	27,922	
120,079	80,876	2,338,760	
1,460,016	441,672	5,366,367	
18,481	28,111	244,683	
255,356	228,350	5,590,368	
98,931	247,332	3,436,786	
-	82,792	82,792	
1,187,651	622,921	34,670,698	
1,560,419	1,209,506	44,025,327	
3,020,435	1,651,178	49,391,694	
14,898	56,958	1,624,171	
9,856	37,679	402,838	
252	1,338	1,590	
-	-	19,259,332	
430,080	-	1,818,199	
455,086	95,975	23,106,130	
20,210,189	7,941,511	111,940,928	
1,222,838	-	4,147,493	
(585,298)	191,876	30,325,458	
\$ 20,847,729	\$ 8,133,387	\$ 146,413,879	

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	SANITARY DISTRICT				
	SEWER OPERATIONS	WATER OPERATIONS	RESTRICTED FUND	DEBT SERVICE FUND	TOTAL
<u>OPERATING REVENUES</u>					
Charges for Services	\$ 7,522,670	\$ 3,206,391	\$ 2,221,123	\$ 1,211,906	\$ 14,162,090
Intergovernmental	201,105	1,357,242	658,750	348,750	2,565,847
Material Sales	-	23,650	-	-	23,650
Miscellaneous Revenues	224,056	203,632	-	-	427,688
Total Operating Revenues	7,947,831	4,790,915	2,879,873	1,560,656	17,179,275
<u>OPERATING EXPENSES</u>					
Cost of Sales and Services					
Collection	3,993,916	-	-	-	3,993,916
Distribution	-	393,570	-	-	393,570
Treatment	1,937,597	1,465,595	-	-	3,403,192
Shop	279,633	117,231	-	-	396,864
Airport	-	-	-	-	-
Recreation	-	-	-	-	-
Total Cost of Sales and Services	6,211,146	1,976,396	-	-	8,187,542
Administration and Inspection	2,183,951	768,482	-	-	2,952,433
OPEB	(360,048)	(59,448)	-	-	(419,496)
Pension Liability Adjustment	58,113	(3,165)	-	-	54,948
Depreciation and amortization	2,884,264	873,127	-	-	3,757,391
Total Operating Expenses	10,977,426	3,555,392	-	-	14,532,818
Operating Income (Loss)	(3,029,595)	1,235,523	2,879,873	1,560,656	2,646,457
<u>NON-OPERATING REVENUES (EXPENSES)</u>					
Investment Income	289,129	161,252	1,032,233	247,854	1,730,468
Interest Expense	(400,163)	-	-	-	(400,163)
Loss on Disposal of Capital Assets	(8,366)	(7,910)	-	-	(16,276)
Total Non-Operating Revenues (Expenses)	(119,400)	153,342	1,032,233	247,854	1,314,029
Income (Loss) Before Contributions and Transfers	(3,148,995)	1,388,865	3,912,106	1,808,510	3,960,486
Capital Contributions, Fees and Grants	1,133,649	1,473,570	-	-	2,607,219
Transfer of Capital Asset (to) from Governmental Fund	-	-	-	-	-
<u>TRANSFERS</u>					
Transfers In	2,520,507	1,782,287	-	1,039,588	5,342,382
Transfers Out	-	-	(2,821,875)	(2,520,507)	(5,342,382)
Net Transfers In (Out)	2,520,507	1,782,287	(2,821,875)	(1,480,919)	-
Change in Net Position	505,161	4,644,722	1,090,231	327,591	6,567,705
Total Net Position - Beginning of Year	51,098,044	29,329,954	27,839,996	2,597,064	110,865,058
Total Net Position - End of Year	\$ 51,603,205	\$ 33,974,676	\$ 28,930,227	\$ 2,924,655	\$ 117,432,763

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

(CONTINUED)

			TOTAL PRIMARY GOVERNMENT ENTERPRISE FUNDS
BAY BRIDGE AIRPORT	NON-MAJOR ENTERPRISE FUNDS		
\$ 6,049	\$ 1,185,610	\$	15,353,749
-	14,999		2,580,846
175,686	59,280		258,616
442,447	39,166		909,301
624,182	1,299,055		19,102,512
-	-		3,993,916
-	-		393,570
-	-		3,403,192
-	-		396,864
419,523	-		419,523
-	1,169,821		1,169,821
419,523	1,169,821		9,776,886
-	-		2,952,433
(4,086)	(13,421)		(437,003)
3,153	(9,602)		48,499
479,821	231,263		4,468,475
898,411	1,378,061		16,809,290
(274,229)	(79,006)		2,293,222
2,207	-		1,732,675
(67,772)	(19,142)		(487,077)
(5,276)	-		(21,552)
(70,841)	(19,142)		1,224,046
(345,070)	(98,148)		3,517,268
5,028,713	-		7,635,932
-	-		-
59,251	425,000		5,826,633
-	-		(5,342,382)
59,251	425,000		484,251
4,742,894	326,852		11,637,451
16,104,835	7,806,535		134,776,428
\$ 20,847,729	\$ 8,133,387	\$	146,413,879

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	SANITARY DISTRICT				
	SEWER OPERATIONS	WATER OPERATIONS	RESTRICTED FUND	DEBT SERVICE FUND	TOTAL
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Receipts from customers and users	\$ 7,599,640	\$ 3,256,689	\$ 2,552,604	\$ 1,351,057	\$ 14,759,990
Receipts from other operating sources	332,048	1,422,287	658,825	348,750	2,761,910
Payments to suppliers	(3,384,047)	(1,571,157)	-	-	(4,955,204)
Payments to employees and on behalf of employees	(5,381,868)	(1,245,071)	-	-	(6,626,939)
Net Cash Provided (Used) by Operating Activities	(834,227)	1,862,748	3,211,429	1,699,807	5,939,757
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Transfers in from other funds	2,520,507	1,782,287	-	1,039,588	5,342,382
Transfers to other funds	-	-	(2,821,875)	(2,520,507)	(5,342,382)
Principal paid on interfund loans	-	-	-	-	-
Net Cash Provided (Used) by Noncapital Financing Activities	2,520,507	1,782,287	(2,821,875)	(1,480,919)	-
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Proceeds from capital grants	-	-	-	-	-
Proceeds from capital debt	1,794,266	-	-	-	1,794,266
Proceeds from the disposition of capital assets	93	-	-	-	93
Proceeds from lease receivable	-	129,385	-	-	129,385
Principal paid on capital debt	(2,118,911)	-	-	-	(2,118,911)
Repayment of lease payable	(6,397)	-	-	-	(6,397)
Issuance of long-term debt	101,834	-	-	-	101,834
Interest paid on capital debt	(401,606)	-	-	-	(401,606)
Acquisition and construction of capital assets	(4,893,213)	(3,180,851)	-	-	(8,074,064)
Net Cash Used by Capital and Related Financing Activities	(5,523,934)	(3,051,466)	-	-	(8,575,400)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Investment Income	289,129	161,252	1,032,233	247,854	1,730,468
Net Cash Provided by Investing Activities - Investment Income	289,129	161,252	1,032,233	247,854	1,730,468
Net Increase (Decrease) in Cash and Cash Equivalents	(3,548,525)	754,821	1,421,787	466,742	(905,175)
Balances - Beginning of the year	6,084,163	6,614,287	24,763,246	1,703,815	39,165,511
Balances - End of the year	\$ 2,535,638	\$ 7,369,108	\$ 26,185,033	\$ 2,170,557	\$ 38,260,336
<u>Reconciliation of operating income (loss) to net cash provided by operating activities</u>					
Operating income (loss)	\$ (3,029,595)	\$ 1,235,523	\$ 2,879,873	\$ 1,560,656	\$ 2,646,457
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation and amortization	2,884,264	873,127	-	-	3,757,391
Lease revenue - deferred inflow	-	(138,587)	-	-	(138,587)
(Increase) decrease in assets:					
Accounts receivable, net	76,970	26,648	331,481	139,150	574,249
Special assessments receivable, net	-	-	244,630	(3,070,562)	(2,825,932)
Due from Other Governments	-	-	-	-	-
Inventories	23,954	-	-	-	23,954
Increase (decrease) in liabilities:					
Accounts payable	(423,387)	(74,543)	75	-	(497,855)
Escrow deposits	-	-	-	-	-
Unearned revenue	(93,113)	-	(244,630)	3,070,563	2,732,820
Compensated absences	28,615	3,194	-	-	31,809
OPEB	(360,048)	(59,448)	-	-	(419,496)
Pension Obligation	58,113	(3,166)	-	-	54,947
Net Cash Provided (Used) by Operating Activities	\$ (834,227)	\$ 1,862,748	\$ 3,211,429	\$ 1,699,807	\$ 5,939,757
<u>Noncash investing, capital and financing activities:</u>					
Contributed Capital Assets	\$ 1,133,649	\$ 1,473,570	\$ -	\$ -	\$ 2,607,219

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

(CONTINUED)

			TOTAL PRIMARY GOVERNMENT
BAY BRIDGE AIRPORT	NON-MAJOR ENTERPRISE FUNDS	ENTERPRISE FUNDS	ENTERPRISE FUNDS
\$ 147,232	\$ 1,219,991	\$ 16,127,213	
121,585	120,578	3,004,073	
-	(697,849)	(5,653,053)	
(162,669)	(522,157)	(7,311,765)	
106,148	120,563	6,166,468	
59,251	425,000	5,826,633	
-	-	(5,342,382)	
(59,881)	(108,118)	(167,999)	
(630)	316,882	316,252	
468,970	-	468,970	
-	-	1,794,266	
-	-	93	
57,676	-	187,061	
(117,102)	(105,003)	(2,341,016)	
-	-	(6,397)	
-	-	101,834	
(68,318)	(20,067)	(489,991)	
(6,615,426)	(273,527)	(14,963,017)	
(6,274,200)	(398,597)	(15,248,197)	
2,207	-	1,732,675	
2,207	-	1,732,675	
(6,166,475)	38,848	(7,032,802)	
3,006,101	820,878	42,992,490	
\$ (3,160,374)	\$ 859,726	\$ 35,959,688	
\$ (274,229)	\$ (79,006)	\$ 2,293,222	
479,821	231,263	4,468,475	
(54,690)	-	(193,277)	
(40,535)	(24,899)	508,815	
-	-	(2,825,932)	
-	63,391	63,391	
(9,514)	(2,586)	11,854	
259,693	(46,992)	(285,154)	
6,032	-	6,032	
(266,172)	3,022	2,469,670	
6,675	(607)	37,877	
(4,086)	(13,421)	(437,003)	
3,153	(9,602)	48,498	
\$ 106,148	\$ 120,563	\$ 6,166,468	
\$ -	\$ -	\$ 2,607,219	

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST, OTHER POST-EMPLOYMENT BENEFIT TRUST, AND CUSTODIAL FUNDS
June 30, 2024

	PRIVATE PURPOSE TRUST FUND	OTHER POST- EMPLOYMENT BENEFIT TRUST FUND	CUSTODIAL FUNDS
	TAX SALE DEPOSITS		
ASSETS			
Cash and Cash Equivalents	\$ 322,651	\$ 1,368,583	\$ 1,283,437
Investments, at Fair Value			
Debt Securities	-	6,267,262	-
Fixed Income Fund	-	1,060,272	-
Mutual and Global Funds	-	10,003,319	-
International	-	3,337,871	-
Total Investments	-	20,668,724	-
Total Assets	322,651	22,037,307	1,283,437
LIABILITIES			
Accounts Payable and Other Liabilities	-	45,851	12,680
Due to Other Governments	-	-	185,182
Total Liabilities	-	45,851	197,862
NET POSITION			
Restricted for:			
Held in Trust	322,651	-	-
Other Post-Employment Benefits	-	21,991,456	-
Individuals, Organizations, and other Governments	-	-	1,085,575
Total Net Position	\$ 322,651	\$ 21,991,456	\$ 1,085,575

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

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PRIVATE PURPOSE TRUST, OTHER POST-EMPLOYMENT BENEFIT TRUST, AND CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	PRIVATE PURPOSE TRUST FUND TAX SALE DEPOSITS	OTHER POST- EMPLOYMENT BENEFIT TRUST FUND	CUSTODIAL FUNDS
ADDITIONS			
Contributions:			
Tax Sale Collections in Excess of Tax Due	\$ 173,842	\$ -	\$ -
Employers	-	4,453,230	-
Members	-	479,979	-
Total Contributions	173,842	4,933,209	-
Investment Earnings:			
Net Change in the Fair Value of Investments	-	1,483,303	-
Interest	-	533,081	-
Total Investment Earnings	-	2,016,384	-
Less Investment Administrative Expenses	-	10,094	-
Net Investment Earnings	-	2,006,290	-
Tax Ditch	-	-	37,360
Zoning Deposits	-	-	199,777
Tax Collections for Other Governments	-	-	16,652,672
Motor Vehicle Administration	-	-	206,879
Escheat - Abandoned Property	-	-	76,003
Inmate Welfare	-	-	139,416
Total Additions	173,842	6,939,499	17,312,107
DEDUCTIONS			
Distributions to Property Holders	89,355	-	-
Claims Paid for Other Post-Employment Benefits	-	2,326,420	-
Administrative Expenses	-	91,175	-
Distribution of Tax Ditch Funds	-	-	40,006
Refund of Zoning Deposits	-	-	104,037
Payments of Tax to Other Governments	-	-	16,652,672
Payments to Motor Vehicle Administration	-	-	206,879
Payments of Escheat to Others	-	-	76,003
Distribution of Inmate Welfare Funds	-	-	140,532
Total Deductions	89,355	2,417,595	17,220,129
Net Increase in Fiduciary Net Position	84,487	4,521,904	91,978
Net Position-Beginning of Year	238,164	17,469,552	993,597
Net Position-End of Year	\$ 322,651	\$ 21,991,456	\$ 1,085,575

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

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
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QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the County conform to accounting principles generally accepted in the United States of America (GAAP) applicable to local government entities. The following is a summary of significant policies.

A. REPORTING ENTITY

Queen Anne's County, Maryland (the County) was founded in 1706. The County is governed by five Commissioners who are elected to serve four-year terms. This board assumes responsibilities conferred upon them by the Maryland General Assembly under Code Home Rule and provides the following services: public safety, public facility/infrastructure maintenance and improvements, sanitation, health and social services, education, recreation and culture, library, conservation of natural resources, economic and community development, and general administrative services.

As required by GAAP, these financial statements present the primary government and its component units, which are entities for which the primary government is considered financially accountable. The decision to include a potential component unit in the financial reporting entity was made by applying the criteria set forth in the Government Accounting Standards Board (GASB) Statements No. 14 and 39. Blended component units, although separate entities, are in substance, part of the government's operations. However, each discretely presented component unit is reported in a separate column in the government-wide financial statements (see note below for descriptions) to emphasize that it is legally separate from the government.

Blended Component Units

The Queen Anne's County Sanitary District serves citizens of the government and is governed by a board comprised of the government's elected Commissioners. The rates for user charges and bond issuance authorizations are approved by the Board of Commissioners and the legal liability for the general obligation portion of the District's debt remains with the government. The Sanitary District is reported as an enterprise fund.

The Queen Anne's County Roads Board serves all the citizens of the government and is governed by a board comprised of the government's elected Commissioners. All operations of the Roads Board are approved by the Board of Commissioners and the legal liability for any debt remains with the government. The Roads Operating Fund is included as a governmental fund.

Discretely Presented Component Units

Component units are legally separate entities that are included in the County's reporting entity because of the significance of their operating or financial relationships with the County. The criteria for including organizations as component units within the County's reporting entity include whether:

- the organization is legally separate
- the County Commissioners appoint a voting majority of the organization's board
- the County Commissioners have the ability to impose their will on the organization
- the organization has the potential to impose a financial benefit/burden on the County
- the organization is fiscally dependent on the County

Based on the application of these criteria, the following organizations are considered component units of Queen Anne's County Government. Their financial data is discretely presented in separate columns in the government-wide financial statements. Both discretely presented component units have a June 30 year end.

The Board of Education of Queen Anne's County is a five-member body responsible for the operation of Queen Anne's County Schools. Beginning with the November 2008 election, the members were elected by the County voters. The Board of Education is a component unit of Queen Anne's County, Maryland by virtue of the Board's fiscal dependency on the County through the County's responsibility for levying taxes, issuing debt, and its budgetary control over the Board of Education.

The Queen Anne's County Free Library is a component unit of the Queen Anne's County Government by virtue of the Library's fiscal dependency on the County. The County levies taxes and approves the Library's budget. The Library Board of Trustees governs the Library. Vacancies on the Board of Trustees are filled by vote of the remaining members of that Board.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. REPORTING ENTITY (CONTINUED)

Discretely Presented Component Units (continued)

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

**Board of Education of
Queen Anne's County**
202 Chesterfield Avenue
Centreville, MD 21617

**Queen Anne's County
Free Library**
121 S. Commerce Street
Centreville, MD 21617

Joint Venture

The operation of the Midshore Regional Landfill is considered a joint venture of the County. Disclosure of the County's participation in this joint venture is presented in Note 20.

Complete financial statements can be obtained at the joint ventures' administrative office listed below:

Maryland Environmental Service
259 Najoles Road
Millersville, Maryland 21108

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-Wide Financial Statements – The government-wide financial statements report information on all of the non-fiduciary activities of the Primary Government and its component units. Since, by definition, assets of fiduciary funds are held for the benefit of a third party (other local governments, private parties, etc.) and cannot be used to address activities or obligations of the County, these funds are not incorporated into the government-wide statements.

Interfund activity within the primary government's governmental activities and business-type activities has been eliminated from the government-wide statements. Interfund services provided and used are not eliminated in the process of consolidation. Residual balances between the governmental and business-type categories are presented on the Statement of Net Position as "Internal balances".

Governmental activities of the Primary Government, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

Statement of Net Position – This statement is designed to display the financial position of the reporting entity as of year-end. Governments report all capital assets, including infrastructure, in the government-wide Statement of Net Position and report depreciation expense, the cost of "using up" capital assets, in the Statement of Activities. Net position is divided into three categories: 1) net investment in capital assets; 2) restricted amounts; and 3) unrestricted amounts. *Net Investment in capital assets* consists of capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those capital assets. *Restricted amounts* are assets for which constraints are placed due to restrictions that are either (1) externally imposed by creditors, grantors, contributors, or laws and regulations of the government, or (2) imposed by law through constitutional provisions or enabling legislation. *Unrestricted amounts* consist of net assets that do not meet the definition of restricted or invested in capital assets.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

Statement of Activities – This statement demonstrates the degree to which the direct expenses of a given function for the fiscal year are offset by program revenues. Therefore, this statement reflects both the gross and net costs per functional category (general government; public safety; public works; parks and recreation; health; social services; education; library; conservation of natural resources; and economic/community development) that are otherwise supported by general revenues. Direct expenses (including depreciation) are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. The operating grants and contributions column includes operating-specific and discretionary (either operating or capital) grants, while the capital grants and contributions column reflects capital-specific grants. Taxes and other items not properly included among program revenues are reported as general revenues. The County does not allocate indirect expenses.

Fund Financial Statements – Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

In the fund financial statements, financial transactions and accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise assets, liabilities, fund balance/net assets, revenues, and expenditures/expenses.

Governmental Fund Budget-to-Actual Comparison Statements – Demonstrating compliance with the legally adopted budget is an important component of government's accountability to the public. The County provides a budget-to-actual comparison of the General Fund and Grants Fund as part of the required supplementary information section located after the Notes to the basic financial statements. A budget-to-actual comparison is also included for all non-major governmental funds with legally adopted budgets in the supplementary information section.

The County and many other governments revise their original budgets over the course of the year for a variety of reasons; the County's amended budget is reflected in a separate column in the budget-to-actual comparison statements. Variances are calculated based on final budgets.

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

Measurement Focus and Basis of Accounting

Full Accrual Basis Financial Statements – The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. 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 revenue in the year in which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met. Capital assets and related depreciation are recorded in these statements, as well as debt, accrued compensated absences, other post-employment benefits, and other accruals.

Modified Accrual Basis Financial Statements – Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Revenues are recorded as soon as they are susceptible to accrual (i.e., when they are 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment has matured and is due. Similarly, expenditures related to claims, judgments, compensated absences, and other post-employment benefits are recorded only to the extent that they are expected to be liquidated with expendable available financial resources. Capital assets, and related depreciation, as well as long-term liabilities are not recorded in these statements.

In applying the susceptible to accrual concept to income taxes (distributed by the State), property taxes, and inter-governmental revenues other than grants, the County defines "available" as received within 60 days after year-end.

In the State of Maryland, the State has assumed responsibility for the collection of all income taxes and for distributing those collections to the respective counties. The counties set their individual tax rates within limits provided by State law. However, collection and pursuit of delinquent taxes are the responsibility of the State. The County records estimated receivables relating to income taxes when the underlying income is earned. Amounts not received within 60 days are reported as deferred inflows of resources. At year-end, deferred revenue relating to income taxes primarily includes the final fiscal year distribution (which is normally received in September after the fiscal year-end) and amounts related to late filers, delinquent returns and audits, and unallocated withholding, all of which are not received within the County's availability period. Most deferred inflows are expected to be received from the State within the next fiscal year; however, collections related to delinquent returns and audits as well as unallocated withholding may not be remitted to the County for several years.

In applying the susceptible to accrual concept to operating and capital grants, which are classified with intergovernmental revenues in the fund financial statements, the County records receivables when the applicable eligibility requirements including time requirements are met. Related revenues are recognized to the extent that cash is expected to be received within one year of year-end. Resources received before the eligibility requirements are met are reported as unearned revenue.

Licenses and permits, charges for services, and miscellaneous revenues (except earnings on investments) are generally recorded as revenues when received in cash during the year. At year-end, receivables are recorded for significant amounts due. If such amounts are received in cash after year-end within the County's 60-day availability period, they are recognized as revenue. Benefit assessment receivables not billed at year end are reported as deferred inflows of resources.

Fiduciary Funds – The County's trust fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting, as is used by proprietary funds. Custodial funds report assets, liabilities, and changes in net position. Since fiduciary funds are, by their very nature, independent of the County, they are omitted from all government-wide statements.

Financial Statement Presentation - The County reports the following major governmental and proprietary funds, as well as fiduciary funds.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

General Fund – This fund is the general operating fund of the County. It is used to account for all financial resources except those required or recommended, by GAAP, to be accounted for in another fund.

Capital Projects Funds –

General Capital Projects - This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities, as well as other large multi-year projects that relate to capital assets, that are financed from general governmental resources.

Roads Capital Projects - This fund accounts for financial resources to be used for the construction of County Road infrastructure, as well as other large multi-year projects that relate to capital assets, that are financed from grants received from State and Federal Governments, Highway User Tax funds, and general governmental resources.

Grants Fund – This special revenue fund accounts for activities funded by grants and is included in various governmental functions, depending on the grant.

Non-Major Governmental Funds – There are seventeen non-major governmental funds, which are used to account for and report the proceeds of specific revenue sources. Included in the seventeen non-major governmental funds are fourteen special revenue funds and three capital project funds.

Major Enterprise Funds - Enterprise Funds are used to account for those activities of the Primary Government that are financed and operated in a manner similar to private business enterprises in that all costs and expenses, including depreciation, are recovered primarily or partially through user charges. The Sanitary District Funds are intended to be self-supporting as a whole, while the Airport is intended to be only partially self-supporting. The County reports the following major enterprise funds:

Sanitary District -

Sewer Operations - This fund is used to account for the operation of the sewer system serving approximately 9,600 customers.

Water Operations - This fund is used to account for the operation of the water supply system serving approximately 5,400 customers.

Restricted Fund - This fund is used to account for the proceeds of sewer and water capacity charges (one-time allocation fees) and is used to fund capital and debt service expenses.

Debt Service Fund - This fund is used to account for the collection of special benefit assessments, and financial resources from other sources, to fund debt associated with construction of water and sewer facilities in accordance with debt covenants.

Bay Bridge Airport – This fund is used to account for the operation of the County's airport that serves small, private aircraft.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Non-Major Enterprise Funds – Non-major Enterprise Funds account for activities which are commercial in nature and are primarily or partially intended to be self-supporting. The County has two non-major enterprise funds, neither of which is meant to be fully self-supporting. These funds include the Golf Course and Public Landings and Marinas.

Fiduciary Funds – Fiduciary Funds are used to report assets held in a trustee or agency capacity for entities other than the County. The County reports the following fiduciary fund types:

Private-Purpose Trust Fund – This fund accounts for an arrangement under which monies received at tax sale, in excess of taxes due, are legally held in trust for property owners who have not been located within a legally-defined time frame.

Other Post-Employment Benefit Trust Fund – This fund only accounts for the Queen Anne's County portion of the MACo (Maryland Association of Counties) pooled OPEB Investment Trust Fund.

Custodial Funds - These funds are used to account for deposits that are collected and held on behalf of individuals, organizations, and other governments. These monies include escrow deposits for tax ditches, zoning deposits, state and town tax collections, motor vehicle administration deposits, abandoned property, and inmate welfare funds.

Certain amounts in the prior years' financial statements have been reclassified to conform to the current year's presentation.

The financial statements of the County have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to local government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the County's accounting policies are described below.

In the process of aggregating data for the Statement of Net Position and the Statement of Activities, some amounts reported as interfund activity and balances in the funds should be eliminated or reclassified. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. The effect of interfund services provided and used between functions has not been eliminated in the Statement of Activities, since to do so would distort the direct costs and program revenues reported for the various functions concerned.

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 enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY

1) Cash and Investments

Cash and Cash Equivalents – For Statement of Cash Flows reporting purposes, the County has defined “cash equivalents” as short-term, highly liquid investments that are both readily convertible to known amounts of cash and so near their maturity that they present an insignificant risk of changes in value because of changes in interest rates. Generally, only investments with maturities of three months or less at time of purchase meet this definition. The balance sheet classification for “cash and cash equivalents” in the Statement of Cash Flows includes the following: “Equity in pooled cash and investments,” “Cash and cash equivalents,” and “Restricted Equity in pooled cash and investments.”

2) Receivables and Payables

Due To/From Other Funds and Internal Balances – Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the year are current and are referred to as “due to/from other funds.” On the Statement of Net Position, these balances are referred to as “internal balances” and are reported as positive and negative “assets” that net to zero for the primary government as a whole.

Trade Accounts Receivable – Trade and other receivables are shown net of an allowance for uncollectible accounts. The allowance for uncollectible accounts is calculated based on historical collection data and, in some cases, specific account analysis.

3) Inventories, Prepaids, and Other Assets

Inventories consisting of materials, parts and supplies are recorded at cost and determined by weighted average cost method. Inventories held for resale are reported at lower of cost or market and determined by the first-in, first-out method. For budgetary purposes, the cost is recorded as an expenditure at the time individual inventory items are purchased (purchase method). The consumption method is used for financial reporting purposes whereby expense is recognized as the items are used (consumed). Reported inventories are equally offset by a fund balance reserve. Inventories in the Proprietary Funds are also recorded using the consumption method.

Prepaid items are payments made to vendors for services that will benefit periods beyond the end of the fiscal year.

4) Capital Assets

Capital assets, which include property, plant, equipment, intangibles, and infrastructure assets (e.g. roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, lighting systems, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value or functionality of the asset, or materially extend asset lives, are not capitalized.

Land and other inexhaustible assets such as intangible property easements and other land usage rights are capitalized but not depreciated, as these assets are expected to have indefinite useful lives.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

4) **Capital Assets (continued)**

Major outlays for capital assets and improvements are capitalized as the projects are constructed. Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense, incurred from the date of the borrowing until completion of the project, with interest earned on invested proceeds over the same period. Capital projects that are under construction and not yet ready for their intended use at year-end are classified as "construction in progress" (CIP).

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and structures	20 - 50
Improvements other than buildings	15 - 50
Infrastructure	20 - 50
Machinery and equipment	5 - 20
Office furniture, fixtures and equipment	5 - 15
Vehicles	5 - 10

5) **Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of financial position will report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources until that time.

6) **Other Post-Employment Benefit Obligation (OPEB)**

The Queen Anne's County post-employment benefit plan provides medical insurance benefits to retirees and their eligible dependents. The Plan's financial information is prepared based on full accrual accounting. Expenses are recognized on the accrual basis as retirees' insurance costs are incurred. Typically, OPEB liabilities are liquidated in the following governmental funds: the General Fund, Department of Aging, Housing and Community Services, and Community Partnerships for Children. OPEB liabilities are also liquidated in the following enterprise funds: Sanitary Sewer, Sanitary Water, Bay Bridge Airport, Golf Course, and Public Landings and Marinas. In both the government-wide and enterprise funds, the liability for OPEB is adjusted at the end of the fiscal year. Additional details regarding OPEB can be found in Notes 9 and 16.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

7) Net Pension Liability

The Queen Anne's County government participates in the Maryland State Retirement and Pension Systems. Beginning in fiscal year 2015, the County was required to report the net pension liability associated with this system. Typically, pension liabilities are liquidated in the following governmental funds: the General Fund, Department of Aging, Housing and Community Services, and Community Partnerships for Children. Pension liabilities are also liquidated in the following enterprise funds: Sanitary Sewer, Sanitary Water, Bay Bridge Airport, Golf Course, and Public Landings and Marinas. Additional details regarding retirement benefits can be found in Notes 9 and 14.

8) Volunteer Fireman Pension Plan Length of Service Award Program (LOSAP)

The LOSAP is a single-employer defined benefit length of service award program that covers all volunteer members of the County's Fire and EMS Commission. The County began recording the net LOSAP liability associated with this benefit in fiscal year 2019 with the implementation of Governmental Accounting Standards Board's Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68*. Additional details regarding LOSAP benefits can be found in Notes 9 and 17.

9) Compensated Absences

Primary Government – The County's policy is to pay employees for any unused vacation time, up to a maximum of 65 days, upon termination of employment. Compensated absences are reported in governmental funds only if they have matured, such as payments upon termination of employment, vacation, and compensatory time paid as they are used during the year. Such time is paid as regular wages. Compensated absences are reported in enterprise funds as they are accrued. In the government-wide statements, the liability for compensated absences is adjusted at the end of each fiscal year to current salary costs.

Component Unit - Board of Education – The Board accrues a liability for compensated absences (vacation pay) employees have earned but have not been paid. The Board adopted the practice of paying for any unused vacation time, up to the maximum amount employees can carry over from one year to the next, upon the termination of employment. The full amount of this obligation has been provided for in the statement of net position.

10) Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net assets. Bond premiums are deferred and amortized over the life of the bonds using the bonds outstanding method. Bonds payable in the proprietary fund financial statements and noncurrent liabilities in the government-wide financial statements are reported net of the applicable bond premium or discount. Bond issuance costs are reported in the period in which they have been incurred.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

10) Long-Term Obligations (continued)

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures. When debt is refunded in an advance refunding, payments to the Bond Refunding Agent and associated bond issuance costs are reported as other financing uses. When debt is refunded in a current refunding, the principal on refunded debt is reported as other financing uses.

11) Net Position/Fund Equity

In the government-wide financial statements, the County has reported an unrestricted net surplus of \$79,122,816. The County issues general obligation bonded debt for purposes of capital construction on behalf of the Queen Anne's County Board of Education. The capital assets constructed with the proceeds of this debt are reported on the financial statements of Queen Anne's County Board of Education. This amount is also classified as net investment in capital assets in the Board of Education column of the Component Units section of the County's government-wide Statement of Net Position. Since the Board of Education is not authorized to borrow funds, they do not have any debt.

Since the issuance of such debt has not resulted in capital assets owned by the Primary Government, the effect of this debt is reflected in the unrestricted net assets in the Governmental Activities column of the government-wide Statement of Net Position. At June 30, 2024, the County has reported outstanding general obligation debt related to assets held by the Board of Education amounting to \$43,910,684 (of which \$42,317,895 has been spent and the remaining \$1,592,789 relates to unspent bond proceeds).

The County reports a portion of its net position in its government-wide financial statements as restricted. In this context, restricted means that, as of June 30, 2024, this portion of net position was restricted for a particular purpose either by external parties; by provision of the County Charter; or by enabling legislation. Net position restricted by enabling legislation represents legislative restrictions that a party external to the government can compel the government to honor. For the County, such amounts represent primarily accumulated net position attributed to revenue streams that are restricted for specified purposes in the County Code. This generally includes the Rainy Day Fund, Capital Projects Fund impact fee collections and developer exactions on hand for outside entities; restricted amount for special revenue funds; and ending restricted net assets of the Sanitary District and other enterprise funds. Such amounts, which are restricted in the government-wide Statement of Net Position, are as follows at year-end:

Amounts Restricted for:	Governmental Activities	Business-type Activities
General government	\$ 15,581,891	\$ -
Economic/community development	3,100,606	-
Public safety	6,452,153	-
Conservation of natural resources	2,797,415	-
Social services	955	-
Debt service	-	4,147,493
Other Purposes	-	-
Total amounts restricted	\$ 27,933,020	\$ 4,147,493

Note that unspent bond proceeds of \$5,996,290 are included in restricted fund balance for the General Capital Projects Fund. At the Government-Wide level, the unspent bond proceeds are offset by the liability.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

11) Net Position/Fund Equity (continued)

In the fund financial statements, fund balances of governmental funds are classified as follows:

Nonspendable – amounts that cannot be spent either because they are not in a spendable form or because they are legally or contractually required to be maintained intact. Nonspendable fund balances for the County include inventory and prepaid items.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Queen Anne's County Commissioners. The Commissioners are the highest level of decision-making authority for the County. Commitments may be established, modified, or rescinded only through formal actions such as a County Ordinance approved by the County Commissioners.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The assignment of funds rests with the County Commissioners. In addition, GASB 54 requires all positive residual amounts in special revenue funds to be reported as assigned.

Unassigned – all other spendable amounts; however, the General Fund is the only fund permitted to have a positive unassigned fund balance. Negative unassigned fund balances may occur in other governmental funds.

The County typically uses restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

12) Property Tax

The County's real property tax is levied each July 1 on the assessed values certified as of that date for all taxable real property located in the County. The levy functions as a lien against the property. Assessed values are established by the Maryland State Department of Assessments and Taxation at estimated market value. A revaluation of all property is required to be completed every three years. Taxes are then billed to property owners and collected by the County. Property represented by delinquent taxes is sold at a public auction in May of the following calendar year, with title transferring after foreclosure proceedings have been completed.

For small businesses that meet certain criteria and also principal residences, an installment plan is offered whereby total tax is paid in two equal installments. The first installment is due by September 30. Beginning October 1, a 1% penalty is charged on the first day of each month that the installment remains unpaid. This 1% penalty is based on the amount of the first installment only. The second installment is due by December 31. Beginning January 1, the 1% penalty would then include all outstanding balances. The County accepts partial payments.

For non-principal residences, payment is due in full by September 30. Beginning October 1, a penalty is charged for each month that taxes remain unpaid. For new construction, completed and assessed between July 1 and December 31, a supplementary tax is levied equal to half of the full-year levy. Payment in full is due by March 31. Beginning April 1, a penalty is charged for each month that taxes remain outstanding.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY (CONTINUED)

12) Property Tax (continued)

Real and personal property taxes are levied at rates enacted by the County Commissioners in the annual budget on the assessed value as determined by the Maryland Department of Assessments and Taxation. The rates of levy cannot exceed the constant yield rate furnished by the Maryland Department of Assessments and Taxation without public notice and only after public hearings. The County tax rate for the fiscal year ended June 30, 2024 was \$0.8300 per \$100 of assessed value.

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING

Pursuant to the Code of Public Local Laws of Queen Anne's County, the County Commissioners adopt an annual operating budget and real property tax rate prior to July 1 each year. This action, taken after public hearings, provides the spending authority for the fiscal year beginning on July 1. Unexpended and unencumbered appropriation authority expires the following June 30, except in the case of Capital Projects where appropriations lapse only upon completion or cancellation of each project by the County Commissioners. The appropriated budgets are prepared at the fund, function, and departmental level. Expenditures/expenses may not legally exceed appropriations, based on the level at which they were adopted. For the General Fund, annual expenditure budgets are legally adopted at the departmental level. For all other Governmental Funds, for which annual budgets are adopted, expenditure budgets are legally adopted at the fund level.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 2 - BUDGETS AND BUDGETARY ACCOUNTING (CONTINUED)

During the fiscal year, the Commissioners may adopt supplemental appropriations. For the year ended June 30, 2024, supplemental appropriations were as follows:

Supplemental Appropriations	Original Budget	Final Budget	Increase
General Fund - expenditures and transfers	\$ 183,565,554	\$ 196,697,953	\$ 13,132,399
Special Revenue Funds that adopt annual budgets			
Grants Fund - expenditures and transfers	\$ 2,972,631	\$ 3,457,520	\$ 484,889
Non-Major Funds that adopt annual budgets -			
Department of Aging - expenditures and transfers	\$ 4,046,200	\$ 4,673,526	\$ 627,326
Housing & Community Services - expenditures and transfers	1,522,032	1,872,051	350,019
Roads Operating - expenditures and transfers	6,213,151	6,407,294	194,143
Community Partnerships for Children - expenditures and transfers	1,371,131	1,335,572	(35,559)
Agricultural Transfer - expenditures and transfers	1,425,000	2,699,050	1,274,050
Rural Legacy - expenditures and transfers	1,307,452	1,398,769	91,317
Fire Company Impact Fees - expenditures and transfers	382,700	602,031	219,331
Dredging Special Assessments - expenditures and transfers	47,816	55,766	7,950
Total Special Revenue Funds that adopt annual budgets	\$ 19,288,113	\$ 22,501,579	\$ 3,213,466

All final budgets are presented as amended. The County Administrator may approve budget amendments of \$100,000 or less throughout the year. Amendments greater than \$100,000 require the approval of the County Commissioners.

Annual operating budgets are legally adopted for the General Fund, Grants Fund, and the following non-major governmental funds: Department of Aging, Housing and Community Services, Economic Development Incentive, Roads Operating, Community Partnerships for Children, Law Library, Inmate Welfare, Agricultural Transfer, Rural Legacy, Dredging Special Assessments, Kent Narrows, School Impact Fees Capital Projects, Fire Company Impact Fees Capital Projects, and Parks and Recreation Impact Fees Capital Projects. Proprietary Fund budgets are adopted for management control only and include all enterprise funds. Budgets are adopted using the same method of accounting as that used for Fund reporting purposes.

Budgets for the General Capital Projects Fund and the Roads Capital Projects Fund reflect multi-year appropriations at the individual project level. Expenditures may not legally exceed appropriations at that level and appropriations lapse at the completion or cancellation of individual projects. Since these capital projects funds do not adopt an annual budget per project, a Statement of Revenues, Expenditures, and Changes in Fund Balances on a budget-to-actual basis is not presented for these funds.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 – CASH, INVESTMENTS AND INVESTMENT INCOME

A. DEPOSITS AND INVESTMENTS

PRIMARY GOVERNMENT AND FIDUCIARY FUNDS

Deposits are maintained in a variety of financial institutions. 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.

At year-end, the County Primary Government had deposits of \$109,246,739 with local banks (carrying value \$105,862,836), all of which was covered by federal depository insurance or by collateral held by the County's agent in the County's name.

Of these options, the County participates in the Maryland Local Government Investment Pool (MLGIP), which provides all local government units of the state with a safe investment vehicle for short-term investment of funds. The State Legislature created MLGIP with the passage of Article 95 Section 22G, of the Annotated Code of Maryland. PNC Financial manages the MLGIP, under administrative control of the State Treasurer. A MLGIP Advisory Committee of current participants reviews the activities of the Fund on a quarterly basis and provides suggestions to enhance the pool. The MLGIP portfolio is managed in a manner consistent with the Securities and Exchange Commission's Rule 2a-7 of the Investment Company Act of 1940. Standard and Poors rates the MLGIP as AAAM. The fair value of the pool is the same as the value of the pool shares. At June 30, 2024, the County had investments in MLGIP of \$94,234,351, which are recorded at cost, which approximates fair value.

As of June 30, 2024, the County's investments (excluding investments held for retiree health benefits), for both custodial and credit risk purposes, consisted solely of shares in the MLGIP. This investment is not deemed to have either risk and is in conformity with the County's policy relating to minimal credit risk of investments.

The majority of the Retiree Health Trust investments are invested in the Maryland Association of Counties Pooled OPEB Trust (MACO Trust). The MACO Trust is administered by Davenport & Company LLC, and is a wholly-owned instrumentality of its members.

The assets of the Trust are managed by a Board of Trustees and consist of U.S. Treasury obligations, U.S. government agencies, corporate and foreign bonds, municipal obligations, taxable fixed income securities, mutual funds, global funds, and international equity securities.

Cash and cash equivalents for the MACO Trust include an investment in a money market mutual fund. At June 30, 2024, the weighted average maturity (WAM) for the Trust's money market mutual fund investment was 36 days. At June 30, 2024, the short-term rating of the money market mutual fund was AAAM by Standard & Poor's.

The main objectives of the Trust's investment policy are the protection of investment principal, maximizing investment income through diversification while assuring financial liquidity. The policy allows for investment in U.S. and non-U.S. equities, corporate, government, or government agency bonds, non-U.S. bonds, Real Estate, and Limited Partnerships.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 – CASH, INVESTMENTS AND INVESTMENT INCOME (CONTINUED)

A. DEPOSITS AND INVESTMENTS (CONTINUED)

PRIMARY GOVERNMENT AND FIDUCIARY FUNDS (CONTINUED)

The Trust categorizes its fair value measurements with the fair value hierarchy established by U.S. GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset and gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- 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.

Transactions are recorded on the trade date. Realized gains and losses are determined using the identified cost method. Any change in net unrealized gain or loss from the preceding period is reported in the statement of changes in fiduciary net position. Dividends are recorded on the ex-dividend date. Interest is recorded on the accrual basis. Following is a description of the valuation methodologies used for assets measured at fair value.

Equity securities classified in Level 1 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.

The Trust has the following recurring fair value measurements as of June 30, 2024, of which Queen Anne's County's portion was 24.4% of the total:

	Level 1	Level 2	Level 3	Total
Investments by fair value level:				
Debt Securities				
U.S. Treasury Obligations	\$ -	\$ 8,115,276	\$ -	\$ 8,115,276
U.S. Governmental Agencies	-	5,223,664	-	5,223,664
Corporate & Foreign Bonds	-	10,317,988	-	10,317,988
Municipal Obligations	-	2,043,971	-	2,043,971
Equity and Mutual Fund Investments				
Taxable Fixed Income Funds	-	4,347,982	-	4,347,982
Mutual Funds	33,686,687	-	-	33,686,687
Global Funds	7,335,100	-	-	7,335,100
International	13,688,002	-	-	13,688,002
Total	\$ 54,709,789	\$ 30,048,881	\$ -	\$ 84,758,670

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 – CASH, INVESTMENTS AND INVESTMENT INCOME (CONTINUED)

A. DEPOSITS AND INVESTMENTS (CONTINUED)

PRIMARY GOVERNMENT AND FIDUCIARY FUNDS (CONTINUED)

Information about the sensitivity of the fair values of the Trust's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Trust's investments by maturity as of June 30, 2024:

	Investment Maturities (in Years)					Total
	Less than 1	1 - 5	6 - 10	More than 10		
Investments with Maturities						
U.S. Treasury Obligations	\$ 89,715	\$ 1,142,971	\$ 2,083,854	\$ 4,798,736	\$	8,115,276
U.S. Governmental Agencies	-	177,453	439,296	4,606,915		5,223,664
Corporate & Foreign Bonds	184,684	1,191,971	1,620,783	7,320,550		10,317,988
Municipal Obligations	-	-	-	2,043,971		2,043,971
Total	\$ 274,399	\$ 2,512,395	\$ 4,143,933	\$ 18,770,172	\$	25,700,899

Credit Risk. The Trust is exposed to both market risk, the risk arising from changes in fair value, and credit risk, the risk of failure by another party to perform according to the terms of a contract. Trust assets may only be invested in investment grade bonds with a minimum rating of Baa3 by Moody's or BBB- by S&P. The Trust bears the risk of loss only to the extent of the fair value of its respective investments. At June 30, 2024, the ratings of the underlying investments of the Trust's investments were as follows:

Type	Rating						Total
	Aaa	Aa1/Aa2/	Aa3	A1/A2/A3	Baa1/Baa2/ Baa3	Not Rated	
U.S. Treasury Obligations	\$ 7,540,277	\$ -	\$ -	\$ -	\$ -	\$ 574,999	\$ 8,115,276
U.S. Governmental Agencies	-	-	-	-	-	5,223,664	5,223,664
Corporate & Foreign Bonds	165,928	1,860,253	5,240,382	2,779,504	271,921		10,317,988
Municipal Obligations	393,863	1,428,144	86,424	-	135,540		2,043,971
Total	\$ 8,100,068	\$ 3,288,397	\$ 5,326,806	\$ 2,779,504	\$ 6,206,124	\$	25,700,899

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 Trust will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Trust's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. The Trust has all of its assets on deposit with Wilmington Trust Company in connection with its investing and cash management activities. All of the investments held by the Trust at June 30, 2024, were exposed to custodial credit risk as the investments are uninsured and unregistered.

The following tables summarizes the composition of the Trust's investment balances by type as well as the interest rate range as of June 30, 2024:

	Fair Value	Interest Rate Range
U.S. Treasury Obligations	\$ 8,115,276	2.25 to 4.88%
U.S. Governmental Agencies	5,223,664	1.3 to 5.0%
Corporate & Foreign bonds	10,317,988	1.7 to 6.2%
Municipal Obligations	2,043,971	2.44 to 6.72%
Taxable Fixed Income Funds	4,347,982	N/A
Mutual Funds	33,686,687	N/A
Global Funds	7,335,100	N/A
International	13,688,002	N/A
Total	\$ 84,758,670	

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 – CASH, INVESTMENTS AND INVESTMENT INCOME (CONTINUED)

A. DEPOSITS AND INVESTMENTS (CONTINUED)

PRIMARY GOVERNMENT AND FIDUCIARY FUNDS (CONTINUED)

Concentration of credit risk. The following general asset allocation guidelines have been established through the Trust's investment policy.

Asset Class	Minimum	Maximum	Target
Equities	50%	70%	65%
Fixed Income	30%	50%	35%
Cash and Equivalents	0%	10%	0%

The Trust held the following investments as of June 30, 2024 that exceeded 5% of the total investment balance as of June 30, 2024:

Name	Amount
VANGUARD 500 INDEX CL ADML	\$ 8,607,060
NEW WORLD FUND-R6	7,335,100
FULLERTHALER BEHAVIORAL SC EQ R6	6,889,333
TRANSAMERICA TS&W INTERNATIONAL EQ-IS	6,864,353
LAZARD INTERNATIONAL STRATEGIC EQUITY FD CL-I	6,823,648
ISHARES MSCI USA QUALITY FACTOR ETF	5,655,059
VANGUARD MID-CAP INDEX FUND ADMIRAL SHARES	4,506,264
BLACKROCK HIGH YIELD INSTL	4,347,982

Foreign currency risk is the risk that changes in the exchange rate of investments will adversely affect the fair value of an investment. The Trust was not exposed to Foreign Currency risk as of June 30, 2024, as the Trust did not have any investments denominated in foreign currencies.

For the year ended June 30, 2024, the annual money-weighted rate of return on investments, net of expense, was 6.5%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Capital Accounts

The Trust accounts for contributions, allocations, and redemptions on a per member capital account basis. The revenues, consulting and management fees, and administrative service fee are allocated pro rata to the capital accounts of each member based on committed capital. The fair value of member capital accounts is determined monthly.

Income Taxes

The Trust complies with the requirements of Section 115 of the Internal Revenue Code and is exempt from income taxes.

LOSAP Funds

The LOSAP funds are invested in an Empower Retirement General Investment Account (GIA). The GIA, backed by Empower Retirement's general assets, is designed to provide stable, guaranteed rate of return and guarantee of principal. General investment account assets are managed with reference to their associated liabilities so product specifications and obligations to clients can be met with a high degree of certainty, even when market conditions change. Investment risk management is a high priority. Strict diversification among industries and individual issuers help mitigate credit risk. Various quantitative tools and systems, as well as qualitative approaches, are used to manage interest rate risk and liquidity risk. Assets in the GIA were managed to range from 5 to 6 years.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 3 – CASH, INVESTMENTS AND INVESTMENT INCOME (CONTINUED)

A. DEPOSITS AND INVESTMENTS (CONTINUED)

PRIMARY GOVERNMENT AND FIDUCIARY FUNDS (CONTINUED)

LOSAP Funds (Continued)

If the GIA Contract is fully or partially terminated, participants will receive the liquidation value of the GIA instead of the book value (i.e., contract value), which is the value disclosed on participant statements and recorded within these financial statements. The liquidation value is determined in accordance with a formula contained in the GIA Contract and is designed to reflect the value of the assets in the general investment account. This liquidation value may be more or less than the book value of the plan's investment in the GIA Contract. This means that upon partial or full termination of the GIA Contract a participant's account balance in the GIA may be either increased or decreased.

The County's LOSAP fund GIA account balance as of June 30, 2024 is \$6,120,385 and is included in restricted LOSAP plan assets on the general fund balance sheet.

The fair value GAAP hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 are significant unobservable inputs. GIA is measured on recurring basis and is considered to be Level 3 as liquidation value is based on actuarial formula as defined under the terms of the contract with no observable price.

COMPONENT UNITS (BOARD OF EDUCATION AND LIBRARY)

Component Unit - Board of Education - At year-end, the carrying amount of deposits was \$12,739,845, including \$300,000 in certificates of deposit and excluding the carrying amount of fiduciary funds. At June 30, 2024, the Board had deposits of approximately \$14.2 million with local banks and the bank deposits were fully insured or collateralized.

Component Unit – Library - At year-end, the carrying amount of all bank deposits, including certificates of deposit, was \$1,460,275 and the balance per bank records totaled \$1,477,050. Of the bank balances, \$1,210,257 was secured by the FDIC and up to \$940,827 was available to be secured by collateral held by the pledging bank's trust department but not in the Library's name.

Total investment income earned in all governmental and business-type funds was credited for use as follows:

Investment Income	Governmental Activities	Business-type Activities
Major Governmental Funds		
General Fund	\$ 7,418,478	\$ -
General Capital Projects	647,542	-
Roads Capital Projects	193,482	-
Grants Fund	-	-
Non-Major Governmental Funds	933,171	-
Major Enterprise Funds		
Sanitary District	-	1,730,468
Bay Bridge Airport	-	2,207
Non-Major Enterprise Funds	-	-
Total Investment Income	\$ 9,192,673	\$ 1,732,675

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - ACCOUNTS RECEIVABLE

Receivables as of June 30, 2024 for the governmental and business-type activities are as follows:

	General	General	Roads		Non-Major	Total	Total	Total
	Fund	Capital	Capital	Grants	Governmental	Governmental	Enterprise	Governmental
		Projects	Projects	Fund	Funds	Funds	Funds	and Enterprise
								Funds
Accounts Receivable								
Receivables								
Taxes - Real Property	\$ 314,838	\$ -	\$ -	\$ -	\$ -	\$ 314,838	\$ -	\$ 314,838
Taxes - Other	792,726	-	-	-	-	792,726	-	792,726
Subtotal Taxes Receivable (Net)	1,107,564	-	-	-	-	1,107,564	-	1,107,564
Other Accounts Receivable:								
QAC - PHA	-	733,121	-	-	-	733,121	-	733,121
Sanitary District -								
User and Septage Fees	-	-	-	-	-	-	495,763	495,763
Airport - Fuel Sales, User								
and Rental Fees	-	-	-	-	-	-	63,470	63,470
Miscellaneous Receivables	481,785	59,515	-	13,927	109,993	665,220	90,990	756,210
Subtotal Accounts Receivable (Net)	481,785	792,636	-	13,927	109,993	1,398,341	650,223	2,048,564
Loans Receivable	-	-	-	-	6,338,809	6,338,809	-	6,338,809
Special Assessments	-	-	22,901	-	559,554	582,455	-	582,455
Intergovernmental								
Income Taxes Held by State	42,169,653	-	-	-	-	42,169,653	-	42,169,653
Grants Receivable	198,307	630,918	-	666,228	1,078,353	2,573,806	17,652	2,591,458
Recordation Tax	1,606,310	-	-	-	-	1,606,310	-	1,606,310
State-Highway User Tax	-	-	-	-	426,179	426,179	-	426,179
Subtotal Due from Other Governments	43,974,270	630,918	-	666,228	1,504,532	46,775,948	17,652	46,793,600
Restricted Receivables								
Accounts Receivable (Net)	-	-	-	-	-	-	3,499,369	3,499,369
Special Assessments Receivable (Net)	-	-	-	-	-	-	19,259,330	19,259,330
Subtotal Restricted Receivables	-	-	-	-	-	-	22,758,699	22,758,699
Total Receivables	\$ 45,563,619	\$ 1,423,554	\$ 22,901	\$ 680,155	\$ 8,512,888	\$ 56,203,117	\$ 23,426,574	\$ 79,629,691

The County does not have any allowance for doubtful accounts related to the above receivables.

In Fiscal Year 2014, the County issued bonds on behalf of three mid-shore counties (Dorchester, Caroline, and Talbot) in order to provide funding for the new Center for Allied Health and Athletics at Chesapeake College. Therefore, in addition to the Governmental and Enterprise Fund receivables listed above, the County also has a \$2.9 million receivable on its government-wide Statement of Net Position, which represents the collective obligation of the three aforementioned counties for funding the facility at Chesapeake College.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 4 - ACCOUNTS RECEIVABLE (CONTINUED)

The County expects to receive all receivables listed in the table within one year, excluding the following items.

Loans receivable in the amount of \$6,338,809 relate to the Housing and Community Services, Impact Fees, and Revolving Loan Special Revenue Funds. Loans receivable in the amount of \$6,194,339 for Housing and Community Services will be repaid when the homes are sold, in virtually all cases. These loans support housing rehabilitation and home-ownership. When the loans are repaid to the County, the funds are then loaned out again to serve the same purpose. Loans for the Revolving Loan Fund in the amount of \$50,000 are also repaid over a number of years. The remaining loan receivable balance of \$94,470 relates to school, fire, and parks and recreation impact fees. In July 2007, the County began accepting promissory notes for impact fees, in certain situations, with the understanding that when certificate of occupancy was obtained, these notes would be paid in full. To ensure repayment, the notes attach to the property incurring the impact fee; therefore, payment will be required automatically prior to legal transfer of title.

Income taxes held by the State in the amount of \$42,169,653 have been estimated by the State as income tax due to the County. Local income tax revenue is collected by the State and distributed to the local governments throughout the year. The State's distribution of the County's share of income taxes lags behind the County's fiscal year. However, the State indicates that this is a reasonable estimate of their liability to the County and the County reports this amount in accordance with GAAP.

Special Assessments in the amount of \$582,455 represent receivables for governmental activities. Part of this amount consists of \$22,901 for assessments levied on homeowners to reimburse the County for construction or upgrade of private roads prior to their acceptance into the County Roads System. The other part of this amount consists of \$559,554 for assessments levied on homeowners relating to dredging costs. Payment of these assessments is expected over a number of years.

Restricted Special Assessments in the amount of \$19,259,330 represent restricted receivables for the Sanitary District. These receivables relate to assessments levied on homeowners for the construction of sewer and water lines, as well as for hook up costs. Only the current portion due is billed and the remaining balances are repaid over a number of years, as determined by the original agreement. As the funds are paid back, the County uses the money to repay debt.

NOTE 5 – UNEARNED REVENUE

Governmental funds report unearned revenue in connection with resources that have been received, but unearned. At the end of the current fiscal year, the components of *unearned revenue* were reported as follows:

	General Fund	General Capital Projects	Roads Capital Projects	Grants Fund	Non-Major Governmental Funds	Total Governmental Funds	Total Enterprise Funds
Unearned Revenue							
Property Tax Deferrals	\$ 9,215	\$ -	\$ -	\$ -	\$ -	\$ 9,215	\$ -
Inspection Fees Collected in Advance	-	-	-	-	-	-	86,934
Grant Drawdowns in excess of Expenditures	-	-	-	2,964,092	816,137	3,780,229	-
Miscellaneous	4,793	-	-	-	-	4,793	26,482
Total Unearned Revenue	\$ 14,008	\$ -	\$ -	\$ 2,964,092	\$ 816,137	\$ 3,794,237	\$ 113,416

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 – CAPITAL ASSETS

PRIMARY GOVERNMENT

Changes in the County's capital assets for governmental activities for the year ended June 30, 2024 are summarized as follows, with depreciation shown separately. Assets resulting from completed capital projects are shown in the Transfers column. Asset retirements are shown in the Decreases column.

Governmental Activities	Balance June 30, 2023	Increases	Transfers	Decreases	Balance June 30, 2024
Capital Assets, not being depreciated:					
Land	\$ 38,885,316	\$ 64,148	\$ -	\$ -	\$ 38,949,464
Intangible Rights - Easements	821,819	-	-	-	821,819
Land Improvements	3,714,283	614,458	-	-	4,328,741
Construction in Progress	11,539,664	2,654,397	(10,849,974)	(465,260)	2,878,827
Land - Inexhaustible Infrastructure Improvements	43,890,863	-	-	-	43,890,863
Total Capital Assets, not being depreciated	98,851,945	3,333,003	(10,849,974)	(465,260)	90,869,714
Capital Assets, being depreciated:					
Buildings and Building Improvements	72,469,070	507,377	7,218,050	-	80,194,497
Improvements other than Buildings	21,706,233	2,992,557	609,297	(72,237)	25,235,850
Vehicles	17,628,097	1,662,639	-	(765,616)	18,525,120
Equipment	17,153,389	1,784,052	1,183,399	(580,834)	19,540,006
Furniture and Fixtures	13,355,926	545,876	1,839,228	(244,410)	15,496,620
Infrastructure Improvements - Depreciable	18,711,533	-	-	-	18,711,533
Right-to-use asset	638,500	-	-	-	638,500
Subscription asset	1,503,069	38,000	-	-	1,541,069
Total Capital Assets, being depreciated	163,165,817	7,530,501	10,849,974	(1,663,097)	179,883,195
Less Accumulated Depreciation for:					
Buildings and Building Improvements	22,165,310	1,700,695	-	-	23,866,005
Improvements other than Buildings	6,273,536	1,194,727	-	(72,237)	7,396,026
Vehicles	10,422,813	1,655,269	-	(730,038)	11,348,044
Equipment	9,829,281	1,200,378	-	(475,384)	10,554,275
Furniture and Fixtures	6,973,920	1,498,607	-	(165,934)	8,306,593
Infrastructure Improvements - Depreciable	10,459,007	298,976	-	-	10,757,983
Right-to-use asset	67,655	67,654	-	-	135,309
Subscription asset	311,303	323,969	-	-	635,272
Total Accumulated Depreciation	66,502,825	7,940,275	-	(1,443,593)	72,999,507
Total Capital Assets, being depreciated, net	96,662,992	(409,774)	10,849,974	(219,504)	106,883,688
Governmental activities Capital Assets, net	\$ 195,514,937	\$ 2,923,229	\$ -	\$ (684,764)	\$ 197,753,402

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 – CAPITAL ASSETS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

Changes in the County's capital assets for business-type activities for the year ended June 30, 2024 are summarized as follows, with depreciation shown separately. Assets resulting from completed capital projects are shown in the Transfers column. Asset retirements are shown in the Decreases column.

Business-Type Activities	Balance June 30, 2023	Increases	Transfers	Decreases	Balance June 30, 2024
Capital Assets, not being depreciated:					
Land	\$ 10,916,330	\$ -	\$ -	\$ -	\$ 10,916,330
Land Improvements	9,500	-	-	-	9,500
Intangible Rights	6,140	-	-	-	6,140
Construction in Progress	8,202,979	5,906,155	(7,503,402)	(5,825)	6,599,907
Land - Inexhaustible Infrastructure Improvements	2,481,094	-	-	-	2,481,094
Total Capital Assets, not being depreciated	21,616,043	5,906,155	(7,503,402)	(5,825)	20,012,971
Capital Assets, being depreciated:					
Buildings and Improvements to Buildings	16,205,773	-	-	-	16,205,773
Improvements other than Buildings	17,534,435	1,272,934	-	-	18,807,369
Vehicles	2,019,358	-	-	-	2,019,358
Equipment	24,831,713	151,466	108,290	(33,900)	25,057,569
Furniture and Fixtures	72,375	-	-	-	72,375
Infrastructure Improvements - Depreciable	136,771,395	10,239,681	7,395,112	-	154,406,188
Right-to-use asset	181,055	-	-	(38,309)	142,746
Total Capital Assets, being depreciated	197,616,104	11,664,081	7,503,402	(72,209)	216,711,378
Less Accumulated Depreciation for:					
Buildings and Improvements to Buildings	10,961,257	275,433	-	-	11,236,690
Improvements other than Buildings	8,346,604	612,976	-	-	8,959,580
Vehicles	1,489,754	120,263	-	-	1,610,017
Equipment	16,877,055	541,705	-	(18,080)	17,400,680
Furniture and Fixtures	29,216	6,786	-	-	36,002
Infrastructure Improvements - Depreciable	44,702,934	2,876,378	-	-	47,579,312
Right-to-use asset	36,681	34,934	-	(38,309)	33,306
Total Accumulated Depreciation	82,443,501	4,468,475	-	(56,389)	86,855,587
Total Capital Assets, being depreciated, net	115,172,603	7,195,606	7,503,402	(15,820)	129,855,791
Business-Type activities Capital Assets, net	\$ 136,788,646	\$ 13,101,761	\$ -	\$ (21,645)	\$ 149,868,762

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 – CAPITAL ASSETS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

Depreciation expense was charged to functions/programs of the primary government as follows:

	Governmental Activities	Business-type Activities
General Government	\$ 1,452,829	\$ -
Public Safety	2,819,970	-
Public Works	1,599,077	-
Parks & Recreation	1,400,288	-
Health and Social Services	354,367	-
Education and Library	190,735	-
Conservation of Natural Resources	76,226	-
Economic/Community Development	46,783	-
Major Enterprise Funds:		
Sanitary District	-	3,757,391
Bay Bridge Airport	-	479,821
Non-Major Enterprise Funds	-	231,263
Total amounts restricted	\$ 7,940,275	\$ 4,468,475

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 – CAPITAL ASSETS (CONTINUED)

COMPONENT UNITS

Board of Education: Capital asset activity for the year ended June 30, 2024 is as follows:

Board of Education	Balance June 30, 2023	Increases	Transfers	Decreases	Balance June 30, 2024
Capital Assets, not being depreciated:					
Land	\$ 6,363,040	\$ -	\$ -	\$ -	\$ 6,363,040
Construction in Progress	2,400,763	9,579,148	(1,855,834)	-	10,124,077
Total Capital Assets, not being depreciated	8,763,803	9,579,148	(1,855,834)	-	16,487,117
Capital Assets, being depreciated:					
Land Improvements	5,410,966	-	-	(12,045)	5,398,921
Buildings	212,430,850	9,127,028	1,285,693	(10,160)	222,833,411
Furniture, Fixtures, and Equipment	19,478,370	2,370,918	570,141	(285,771)	22,133,658
Leased Equipment	379,187	1,663,732	-	-	2,042,919
Total Capital Assets, being depreciated	237,699,373	13,161,678	1,855,834	(307,976)	252,408,909
Less Accumulated Depreciation for:					
Land Improvements	5,026,712	90,868	-	(7,519)	5,110,061
Buildings	81,971,537	3,402,049	-	(10,160)	85,363,426
Furniture, Fixtures, and Equipment	14,676,153	1,477,084	-	(285,771)	15,867,466
Leased Equipment	87,546	491,813	-	-	579,359
Total Accumulated Depreciation	101,761,948	5,461,814	-	(303,450)	106,920,312
Total Capital Assets, being depreciated, net	135,937,425	7,699,864	1,855,834	(4,526)	145,488,597
Capital Assets, net	\$ 144,701,228	\$ 17,279,012	\$ -	\$ (4,526)	\$ 161,975,714

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 6 – CAPITAL ASSETS (CONTINUED)

COMPONENT UNITS (CONTINUED)

Queen Anne's County Free Library: Capital asset activity for the year ended June 30, 2024 is as follows:

Library	Balance June 30, 2023	Increases	Transfers	Decreases	Balance June 30, 2024
Capital Assets, not being depreciated:					
Artwork	\$ 29,850	\$ -	\$ -	\$ -	\$ 29,850
Total Capital Assets, not being depreciated	29,850	-	-	-	29,850
Capital Assets, being depreciated:					
Books and Media	1,857,643	186,750	-	(143,250)	1,901,143
Building Improvements	402,207	-	-	-	402,207
Equipment	543,455	120,294	-	(29,391)	634,358
Right-to-use	27,018	-	-	-	27,018
Total Capital Assets, being depreciated	2,830,323	307,044	-	(172,641)	2,964,726
Less Accumulated Depreciation	1,187,303	258,856	-	(171,094)	1,275,065
Total Capital Assets, being depreciated, net	1,643,020	48,188	-	(1,547)	1,689,661
Capital Assets, net	\$ 1,672,870	\$ 48,188	\$ -	\$ (1,547)	\$ 1,719,511

NOTE 7 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivables and payables are usually used by the County to cover temporary cash deficits in individual funds until grant or similar resources are received.

The interfund and intra-entity receivables and payables consist of the following at June 30, 2024:

Due to Fund		Due from Fund								
		General Fund	Capital Projects	Roads Capital	Grants Fund	Non-Major Governmental	Sanitary District	Bay Bridge Airport	Non-Major Enterprise	Total Due From
General Fund	\$ 392,417	\$ -	\$ -	\$ -	\$ -	\$ 206,488	\$ -	\$ -	\$ 185,929	\$ 392,417
General Capital Projects	875,336	-	-	-	-	-	-	875,336	-	875,336
Roads Capital	-	-	-	-	-	-	-	-	-	-
Grants Fund	-	-	-	-	-	-	-	-	-	-
Non-Major Governmental	-	-	-	-	-	-	-	-	-	-
Sanitary District	-	-	-	-	-	-	-	-	-	-
Bay Bridge Airport	-	-	-	-	-	-	-	-	-	-
Non-Major Enterprise	-	-	-	-	-	-	-	-	-	-
Total Due To Fund	\$ 1,267,753	\$ -	\$ -	\$ -	\$ -	\$ 206,488	\$ -	\$ 875,336	\$ 185,929	\$ 1,267,753

Interfund receivables and payables are reported on the Statement of Net Position as Internal Balances, net of transactions between the same types of funds.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 8 - INTERFUND TRANSFERS

Interfund transfers represent a transfer of resources from one fund to another without expectation of repayment. Usually, these transfers are undertaken to enable the receiving entity to provide services that the government has determined to be in the best interest of the County.

The transfers from the General Fund provide funding for capital projects and to fund programs in the non-major special revenue funds. Transfers from the General Fund to the enterprise funds are to pay for a portion of debt service related to an Airport project and also to provide funding to the Golf Course and Public Landings Funds for capital projects. The transfers from non-major governmental funds provide funding from the Impact Fee Funds to the General Fund. The transfers from Restricted and Debt Service Sanitary funds are to cover Sanitary related debt service.

The following interfund transfers were made during the fiscal year ended June 30, 2024:

Transfers Out		Transfers In									
		General Fund	Capital Projects	Roads Capital	Grants Fund	Non-Major Governmental	Sanitary District	Bay Bridge Airport	Non-Major Enterprise	Total Transfers In	
General Fund	\$ 24,853,114	\$ -	\$ 10,925,521	\$ 4,015,480	\$ 47,789	\$ 9,380,073	\$ -	\$ 59,251	\$ 425,000	\$ 24,853,114	
General Capital Projects	-	-	-	-	-	-	-	-	-	-	
Roads Capital	-	-	-	-	-	-	-	-	-	-	
Grants Fund	-	-	-	-	-	-	-	-	-	-	
Non-Major Governmental	2,165,911	2,165,911	-	-	-	-	-	-	-	2,165,911	
Sanitary District	5,342,382	-	-	-	-	-	5,342,382	-	-	5,342,382	
Bay Bridge Airport	-	-	-	-	-	-	-	-	-	-	
Non-Major Enterprise	-	-	-	-	-	-	-	-	-	-	
Total Transfers Out	\$ 32,361,407	\$ 2,165,911	\$ 10,925,521	\$ 4,015,480	\$ 47,789	\$ 9,380,073	\$ 5,342,382	\$ 59,251	\$ 425,000	\$ 32,361,407	

Reconciliation of interfund transfers to the Statement of Activities

Governmental Funds Transfers In	\$ 26,534,774	Enterprise Funds Transfers In	\$ 5,826,633
Governmental Funds Transfers Out	(27,019,025)	Enterprise Funds Transfers Out	(5,342,382)
Total Governmental Activities	\$ (484,251)	Total Business-Type Activities	\$ 484,251

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 - NONCURRENT LIABILITIES

A. CHANGES IN NONCURRENT LIABILITIES

During the year ended June 30, 2024, the following changes occurred in the noncurrent liabilities of the primary government's governmental activities:

PRIMARY GOVERNMENT							
	Balance	Additions	Retirements	Balance	Due Within	Due in	
Governmental Activities	June 30, 2023	of debt	and Repayments	June 30, 2024	One Year	More than	
General Bonds Payable	\$ 118,286,425	\$ -	\$ 8,421,894	\$ 109,864,531	\$ 8,773,919	\$ 101,090,612	
General Bonds Payable - Related to PHA	443,007	-	66,494	376,513	69,776	306,737	
General Bonds Payable - Related to Ches College	3,088,165	-	229,388	2,858,777	237,963	2,620,814	
Notes Payable	608,141	-	47,816	560,325	47,816	512,509	
Bond Premiums	10,434,055	-	872,744	9,561,311	896,178	8,665,133	
Subtotal Governmental Activities Debt	132,859,793	-	9,638,336	123,221,457	10,025,652	113,195,805	
Lease Liability	614,668	-	62,314	552,354	55,401	496,953	
Subscription Liability	1,178,880	-	273,045	905,835	317,607	588,228	
OPEB	26,810,247	-	2,157,670	24,652,577	-	24,652,577	
Net Pension Liability	32,570,299	9,151,952	-	41,722,251	-	41,722,251	
LOSAP Liability	7,757,868	3,422,375	-	11,180,243	391,181	10,789,062	
Compensated Absences	3,625,663	2,667,813	2,144,941	4,148,535	2,445,694	1,702,841	
Total Governmental Activities Debt	\$ 205,417,418	\$ 15,242,140	\$ 14,276,306	\$ 206,383,252	\$ 13,235,535	\$ 193,147,717	

The reconciliation from retirements and repayments in the above table to the total principal payments on the Statement of Revenues, Expenditures, and Changes in Fund Balance is as follows:

Retirements and Repayments	
General Bonds Payable	\$ 8,421,894
General Bonds Payable - PHA	66,494
Payments made by PHA	-
Notes Payable	47,816
Total Principal Payments	\$ 8,536,204

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

A. CHANGES IN NONCURRENT LIABILITIES (CONTINUED)

During the year ended June 30, 2024, the following changes occurred in the noncurrent liabilities of the primary government's business-type activities:

PRIMARY GOVERNMENT

Business-Type Activities	Balance June 30, 2023	Additions of debt	Retirements and Repayments	Balance June 30, 2024	Due Within One Year	Due in More than One Year
Golf Course	\$ 79,904	\$ -	\$ 4,419	\$ 75,485	\$ 4,674	\$ 70,811
Bay Bridge Airport	1,356,694	-	109,618	1,247,076	112,594	1,134,482
Public Landings and Marinas	620,806	-	63,186	557,620	66,074	491,546
Sanitary District	35,322,576	1,794,266	2,118,911	34,997,931	2,137,805	32,860,126
Subtotal Debt	37,379,980	1,794,266	2,296,134	36,878,112	2,321,147	34,556,965
Bond Premiums						
Golf Course	5,076	-	362	4,714	362	4,352
Bay Bridge Airport	68,138	-	7,484	60,654	7,485	53,169
Public Landings and Marinas	75,744	-	9,766	65,978	9,766	56,212
Subtotal Bond Premiums	148,958	-	17,612	131,346	17,613	113,733
Subtotal Business-Type Activities Debt	37,528,938	1,794,266	2,313,746	37,009,458	2,338,760	34,670,698
Lease Liability	144,381	-	33,667	110,714	27,922	82,792
OPEB	5,854,976	-	264,608	5,590,368	-	5,590,368
Net Pension Liability	2,690,703	746,083	-	3,436,786	-	3,436,786
Compensated Absences	558,231	330,249	292,372	596,108	351,425	244,683
Total Business-Type Activities Debt	\$ 46,777,229	\$ 2,870,598	\$ 2,904,393	\$ 46,743,434	\$ 2,718,107	\$ 44,025,327

During the year ended June 30, 2024, the following changes occurred in the noncurrent liabilities of the primary government's Component Units:

COMPONENT UNITS

Board of Education and Free Library	Balance June 30, 2023	Additions of debt	Retirements and Repayments	Balance June 30, 2024	Due Within One Year	Due in More than One Year
Board of Education						
Compensated Absences	\$ 1,117,223	\$ 188,860	\$ -	\$ 1,306,083	\$ -	\$ 1,306,083
Financed Purchases	1,170,001	231,076	230,202	1,170,875	253,758	917,117
Intangible Right-to-Use Leases	296,921	1,663,732	466,748	1,493,905	484,251	1,009,654
OPEB	138,003,570	2,816,290	-	140,819,860	-	140,819,860
Net Pension Liability	5,892,271	1,005,861	-	6,898,132	-	6,898,132
Subtotal	146,479,986	5,905,819	696,950	151,688,855	738,009	150,950,846
Free Library						
Lease Payable	8,337	-	5,735	2,602	2,602	-
OPEB	530,861	-	10,475	520,386	-	520,386
Subtotal	539,198	-	16,210	522,988	2,602	520,386
Total Component Units Debt	\$ 147,019,184	\$ 5,905,819	\$ 713,160	\$ 152,211,843	\$ 740,611	\$ 151,471,232

Long-term liabilities are normally paid from the General fund.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

B. GENERAL OBLIGATION BONDS, NOTES, LEASE LIABILITY, SUBSCRIPTION LIABILITY, OTHER POST-EMPLOYMENT BENEFIT OBLIGATION, NET PENSION LIABILITY, VOLUNTEER FIREMAN PENSION PLAN LENGTH OF SERVICE AWARD PROGRAM LIABILITY, AND COMPENSATED ABSENCES

PRIMARY GOVERNMENT

All general obligation bonds are valid and legally binding general obligations of Queen Anne's County and constitutes 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 rate for local purposes in the County.

Business-type bonds, while representing general obligations of the County government, are to be paid from income earned by the related enterprise fund. Enterprise funds that have such debt are: Sewer Operations, Bay Bridge Airport, Blue Heron Golf Course, and Public Landings and Marinas.

During fiscal year 2019, the County implemented Governmental Accounting Standards Board's Statement (GASB) Statement 73, *Accounting and Financial Reporting for Pensions and Related Assets That are Not Within the Scope of GASB Statement 68*. The County's Fire and EMS Commission Pension Plan Length of Service Award Program ("LOSAP") is included in GASB 73 reporting. For governmental funds, the LOSAP obligations are reported in the government-wide statements in the public safety function. There are not any LOSAP obligations in the enterprise funds. LOSAP costs in governmental funds are charged to the General Fund. Additional information can be found in Note 17.

During fiscal year 2018, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement 75, *Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions*. For governmental funds, OPEB is reported in the government-wide statements in the function in which that employee usually charges their productive time. For enterprise funds, OPEB is reported in the enterprise fund in which that employee charges the majority of their productive time. OPEB costs in governmental funds are charged to the General Fund. Additional information can be found in Note 16, Other Post-Employment Benefits.

During fiscal year 2015, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement 68, *Accounting and Financial Reporting for Pensions*. For governmental funds, the net pension liability is reported in the government-wide statements in the function in which that employee usually charges their productive time. For enterprise funds, these obligations are reported in the enterprise fund in which the employee charges the majority of their productive time. Net Pension Liability costs in governmental funds are charged to the Governmental Fund in which the employee charges their time. Additional information can be found in Note 14, Retirement Plans.

Compensated absences that mature during the fiscal year, in that they are paid when the employee takes vacation leave or upon the employee's termination, are typically liquidated from the governmental or enterprise fund in which that employee charges the majority of their productive time. They are paid as regular wages. Compensated absences that do not mature during the fiscal year are accrued at year-end as an adjustment to liability for compensated absences. For governmental funds, these adjustments are reported in the government-wide statements in the function in which that employee usually charges their productive time. For enterprise funds, these adjustments are reported in the enterprise fund in which that employee charges the majority of their productive time. In the case of grant-funded activities that disallow compensated absences as an eligible cost, they are paid as administrative wages in the same Fund. Compensated absences in governmental funds are primarily charged to the General Fund or Special Revenue Funds; they are usually not charged to Capital Projects Funds.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

B. GENERAL OBLIGATION BONDS, NOTES, LEASE LIABILITY, SUBSCRIPTION LIABILITY, OTHER POST-EMPLOYMENT BENEFIT OBLIGATION, NET PENSION LIABILITY, VOLUNTEER FIREMAN PENSION PLAN LENGTH OF SERVICE AWARD PROGRAM LIABILITY, AND COMPENSATED ABSENCES (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

As of June 30, 2024, general obligation bonds and notes payable for governmental activities are comprised of the following, along with lease liability, subscription liability, other post-employment benefit obligation, net pension liability, volunteer fireman pension plan length of service award program liability and compensated absences:

Governmental Activities	Paying Fund	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2024	Due Within One Year	Due in More than One Year
<u>General Obligation Bonds Payable</u>							
2014 Public Facilities	General	2.00%-4.00%	2034	\$ 17,590,000	\$ 9,880,645	\$ 822,461	\$ 9,058,184
2015 Public Facilities	General	3.00%-5.00%	2036	11,622,756	7,963,446	528,380	7,435,066
2015 Refunding Bonds	General	2.00%-5.00%	2027	13,521,625	4,625,055	1,496,484	3,128,571
2016 Public Facilities	General	2.00%-4.00%	2036	13,934,364	10,259,515	635,326	9,624,189
2017 Public Facilities	General	3.00%-5.00%	2037	12,600,000	9,935,000	530,000	9,405,000
2018 Public Facilities	General	3.00%-5.00%	2038	16,000,000	13,260,000	635,000	12,625,000
2019 Public Facilities	General	3.00%-5.00%	2039	11,000,000	9,515,000	415,000	9,100,000
2019 Refunding Bonds	General	4.00%-5.00%	2029	14,236,594	9,405,572	1,380,292	8,025,280
2020 Public Facilities	General	2.00%-5.00%	2040	9,000,000	8,077,500	334,069	7,743,431
2021 Public Facilities	General	1.50%-5.00%	2041	13,000,000	11,501,355	638,964	10,862,391
2021 Refunding Bonds	General	1.50%-5.00%	2030	10,835,995	8,031,443	967,943	7,063,500
2022 Public Facilities	General	3.375%-5.00%	2043	7,800,000	7,410,000	390,000	7,020,000
2015 Refunding Facilities (2006 Bonds)	Due from PHA	2.00%-3.00%	2027	240,112	82,129	26,574	55,555
2019 Refunding Facilities (2009 Bonds)	Due from PHA	4.00%-5.00%	2029	445,590	294,384	43,202	251,182
2014 Public Facilities	Due from other Counties	2.00%-4.00%	2034	4,800,000	2,858,777	237,963	2,620,814
Subtotal Bonds Payable					113,099,821	9,081,658	104,018,163
<u>Notes Payable</u>							
State of Maryland - Grove Ck.	Spec. Rev.	0.00%	2034	510,617	204,242	20,425	183,817
State of Maryland - Narrows Pointe	Spec. Rev.	0.00%	2037	525,318	356,083	27,391	328,692
Subtotal Notes Payable					560,325	47,816	512,509
Subtotal Bonds and Notes Payable					113,660,146	9,129,474	104,530,672
Bond Premiums					9,561,311	896,178	8,665,133
Subtotal Governmental Activities Debt					123,221,457	10,025,652	113,195,805
Lease Liability					552,354	55,401	496,953
Subscription Liability					905,835	317,607	588,228
OPEB					24,652,577	-	24,652,577
Net Pension Liability					41,722,251	-	41,722,251
LOSAP Liability					11,180,243	391,181	10,789,062
Compensated Absences					4,148,535	2,445,694	1,702,841
Total Governmental Activities					\$ 206,383,252	\$ 13,235,535	\$ 193,147,717

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

B. GENERAL OBLIGATION BONDS, NOTES, LEASE LIABILITY, SUBSCRIPTION LIABILITY, OTHER POST-EMPLOYMENT BENEFIT OBLIGATION, NET PENSION LIABILITY, VOLUNTEER FIREMAN PENSION PLAN LENGTH OF SERVICE AWARD PROGRAM LIABILITY, AND COMPENSATED ABSENCES (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

The annual requirements to amortize general obligation bonds and notes payable outstanding as of June 30, 2024 for governmental activities are as follows:

<u>Governmental Activities</u>		Governmental Bonds Payable			Governmental Notes Payable		
Year Ending		Principal	Interest	Total	Principal	Interest	Total
June 30,							
2025	\$	9,081,658	\$ 4,019,196	\$ 13,100,854	\$ 47,816	\$ -	\$ 47,816
2026		9,449,130	3,627,820	13,076,950	47,816	-	47,816
2027		9,836,235	3,229,929	13,066,164	47,816	-	47,816
2028		8,547,051	2,815,797	11,362,848	47,816	-	47,816
2029		8,884,716	2,448,449	11,333,165	47,816	-	47,816
2030 - 2034		37,311,918	7,548,330	44,860,248	239,072	-	239,072
2035 - 2039		24,535,580	2,372,642	26,908,222	82,173	-	82,173
2040 - 2044		5,453,533	214,766	5,668,299	-	-	-
	\$	113,099,821	\$ 26,276,929	\$ 139,376,750	\$ 560,325	\$ -	\$ 560,325

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

B. GENERAL OBLIGATION BONDS, NOTES, LEASE LIABILITY, SUBSCRIPTION LIABILITY, OTHER POST-EMPLOYMENT BENEFIT OBLIGATION, NET PENSION LIABILITY, VOLUNTEER FIREMAN PENSION PLAN LENGTH OF SERVICE AWARD PROGRAM LIABILITY, AND COMPENSATED ABSENCES (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

General obligation bonds and notes payable outstanding as of June 30, 2024 for business-type activities are comprised of the following, as well as lease liability, other post-employment benefit obligation, net pension liability, and compensated absences:

Business -Type Activities	Interest Rate	Year Series Matures	Amount of Original Issue	Outstanding June 30, 2024	Due Within One Year	Due in More than One Year
<u>Golf Course</u>						
2016 Public Facilities Bonds	2.00%-4.00%	2036	\$ 85,636	\$ 75,485	\$ 4,674	\$ 70,811
Bond Premiums				4,714	362	4,352
Subtotal Golf Course				80,199	5,036	75,163
<u>Bay Bridge Airport</u>						
2014 Public Facilities Bonds	2.00%-4.00%	2034	964,940	595,578	49,576	546,002
2015 Public Facilities Bonds	3.00%-5.00%	2036	577,244	476,554	31,620	444,934
2015 Refunding Bonds	2.00%-5.00%	2027	173,556	59,365	19,208	40,157
2019 Refunding Bonds	4.00%-5.00%	2029	92,167	60,891	8,935	51,956
2020 Public Facilities Bonds	2.00%-5.00%	2040	22,686	22,500	931	21,569
2021 Public Facilities Bonds	1.50%-5.00%	2041	26,594	23,935	1,330	22,605
2021 Refunding Bonds	1.50%-5.00%	2030	11,134	8,253	994	7,259
Bond Premiums				60,654	7,485	53,169
Subtotal Airport				1,307,730	120,079	1,187,651
<u>Public Landings and Marinas</u>						
2015 Refunding Bonds	2.00%-5.00%	2027	24,707	8,451	2,735	5,716
2019 Refunding Bonds	4.00%-5.00%	2029	490,649	324,153	47,570	276,583
2021 Refunding Bonds	1.50%-5.00%	2030	67,871	50,304	9,706	40,598
2021 Public Facilities Bonds	1.50%-5.00%	2043	194,123	174,712	6,063	168,649
Bond Premiums				65,978	9,766	56,212
Subtotal Public Landings and Marinas				623,598	75,840	547,758
<u>Sanitary District</u>						
Maryland Water Quality-2005 Enhancement	1.00%	2027	18,252,291	2,959,912	981,710	1,978,202
Maryland Water Quality-SKI Phase One	0.80%	2049	29,342,242	26,483,733	968,122	25,515,611
Maryland Water Quality-SKI Phase Two	0.80%	2053	5,740,767	5,554,286	187,973	5,366,313
Subtotal Sanitary District				34,997,931	2,137,805	32,860,126
Total Business-Type Activities Debt				37,009,458	2,338,760	34,670,698
Lease Liability				110,714	27,922	82,792
OPEB				5,590,368	-	5,590,368
Net Pension Liability				3,436,786	-	3,436,786
Compensated Absences				596,108	351,425	244,683
Total Business-Type Activities				\$ 46,743,434	\$ 2,718,107	\$ 44,025,327

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

B. GENERAL OBLIGATION BONDS, NOTES, LEASE LIABILITY, SUBSCRIPTION LIABILITY, OTHER POST-EMPLOYMENT BENEFIT OBLIGATION, NET PENSION LIABILITY, VOLUNTEER FIREMAN PENSION PLAN LENGTH OF SERVICE AWARD PROGRAM LIABILITY, AND COMPENSATED ABSENCES (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

The annual requirements to amortize business-type bonds and notes outstanding at June 30, 2024, are as follows:

<u>Business-Type Activities</u>							
Year Ending June 30,	Business-Type Bonds Payable			Business-Type Notes Payable			
	Principal	Interest	Total	Principal	Interest	Total	
2025	\$ 183,342	\$ 67,799	\$ 251,141	\$ 2,137,805	\$ 290,223	\$ 2,428,028	
2026	190,870	60,325	251,195	2,156,871	266,837	2,423,708	
2027	198,765	52,916	251,681	2,161,344	247,599	2,408,943	
2028	182,949	44,698	227,647	1,184,064	228,335	1,412,399	
2029	190,284	37,196	227,480	1,193,537	218,863	1,412,400	
2030 - 2034	718,082	95,917	813,999	6,112,445	949,553	7,061,998	
2035 - 2039	179,420	11,097	190,517	6,360,887	701,111	7,061,998	
2040 - 2044	36,469	1,068	37,537	6,619,426	442,572	7,061,998	
2045 - 2049	-	-	-	6,696,663	173,525	6,870,188	
2050 - 2054	-	-	-	374,889	4,163	379,052	
	<u>\$ 1,880,181</u>	<u>\$ 371,016</u>	<u>\$ 2,251,197</u>	<u>\$ 34,997,931</u>	<u>\$ 3,522,781</u>	<u>\$ 38,520,712</u>	

C. ISSUANCE OF NEW DEBT

PRIMARY GOVERNMENT

In fiscal year 2024, the County received \$1,794,266 through the Maryland Water Quality Financing Administration for phase two of the Southern Kent Island (SKI) Sanitary Project. Total issue amount of \$5,740,767 will be repaid over 30 years at an interest rate of 0.80%. Amount outstanding as of June 30, 2024, was \$5,554,286.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 9 – NONCURRENT LIABILITIES (CONTINUED)

D. LOCAL DEBT POLICY

PRIMARY GOVERNMENT

In May 2013, Queen Anne's County adopted Resolution No. 13-04, which updated and replaced Resolution No. 09-13, to continue a local debt policy in compliance with Article 95, Section 22F of the Annotated Code of Maryland. This policy requires that the County's Director of Budget and Finance: (1) prepare a six-year capital project plan each year; (2) propose an amount to be transferred from the General Fund operating balances to the General Capital Projects Fund to serve as pay-as-you-go funding in the latter Fund, in order to lessen the need for future County debt; (3) limit the County's non-bonded indebtedness to \$8.0 million for general operating expenses or capital improvements; and (4) certify that the sum of outstanding general bonded debt and any new general obligation debt is 2.5% or less of the total taxable assessable base and is \$3,000 or less per capita. This policy also stipulates that although there is some flexibility as to the acceptable percentage of debt service to general fund expenditures, and no absolute limit has been established by the rating agencies or the Government Finance Officers Association, anything above 12% of total general fund expenditures would be a cause to carefully monitor debt service. In addition to the debt policy, the Spending Affordability Committee recommended that the limit of debt service to general fund expenditures should be limited to 10% and the County Commissioners have adopted that as a limit.

Queen Anne's County has complied with the above policy and has not had any violations. For calculations relating to this local debt policy, see Table 12-b in the Statistical Section of this document.

NOTE 10 – LEASES

PRIMARY GOVERNMENT

The County implemented guidance of GASB 87, Leases, at July 1, 2021 for accounting and reporting of leases. The County uses its incremental borrowing rate to determine the initial value of the lease receivable and corresponding deferred inflows.

County as Lessor

The County's Governmental Activities entered into various lease agreements to lease land for cultivation and other similar purposes. The County received a combination of annual, semi-annual, and monthly payments from these leases ranging from \$5,895 to \$17,225 during the year. These leases typically have variable payments that increase each year or each successive renewable lease term by a set percentage rate included in the lease agreement. The County has options to extend which typically are in five-year increments. The County has considered the probability of exercising the lease renewal options in the initial calculation of the lease.

The following is a summary of Governmental Activities lease receivable and the corresponding deferred inflow:

	Balance		Retirements and		Balance
Governmental Activities	June 30, 2023	Additions	Repayments		June 30, 2024
Lease Receivable	\$ 1,103,690	\$ -	\$ 146,400		\$ 957,290
Lease Receivable deferred inflows	\$ (1,068,273)	\$ -	\$ (146,908)		\$ (921,365)

For the year ended June 30, 2024, rental and interest income associated with the governmental activities lease receivable was approximately \$147,000 and \$2,100, respectively.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – LEASES (CONTINUED)

The County's Sanitary District has entered into various lease agreements to lease land near County water towers for antenna sites. The County received monthly payments from these leases ranging from \$273 to \$3,324 during the year. These leases typically have variable payments that increase each year by a set percentage rate included in the lease agreement. The County has options to extend which typically are in five-year increments. The County has considered the probability of exercising the lease renewal options in the initial calculation of the lease.

The County's Bay Bridge Airport has entered into various lease agreements to lease land and/or facilities at the airport. The County received monthly payments from these leases ranging from \$489 to \$5,732 during the year. These leases typically have variable payments that increase each year by a set percentage rate included in the lease agreement. The County has options to extend which typically are in one-year increments. The County has considered the probability of exercising the lease renewal options in the initial calculation of the lease.

The following is a summary of Business-Type activities lease receivable and the corresponding deferred inflow:

Business-Type Activities	Balance June 30, 2023	Additions	Retirements and Repayments	Balance June 30, 2024
Sanitary District - Lease Receivable	\$ 1,430,255	\$ 119,061	\$ 129,385	\$ 1,419,931
Bay Bridge Airport - Lease Receivable	145,071	342,384	57,676	429,779
Total lease receivable	\$ 1,575,326	\$ 461,445	\$ 187,061	\$ 1,849,710
Sanitary District - Deferred inflows	\$ (1,407,645)	\$ (119,061)	\$ (138,587)	\$ (1,388,119)
Bay Bridge Airport - Deferred inflows	(142,386)	(342,384)	(54,690)	(430,080)
Total lease receivable deferred inflows	\$ (1,550,031)	\$ (461,445)	\$ (193,277)	\$ (1,818,199)

For the year ended June 30, 2024, rental and interest income associated with the business-type activities lease receivable was approximately \$193,000 and \$5,400, respectively.

County as Lessee

The County has entered into various agreements to lease land and facilities for their public works department. There were no new lease liabilities recognized within these funds that fell under the purview of GASB 87 during fiscal year 2024. The County is required to make both fixed and variable payments that range from \$9,000 to \$61,200 for the current year. Leases for which have variable payments will increase at a rate of 2% each year until lease termination. The County has no extension or termination options present in these agreements.

The County has entered into various agreements to lease land and equipment for their enterprise funds. There were no new lease liabilities recognized within these funds that fell under the purview of GASB 87 during fiscal year 2024. The County is required to make annual fixed payments ranging from \$1,600 to \$2,520 for leases in the scope of GASB 87. The County has no extension or termination options present in these agreements.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – LEASES (CONTINUED)

The future minimum lease payments are approximately as follows:

	Governmental Activities			Business-Type Activities		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 55,401	\$ 15,824	\$ 71,225	\$ 27,922	\$ 2,318	\$ 30,240
2026	58,224	14,245	72,469	28,590	1,650	30,240
2027	61,154	12,584	73,738	29,274	966	30,240
2028	55,193	11,052	66,245	24,928	271	25,199
2029	58,134	9,436	67,570	-	-	-
Thereafter	264,248	19,818	284,066	-	-	-
Total	\$ 552,354	\$ 82,959	\$ 635,313	\$ 110,714	\$ 5,205	\$ 115,919

For the year ended June 30, 2024, interest expense for governmental and business-type activities lease liability was \$8,137 and \$2,974, respectively.

In fiscal year 2019, Queen Anne's County entered into an agreement with the Division of Housing and Community Services (DHCS) to lease property from DHCS for \$1 per year for 25 years.

COMPONENT UNITS

BOARD OF EDUCATION

Financed Purchases

The Board has entered into non-cancelable contracts to finance performance contracting equipment that transfer ownership at the end of the contract term, January 2028. The amount due on the contract at June 30, 2024 is \$948,946. During 2024, the Board entered into an agreement to finance the purchase of two school buses. The agreement requires payments through September 2033. The amount due on the agreement at June 30, 2024 is \$221,929. As such, the Board has recorded the related obligations and the related assets in the appropriate funds.

The assets acquired and capitalized as fixed assets under financed purchases are as follows:

Equipment, at cost	\$ 2,845,938
Less: accumulated depreciation	(1,936,821)
Total	\$ 909,117

Interest expense related to the above capital leases was approximately \$36,000 for the year ended June 30, 2024. The future minimum lease obligations and net present value of these minimum lease payments as of June 30, 2024 were as follows:

Year ended June 30:	
2025	\$ 287,857
2026	295,613
2027	303,602
2028	232,892
2029	29,339
Thereafter	132,023
Total minimum lease payments	1,281,326
Less: amount representing interest	(110,451)
Present value of minimum financed purchase payments	\$ 1,170,875

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 10 – LEASES (CONTINUED)

Intangible Right-to-Use Assets

The Board implemented the guidance of GASB No. 87, Leases, at July 1, 2021 for accounting and reporting leases that had previously been reporting as operating leases and recognized the value of copiers leased under long-term contracts along with a related liability.

During fiscal year 2023, the Board entered into copier lease agreements. Payments under these leases total approximately \$65,000 per year for leases that expire in fiscal year 2027 and \$31,000 per year for leases expiring in fiscal year 2025. For purposes of discounting future payments on these leases the Board used its incremental borrowing rate in place at the time of lease inception of 3.75%.

During fiscal year 2024, the Board entered into additional lease agreements for office equipment and vehicles. Payments under these leases total approximately \$390,000 per year for leases that expire in fiscal year 2027 and \$52,000 per year for leases expiring in fiscal year 2028. For purposes of discounting future payments on these leases the Board used its incremental borrowing rate in place at the time of lease inception of 3.75%.

The leased equipment and accumulated amortization of the right-to-use assets are outlined in Note 6.

Minimum lease payments on equipment and vehicles over the next five years are as follows:

Lease Payments to Maturity			
Equipment and Vehicles			
	Principal	Interest	Total
2025	\$ 484,251	\$ 56,021	\$ 540,272
2026	470,917	37,862	508,779
2027	488,575	20,203	508,778
2028	50,162	1,881	52,043
2029	-	-	-
	\$ 1,493,905	\$ 115,967	\$ 1,609,872

LIBRARY

Leases Payable

In December 2019, the Library entered into an operating lease with Affordable Business Systems, Inc. for use of a photocopier with an expiration date of December 2024. As of June 30, 2024, total lease liabilities were \$2,602, which represents the present value of the remaining lease payments of \$2,764, discounted using the Library's incremental borrowing rate of 4%.

Following is the principal and interest requirements through maturity of the lease liability under this non-cancelable operating lease:

Year ended June 30:	Principal	Interest
2025	\$ 2,602	\$ 162

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 11 – SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The County implemented guidance of GASB 96, Subscription-Based Information Technology Arrangements (SBITAs) for accounting and reporting of subscription arrangements. The County uses its incremental borrowing rate to determine the initial value of their right-to-use subscription assets and liabilities.

The County enters into various agreements in order to use web software and licensing services. An initial subscription liability was recorded in the amount of \$38,000 for all new subscription arrangements entered into in the current year. As of June 30, 2024, the value of the subscription liability is \$908,835. The County is required to make annual fixed payments ranging from \$10,250 to \$298,043 for subscriptions in the scope of GASB 96. The County has options to extend which typically are in one-year increments. The County has considered the probability of exercising the lease renewal options in the initial calculation of the subscription.

The future minimum subscription payments are as follows:

	Governmental Activities		
	Principal	Interest	Total
2025	\$ 317,607	\$ 21,686	\$ 339,293
2026	297,088	13,955	311,043
2027	291,140	6,889	298,029
2028	-	-	-
2029	-	-	-
Thereafter	-	-	-
Total	\$ 905,835	\$ 42,530	\$ 948,365

For the year ended June 30, 2024, interest expense related to the subscription liability was \$21,686.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 – RESTRICTED ASSETS AND LIABILITIES AND FUND BALANCES

A. RESTRICTED ASSETS AND RELATED LIABILITIES

PRIMARY GOVERNMENT

BUSINESS-TYPE ACTIVITIES - Queen Anne's County Sanitary District

Restricted Fund - The County Commissioners created a restricted fund within the Sanitary District Enterprise Fund in November of 1989 by enabling legislation. Revenue sources to the fund are sales of water and sewer allocations and interest earned on investments. Authorized uses of restricted funds are major capital expenses for repairs, construction, plant expansion, debt service, or other similar uses within the Sanitary District. To date, such funds have been used almost exclusively for debt service.

Debt Service Fund - Principal and interest payments for water and wastewater debt used to expand the service area are payable primarily from water and sewer special benefit assessments. These assessments, made at the time the expansion is ready for use, are created by enabling legislation and amortized over the same life as underlying debt. They constitute a lien on the served property and may be prepaid at any time. The amount of assessments collectable in future years is recorded as benefit assessments receivable. A portion of those assessments receivable is not due currently and is recorded as unearned revenue.

Water Quality Revolving Loan Fund debt covenants stipulate that sufficient financial resources must be available in the Debt Service Fund as of June 30 of each year to cover the subsequent year's debt service payments. If such resources are not available at that time, the covenants require that the County increase service rates, impose benefit assessments, or otherwise increase financial resources so that debt service payments are covered before they are due throughout the year.

The assets and related liabilities restricted for the above purposes at June 30, 2024 are as follows:

	SANITARY DISTRICT		
	RESTRICTED FUND	DEBT SERVICE FUND	TOTAL
<u>ASSETS</u>			
Current Restricted Assets			
Restricted Equity in Pooled Cash	\$ 26,185,033	\$ 2,170,557	\$ 28,355,590
Restricted Accounts Receivable (Net)	2,745,269	754,100	3,499,369
Total Current Restricted Assets	28,930,302	2,924,657	31,854,959
Noncurrent Restricted Assets			
Special Assessments Receivable (Net)	706,812	18,552,518	19,259,330
Total Noncurrent Restricted Assets	706,812	18,552,518	19,259,330
<u>LIABILITIES</u>			
Current Restricted Liabilities			
Accounts Payable	75	-	75
Total Current Restricted Liabilities	75	-	75
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable Water and Sewer Assessments	706,812	18,552,520	19,259,332
Total Deferred Inflows of Resources	706,812	18,552,520	19,259,332
<u>NET POSITION</u>			
Amounts Restricted for:			
Debt Service	-	2,924,655	2,924,655
Unrestricted Amounts	28,930,227	-	28,930,227
Total Net Position	\$ 28,930,227	\$ 2,924,655	\$ 31,854,882

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 – RESTRICTED ASSETS AND LIABILITIES AND FUND BALANCES (CONTINUED)

B. RESTRICTED NET POSITION

PRIMARY GOVERNMENT

GOVERNMENTAL ACTIVITIES

Net Investment in Capital Assets for governmental activities, is calculated as follows:

<u>ASSETS</u>	GOVERNMENTAL ACTIVITIES
Capital Assets	\$ 270,752,909
Less Accumulated Depreciation	(72,999,507)
Total Capital Assets, Net of Depreciation	197,753,402
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred Charge on Refunding	245,521
Total Deferred Outflows of Resources	245,521
<u>LIABILITIES</u>	
Lease Payable	552,354
Subscription Payable	905,835
Capital Retainage Payable	42,218
Capital Accounts Payable	675,865
Bonds/Notes Payable	123,221,457
Less:	
Debt relating to Board of Education Assets	(42,317,895)
Unspent portion of Bond Proceeds for Board of Education debt	(1,592,789)
Unspent portion of Bond Proceeds for Governmental debt	(4,403,501)
Debt relating to Chesapeake College	(4,376,502)
Debt relating to PHA	(376,514)
Debt relating to non-capital assets (Dredging)	(560,325)
Total Liabilities	71,770,203
<u>DEFERRED INFLOWS OF RESOURCES</u>	
Bond Refundings	135,866
Total Deferred Inflows of Resources	135,866
<u>NET POSITION</u>	
Net Investment in Capital Assets	\$ 126,092,854

BUSINESS-TYPE ACTIVITIES

Net Investment in Capital Assets for business-type activities, are as follows:

	SANITARY DISTRICT			BAY BRIDGE AIRPORT	NON-MAJOR ENTERPRISE FUNDS	TOTAL PRIMARY GOVERNMENT ENTERPRISE FUNDS
<u>ASSETS</u>	SEWER OPERATIONS	WATER OPERATIONS	TOTAL			
Capital Assets	\$ 152,659,989	\$ 43,326,321	\$ 195,986,310	\$ 29,187,036	\$ 11,551,003	\$ 236,724,349
Less Accumulated Depreciation	(62,035,890)	(14,684,693)	(76,720,583)	(7,340,920)	(2,794,084)	(86,855,587)
Total Capital Assets, Net of Depreciation	90,624,099	28,641,628	119,265,727	21,846,116	8,756,919	149,868,762
<u>DEFERRED OUTFLOWS OF RESOURCES</u>						
Deferred Charge on Refunding	-	-	-	3,096	441	3,537
Total Deferred Outflows of Resources	-	-	-	3,096	441	3,537
<u>LIABILITIES</u>						
Lease Payable	-	-	-	-	110,714	110,714
Capital Retainage Payable	183,625	-	183,625	331,041	-	514,666
Capital Accounts Payable	294,943	-	294,943	-	-	294,943
Bonds/Notes Payable	34,997,931	-	34,997,931	1,307,730	703,797	37,009,458
Total Liabilities	35,476,499	-	35,476,499	1,638,771	814,511	37,929,781
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Bond Refundings	-	-	-	252	1,338	1,590
Total Deferred Inflows of Resources	-	-	-	252	1,338	1,590
<u>NET POSITION</u>						
Net Investment in Capital Assets	\$ 55,147,600	\$ 28,641,628	\$ 83,789,228	\$ 20,210,189	\$ 7,941,511	\$ 111,940,928

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 – RESTRICTED ASSETS AND LIABILITIES AND FUND BALANCES (CONTINUED)

C. FUND BALANCES

PRIMARY GOVERNMENT

Governmental fund balances are composed of the following:

Governmental Funds	General Fund	General Capital	Roads Capital	Grants Fund	Non-Major Governmental	Total Governmental Funds
Nonspendable						
Inventory	\$ -	\$ -	\$ -	\$ -	\$ 1,218,486	\$ 1,218,486
Prepaid Items	112,309	-	-	-	-	112,309
Other	35,925	-	-	-	-	35,925
Subtotal Nonspendable	148,234	-	-	-	1,218,486	1,366,720
Restricted						
Rainy Day Fund	15,120,497	-	-	-	-	15,120,497
Employee Benefits - LOSAP	6,120,385	-	-	-	-	6,120,385
Donor-Specified Purposes	59,884	33,148	-	-	-	93,032
Mosquito Control	77,050	-	-	-	-	77,050
Unspent Bond Proceeds	-	5,996,290	-	-	-	5,996,290
Impact Fees	-	245,185	-	-	-	245,185
Vehicle Acquisition	-	46,127	-	-	-	46,127
Department of Aging	-	-	-	-	955	955
House and Community Services	-	-	-	-	2,843,180	2,843,180
Critical Areas	-	-	-	-	383,627	383,627
Sheriff's Drug Task Force	-	-	-	-	167,428	167,428
Inmate Welfare	-	-	-	-	164,340	164,340
Agricultural Transfer	-	-	-	-	1,972,394	1,972,394
Rural Legacy	-	-	-	-	426,595	426,595
Dredging Special Assessments	-	-	-	-	14,799	14,799
Kent Narrows	-	-	-	-	257,426	257,426
Subtotal Restricted	21,377,816	6,320,750	-	-	6,230,744	33,929,310
Committed						
House and Community Services	-	-	-	-	8,685,634	8,685,634
Revolving Loan Fund	-	-	-	-	90,000	90,000
Economic Development Incentive	-	-	-	-	1,175,041	1,175,041
School Impact Fees	-	-	-	-	12,499,304	12,499,304
Fire Company Impact Fees	-	-	-	-	404,876	404,876
Parks and Recreation Impact Fees	-	-	-	-	859,850	859,850
Revenue Stabilization Fund	9,450,311	-	-	-	-	9,450,311
Economic Development	-	1,076,841	-	-	-	1,076,841
Rubble Surcharge	-	757,204	-	-	-	757,204
Developer Exactions	-	5,262,317	857,300	-	-	6,119,617
Subtotal Committed	9,450,311	7,096,362	857,300	-	23,714,705	41,118,678
Assigned						
Encumbrances	-	15,985,598	3,802,393	-	-	19,787,991
Subsequent Years' Expenditures	-	13,662,179	1,690,607	-	-	15,352,786
Department of Aging	-	-	-	-	128,177	128,177
Roads Operating	-	-	-	-	108,889	108,889
Community Partnerships for Children	-	-	-	-	66,424	66,424
Law Library	-	-	-	-	560,413	560,413
Capital Projects	-	11,381,356	159,270	-	-	11,540,626
Loans Receivable	-	1,608,456	-	-	-	1,608,456
Subtotal Assigned	-	42,637,589	5,652,270	-	863,903	49,153,762
Unassigned						
General Fund	46,537,817	-	-	-	-	46,537,817
Subtotal Unassigned	46,537,817	-	-	-	-	46,537,817
Total Governmental Funds Balances	\$ 77,514,178	\$ 56,054,701	\$ 6,509,570	\$ -	\$ 32,027,838	\$ 172,106,287

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 12 – RESTRICTED ASSETS AND LIABILITIES AND FUND BALANCES (CONTINUED)

C. FUND BALANCES (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

Encumbrances included in the General Capital and Roads Capital funds are for the following purposes:

	General Capital	Roads Capital
General Government	\$ 6,091,218	\$ -
Public Safety	2,171,870	-
Public Works	3,896,221	-
Parks & Recreation	3,051,987	-
Health and Social Services	524,334	-
Education and Library	234,300	-
Economic/Community Development	15,668	-
Resurfacing Contracts and Materials	-	2,598,090
Roads Construction Equipment	-	1,204,303
Total encumbrances	\$ 15,985,598	\$ 3,802,393

NOTE 13 - RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The government carries commercial insurance to cover such risks. Certain assets of the County such as roads, bridges, and other infrastructure are not insurable due to their nature.

General Insurance Coverage - The County is a participant in the Local Government Insurance Trust (LGIT), which is a consortium of Maryland local governments created to provide insurance coverage and services to Maryland local governments. The LGIT provides general liability, public officials' liability, fleet insurance, and building and property insurance to its members.

Workmen's compensation and fidelity insurance are obtained from various commercial insurance companies.

Risk Sharing - Subscribers to coverage provided by LGIT share the risk among participants of the pools. As a result, the County's annual premium requirements will be affected by the loss experience of the various insurance pools in which it participates. Also, the County may be subject to additional assessments from time to time. These amounts would be recorded as expenditures when they are probable and can be reasonably estimated. Conversely, favorable performance of certain insurance pools may result in reduced premiums.

Health Insurance - Effective with the 1996 fiscal year, the County joined together with other Eastern Shore county governments, libraries, and Boards of Education to form the Eastern Shore of Maryland Education Consortium Health Insurance Alliance (ESMEC), a public entity risk pool currently operating as a common risk management and insurance program for health insurance coverage. CareFirst BlueCross BlueShield, of Maryland, administers this program.

The agreement for formulation of the alliance provides that the pool will be self-sustaining through member premiums. In addition to the annual premiums, the pooling agreement provides for additional assessments, if needed, but not to exceed certain limits. No additional assessments were needed for fiscal year 2024 and, as of the date of this report, it is believed that there are no outstanding claims in excess of the equity of the trust.

Settlements – In fiscal years 2022, 2023 and 2024, settlements have not exceeded insurance coverage for any type of policy in effect.

QUEEN ANNE’S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - RETIREMENT PLANS

Virtually all full and eligible part-time employees of Queen Anne’s County, Maryland, and its related agencies are covered by one of the statewide contributory pension systems of the State of Maryland.

Maryland State Retirement and Pension Systems

Organization

The State Retirement Agency is the administrator of the Maryland State Retirement and Pension System (the System). The System was established by the State Personnel and Pensions Article of the Annotated Code of Maryland to provide retirement allowances and other benefits to State employees, teachers, police, judges, legislators, and employees of participating governmental units. Responsibility for the System’s administration and operation is vested in a 15-member Board of Trustees. The System is made up of two cost-sharing employer pools: the “State Pool” and the “Municipal Pool”. The State Pool consists of State agencies, boards of education, community colleges, and libraries. The Municipal Pool consists of participating governmental units that elected to join the System. Neither pool shares in each other’s actuarial liabilities, thus participating governmental units that elect to join the System (the “Municipal Pool”) share in the liabilities of the Municipal Pool only. Currently, the System has 153 participating employers in addition to the State.

The State of Maryland is the statutory guarantor for the payment of all pensions, annuities, retirement allowances, refunds, reserves, and other benefits of the System. The State is obligated to annually pay into the accumulation fund of each State system at least an amount that, when combined with the State’s accumulation funds, is sufficient to provide benefits payable under each plan during that fiscal year. The System is accounted for as one defined benefit plan as defined in accordance with accounting principles generally accepted in the United States of America. Additionally, the System is fiscally dependent on the State by virtue of the legislative and executive controls exercised with respect to its operations, policies, and administrative budget. Accordingly, the System is included in the State’s reporting entity and disclosed in its financial statements as a pension trust fund.

The System is comprised of the Teachers’ Retirement and Pension Systems, Employees’ Retirement and Pension Systems, State Police Retirement System, Judges’ Retirement System, and the Law Enforcement Officers’ Pension System (LEOPS).

The following groups of employees participate in:

<u>Employees</u>	<u>Plan</u>
Board of Education – regular employees	Employees System
Board of Education – teachers	Teachers System
Library	Teachers System
Queen Anne’s County:	
Elected officials	Employees System
Sheriff’s Deputies	LEOPS
Regular employees	Employees System

The System is a cost sharing multiple-employer defined benefit pension plan.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - RETIREMENT PLANS (CONTINUED)

Covered Members

Teachers' Retirement System

The Teachers' Retirement System was established on August 1, 1927, to provide retirement allowances and other benefits to teachers in the State. Effective January 1, 1980, the Teachers' Retirement System was closed to new members and the Teachers' Pension System was established. As a result, teachers hired after December 31, 1979, became members of the Teachers' Pension System as a condition of employment. On or after January 1, 2005, an individual who is a member of the Teachers' Retirement System may not transfer membership to the Teachers' Pension System.

Employees' Retirement System

On October 1, 1941, the Employees' Retirement System was established to provide retirement allowances and other benefits to State employees, elected and appointed officials and the employees of participating governmental units. Effective January 1, 1980, the Employees' Retirement System was essentially closed to new members and the Employees' Pension system was established. As a result, State employees (other than correctional officers) and employees of participating governmental units hired after December 31, 1979, became members of the Employees' Pension System as a condition of employment, while all State correctional officers and members of the Maryland General Assembly continue to be enrolled as members of the Employees' Retirement System. On or after January 1, 2005, an individual who is a member of the Employees' Retirement System may not transfer membership to the Employees' Pension System.

The Law Enforcement Officers' Pension System (LEOPS)

The Law Enforcement Officers' Pension System (LEOPS) was established on July 2, 1990, to provide retirement allowances and other benefits for certain State and local law enforcement officers. This System includes both retirement plan and pension plan provisions which are applicable to separate portions of the System's membership. The retirement plan provisions are only applicable to those members who, on the date they elected to participate in LEOPS, were members of the Employees' Retirement System. This System's pension plan provisions are applicable to all other participating law enforcement officers.

Summary of Significant Plan Provisions

All plan benefits are specified by the State Personnel and Pensions Article of the Annotated Code of Maryland. For all individuals who are members of the Employees', Teachers', or Correctional Officers' Retirement System on or before June 30, 2011, retirement allowances are computed using both the highest three years' Average Final Compensation (AFC) and the actual number of years of accumulated creditable service. For individuals who become members of the Correctional Officers' Retirement System on or after July 1, 2011, retirement allowances are computed using both the highest five years' AFC and the actual number of years of accumulated creditable service. For all individuals who are members of the pension systems of the State Retirement and Pension System on or before June 30, 2011, pension allowances are computed using both the highest three consecutive years' AFC and the actual number of years of accumulated creditable service. For any individual who becomes a member of one of the pension systems on or after July 1, 2011, pension allowances are computed using both the highest five consecutive year's AFC and the actual number of years of accumulated creditable service. Various retirement options are available under each system which ultimately determines how a retiree's benefit allowance will be computed. Some of these options require actuarial reductions based on the retiree's and/or designated beneficiary's attained age and similar actuarial factors.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - RETIREMENT PLANS (CONTINUED)

The member contribution rate for members of the Teachers' Retirement Pension System and Employees' Retirement Pension System is 7% and 6% respectively, and 7% for members of the Law Enforcement Officers' Pension system.

In addition, the benefit attributable to service on or after July 1, 2011 in many of the pension systems now will be subject to different cost-of-living adjustments (COLA) that is based on the increase in the Consumer Price Index (CPI) and capped at 2.5% or 1.0% based on whether the fair value investment return for the preceding calendar year was higher or lower than the investment return assumption used in the valuation.

A brief summary of the retirement eligibility requirements of and the benefits available under the various systems in effect during fiscal year 2023, are as follows:

Service Retirement Allowances

A member of either the Teachers' or Employees' Retirement System is generally eligible for full retirement benefits upon the earlier of attaining age 60 or accumulating 30 years of creditable service regardless of age. The annual retirement allowance equals $1/55$ (1.81%) of the member's AFC multiplied by the number of years of accumulated creditable service.

An individual who is a member of either the Teachers' or Employees' Pension System on or before June 30, 2011, is eligible for full retirement benefits upon the earlier of attaining age 62, with specified years of eligibility service, or accumulating 30 years of eligibility service regardless of age. An individual who becomes a member of either the Teachers' or Employees' Pension System on or after July 1, 2011, is eligible for full retirement benefits if the member's combined age and eligibility service equals at least 90 years or if the member is at least age 65 and has accrued at least 10 years of eligibility service.

For most individuals who retired from either the Teachers' or Employees' Pension System on or before June 30, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of creditable service accumulated prior to July 1, 1998, plus 1.4% of the member's AFC, multiplied by the number of years of creditable service accumulated subsequent to June 30, 1998. With certain exceptions, for individuals who are members of the Teachers' or Employees' Pension System on or after July 1, 2006, the annual pension allowance equals 1.2% of the member's AFC, multiplied by the number of years of creditable service accumulated prior to July 1, 1998, plus 1.8% of the member's AFC, multiplied by the number of years of creditable service accumulated subsequent to June 30, 1998. Beginning July 1, 2011, any new member of the Teachers' or Employees' Pension System shall earn an annual pension allowance equal to 1.5% of the member's AFC multiplied by the number of years of creditable service accumulated as a member of the Teachers' or Employee's Pension System.

Exceptions to these benefit formulas apply to members of the Employees' Pension System, who are employed by a participating governmental unit that does not provide the 1998 or 2006 enhanced pension benefits or the 2011 reformed pension benefits. The pension allowance for those members equals 0.8% of the member's AFC up to the social security integration level (SSIL), plus 1.5% of the member's AFC in excess of the SSIL, multiplied by the number of years of accumulated creditable service. For the purpose of computing pension allowances, the SSIL is the average of the social security wage bases for the past 35 calendar years ending with the year the retiree separated from service.

A member of the Law Enforcement Officers' Pension System is eligible for full retirement benefits upon the earlier of attaining age 50 or accumulating 25 years of eligibility service regardless of age. The annual retirement allowance for a member who is covered under the retirement plan provisions equals $1/50$ (2.0%) of the member's AFC multiplied by the number of years of accumulated creditable service up to 30 years, plus $1/100$ (1.0%) of the member's AFC multiplied by the number of years of accumulated creditable service in excess of 30 years. For members subject to the pension provisions, full-service pension allowances equal 2.0% of AFC up to a maximum of 60% (30 years of credit).

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - RETIREMENT PLANS (CONTINUED)

Vested Allowances

Any individual who is a member of the State Retirement and Pension System on or before June 30, 2011 (other than a judge or a legislator), and who terminates employment before attaining retirement age but after accumulating 5 years of eligibility service is eligible for a vested retirement allowance. Any individual who joins the State Retirement and Pension System on or after July 1, 2011 (other than a judge or a legislator), and who terminates employment before attaining retirement age but after accumulating 10 years of eligibility service is eligible for a vested retirement allowance. A member, who terminates employment prior to attaining retirement age and before vesting, receives a refund of all member contributions and interest.

Early Service Retirement

A member of either the Teachers' or Employees' Retirement System may retire with reduced benefits after completing 25 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree either attains age 60 or would have accumulated 30 years of creditable service, whichever is less. The maximum reduction for a Teachers' or Employees' Retirement System member is 30%.

An individual who is a member of either the Teachers' or Employees' Pension System on or before June 30, 2011 may retire with reduced benefits upon attaining age 55 with a least 15 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree attains age 62. The maximum reduction for these members of the Teachers' or Employees' Pension System is 42%. An individual who becomes a member of either the Teachers' or Employees' Pension System on or after July 1, 2011, may retire with reduced benefits upon attaining age 60 with at least 15 years of eligibility service. Benefits are reduced by 0.5% per month for each month remaining until the retiree attains age 65. The maximum reduction for these members of the Teachers' or Employees' Pensions System is 30%.

Members of the Law Enforcement Officers' and Local Fire and Police Systems are not eligible for early service benefits.

Disability and Death Benefits

Generally, a member covered under retirement plan provisions who is permanently disabled after 5 years of service receives a service allowance based on a minimum percentage (usually 25%) of the member's AFC. A member covered under pension plan provisions who is permanently disabled after accumulating 5 years of eligibility service receives a service allowance computed as if service had continued with no change in salary until the retiree attained age 62. A member (other than a member of the Maryland General Assembly or a judge, both of which are ineligible for accidental disability benefits) who is permanently and totally disabled as the result of an accident occurring in the line of duty receives 2/3 (66.7%) of the member's AFC plus an annuity based on all member contributions and interest. Death benefits are equal to a member's annual salary as of the date of death plus all member contributions and interest.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - RETIREMENT PLANS (CONTINUED)

Adjusted Retirement Allowances

Retirement and pension allowances are increased annually to provide for changes in the cost of living according to prescribed formulae. Such adjustments for retirees are based on the annual change in the CPI. For the Teachers' and Employees' Retirement Systems (TRS/ERS) the method by which the annual COLA's are computed depends upon elections made by members who were active on July 1, 1984 (or within 90 days of returning to service, for members who were inactive on July 1, 1984) enabling the member to receive either an unlimited COLA, a COLA limited to 5% or a two part combination COLA depending upon the COLA election made by the member.

Members of the Law Enforcement Officers' Pension System (LEOPS) are eligible to participate in a Deferred Retirement Option Program (DROP). For members who enter the DROP on or after July 1, 2011, the member is deemed retired and the retirement allowance is placed in an account earning 4% interest per year, compounded annual. At the end of the DROP period, the lump sum held in the DROP account is paid to the retiree. The LEOPS members must end employment and fully retire at the end of the DROP period. The maximum period of participation is 5 years for LEOPS.

However, beginning July 1, 2011, for benefits attributable to service earned on or after July 1, 2011, in all of the systems except the judges' and legislators' systems, the adjustment is capped in the lesser of 2.5% or the increase in CPI if the most recent calendar year fair value rate of return was greater than or equal to the assumed rate. The adjustment is capped at the lesser of 1% or the increase in CPI if the fair value return was less than the assumed rate of return. In years in which COLAs would be less than zero due to a decline in the CPI, retirement allowances will not be adjusted. COLAs in succeeding years are adjusted until the difference between the negative COLA that would have applied and the zero COLA is fully recovered.

Actuarial Assumptions

The total pension liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	In the 2023 actuarial valuation, 2.25% general, 2.75% wage. In the 2022 actuarial valuation, 2.25% general, 2.75% wage.
Salary Increases	In the 2023 actuarial valuation, 2.75% to 11.25%. In the 2022 actuarial valuation, 2.75% to 11.25%.
Investment Rate of Return	In the 2023 actuarial valuation 6.80%. In the 2022 actuarial valuation 6.80%.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2019 valuation pursuant to the 2018 experience study for the period July 1, 2014 to July 30, 2018.
Mortality	Various versions of the Pub- 2010 Mortality Tables for males and females with projected generational mortality improvements based on the MP-2018 fully generational mortality improvements scale for males and females.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - RETIREMENT PLANS (CONTINUED)

Investments

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the Board of Trustees 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, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	34%	6.9%
Private Equity	16%	8.6%
Rate Sensitive	20%	2.6%
Credit Opportunity	9%	5.6%
Real Assets	15%	5.4%
Absolute Return	6%	4.4%
Total	100%	

The above was the Board of Trustees adopted asset allocation policy and best estimate of geometric real rates of return for each major asset class as of June 30, 2023.

For the year ended June 30, 2023, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was 3.11%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Discount Rate

A single discount rate of 6.80% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 6.80%. 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.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - RETIREMENT PLANS (CONTINUED)

Sensitivity of the Net Pension Liability

Regarding the sensitivity of the net pension liability to changes in the single discount rate, the following presents the plan's net pension liability, calculated using a single discount rate of 6.80%, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% point lower or 1% point higher:

System	1% Decrease 5.80%	Discount Rate 6.80%	1% Increase 7.80%
County	\$ 66,961,714	\$ 45,159,037	\$ 27,066,595
Board of Education	10,228,534	6,898,132	4,134,476

Teachers' and Employees' Retirement Systems and Teachers' and Employees' Pension Systems

Teachers' Retirement and Pension Systems:

In accordance with Maryland Senate Bill 1301, *Budget Reconciliation and Financing Act of 2012*, the Board is required to pay the State 100% of the normal cost portion of the total pension cost for teachers. The normal cost is the portion of the total retirement benefit cost that is allocated to the current year of the employee's service. The related payment for fiscal year ending 2024 was \$2,975,900. In addition, the State of Maryland contributed \$5,806,196 on behalf of the Board. The Board has recognized the State on-behalf payments as both a revenue and expense.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

Because the State of Maryland pays the unfunded liability for the Teachers' Systems on behalf of the Board and Library, and the Board pays the normal cost for the Teachers' Systems, the Board and Library are not required to record its' share of the unfunded pension liability for the Teachers' Systems, the State of Maryland is required to record that liability. The Board is required to record a liability for the Employees' Systems.

At June 30, 2024, the Board of Education reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the Board. The amount recognized by the Board as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Board were as follows:

Board's proportionate share of the net pension liability (Employees' System)	\$ 6,898,132
State's proportionate share of the net pension liability (Teachers' System)	51,628,693
Total	\$ 58,526,825

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - RETIREMENT PLANS (CONTINUED)

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability was calculated as follows by the System(s):

1. Calculate the net pension liability for the entire System in accordance with the provisions of GASB No. 67.
2. Determine the total contributions to the System by the State and PGUs, inclusive of any underfunding of contributions.
3. Based on the number of participants at each Board of Education, calculate the difference between what each Board would have contributed if they funded at the rate of all other participating governments and what the Board actually contributed. The difference between what the Board contributed and what they would have contributed if they funded at the rate of the other participating governments, is then added to the total contribution to the System, to calculate the System's adjusted calculation.
4. Calculate for each participating government, their percentage of the adjusted System contribution by dividing the total adjusted System contribution into each PGU's contribution.
5. Provide each PGU its adjusted percentage of contribution and the System's net pension liability and other related amounts under the GASB No. 67 requirements.

At June 30, 2024, the County reported the following related to pensions:

	Board	County
Employer's proportionate (percentage) of the collective net pension liability	0.029%	0.196%
Employer's proportionate share of the collective net pension liability	\$ 6,898,132	\$ 45,159,037
Pension expense recognized by the employer for the year ended	\$ 3,930,061	\$ 6,643,235
	Deferred Outflows of Resources	Deferred Inflows of Resources
<u>County</u>		
Changes in assumptions	\$ 3,103,634	\$ (160,331)
Net difference between projected and actual investment earnings on pension plan investments	4,039,436	-
Differences between expected and actual experience	1,587,206	(1,927,811)
Change in proportion	7,553,446	(1,581,337)
Contributions subsequent to measurement date	5,911,428	-
Total	\$ 22,195,150	\$ (3,669,479)
<u>Board</u>		
Changes in assumptions	\$ 474,086	\$ (24,490)
Net difference between projected and actual investment earnings on pension plan investments	617,032	-
Differences between expected and actual experience	242,448	(294,477)
Change in proportion	492,437	-
Contributions subsequent to measurement date	743,975	-
Total	\$ 2,569,978	\$ (318,967)

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 14 - RETIREMENT PLANS (CONTINUED)

The \$5,911,428 and \$743,975 of deferred outflows of resources resulting from the County and the Board's contributions to the Employees' Systems subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows and deferred inflows of resources for the County will be amortized over a five-year period, as follows:

Year ended June 30:	Board	County
2025	\$ 321,720	\$ 2,528,636
2026	231,815	1,940,067
2027	719,965	5,534,704
2028	201,461	1,804,419
2029	32,075	806,417
	\$ 1,507,036	\$ 12,614,243

Covered payroll refers to all compensation paid to active employees covered by the Systems.

	Covered Payroll	On-Behalf By State
County	\$ 36,434,467	\$ -
Board of Education	70,796,191	5,806,196
Library	1,392,639	186,576

Pension contributions made by the State of Maryland, on behalf of the Board of Education and the Library are recognized as both revenue and expenditure.

The aggregate amount of pension expense is as follows:

Maryland State Retirement and Pension System	\$ 6,643,235
Length of Service Award Program ("LOSAP")	4,079,112
Aggregate amount of pension expense	\$ 10,722,347

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 15 - DEFERRED COMPENSATION PLAN

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees, permits them to defer a portion of their salary until future years. Participation in the plan is optional. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan; all property and rights purchased with those amounts; and all income attributable to those amounts, property or rights are solely the property and rights of the participants. The County has no liability for losses under the plan.

Investments are managed by the plan's administrator based on several different investment options, or combinations thereof. The choice of the investment option(s) to be used is made by each participant. The County has no management control over the assets of the plan. Accordingly, per GASB Statement No. 32, the assets of the plan are not included in these financial statements.

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS

PRIMARY GOVERNMENT

Other Post-Employment Benefit Trust (OPEB Trust)

In fiscal year 2015, the County Commissioners approved the County joining the MACo Pooled OPEB Investment Trust Fund. A separate Trust document for the MACo OPEB Trust can be found on the MACo website at www.mdcounties.org.

Plan Reporting

The measurement date for GASB 74 is the Employer's fiscal year end, June 30, 2024. Plan assets (Fiduciary Net Position) are measured as of this date. The Total OPEB Liability (TOL) as of this date is based on an actuarial valuation as of January 1, 2023, with adjustments made for the one-and-one-half year difference. Adjustments include Service Cost, Interest on Total OPEB Liability, and expected benefit payments during the year. This is also known as a roll-forward.

Under GASB 74, the Net OPEB Liability (NOL) is established as the difference between the Total OPEB Liability and the Plan Fiduciary Net Position. The NOL is very much like the unfunded actuarial accrued liability that is developed for the funding valuation, with adjustments for any time between the valuation date and the measurement date.

Relevant Dates

- Valuation Date: January 1, 2023
- Measurement Date: June 30, 2024
- Reporting Date: June 30, 2024

Plan Membership

The following is a summary of the plan membership as of January 1, 2023.

Active	439
Retired	290
Total	729

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

Other Post-Employment Benefit Trust (OPEB Trust) (Continued)

PRIMARY GOVERNMENT

Plan Description

The County's Other Post-Employment Benefit Plan (OPEB Plan) is an agent multiple-employer defined benefit healthcare plan that covers retired employees of the primary government, the Queen Anne's County Board of Education, and the Queen Anne's County Free Library. The Plan was established as specified in County Ordinance No. 09-12.

Plan descriptions and actuarial assumptions for each participant are described: (1) as follows for the primary government and (2) in financial statements issued separately for all other participants.

The County's Retiree Health Insurance Program provides medical insurance benefits to retirees and their eligible dependents. The retiree and their dependents will receive a subsidy as outlined in the tables below provided that (1) the retiree retired directly from County service with a County retirement/pension allowance, (2) has health insurance through the County prior to retirement, (3) retired with at least 15 years of County service, and (4) the retiree elects to participate upon retirement. Retirees who retire directly from County service with a County retirement/pension with less than 15 years of County service, who have health insurance through the County prior to retirement and who elect to participate upon retirement are eligible for the County's Retiree Health Insurance Program however are not eligible for a subsidy.

Medical/Drug Plan

PPO (80/20), EPO (85/15), BCA (85/15), Medicare Supplement

Eligibility

Queen Anne's County and Library employees are eligible to continue group insurance coverage after retirement provided that:

- a. Retiring employees have coverage in effect when they stop working.
- b. Retirement commences on the first of the month, following the last day they are employed.
- c. An employee must have been a permanent active employee. To receive a subsidy, must have at least 15 years of service.
- d. Eligibility for Retirement:

Non-LEOPS hired on or after 7/1/2011

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

Non-LEOPS hired before 7/1/2011

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

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

Plan description (Continued)

LEOPS

- Age 50 (no service requirement), or
- 25 years of service (no age requirement)

Retiree Payment

The employer subsidy is based on service, which medical plan you are enrolled in, retirement date and location.

For current County retirees receiving a 90% subsidy, they would continue to receive this subsidy rate, for all others:

Years of County Service Prior to Retirement	EPO/BCA Total Subsidy Percentage	PPO Total Subsidy Percentage
Less than 15 years	0.0%	0.0%
At least 15 yrs but less than 18	60.0%	60.0%
At least 18 yrs but less than 21	70.0%	65.0%
At least 21 yrs but less than 24	80.0%	75.0%
24 years or more	85.00%	80.00%

Plan Changes Since Prior Valuation

There have been no changes in eligibility but there was a change in the cost sharing provisions since the prior valuation.

Actuarial Information

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

- Investment Return: 6.00%, net of investment expense and including inflation
- Healthcare Trend: 6.00% initially for all plans, grading down to 4.25% for PPO, EPO, and BCA plans ultimate

Mortality rates are based on the PUB2010G Headcount tables with Scale SSA applied on a generational basis. PUB2010G Headcount Disabled tables are used for those on disability, if applicable.

Changes in Actuarial assumptions

The rates of retirement, disability, withdrawal, and mortality were changed since the prior year, as well as a change in discount rate due to an updated fund availability analysis.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

Actuarial Information (Continued)

Actuarial Methods for Determining Employer Contributions

The same economic and demographic assumptions are used for both funding and financial reporting purposes under GASB 74/75.

The Entry Age method is used for accounting/GASB purposes, therefore all of the actuarial figures within this footnote are based on it. Actuarially Determined Contributions are also based on the Entry Age method, with a closed level percentage of payroll amortization of the unfunded liability (15 years remaining as of the valuation date).

Expected Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each 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. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2024, and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Weight
US Equity	6.20%	36.0%
International Equity	6.55%	24.0%
Fixed Income	2.30%	35.0%
Real Estate	4.55%	5.0%
Total Weighted Average Real Return	4.84%	100.0%
Plus Inflation	2.50%	
Total Return w/o Adjustment	7.34%	
Risk Adjustment	-1.34%	
Total Expected Return	6.00%	

Discount Rate

The discount rate used to measure the total OPEB liability is 5.90%. The County's funding strategy is to contribute the Actuarially Determined Contribution in fiscal year 2024, and each year going forward. It is expected that benefits will be paid from the trust when a 50% funding level is reached. Based on this information, we project that benefits will be financed on a pay as you go basis until 2028, then from the trust there forward.

Therefore, the expected trust return of 6.00% is blended with the 20-year Aa bond rate* of 4.00%. The blended rate is 5.90%. The prior rate was 5.90% on this basis.

*Source: Fidelity general obligation municipal bond index.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

Net OPEB Liability

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the plans, calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher:

DISCOUNT RATE						
System	1% Decrease		Discount Rate	1% Increase		
	4.90%		5.90%	6.90%		
Net OPEB liability	\$	44,094,718	\$	30,242,945	\$	27,548,808

Sensitivity of the net OPEB liability to changes in the trend rate

The following presents the net OPEB liability of the plans, calculated using the current health care trend rate of from 6.00% to an ultimate rate of 4.25% for PPO, EPO, and BCA plans, as well as what each plans net OPEB liability would be if it were calculated using a health care trend rate that is 1% point lower or 1% point higher:

HEALTH CARE TREND				
	1% Decrease to 3.25%		Discount Rate 4.25%	1% Increase to 5.25%
Net OPEB liability	\$	26,866,873	\$ 30,242,945	\$ 45,127,752

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 – OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

Net OPEB Liability (Continued)

Changes in the net OPEB liability are as follows:

Total OPEB Liability ("TOL")	
Service cost	\$ 983,763
Interest	2,962,304
Changes in benefit terms	-
Difference between expected and actual experience	-
Changes in assumptions	-
Benefit payments	(1,846,441)
Net change in total OPEB liability	2,099,626
Total OPEB liability - beginning of year	50,134,776
Total OPEB liability - end of year	\$ 52,234,402
Plan Fiduciary Net Position ("PFNP")	
Contributions - employer	\$ 4,453,230
Contributions - member	-
Net investment income	1,923,140
Benefit payments	(1,846,441)
Admin expenses	(8,025)
Other	-
Net change in plan fiduciary net position	4,521,904
Plan fiduciary net position - beginning of year	17,469,553
Plan fiduciary net position - end of year	\$ 21,991,457
Net OPEB liability ("NOL") - beginning of year	\$ 32,665,223
Net OPEB liability - end of year	\$ 30,242,945
PFNP as a % of TOL	42.1%
Covered employee payroll	\$ 36,215,104
NOL as a % of covered payroll	83.5%

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

OPEB Expense

The amount of OPEB expense recognized in the reporting period are as follows:

Service cost	\$ 983,763
Interest on total OPEB liability	2,962,304
Difference between expected and actual experience*	(2,107,529)
Changes in actuarial assumptions*	(313,589)
Employee contributions	-
Changes in benefit terms	-
Projected earnings on plan investments	(1,051,111)
Difference between projected and actual earnings*	(30,049)
Administrative expense	8,025
Other changes in fiduciary net position	-
Total OPEB expense	\$ 451,814

* - portions recognized for expense

Deferred Outflow/Inflow Summary

The deferred outflows / inflows are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on plan investments	\$ -	\$ (303,646)
Differences between expected and actual experience	245,181	(10,946,289)
Changes in actuarial assumptions	553,797	(2,532,442)
Total	\$ 798,978	\$ (13,782,377)

Net deferred outflows / (inflows) will be amortized as follows:

Year ended June 30:	
2025	\$ (2,508,927)
2026	(2,164,593)
2027	(2,745,635)
2028	(2,807,505)
2029	(2,680,508)
Thereafter	(76,231)
	\$ (12,983,399)

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

COMPONENT UNITS

BOARD OF EDUCATION

Plan Description

The Board of Education of Queen Anne's County administers a single-employer defined benefit healthcare plan ("the Plan"). The plan provides healthcare insurance for eligible retirees and their spouses through the Board's group health insurance plan, which covers both active and retired members. The Plan does not issue a stand-alone report. Benefit provisions are based on contractual agreements with employee groups. Employees are eligible to participate in the Plan upon retirement. Participants must meet the eligibility requirements of the Maryland State Teachers' pension system described below:

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

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

For members hired after July 1, 2011, the earliest retirement eligibility is the earlier of

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

As of February 1, 2022, the date of the actuarial valuation data, approximately 463 retirees were receiving benefits, and 938 active employees are potentially eligible to receive future benefits.

Funding Policy

The Board pays a portion of retiree healthcare premiums based on years-of-service ranging from 5 years of service to 25+ years of service until the retiree becomes Medicare-eligible. The retiree pays the remaining premium, including the cost of eligible dependents. Pre-Medicare retirees may choose between two medical plans (a PPN plan and an EPO plan). Both plans include medical and prescription benefits. Once a participant is Medicare eligible, the participant must switch to a Medicare supplement plan, which is also packaged with a prescription plan. Retirees have the option of electing dental and vision coverage in addition to medical coverage.

Employer Contribution

Retirees receive a subsidy for their post-retirement medical insurance based on service. The subsidy requires a minimum of 5 years of service for Administration and 10 years of service for Teachers. For teachers, once ten years of service is reached, the Board covers 36% of the cost of the individual's EPO health plan. The percentage subsidized by the Board increases 3.6% per year for every year of service in excess of ten. At 25 years of service, the maximum subsidy of 90% is reached. For administrators, once five years of service is reached, the Board covers 35% of the cost of the individual's EPO health plan. The percentage subsidized by the Board increases 5.5% per year for every year of service in excess of five. At 15 years of service, the maximum subsidy of 90% is reached. Retirees with less than the minimum years of service required to receive a subsidy are allowed access to the medical coverage, but must pay 100% of the published rates. In addition, the Board is contractually obligated to pay the full cost of medical insurance for certain retired directors, superintendents, and their spouses.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

COMPONENT UNITS (CONTINUED)

BOARD OF EDUCATION (CONTINUED)

Employer Contribution (Continued)

The Board also pays the cost of providing term life insurance for its retirees in varying amounts depending upon length of service and date of retirement. The benefits payable upon death are \$5,000 (fixed) for 5 to 25 years of service or \$50,000 (maximum-based on annual salary at retirement) for over 25 years of service. There is a reduction of benefit of 25% at age 70 and a benefit reduction of 50% at age 75 and beyond.

Net OPEB Liability

The annual OPEB expense under GASB Statement No. 75 is equal to the change in the unfunded actuarial accrued liability from the prior year's measurement date to the current year measurement date, with some of the liability changes being deferred to future years. Changes in the actuarial accrued liability due to experience gains or losses or changes in assumptions are recognized over the expected future working lifetime of all plan participants, including retirees. For the fiscal year ended June 30, 2024, the Board recognized an OPEB expense of \$2,974,621.

The Board's total OPEB liability is an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The total OPEB liability is calculated using a measurement date of June 30, 2023. Therefore, plan information for the year ended June 30, 2023 is utilized. The following table shows the components of the Board's total and net OPEB liability at June 30, 2023.

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance - beginning of year	\$ 138,508,054	\$ 504,484	\$ 138,003,570
Changes for the Year			
Service Cost	5,168,402	-	5,168,402
Interest	5,050,477	-	5,050,477
Experience Losses/Gains	155,825	-	155,825
Trust Contributions - Employer	-	3,433,351	(3,433,351)
Net Investment Income	-	52,792	(52,792)
Changes in Assumptions	(4,072,271)	-	(4,072,271)
Benefit Payments (net of retiree contributions)	(3,433,351)	(3,433,351)	-
Net Changes	2,869,082	52,792	2,816,290
Balance - end of year	\$ 141,377,136	\$ 557,276	\$ 140,819,860

Plan Fiduciary Net Position as a % of Total OPEB Liability	0.39%
Covered employee payroll	\$ 66,931,801
Net OPEB Liability as a % of covered payroll	210.39%

Payments have typically been liquated from the General Fund in prior years.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

COMPONENT UNITS (CONTINUED)

BOARD OF EDUCATION (CONTINUED)

Funding Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of net OPEB liability, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the net OPEB liability is increasing or decreasing over time relative to the total OPEB liability for benefits.

Additional information is as follows:

- *Measurement date* – The Board selected a June 30, 2023 measurement date for fiscal year-end 2024. The measurement date can be any date between the last day of the prior fiscal year and the last day of the current fiscal year.
- *Cost method* – This valuation uses the Entry Age Normal Funding Method calculated on an individual basis with level percentage of payroll.
- *Claims data* – Monthly paid claims, administrative expenses and enrollment for employees and retirees from January 2019 through December 2021 were supplied by the carrier. Claims were divided into pre and post 65 age retirees.
- *Demographic data* – Data included current medical coverage for current employees and retirees as of February 1, 2022.
- *Discount rate assumption* - Benefits are discounted based on the Bond Buyer GO 20-year Bond Municipal Bond Index, an index rate for 20-year tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. This rate was 3.86% as of June 30, 2023.
- *Health care trend* – The medical trend assumption was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The SOA model was released in December 2007 and is updated annually. The following assumptions were used as input variables into this model:

Rate of Inflation	2.5%
Rate of growth in real income / GDP per year	1.4%
Extra trend due to technology and other factors	1.0%
Expected health share of GDP in 2031	19.0%
Health Share of GDP Resistance Point	20.0%
Year for limiting cost growth to GDP growth	2075

- *Salary Scale* – State of Maryland salary scale assumption for teachers.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

COMPONENT UNITS (CONTINUED)

BOARD OF EDUCATION (CONTINUED)

Funding Status and Funding Progress (Continued)

- *Decrement Assumptions –*

Healthy	Pub-2010 Mortality Table (teacher and general employees, headcount-weighted), Fully Generational, Projected using Scale MP-2021
Disability	Pub-2010 Mortality Table (teacher and general disabled, headcount-weighted), Fully Generational, Projected using Scale MP-2021

Sensitivity of the Net OPEB Liability

The following table presents the Board's net OPEB liability at June 30, 2023 using the discount rate of 3.86%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

System	DISCOUNT RATE		
	1% Decrease 2.86%	Discount Rate 3.86%	1% Increase 4.86%
Net OPEB liability	\$ 167,273,079	\$ 140,819,860	\$ 119,810,836

The following table presents the Board's net OPEB liability at June 30, 2023 using the health care trend rate of 3.94%, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% point lower or 1% point higher than the current rate:

	HEALTH CARE TREND		
	1% Decrease to 2.94%	Discount Rate 3.94%	1% Increase to 4.94%
Net OPEB liability	\$ 116,969,874	\$ 140,819,860	\$ 172,284,453

Deferred Inflows/Outflows of Resources related to OPEB

At June 30, 2024, the Board reported deferred outflows of resources and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 33,869,874	\$ (59,053,497)
Net difference between projected and actual earnings	4,409	-
Differences between expected and actual experience	1,513,097	(63,094,892)
Contributions subsequent to measurement date	2,974,621	-
Total	\$ 38,362,001	\$ (122,148,389)

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

COMPONENT UNITS (CONTINUED)

BOARD OF EDUCATION (CONTINUED)

Deferred Inflows/Outflows of Resources related to OPEB (Continued)

Amounts reported as differences between projected and actual earnings on OPEB plan investments will be amortized and expensed over a closed five-year period. Amounts reported as differences between expected and actual experience will be amortized and expensed over a period equal to the average remaining service lives of all employees that are provided with other post-employment benefits through the plan. Amounts reported as changes in assumptions will be amortized and expensed over a period equal to the average remaining service lives of all employees that are provided with other post-employment benefits through the plan. Amortization expense related to net deferred outflows and inflows of resources over the next five years is expected to be as follows:

Year ended June 30:	
2025	\$ (15,737,432)
2026	(15,736,236)
2027	(15,723,008)
2028	(14,420,259)
2029	(16,420,023)
Thereafter	(8,724,051)
	<u>\$ (86,761,009)</u>

Changes in assumptions in the most recent actuarial valuation included adjusting the discount rate to the updated index rate for 20-year tax exempt general obligation municipal bonds.

LIBRARY

Plan description

The Library participates in an agent multiple-employer defined benefit healthcare plan ("the Plan") that covers retired employees of Queen Anne's County, the Queen Anne's County Board of Education, and the Library.

A Trust entity was established in June, 2009 entitled *Other Post-Employment Benefit Trust – County Commissioners of Queen Anne's County, County Commissioners of Kent County, and Participating Agencies* (the "Trust"). In August 2020, the Trust was closed and all members transferred their respective funds to the MACo (Maryland Association of Counties) Pooled OPEB Investment Trust Fund. A separate "Trust document for the MACo OPEB Trust can be found on the MACo website at www.mdcounties.org.

Benefits provided

The plan reimburses eligible retirees for a portion of healthcare insurance based on years-of-service ranging from \$3,000 for 15 years of service to \$4,400 for 25 plus years of service. The retiree pays the remaining premium, including the cost of eligible dependents. Participants must meet the eligibility requirements of the State Retirement and Pension System of Maryland, which are age 55 with 15 years of service, age 62 with 5 years of service, or 30 years of service (regardless of age).

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

COMPONENT UNITS (CONTINUED)

LIBRARY (CONTINUED)

Employees covered by benefit terms

The following is a summary of plan membership as of January 1, 2023.

Active	19
Retired	9
Total	28

Contributions

The Library pays retiree healthcare benefits on a pay-as-you-go basis. For the year ended June 30, 2024, the Library contributed \$31,846.

Net OPEB liability

The Library's net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation January 1, 2023.

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods in the measurement:

Expected return – 6% including inflation and net of investment expenses.

Healthcare trend – Because this is a flat dollar plan and retirees secure their own insurance, the trend is not applicable.

Mortality rates are based on PUB2010G Headcount tables with Scale SSA applied on a generational basis. PUB2010G Headcount Disabled tables are used for those on disability, if applicable.

There were no changes in actuarial assumptions since the prior year, except the change in discount rate due to an updated depletion analysis.

Actuarial methods for determining employer contributions use the same economic and demographic assumptions for both funding and financial reporting purposes under GASB 74/75. The Entry Age method is used for accounting/GASB purposes, therefore all of the actuarial figures within this report are based on it. Actuarially Determined Contributions are based on the Entry Age method, with a closed level percentage of payroll amortization of the unfunded liability (15 years remaining).

Discount rate

The discount rate used to measure the total OPEB liability is 4.3%. There is essentially no prefunding of benefits in an OPEB trust for this plan (i.e., pay as you go), however, the Library has funds invested in the MACo pooled OPEB Trust. For this analysis, we assumed the trust assets would grow with earnings until a 60% funding ratio is reached. Based on this, a blended rate was developed which consists of the 20-year municipal bond Aa index as of June 30, 2024 of 4% blended with the assumed return of 6.00%.

Benefits would be paid from the trust from 2051 to 2061, and from general fund assets before and after this time period, resulting in a blended rate of 4.3%. The prior rate was 4.2%.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

COMPONENT UNITS (CONTINUED)

LIBRARY (CONTINUED)

Changes in the net OPEB liability

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance - beginning of year	\$ 563,920	\$ 33,059	\$ 530,861
Changes for the Year			
Contributions - employer	-	31,846	(31,846)
Service Cost	6,819	-	6,819
Net Investment Income	23,309	3,266	20,043
Changes in Assumptions	(5,491)	-	(5,491)
Benefit Payments, including refunds	(31,846)	(31,846)	-
Net Changes	(7,209)	3,266	(10,475)
Balance - end of year	\$ 556,711	\$ 36,325	\$ 520,386
Plan Fiduciary Net Position as a % of Total OPEB Liability	6.52%		
Covered employee payroll	\$ 1,392,639		
Net OPEB Liability as a % of covered payroll	37.37%		

Sensitivity of the net OPEB liability to changes in the discount rate

The following presents the net OPEB liability of the Library, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	DISCOUNT RATE		
System	1% Decrease 3.30%	Discount Rate 4.30%	1% Increase 5.30%
Net OPEB liability	\$ 577,801	\$ 520,386	\$ 472,072

Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate

Because the benefits from this plan are a fixed dollar amount based on years of services and there is no implicit subsidy (retirees secure their own health insurance), a change in assumed trend rate will not have an impact on the OPEB liability.

Investments

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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. This is then modified through a Monte-Carlo simulation process, by which a (downward) risk adjustment is applied to the baseline expected return.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 16 - OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

COMPONENT UNITS (CONTINUED)

LIBRARY (CONTINUED)

Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation as of June 30, 2024, and the final investment return assumption, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return	Weight
US Equity	6.20%	36.0%
International Equity	6.55%	24.0%
Fixed Income	2.30%	35.0%
Real Estate	4.55%	5.0%
Total Weighted Average Real Return	4.84%	100.0%
Plus Inflation	2.50%	
Total Return w/o Adjustment	7.34%	
Risk Adjustment	-1.34%	
Total Expected Return	6.00%	

OPEB expense and deferred outflows of resources related to OPEB

For the year ended June 30, 2024, the Library recognized an OPEB expense of \$32,376. At June 30, 2024, the Library reported deferred outflows and deferred inflows of resources related to the OPEB plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,676	\$ (118,045)
Changes of assumptions	79,137	(110,426)
Net difference between projected and actual earnings	586	-
Total	\$ 95,399	\$ (228,471)

Amounts reported as deferred outflows and deferred inflows of resources related to the OPEB plan will be recognized in expense over a period ranging from five to nine years as follows:

Year ended June 30:	
2025	\$ 4,039
2026	4,284
2027	(29,727)
2028	(38,503)
2029	(38,248)
Thereafter	(34,917)
	\$ (133,072)

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 17 – VOLUNTEER FIREMAN PENSION PLAN LENGTH OF SERVICE AWARD PROGRAM (LOSAP)

Plan Description

The County established the County Fire and EMS Commission Pension Plan Length of Service Award Program (“LOSAP”) in November 2004. The LOSAP is a single-employer defined benefit length of service award program that covers all volunteer members (“members”) of the County’s Fire and EMS Commission. The LOSAP has no assets accumulated in a trust that meet the criteria in GASB 73, paragraph 4. The LOSAP is funded entirely by the general fund.

Relevant dates

- Valuation date: January 1, 2023
- Measurement date: December 31, 2023
- Reporting date: June 30, 2024

An active member, upon reaching 55 years of age, is eligible to receive \$6 or \$10 per month for each year of eligible service determined by two separate benefit formulas which determine the monthly rate, with a \$400 maximum monthly benefit that may be earned. An inactive member that reaches 55 years of age and is vested with 10 years of service is also entitled to the same benefits (\$6 or \$10/month for each year of service, maximum \$400 per month). Payments are made over a 10-year annuity and the sponsor reserves the right to distribute a one-time lump sum actuarial equivalent benefit to terminated participants in lieu of the annuity. At the time of death, the participants’ designated beneficiary will receive the lump sum of the present value of the participants’ accrued benefit.

The participant summary as of the January 1, 2023 actuarial valuation is as follows:

Active members	321
Vested-terminated	61
Retired and beneficiaries	175
Total	557

Actuarial Assumptions

The total LOSAP liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	0.00%
Salary increases	Not Applicable
Investment rate of return	3.79%, net of pension plan investment expense, including inflation
Mortality	No pre-retirement mortality; post retirement RP2000 projected to 2030
Retirement	First eligible
Turnover	T5
Disability	None

The 3.79% discount rate is based on a 20-year AA general obligation bond rate as of December 31, 2023.

The above is a summary of key actuarial assumptions. Full descriptions of the actuarial assumptions are available in the January 1, 2023 actuarial valuation report.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

**NOTE 17 – VOLUNTEER FIREMAN PENSION PLAN LENGTH OF SERVICE AWARD PROGRAM (LOSAP)
(CONTINUED)**

Sensitivity of Total LOSAP Liability

The following presents the total LOSAP liability, calculated using single discount rate of 3.79%, as well as what the total LOSAP liability would be if it were calculated using a discount rate that is 1% point lower and 1% point higher.

System	1% Decrease 2.79%	Discount Rate 3.79%	1% Increase 4.79%
Net LOSAP Liability	\$ 13,231,775	\$ 11,180,243	\$ 9,572,528

Total LOSAP Liability

The components of the total LOSAP liability are as follows:

	Total LOSAP Liability	Plan Fiduciary Net Position	Net LOSAP Liability
Balances as of January 1, 2023	\$ 7,757,868	\$ -	\$ 7,757,868
Changes for the year:			
Service cost	430,072	-	430,072
Interest	282,361	-	282,361
Changes of benefit terms	3,404,969	-	3,404,969
Differences between expected and actual experience	(526,887)	-	(526,887)
Changes of assumptions	460,832	-	460,832
Benefits payments and expenses	(628,972)	-	(628,972)
Net changes	3,422,375	-	3,422,375
Balances as of December 31, 2023	\$ 11,180,243	\$ -	\$ 11,180,243

Plan fiduciary net position as a percentage of the total pension liability 0%

LOSAP Expense

The components of LOSAP expense are as follows:

	LOSAP Expense
Service cost	\$ 430,072
Interest	282,361
Changes in benefit terms	3,404,969
Differences between expected and actual earnings	-
Differences between expected and actual experience	100,399
Changes of assumptions	(138,689)
Total LOSAP expense	\$ 4,079,112

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 17 – VOLUNTEER FIREMAN PENSION PLAN LENGTH OF SERVICE AWARD PROGRAM (LOSAP)
(CONTINUED)

Maryland State Retirement and Pension System	\$ 6,643,235
Length of Service Award Program ("LOSAP")	4,079,112
Aggregate amount of pension expense	\$ 10,722,347

LOSAP Deferred Outflows and Deferred Inflows of Resources

The components of LOSAP deferred outflows and deferred inflows are as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 586,034	\$ (439,072)
Changes of assumptions	765,224	(2,418,401)
Net difference between projected and actual earnings	-	-
Total	\$ 1,351,258	\$ (2,857,473)

Amounts reported as deferred outflows and deferred inflows will be amortized as follows:

Year ended June 30:	
2025	\$ (278,665)
2026	(547,005)
2027	(623,126)
2028	(46,414)
2029	(11,005)
Thereafter	-
	\$ (1,506,215)

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 18 – DEFICIT EQUITY BALANCES

There were no Non-Major Governmental Funds that ended the year with deficit balances in unassigned fund balance for the year ended June 30, 2024.

The following Enterprise Funds ended the year with deficit equity balances:

The Sewer Operations Fund has a deficit balance in unrestricted net position of \$3,544,395 as of June 30, 2024.

The Bay Bridge Airport Fund has a deficit balance in unrestricted net position of \$585,298 as of June 30, 2024.

The Golf Course Enterprise Fund has a deficit balance in unrestricted net position of \$310,760 as of June 30, 2024.

The County Commissioners established the guideline that the Enterprise Funds should be self-supporting, to the extent possible. Therefore, a variety of measures are being evaluated in order to attempt the goal of balancing the Enterprise Funds.

NOTE 19 – COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS

PRIMARY GOVERNMENT

Grants - The County and its component units are recipients of various federal and state grant and/or loan programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by these grantor agencies. If the County has not complied with the rules and regulations governing the programs, refunds of money received may be required and the collectability of any related receivable as of June 30, 2024 may be impaired. The County's management believes that there are no significant contingent liabilities that must be recorded relating to compliance with the rules and regulations governing these programs. No funds were required to be returned in fiscal year 2024.

Further, certain grants for capital projects, such as various park projects funded by the State, must be used for the intended purpose of the grant. If, at any time during the useful lives of these projects, the facilities cease to operate in their intended capacity, the County may be required to reimburse the granting agency that portion of the grant or note that is equal to the percentage of useful life remaining. The County's Management believes that no such grant reimbursements will be needed.

In fiscal year 2010, the County's Department of Housing and Community Services received a grant of \$350,000 from the Maryland Department of Housing and Community Development. This Maryland Neighborhood Conservation Initiative (NCI) Grant provided funding to be used for the acquisition and purchase of foreclosed properties for resale to qualifying homebuyers, as well as the issuance of zero percent deferred payment loans to eligible critical service workers. Per the terms of the agreement, the grantee may reuse funds for these same activities until June 30, 2013. Funds returned to the County from program participants after June 30, 2013 must be returned to the state. Therefore, this grant has been recorded as a pass-through grant, with the County contingently liable for the return of these funds to the state at some point in time after June 30, 2013. During fiscal year 2014, the County identified \$69,569 in funds that were required to be returned to the grantor per grant provisions. No funds were required to be returned in fiscal years 2015 thru 2024.

In accordance with the provisions of GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the County has committed certain fund balances for future construction projects. In the General Capital Projects Fund, a total of \$7,096,362 has been committed, including \$1,076,841 for Economic Development, \$5,262,317 for site improvements pursuant to agreements with local developers, and \$757,204 for rubble surcharge. In the Roads Capital Projects Fund, \$857,300 has been contributed by developers and is committed to fund infrastructure improvements.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 19 – COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS (CONTINUED)

PRIMARY GOVERNMENT (CONTINUED)

On November 22, 2024, the Circuit Court entered a judgment on a jury verdict against the County in which the Court found that the County violated the procedural due process rights of Queen Anne's Research and Development Corporation ("QARD"). The Court entered a monetary judgment in favor of QARD in the amount of \$1,841,739.46 which included prejudgment interest and attorney's fees. The County has appealed this matter, expects to vigorously prosecute the appeal and is confident that the judgments will be either stricken or reduced significantly.

In addition to the litigation above, the County is a defendant in various lawsuits. After considering all relevant facts and the opinion of legal counsel, it is management's opinion that such litigation will not have a material adverse effect on the financial position of the County.

NOTE 20 – JOINT VENTURE

In 1991, the County Commissioners, in conjunction with Talbot, Caroline, and Kent Counties, entered into a regional partnership known as the Midshore Regional Landfill Joint Venture. This venture was formed to provide a long-term, solid waste management solution for the four-county area. As part of the agreement, each of the four Counties agreed to host a solid waste facility for a twenty-year period, giving the venture a total duration of eighty years. In 1991, the Midshore Regional Landfill opened in Talbot County and served the waste management needs of the four-County area for twenty years. This facility, owned and operated by the Maryland Environmental Service (MES), closed on December 31, 2010. The second Midshore facility, Midshore II, opened in Caroline County in January 2011 and is fully operational. After the facility in Caroline County reaches capacity, another landfill will be constructed in Queen Anne's County, with Kent County to follow in turn. Each County is required to, and has, set aside sufficient land to construct a landfill within their borders. The agreement expires when the last of the four landfills is closed.

Queen Anne's County has a 35.85% financial interest in the Midshore Regional Landfill. If expenditures exceed revenues, the County is obligated to cover the deficiency in proportion to its financial interest; however, to date additional funding from the County has not been required nor does management anticipate it.

Total closure and post closure costs for the landfills are \$24.6 million, with approximately \$8.8 million attributable to Queen Anne's County. These costs are paid from tipping fees of acceptable waste delivered by or for the account of the counties. It is currently expected that sufficient funds will be available from landfill revenues to pay future closure and post closure costs. MES has accrued and reported a long-term liability of \$12.2 million as of June 30, 2024, determined by the estimated useful life of the landfill.

Similar to the post closure costs, each of the participating Counties is contingently liable for the debt related to the new facility, Midshore II. Midshore II was funded with project revenue bonds with a remaining outstanding balance of \$17.3 million. As of June 30, 2024, \$6.2 million is attributable to Queen Anne's County in the event of a default.

Each County is required to place its municipal waste in the landfill. The facility is also available to commercial waste disposal firms at the same price per ton as charged to the County governments.

MES has satisfied its financial assurance requirements based upon the local government financial ratio tests of the project participants as of June 30, 2024. MES expects to satisfy these requirements as of June 30, 2024 using the same criteria.

Due to inflation and changes in technology, laws, and regulations, estimated closure and post closure care costs may change in the future. Financial Statements of the Landfill can be obtained from MES located at 259 Najoles Road, Millersville, MD 21108.

QUEEN ANNE'S COUNTY, MARYLAND
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2024

NOTE 21 – POLLUTION REMEDIATION OBLIGATIONS

During fiscal year 2009, the County implemented the provisions of Governmental Accounting Standards Board (GASB) Statement 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

During a prior fiscal year, 2003, the County agreed to a voluntary Methyl Tertiary Butyl Ether (MTBE) testing program for underground fuel tanks located at the County's Department of Public Works' fuel depot. This testing program was and still is approved by the Maryland Department of Environment (MDE).

Costs covered remediation work and consulting fees; the latter for testing, studies, and monitoring. Remediation efforts included demolition and removal of the existing fuel depot at the Public Works Centreville Shop; remediation of the soils via excavation; offsite controlled disposal and backfill; installation of monitoring wells; in situ chemical oxidation and dual phase extraction; attorney's fees and miscellaneous environmental consulting services.

In May 2010, MDE requested the County devise a Corrective Action Plan (CAP) to address contamination concerns at the fuel depot site. In August 2010, MDE approved the County's CAP work which included the installation of additional monitoring wells and one year of monitoring, sampling, testing and furnishing of those reports to MDE.

In December of 2014, a leak was discovered at the 10,000 gallon fuel oil UST for the office building. MDE required the removal of the tank and mitigation of the contaminated soils and ground water. The tank has been replaced with a compliant above ground 1,500 gallon fuel oil storage tank. This work was completed, including compliant disposal of all soils by May 2015. MDE subsequently directed the County to install two additional monitoring wells and to abandon the former injection wells on-site.

During fiscal year 2023, the County has maintained the required self-testing of all monitoring wells. As per a letter received by MDE-OCP, dated March 27, 2023, regarding Case #2004-0264-QA, the County was directed to "Conduct one or more quarterly sampling event". This task was contracted out to Chesapeake GeoSciences, Inc. and was performed on July 26, 2023. This report was then sent to MDE-OCP in the month of September 2023. Along with this report, to accompany the reports data, the County's self-testing monthly data was also compiled and sent to MDE-OCP on September 12, 2023, which was inclusive of the months January 2022 through August 2023.

As per an email from MDE-OCP dated September 22, 2023, it was stated "We look forward to reviewing that report and the provided gauging data. Once we complete our review, we will reach out". As of this point, there has been no response from MDE-OCP.

The County will continue to follow the schedule and monitor the wells as it has been doing for the past years. Also, the County will continue to generate a monthly report showing the data found during the monitoring processes. As applied, the following schedule is as follows: monitoring wells MW-2A, MW-11, and MW-9 are tested every week. All monitoring wells are tested once a month.

The estimated costs over the next year are not material, and thus no liability has been recorded at this time. None of these outlays met the requirements for capitalization noted in GASB Statement 49 and they were not capitalized.

REQUIRED SUPPLEMENTARY INFORMATION

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes				
Local Property Tax	\$ 79,900,000	\$ 79,900,000	\$ 82,049,357	\$ 2,149,357
Local Income Tax	80,337,128	85,337,128	86,007,950	670,822
Admission and Amusement Taxes	252,000	252,000	261,842	9,842
Recordation Taxes	7,549,263	7,549,263	7,436,184	(113,079)
Hotel Taxes	885,000	885,000	1,127,036	242,036
County Transfer Taxes	2,724,615	2,724,615	2,885,299	160,684
Cannabis Sales Tax	-	-	83,040	83,040
Franchise Fee	485,000	485,000	364,677	(120,323)
Licenses and Permits	845,875	845,875	802,612	(43,263)
Intergovernmental	2,421,686	3,446,318	3,265,896	(180,422)
Charges for Current Services	3,623,987	3,620,159	4,131,708	511,549
Fines and Forfeitures	70,500	70,500	51,929	(18,571)
Investment Income	1,700,000	7,231,108	7,418,478	187,370
Donations	-	-	177,540	177,540
Miscellaneous	586,589	586,589	1,305,909	719,320
Total Revenues	181,381,643	192,933,555	197,369,457	4,435,902
EXPENDITURES				
GENERAL GOVERNMENT				
Legislative	684,770	757,537	754,444	3,093
Judicial				
Circuit Court	940,009	966,763	891,112	75,651
Orphan's Court	102,786	102,786	100,361	2,425
State's Attorney	1,624,288	1,767,280	1,765,690	1,590
County Administrator	272,133	299,164	299,027	137
Board of Elections	1,184,692	1,184,692	970,450	214,242
Finance Office	1,671,905	1,735,369	1,621,396	113,973
Human Resources	756,020	862,611	858,786	3,825
Planning and Zoning	2,630,657	2,715,185	2,500,542	214,643
Information Technology	3,720,799	3,805,207	3,603,958	201,249
QAC-TV	517,706	537,395	495,154	42,241
Legal Services	505,021	876,188	875,018	1,170
Total General Government	14,610,786	15,610,177	14,735,938	874,239
PUBLIC SAFETY				
Sheriff's Office	11,839,057	13,123,521	13,096,947	26,574
Volunteer Fire and Rescue Services	5,228,788	5,345,175	5,273,116	72,059
Detention Center	6,534,927	6,743,068	6,385,869	357,199
Emergency Services	14,258,038	14,922,769	14,799,510	123,259
Total Public Safety	37,860,810	40,134,533	39,555,442	579,091
PUBLIC WORKS				
Administration	606,212	657,828	655,358	2,470
Solid Waste Disposal	1,890,526	1,932,046	1,700,479	231,567
Engineering Division	1,209,387	1,258,181	1,125,493	132,688
General Services	3,370,683	3,422,420	2,769,322	653,098
Animal Services	1,421,529	1,463,202	1,435,976	27,226
Property Management	360,107	372,014	371,865	149
Total Public Works	8,858,444	9,105,691	8,058,493	1,047,198

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<u>PARKS & RECREATION</u>				
Parks	\$ 4,895,624	\$ 5,062,614	\$ 4,925,239	\$ 137,375
Recreation	1,178,603	1,211,769	1,116,935	94,834
Total Parks & Recreation	6,074,227	6,274,383	6,042,174	232,209
<u>HEALTH AND SOCIAL SERVICES</u>				
Health Department	2,775,750	2,780,587	1,305,306	1,475,281
Social Services	183,758	194,160	193,586	574
Total Health and Social Services	2,959,508	2,974,747	1,498,892	1,475,855
<u>EDUCATION AND LIBRARY</u>				
Board of Education	68,885,219	68,885,219	68,885,219	-
Chesapeake College	2,126,529	2,126,529	2,126,528	1
Queen Anne's County Free Library	2,598,152	2,598,152	2,598,152	-
Total Education and Library	73,609,900	73,609,900	73,609,899	1
<u>CONSERVATION OF NATURAL RESOURCES</u>				
Cooperative Extension Service	410,633	415,305	415,051	254
Soil Conservation Service	323,217	337,035	285,121	51,914
4-H Park	129,800	149,800	146,214	3,586
Total Conservation of Natural Resources	863,650	902,140	846,386	55,754
<u>ECONOMIC AND COMMUNITY DEVELOPMENT</u>				
Economic Development	1,022,699	1,049,607	1,036,415	13,192
Community Affairs	130,132	134,172	128,882	5,290
Total Economic and Community Development	1,152,831	1,183,779	1,165,297	18,482
<u>INTERGOVERNMENTAL</u>				
Aid to Municipalities	359,501	359,501	350,815	8,686
SDAT Costs from State	430,000	430,000	338,793	91,207
Total Intergovernmental	789,501	789,501	689,608	99,893
<u>MISCELLANEOUS</u>				
Aid to Other Agencies	811,148	1,803,388	1,802,478	910
Insurance & Benefits	3,355,300	3,355,300	1,781,475	1,573,825
Transfer to OPEB Fund	2,606,789	2,606,789	2,606,789	-
Contingencies	2,865,763	632,776	502,396	130,380
Salary Lapse	(1,878,310)	(1,878,310)	-	(1,878,310)
Leases and Subscription-Based IT Arrangements	-	38,000	38,000	-
Miscellaneous Non-Departmental	680,400	680,400	501,235	179,165
Total Miscellaneous	8,441,090	7,238,343	7,232,373	5,970

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
DEBT SERVICE				
School Debt Service - Principal	\$ 3,957,720	\$ 3,957,720	\$ 3,957,719	\$ 1
School Debt Service - Interest	1,600,198	1,600,250	1,600,250	-
County Debt Service - Principal	4,510,113	4,530,669	4,530,669	-
County Debt Service - Interest	2,655,432	2,655,432	2,654,423	1,009
Total Debt Service	12,723,463	12,744,071	12,743,061	1,010
Total Expenditures	167,944,210	170,567,265	166,177,563	4,389,702
Excess of Revenues Over Expenditures	13,437,433	22,366,290	31,191,894	8,825,604
OTHER FINANCING SOURCES (USES)				
Proceeds of Capital Asset Disposals	18,000	18,000	28,597	10,597
Insurance Proceeds	-	46,170	139,131	92,961
Subscription-Based IT Arrangements	-	38,000	38,000	-
Transfers In From:				
Impact Fees - School	2,165,911	2,165,911	2,165,911	-
Total Transfers In	2,165,911	2,165,911	2,165,911	-
Transfers Out To:				
General Capital Projects Fund	2,925,521	10,925,521	10,925,521	-
Roads Capital Projects Fund	3,015,480	4,015,480	4,015,480	-
Roads Operating Fund	4,598,650	4,792,793	4,053,145	739,648
Department of Aging	2,686,685	2,667,458	2,481,280	186,178
Department of Housing and Community Services	642,700	752,416	721,418	30,998
Community Partnerships	650,204	574,645	491,311	83,334
Agricultural Transfer Tax	-	1,274,050	1,274,050	-
Grants Fund	44,000	62,271	47,789	14,482
Impact Fees - Fire Companies/Contingencies	90,000	90,000	53,300	36,700
Economic Development Incentive Fund	297,619	297,619	297,619	-
Dredging Special Assessments	-	7,950	7,950	-
Airport Enterprise Fund	59,251	59,251	59,251	-
Public Landings Enterprise Fund	150,000	150,000	150,000	-
Golf Course Enterprise Fund	461,234	461,234	275,000	186,234
Total Transfers Out	15,621,344	26,130,688	24,853,114	1,277,574
Total Other Financing (Uses)	(13,437,433)	(23,862,607)	(22,481,475)	(1,174,016)
Net Increase (Decrease) in Fund Balance	\$ -	\$ (1,496,317)	\$ 8,710,419	\$ 10,206,736

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
GRANTS FUND
FOR THE YEAR ENDED JUNE 30, 2024

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Taxes				
Local Property Tax	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	-	-	-
State Shared Taxes	-	-	-	-
Licenses and Permits	-	-	-	-
Intergovernmental	2,856,866	3,098,899	2,012,200	(1,086,699)
Charges for Current Services	-	-	6,556	6,556
Fines and Forfeitures	-	-	-	-
Investment Income	-	-	-	-
Donations	-	-	-	-
Miscellaneous	71,765	296,350	291,856	(4,494)
Total Revenues	2,928,631	3,395,249	2,310,612	(1,084,637)
EXPENDITURES				
Current				
General Government	99,823	305,804	37,150	268,654
Public Safety	1,458,612	1,674,289	1,310,762	363,527
Public Works	55,347	55,347	16,145	39,202
Parks & Recreation	-	-	-	-
Health and Social Services	217,349	236,742	238,237	(1,495)
Education and Library	-	-	-	-
Conservation of Natural Resources	-	-	-	-
Economic/Community Development	1,141,500	1,185,338	756,107	429,231
Intergovernmental	-	-	-	-
Miscellaneous	-	-	-	-
Capital Outlay	-	-	-	-
Debt Service				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	2,972,631	3,457,520	2,358,401	1,099,119
Excess of Revenues Over (Under) Expenditures	(44,000)	(62,271)	(47,789)	14,482
OTHER FINANCING SOURCES (USES)				
Proceeds of Capital Asset Disposals	-	-	-	-
Insurance Proceeds	-	-	-	-
Transfers In	44,000	62,271	47,789	(14,482)
Transfers Out	-	-	-	-
Total Other Financing Sources (Uses)	44,000	62,271	47,789	(14,482)
Net Increase (Decrease) in Fund Balance	\$ -	\$ -	\$ -	\$ -

QUEEN ANNE'S COUNTY, MARYLAND
MARYLAND STATE RETIREMENT AND PENSION SYSTEMS
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (as of measurement date)

Measurement Date	Employer's Proportion (Percentage) of the Collective NPL A	Employer's Proportion Share of the Collective NPL B	Employer's Covered Payroll C	Proportionate Share as a Percentage of Covered Payroll (B / C)	Plan's Total Fiduciary Net Position D	Plan's Total Pension Liability E	Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (D / E)
June 30, 2014	0.1038567%	\$ 18,431,162	\$ 19,929,409	92%	\$ 45,339,988,000	\$ 63,086,719,000	72%
June 30, 2015	0.1189567%	24,721,248	21,231,535	116%	45,789,840,000	66,571,552,000	69%
June 30, 2016	0.1271511%	30,000,070	23,160,758	130%	45,365,927,000	68,959,954,000	66%
June 30, 2017	0.1232988%	26,661,766	24,681,589	108%	48,987,184,000	70,610,885,000	69%
June 30, 2018	0.1383948%	29,037,440	26,088,826	111%	51,827,233,000	72,808,833,000	71%
June 30, 2019	0.1429452%	29,483,317	26,185,838	113%	53,943,420,000	74,569,030,000	72%
June 30, 2020	0.1514518%	34,230,163	27,669,757	124%	54,586,037,000	77,187,397,000	71%
June 30, 2021	0.1745337%	26,184,085	26,110,792	100%	67,604,500,000	82,606,805,000	82%
June 30, 2022	0.1762298%	35,261,002	27,222,595	130%	64,310,991,000	84,319,523,000	76%
June 30, 2023	0.1960852%	45,159,037	33,312,053	136%	64,892,973,000	87,923,284,000	74%

SCHEDULE OF CONTRIBUTIONS (as of fiscal year end)

Fiscal Year	Contractually Required Contribution A	Actual Contribution B	Contribution Deficiency (Excess) (A - B)	Employer's Covered Payroll C	Actual Contribution as a Percentage of Covered Payroll (B / C)
2015	\$ 2,507,287	\$ 2,507,287	\$ -	\$ 21,231,535	12%
2016	2,477,009	2,477,009	-	23,160,758	11%
2017	2,509,551	2,509,551	-	24,681,589	10%
2018	2,759,698	2,759,698	-	26,088,826	11%
2019	2,935,378	2,935,378	-	26,185,838	11%
2020	3,247,222	3,247,222	-	27,669,757	12%
2021	3,478,809	3,478,809	-	26,110,792	13%
2022	3,617,905	3,617,905	-	27,222,595	13%
2023	4,782,356	4,782,356	-	33,312,053	14%
2024	5,911,428	5,911,428	-	36,434,467	16%

Both schedules are presented to illustrate the requirements to show information for 10 years.

QUEEN ANNE'S COUNTY, MARYLAND
MARYLAND STATE RETIREMENT AND PENSION SYSTEMS
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

Changes in Benefit Terms

There were no changes of benefit terms during the year.

Changes in Assumptions

There were no changes in assumptions during the year.

Method and Assumptions used in Calculations of Actuarially Determined Contributions

Actuarial	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25-year closed amortization period ending June 30, 2039; 15 years remaining.
Asset Valuation Model	Five-year smoothed market (max. 120% and min 80% of the market value)
Inflation	In the 2023 actuarial valuation, 2.25% general, 2.75% wage. In the 2022 actuarial valuation, 2.25% general, 2.75% wage.
Salary Increases	In the 2023 actuarial valuation, 2.75% to 11.25%. In the 2022 actuarial valuation, 2.75% to 11.25%.
Investment Rate of Return	In the 2023 actuarial valuation 6.80%. In the 2022 actuarial valuation 6.80%.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2019 valuation pursuant to the 2018 experience study for the period July 1, 2014 to July 30, 2018.
Mortality	Various versions of the Pub- 2010 Mortality Tables for males and females with projected generational mortality improvements based on the MP-2018 fully generational mortality improvements scale for males and females.

QUEEN ANNE'S COUNTY, MARYLAND
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY

	2017	2018	2019	2020
Total OPEB liability ("TOL")				
Service cost	\$ 1,097,813	\$ 1,130,747	\$ 1,164,669	\$ 1,331,424
Interest	2,764,491	2,985,530	3,136,157	3,344,770
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	-	735,549	-
Changes of assumptions	-	265,899	915,266	426,582
Benefit payments	(1,291,027)	(1,498,005)	(1,568,468)	(1,561,872)
Net change in TOL	2,571,277	2,884,171	4,383,173	3,540,904
TOL - beginning of year	48,695,013	51,266,290	54,150,461	58,533,634
TOL - end of year	\$ 51,266,290	\$ 54,150,461	\$ 58,533,634	\$ 62,074,538

Plan fiduciary net position ("PFNP")

Contributions - employer	\$ 2,223,474	\$ 2,731,447	\$ 3,037,243	\$ 3,378,771
Contributions - member	-	-	-	-
Net investment income	75,175	207,932	342,827	129,710
Benefits payments	(1,291,027)	(1,498,005)	(1,568,468)	(1,561,872)
Administrative expense	-	(2,452)	(39,142)	(3,553)
Other	-	-	-	-
Net change in PFNP	1,007,622	1,438,922	1,772,460	1,943,056
Total PFNP - beginning of year	2,804,433	3,812,055	5,250,977	7,023,437
Total PFNP - end of year	\$ 3,812,055	\$ 5,250,977	\$ 7,023,437	\$ 8,966,493

Net OPEB liability ("NOL") - beginning of year	\$ 45,890,580	\$ 47,454,235	\$ 48,899,484	\$ 51,510,197
Net OPEB liability ("NOL") - end of year	\$ 47,454,235	\$ 48,899,484	\$ 51,510,197	\$ 53,108,045

PFNP as a % of TOL	7.4%	9.7%	12.0%	14.4%
Covered employee payroll	\$ 21,604,888	\$ 22,282,543	\$ 23,843,440	\$ 25,806,124
NOL as a % of covered employee payroll	219.6%	219.5%	216.0%	205.8%

SCHEDULE OF ACTUAL EMPLOYER CONTRIBUTION AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL

FISCAL YEAR	2017	2018	2019	2020
Actuarially Determined Employer Contribution	\$ 3,853,839	\$ 3,969,454	\$ 4,377,119	\$ 4,508,433
Actual Employer Contribution	2,223,474	2,731,447	3,037,243	3,378,771
Contribution Deficiency / (Excess)	1,630,365	1,238,007	1,339,876	1,129,662
Covered Employee Payroll	21,604,888	22,282,543	23,843,440	25,806,124
Contribution as a Percent of Payroll	10.3%	12.3%	12.7%	13.1%

The employer contributions above represent amounts paid in OPEB to retirees, as well as contributions to the OPEB trust.

The schedules is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which the information is available.

QUEEN ANNE'S COUNTY, MARYLAND
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

(CONTINUED)

	2021	2022	2023	2024
\$	1,371,367	\$ 1,226,384	\$ 1,263,176	\$ 983,763
	3,519,372	3,220,060	3,386,945	2,962,304
	-	-	394,544	-
	(8,720,849)	-	(8,541,920)	-
	(1,619,833)	(686,055)	(1,645,226)	-
	(1,670,095)	(1,731,265)	(1,706,367)	(1,846,441)
	(7,120,038)	2,029,124	(6,848,848)	2,099,626
	62,074,538	54,954,500	56,983,624	50,134,776
\$	54,954,500	\$ 56,983,624	\$ 50,134,776	\$ 52,234,402
\$	3,612,555	\$ 4,195,201	\$ 4,098,432	\$ 4,453,230
	-	-	-	-
	2,261,978	(1,964,463)	1,430,230	1,923,140
	(1,670,095)	(1,731,265)	(1,706,367)	(1,846,441)
	(2,236)	(5,253)	(7,722)	(8,025)
	-	-	(7,935)	-
	4,202,202	494,220	3,806,638	4,521,904
	8,966,493	13,168,695	13,662,915	17,469,553
\$	13,168,695	\$ 13,662,915	\$ 17,469,553	\$ 21,991,457
\$	53,108,045	\$ 41,785,805	\$ 43,320,709	\$ 32,665,223
\$	41,785,805	\$ 43,320,709	\$ 32,665,223	\$ 30,242,945
	24.0%	24.0%	34.8%	42.1%
\$	26,326,472	\$ 29,071,019	\$ 32,307,222	\$ 36,215,104
	158.7%	149.0%	101.1%	83.5%

	2021	2022	2023	2024
\$	4,419,451	\$ 4,552,035	\$ 3,864,103	\$ 3,980,026
	3,612,555	4,195,201	4,098,432	4,453,230
	806,896	356,834	(234,329)	(473,204)
	26,326,472	29,071,019	32,307,222	36,215,104
	13.7%	14.4%	12.7%	12.3%

QUEEN ANNE'S COUNTY, MARYLAND
OTHER POST-EMPLOYMENT BENEFITS (OPEB)
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

Actuarial Information - OPEB

Actuarial assumptions

The total OPEB liability was determined by an actuarial valuation as of January 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment Return: 6.00%, net of investment expense and including inflation.

Healthcare Trend: 6.00% initially for all plans, grading down to 4.25% for PPO, EPO and BCA plans ultimate.

Mortality rates are based on the PUB2010G Headcount tables with Scale SSA applied on a generational basis. PUB2010G Headcount Disabled tables are used for those on disability, if applicable.

Changes in Actuarial assumptions

The rates of retirement, disability, withdrawal and mortality were changed since the prior year, as well as a change in discount rate due to an updated fund availability analysis.

Actuarial Methods for Determining Employer Contributions

The same economic and demographic assumptions are used for both funding and financial reporting purposes under GASB 74/75.

The Entry Age method is used for accounting/GASB purposes, therefore all of the actuarial figures within this Report are based on it. Actuarially Determined Contributions are also based on the Entry Age method, with a closed level percentage of payroll amortization of the unfunded liability (15 years remaining).

QUEEN ANNE'S COUNTY, MARYLAND
LENGTH OF SERVICE AWARD PROGRAM (LOSAP)
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

SCHEDULE OF CHANGES IN THE NET LOSAP LIABILITY (as of measurement date)

AS OF MEASUREMENT DATE	2017	2018	2019	2020	2021	2022	2023
Total LOSAP liability ("TLL")							
Service cost	\$ 206,276	\$ 164,371	\$ 215,978	\$ 285,808	\$ 350,104	\$ 268,262	\$ 430,072
Interest cost	196,904	249,496	180,529	158,757	174,594	409,940	282,361
Changes of benefit terms	-	-	-	-	-	-	3,404,969
Differences between expected and actual experience	-	137,821	(78,468)	65,911	65,498	819,208	(526,887)
Changes of assumptions	578,039	(491,888)	1,280,343	1,275,769	315,113	(3,702,745)	460,832
Benefits payments and admin expenses	(190,420)	(220,060)	(220,084)	(231,815)	(240,012)	(304,558)	(628,972)
Net change in TLL	790,799	(160,260)	1,378,298	1,554,430	665,297	(2,509,893)	3,422,375
TLL - beginning of year	6,039,197	6,829,996	6,669,736	8,048,034	9,602,464	10,267,761	7,757,868
TLL - end of year	\$ 6,829,996	\$ 6,669,736	\$ 8,048,034	\$ 9,602,464	\$ 10,267,761	\$ 7,757,868	\$ 11,180,243
Plan fiduciary net position ("PFNP")							
Contributions - employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net investment income	-	-	-	-	-	-	-
Benefits payments	-	-	-	-	-	-	-
Administrative expense	-	-	-	-	-	-	-
Net change in PFNP	-	-	-	-	-	-	-
Total PFNP - beginning of year	-	-	-	-	-	-	-
Total PFNP - end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net LOSAP liability ("NLL")	\$ 6,829,996	\$ 6,669,736	\$ 8,048,034	\$ 9,602,464	\$ 10,267,761	\$ 7,757,868	\$ 11,180,243
PFNP as a % of TLL	0%	0%	0%	0%	0%	0%	0%
Covered employee payroll - *	N/A	N/A	N/A	N/A	N/A	N/A	N/A
NLL as a % of covered payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
* - the NLL is based on volunteer hours and as such has no payroll associated.							
Expected average remaining service years of all participants	6	10	5	5	5	5	6

The schedules is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, pension plans should present information for those years for which the information is available.

QUEEN ANNE'S COUNTY, MARYLAND
LENGTH OF SERVICE AWARD PROGRAM (LOSAP)
REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2024

NOTES TO THE REQUIRED SUPPLEMENTAL INFORMATION - LOSAP

The LOSAP has no assets accumulated in a trust that meet the criteria in GASB 73, paragraph 4.

Benefit changes - fiscal year

2018	None
2019	None
2020	None
2021	None
2022	None
2023	None
2024	Monthly benefit increased from \$6 to \$10, vesting requirement increased from 5-years to 10-years, terminated- vested members <= 10 years of service paid PVAB via lump sum

Changes of assumptions - fiscal year

2018	None, other than discount rate
2019	None, other than discount rate
2020	None, other than discount rate
2021	None, other than discount rate
2022	None, other than discount rate
2023	None, other than discount rate
2024	None, other than discount rate

Discount rate - measurement date

December 31, 2017	3.31%
December 31, 2018	3.71%
December 31, 2019	2.75%
December 31, 2020	2.00%
December 31, 2021	1.84%
December 31, 2022	4.05%
December 31, 2023	3.79%

OTHER SUPPLEMENTARY INFORMATION

Combining and Individual Fund Statements and Schedules

The Combining and Individual Fund Statements and Schedules provide detailed information concerning the financial position, results of operations, and budgetary comparisons for the non-major funds, capital projects, and fiduciary funds.

Non-Major Governmental Funds

Non-Major Governmental Funds are used to account for the proceeds of specific revenue sources (other than capital projects and debt service funds) that are legally restricted to expenditures for specific purposes.

NON-MAJOR GOVERNMENTAL FUNDS

Non-major governmental funds are special revenue funds, unless otherwise noted:

Department of Aging – This fund accounts for activities funded primarily by grants to provide services for the elderly and is included in the social services function.

Housing and Community Services – This fund accounts for activities funded mostly by grants and revolving loan funds that support housing rehabilitation and home-ownership and is included in the economic and community development function.

Revolving Loan Fund – This fund accounts for activities funded by community donations and grants to promote and provide economic development loans to local businesses and is included in the economic and community development function.

Economic Development Incentive Fund – This fund accounts for activities funded with a portion of recordation taxes that support economic development in the County by attracting and investing in new and existing businesses and is included in the economic and community development function.

Roads Operation Fund – This fund accounts financial resources received from the State, plus a substantial amount from the County, for the maintenance of County road infrastructure.

Community Partnerships for Children – This fund accounts for activities funded by grants allocated to the County that provide services for children and families and is included in the social services function.

Critical Areas – This fund accounts for activities funded by payments in lieu of performance bonds that support efforts to mitigate and preserve critical areas along the shoreline of tidal waters within the County and is included in the conservation of natural resources function.

Law Library – This fund accounts for activities funded by court fees, fines, and contributions from local attorneys to update legal reference materials housed in the courthouse and is included in the general government function.

Sheriff's Drug Task Force – This fund accounts for activities funded by drug-related forfeitures that support drug interdiction efforts by a multi-faceted task force and is included in the public safety function.

Inmate Welfare Fund – This fund accounts for activities funded by profits earned from Detention Center inmate-related services that promote the welfare of the inmates and is included in the public safety function.

Agricultural Transfer Tax – This fund accounts for activities funded primarily by the Agricultural Transfer Tax to purchase agricultural easements that preclude development and is included in the conservation of natural resources function.

Rural Legacy – This fund accounts for activities funded primarily by Maryland's Rural Legacy Program to purchase easements that preclude development and is included in the conservation of natural resources function.

Dredging Special Assessments – This fund accounts for activities funded by special assessment funds collected to repay loans for specific dredging and erosion projects that benefited Price's Creek, Grove Creek, and Narrows Pointe and is included in the conservation of natural resources function.

Kent Narrows – This fund accounts for activities funded by tax revenues to improve the Kent Narrows area and is included in the economic and community development function.

Capital Projects – School Impact Fees – This fund accounts for financial resources generated by new residential construction and used for the construction of public school facilities or payment of school debt relating to such construction.

Capital Projects – Fire Company Impact Fees – This fund accounts for activities funded by impact fees specifically earmarked to enhance local volunteer fire company preparedness resulting from new construction and is included in the public safety function.

Capital Projects – Parks and Recreation Impact Fees – This fund accounts for activities funded by impact fees specifically earmarked to enhance parks and recreation and is included in the parks and recreation function.

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2024

	DEPARTMENT OF AGING	HOUSING AND COMMUNITY SERVICES	REVOLVING LOAN FUND	ECONOMIC DEVELOPMENT INCENTIVE	ROADS OPERATING	COMMUNITY PARTNERSHIPS FOR CHILDREN
ASSETS						
Cash and Cash Equivalents	\$ -	\$ 5,313,340	\$ 40,000	\$ 1,175,041	\$ 532,773	\$ 195,076
Prepaid Items	-	-	-	-	-	-
Receivables						
Taxes Receivable (Net)	-	-	-	-	-	-
Accounts Receivable (Net)	-	-	-	-	82,664	19,155
Loans Receivable (Net)	-	6,194,339	50,000	-	-	-
Special Assessments (Net)	-	-	-	-	-	-
Due from Other Governments	530,563	91,451	-	-	519,501	363,017
Inventory	-	-	-	-	1,218,486	-
Total Assets	\$ 530,563	\$ 11,599,130	\$ 90,000	\$ 1,175,041	\$ 2,353,424	\$ 577,248
LIABILITIES						
Accrued Liabilities	\$ 194,943	\$ 66,809	\$ -	\$ -	\$ 209,912	\$ 127,422
Due to Other Funds	206,488	-	-	-	-	-
Due to Component Units	-	-	-	-	-	70,038
Due to Other Governmental Agencies	-	3,507	-	-	-	313,364
Unearned Revenue	-	-	-	-	816,137	-
Total Liabilities	401,431	70,316	-	-	1,026,049	510,824
DEFERRED INFLOWS OF RESOURCES						
Unavailable Benefit Assessments	-	-	-	-	-	-
Unavailable Fees	-	-	-	-	-	-
Total Deferred Inflows	-	-	-	-	-	-
Total Liabilities and Deferred Inflows	401,431	70,316	-	-	1,026,049	510,824
FUND BALANCES						
Nonspendable	-	-	-	-	1,218,486	-
Restricted	955	2,843,180	-	-	-	-
Committed	-	8,685,634	90,000	1,175,041	-	-
Assigned	128,177	-	-	-	108,889	66,424
Unassigned	-	-	-	-	-	-
Total Fund Balances	129,132	11,528,814	90,000	1,175,041	1,327,375	66,424
Total Liabilities, Deferred Inflows and Fund Balances	\$ 530,563	\$ 11,599,130	\$ 90,000	\$ 1,175,041	\$ 2,353,424	\$ 577,248

CRITICAL AREAS		LAW LIBRARY	SHERIFF'S DRUG TASK FORCE	INMATE WELFARE	AGRICULTURAL TRANSFER	RURAL LEGACY	DREDGING SPECIAL ASSESSMENTS
\$	383,627	\$ 552,620	\$ 222,625	\$ 167,495	\$ 1,986,162	\$ 426,595	\$ 14,797
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	8,172	-	-	-	-	2
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	559,554
-	-	-	-	-	-	-	-
\$	383,627	\$ 560,792	\$ 222,625	\$ 167,495	\$ 1,986,162	\$ 426,595	\$ 574,353
\$	-	\$ 379	\$ 55,197	\$ 3,155	\$ 13,768	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	379	55,197	3,155	13,768	-	-
-	-	-	-	-	-	-	559,554
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	559,554
-	-	379	55,197	3,155	13,768	-	559,554
-	-	-	-	-	-	-	-
383,627	-	167,428	164,340	1,972,394	426,595	14,799	-
-	-	-	-	-	-	-	-
-	560,413	-	-	-	-	-	-
-	-	-	-	-	-	-	-
383,627	560,413	167,428	164,340	1,972,394	426,595	14,799	-
\$	383,627	\$ 560,792	\$ 222,625	\$ 167,495	\$ 1,986,162	\$ 426,595	\$ 574,353

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QUEEN ANNE'S COUNTY, MARYLAND
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2024
(CONTINUED)

	CAPITAL PROJECTS					
	KENT NARROWS	SCHOOL IMPACT FEES	FIRE COMPANY IMPACT FEES	PARKS AND RECREATION IMPACT FEES	TOTAL NON-MAJOR GOVERNMENTAL	
<u>ASSETS</u>						
Cash and Cash Equivalents	\$ 257,426	\$ 12,500,272	\$ 404,988	\$ 859,958	\$ 25,032,795	
Prepaid Items	-	-	-	-	-	
Receivables						
Taxes Receivable (Net)	-	-	-	-	-	
Accounts Receivable (Net)	-	-	-	-	109,993	
Loans Receivable (Net)	-	64,166	9,076	21,228	6,338,809	
Special Assessments (Net)	-	-	-	-	559,554	
Due from Other Governments	-	-	-	-	1,504,532	
Inventory	-	-	-	-	1,218,486	
Total Assets	\$ 257,426	\$ 12,564,438	\$ 414,064	\$ 881,186	\$ 34,764,169	
<u>LIABILITIES</u>						
Accrued Liabilities	\$ -	\$ 968	\$ 112	\$ 108	\$ 672,773	
Due to Other Funds	-	-	-	-	206,488	
Due to Component Units	-	-	-	-	70,038	
Due to Other Governmental Agencies	-	-	-	-	316,871	
Unearned Revenue	-	-	-	-	816,137	
Total Liabilities	-	968	112	108	2,082,307	
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable Benefit Assessments	-	-	-	-	559,554	
Unavailable Fees	-	64,166	9,076	21,228	94,470	
Total Deferred Inflows	-	64,166	9,076	21,228	654,024	
Total Liabilities and Deferred Inflows	-	65,134	9,188	21,336	2,736,331	
<u>FUND BALANCES</u>						
Nonspendable	-	-	-	-	1,218,486	
Restricted	257,426	-	-	-	6,230,744	
Committed	-	12,499,304	404,876	859,850	23,714,705	
Assigned	-	-	-	-	863,903	
Unassigned	-	-	-	-	-	
Total Fund Balances	257,426	12,499,304	404,876	859,850	32,027,838	
Total Liabilities, Deferred Inflows and Fund Balances	\$ 257,426	\$ 12,564,438	\$ 414,064	\$ 881,186	\$ 34,764,169	



QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	DEPARTMENT OF AGING	HOUSING AND COMMUNITY SERVICES	REVOLVING LOAN FUND	ECONOMIC DEVELOPMENT INCENTIVE	ROADS OPERATING	COMMUNITY PARTNERSHIPS FOR CHILDREN
REVENUES						
Taxes						
Local Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	232,381	-	-	-	-
State Shared Taxes	-	-	-	-	1,528,714	-
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	1,660,145	349,906	-	-	-	727,489
Charges for Current Services	62,176	-	-	-	173,947	-
Fines and Forfeitures	-	-	-	-	-	-
Investment Income	24,171	54,339	-	-	-	206
Donations	22,978	-	-	-	-	-
Miscellaneous	-	436	-	14,049	9,409	15,919
Total Revenues	1,769,470	637,062	-	14,049	1,712,070	743,614
EXPENDITURES						
Current						
General Government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-
Public Works	-	-	-	-	5,825,692	-
Parks & Recreation	-	-	-	-	-	-
Health & Social Services	4,245,298	-	-	-	-	1,234,719
Conservation of Natural Resources	-	-	-	-	-	-
Economic/Community Development	-	1,044,310	-	71,599	-	-
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	4,245,298	1,044,310	-	71,599	5,825,692	1,234,719
Excess of Revenues Over (Under) Expenditures	(2,475,828)	(407,248)	-	(57,550)	(4,113,622)	(491,105)
OTHER FINANCING SOURCES (USES)						
Proceeds of Capital Asset Disposals	-	-	-	-	60,477	-
Insurance Proceeds	11,053	-	-	-	-	-
Transfers In	2,481,280	721,418	-	297,619	4,053,145	491,311
Transfers Out	-	-	-	-	-	-
Other Financing Sources (Uses)	2,492,333	721,418	-	297,619	4,113,622	491,311
Net Increase (Decrease) in Fund Balances	16,505	314,170	-	240,069	-	206
Fund Balances, July 1	112,627	11,214,644	90,000	934,972	1,327,375	66,218
Fund Balances, June 30	\$ 129,132	\$ 11,528,814	\$ 90,000	\$ 1,175,041	\$ 1,327,375	\$ 66,424

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)

CRITICAL AREAS	LAW LIBRARY	SHERIFF'S DRUG TASK FORCE	INMATE WELFARE	AGRICULTURAL TRANSFER	RURAL LEGACY	DREDGING SPECIAL ASSESSMENTS
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	31,473	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1,380,064	-
10,938	12,530	-	84,488	-	-	48,412
-	32,375	48,123	-	-	-	-
-	28,040	11,546	9,400	-	25,495	438
-	-	-	-	-	-	-
-	-	-	11,124	-	-	-
10,938	72,945	59,669	105,012	31,473	1,405,559	48,850
-	17,675	-	-	-	-	-
-	-	47,396	127,433	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,360,346	1,398,769	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	47,816
-	-	-	-	-	-	-
-	17,675	47,396	127,433	1,360,346	1,398,769	47,816
10,938	55,270	12,273	(22,421)	(1,328,873)	6,790	1,034
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	1,274,050	-	7,950
-	-	-	-	-	-	-
-	-	-	-	1,274,050	-	7,950
10,938	55,270	12,273	(22,421)	(54,823)	6,790	8,984
372,689	505,143	155,155	186,761	2,027,217	419,805	5,815
\$ 383,627	\$ 560,413	\$ 167,428	\$ 164,340	\$ 1,972,394	\$ 426,595	\$ 14,799

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)

	CAPITAL PROJECTS					TOTAL NON-MAJOR GOVERNMENTAL
	KENT NARROWS	SCHOOL IMPACT FEES	FIRE COMPANY IMPACT FEES	PARKS AND RECREATION IMPACT FEES		
<u>REVENUES</u>						
Taxes						
Local Property Tax	\$ 60,101	\$ -	\$ -	\$ -	\$ -	60,101
Recordation Taxes	-	-	-	-	-	232,381
State Shared Taxes	-	-	-	-	-	1,560,187
Licenses and Permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	4,117,604
Charges for Current Services	-	2,291,783	319,113	252,361	-	3,255,748
Fines and Forfeitures	-	-	-	-	-	80,498
Investment Income	12,625	696,862	32,463	37,586	-	933,171
Donations	-	-	-	-	-	22,978
Miscellaneous	-	-	-	-	-	50,937
Total Revenues	72,726	2,988,645	351,576	289,947	-	10,313,605
<u>EXPENDITURES</u>						
Current						
General Government	-	-	-	-	-	17,675
Public Safety	-	-	602,031	-	-	776,860
Public Works	-	-	-	-	-	5,825,692
Parks & Recreation	-	-	-	-	-	-
Health & Social Services	-	-	-	-	-	5,480,017
Conservation of Natural Resources	-	-	-	-	-	2,759,115
Economic/Community Development	-	-	-	-	-	1,115,909
Capital Outlay	-	-	-	-	-	-
Debt Service						
Principal	-	-	-	-	-	47,816
Interest and Fiscal Charges	-	-	-	-	-	-
Total Expenditures	-	-	602,031	-	-	16,023,084
Excess of Revenues Over (Under) Expenditures	72,726	2,988,645	(250,455)	289,947	-	(5,709,479)
<u>OTHER FINANCING SOURCES (USES)</u>						
Proceeds of Capital Asset Disposals	-	-	-	-	-	60,477
Insurance Proceeds	-	-	-	-	-	11,053
Transfers In	-	-	53,300	-	-	9,380,073
Transfers Out	-	(2,165,911)	-	-	-	(2,165,911)
Other Financing Sources (Uses)	-	(2,165,911)	53,300	-	-	7,285,692
Net Increase (Decrease) in Fund Balances	72,726	822,734	(197,155)	289,947	-	1,576,213
Fund Balances, July 1	184,700	11,676,570	602,031	569,903	-	30,451,625
Fund Balances, June 30	\$ 257,426	\$ 12,499,304	\$ 404,876	\$ 859,850	\$ -	32,027,838



QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	DEPARTMENT OF AGING				HOUSING AND COMMUNITY SERVICES			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES								
Taxes								
Local Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	-	-	-	200,000	200,000	232,381	32,381
State Shared Taxes	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	1,204,915	1,851,468	1,660,145	(191,323)	279,332	459,635	349,906	(109,729)
Charges for Current Services	83,000	83,000	62,176	(20,824)	400,000	400,000	-	(400,000)
Fines and Forfeitures	-	-	-	-	-	-	-	-
Investment Income	-	-	24,171	24,171	-	-	54,339	54,339
Donations	35,000	35,000	22,978	(12,022)	-	-	-	-
Miscellaneous	36,600	36,600	-	(36,600)	-	-	436	436
Total Revenues	1,359,515	2,006,068	1,769,470	(236,598)	879,332	1,059,635	637,062	(422,573)
EXPENDITURES								
Current								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	-	-
Health and Social Services	4,046,200	4,673,526	4,245,298	428,228	-	-	-	-
Education and Library	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-
Economic/Community Development	-	-	-	-	1,522,032	1,842,051	1,044,310	797,741
Intergovernmental	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	4,046,200	4,673,526	4,245,298	428,228	1,522,032	1,842,051	1,044,310	797,741
Excess of Revenues Over (Under) Expenditures	(2,686,685)	(2,667,458)	(2,475,828)	191,630	(642,700)	(782,416)	(407,248)	375,168
OTHER FINANCING SOURCES (USES)								
Proceeds of Capital Asset Disposals	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	11,053	11,053	-	-	-	-
Transfers In	2,686,685	2,667,458	2,481,280	(186,178)	642,700	782,416	751,418	(30,998)
Transfers Out	-	-	-	-	-	(30,000)	(30,000)	-
Total Other Financing Sources (Uses)	2,686,685	2,667,458	2,492,333	(175,125)	642,700	752,416	721,418	(30,998)
Net Increase (Decrease) in Fund Balances	\$ -	\$ -	\$ 16,505	\$ 16,505	\$ -	\$ (30,000)	\$ 314,170	\$ 344,170

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024
(Continued)

	ECONOMIC DEVELOPMENT INCENTIVE				ROADS OPERATING			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES								
Taxes								
Local Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	-	-	-	-	-	-	-
State Shared Taxes	-	-	-	-	1,519,500	1,519,500	1,528,714	9,214
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Current Services	-	-	-	-	95,000	95,000	173,947	78,947
Fines and Forfeitures	-	-	-	-	-	-	-	-
Investment Income	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Miscellaneous	27,100	27,100	14,049	(13,051)	-	-	9,409	9,409
Total Revenues	27,100	27,100	14,049	(13,051)	1,614,500	1,614,500	1,712,070	97,570
EXPENDITURES								
Current								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	6,213,151	6,407,294	5,825,692	581,602
Parks & Recreation	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Education and Library	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-
Economic/Community Development	350,000	350,000	71,599	278,401	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	350,000	350,000	71,599	278,401	6,213,151	6,407,294	5,825,692	581,602
Excess of Revenues Over (Under) Expenditures	(322,900)	(322,900)	(57,550)	265,350	(4,598,651)	(4,792,794)	(4,113,622)	679,172
OTHER FINANCING SOURCES (USES)								
Proceeds of Capital Asset Disposals	-	-	-	-	-	-	60,477	60,477
Insurance Proceeds	-	-	-	-	-	-	-	-
Transfers In	297,619	297,619	297,619	-	4,598,651	4,792,794	4,053,145	(739,649)
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	297,619	297,619	297,619	-	4,598,651	4,792,794	4,113,622	(679,172)
Net Increase (Decrease) in Fund Balances	\$ (25,281)	\$ (25,281)	\$ 240,069	\$ 265,350	\$ -	\$ -	\$ -	\$ -

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)

	COMMUNITY PARTNERSHIPS FOR CHILDREN				LAW LIBRARY			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES								
Taxes								
Local Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	-	-	-	-	-	-	-
State Shared Taxes	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	708,427	748,427	727,489	(20,938)	-	-	-	-
Charges for Current Services	-	-	-	-	10,000	10,000	12,530	2,530
Fines and Forfeitures	-	-	-	-	15,500	15,500	32,375	16,875
Investment Income	-	-	206	206	-	-	28,040	28,040
Donations	-	-	-	-	-	-	-	-
Miscellaneous	12,500	12,500	15,919	3,419	-	-	-	-
Total Revenues	720,927	760,927	743,614	(17,313)	25,500	25,500	72,945	47,445
EXPENDITURES								
Current								
General Government	-	-	-	-	25,500	25,500	17,675	7,825
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	-	-
Health and Social Services	1,371,131	1,335,572	1,234,719	100,853	-	-	-	-
Education and Library	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-
Economic/Community Development	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	1,371,131	1,335,572	1,234,719	100,853	25,500	25,500	17,675	7,825
Excess of Revenues Over (Under) Expenditures	(650,204)	(574,645)	(491,105)	83,540	-	-	55,270	55,270
OTHER FINANCING SOURCES (USES)								
Proceeds of Capital Asset Disposals	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-
Transfers In	650,204	574,645	491,311	(83,334)	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	650,204	574,645	491,311	(83,334)	-	-	-	-
Net Increase (Decrease) in Fund Balances	\$ -	\$ -	\$ 206	\$ 206	\$ -	\$ -	\$ 55,270	\$ 55,270

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024
(Continued)

	INMATE WELFARE				ARGICULTURAL TRANSFER			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES								
Taxes								
Local Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	-	-	-	-	-	-	-
State Shared Taxes	-	-	-	-	125,000	125,000	31,473	(93,527)
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	10,890	10,890	-	(10,890)	-	-	-	-
Charges for Current Services	125,000	125,000	84,488	(40,512)	-	-	-	-
Fines and Forfeitures	-	-	-	-	-	-	-	-
Investment Income	-	-	9,400	9,400	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Miscellaneous	16,310	16,310	11,124	(5,186)	-	-	-	-
Total Revenues	152,200	152,200	105,012	(47,188)	125,000	125,000	31,473	(93,527)
EXPENDITURES								
Current								
General Government	-	-	-	-	-	-	-	-
Public Safety	148,150	148,150	127,433	20,717	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Education and Library	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	1,425,000	2,699,050	1,360,346	1,338,704
Economic/Community Development	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Capital Outlay	15,000	15,000	-	15,000	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	163,150	163,150	127,433	35,717	1,425,000	2,699,050	1,360,346	1,338,704
Excess of Revenues Over (Under) Expenditures	(10,950)	(10,950)	(22,421)	(11,471)	(1,300,000)	(2,574,050)	(1,328,873)	1,245,177
OTHER FINANCING SOURCES (USES)								
Proceeds of Capital Asset Disposals	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	1,274,050	1,274,050	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	1,274,050	1,274,050	-
Net Increase (Decrease) in Fund Balances	\$ (10,950)	\$ (10,950)	\$ (22,421)	\$ (11,471)	\$ (1,300,000)	\$ (1,300,000)	\$ (54,823)	\$ 1,245,177

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024
(CONTINUED)

	RURAL LEGACY				DREDGING SPECIAL ASSESSMENTS			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES								
Taxes								
Local Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	-	-	-	-	-	-	-
State Shared Taxes	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	1,307,452	1,380,064	1,380,064	-	-	-	-	-
Charges for Current Services	-	-	-	-	47,816	47,816	48,412	596
Fines and Forfeitures	-	-	-	-	-	-	-	-
Investment Income	-	18,705	25,495	6,790	-	-	438	438
Donations	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	1,307,452	1,398,769	1,405,559	6,790	47,816	47,816	48,850	1,034
EXPENDITURES								
Current								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Education and Library	-	-	-	-	-	-	-	-
Conservation of Natural Resources	1,307,452	1,398,769	1,398,769	-	-	7,950	-	7,950
Economic/Community Development	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	47,816	47,816	47,816	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	1,307,452	1,398,769	1,398,769	-	47,816	55,766	47,816	7,950
Excess of Revenues Over (Under) Expenditures	-	-	6,790	6,790	-	(7,950)	1,034	8,984
OTHER FINANCING SOURCES (USES)								
Proceeds of Capital Asset Disposals	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	7,950	7,950	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-	-	7,950	7,950	-
Net Increase (Decrease) in Fund Balances	\$ -	\$ -	\$ 6,790	\$ 6,790	\$ -	\$ -	\$ 8,984	\$ 8,984

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024
(Continued)

	KENT NARROWS FUND				CAPITAL PROJECTS - SCHOOL IMPACT FEES			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES								
Taxes								
Local Property Tax	\$ 50,000	\$ 50,000	\$ 60,101	\$ 10,101	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	-	-	-	-	-	-	-
State Shared Taxes	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Current Services	-	-	-	-	2,095,911	2,095,911	2,291,783	195,872
Fines and Forfeitures	-	-	-	-	-	-	-	-
Investment Income	-	-	12,625	12,625	70,000	70,000	696,862	626,862
Donations	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	50,000	50,000	72,726	22,726	2,165,911	2,165,911	2,988,645	822,734
EXPENDITURES								
Current								
General Government	-	-	-	-	-	-	-	-
Public Safety	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Education and Library	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-
Economic/Community Development	50,000	50,000	-	50,000	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	50,000	50,000	-	50,000	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	72,726	72,726	2,165,911	2,165,911	2,988,645	822,734
OTHER FINANCING SOURCES (USES)								
Proceeds of Capital Asset Disposals	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-
Transfers In	-	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	(2,165,911)	(2,165,911)	(2,165,911)	-
Total Other Financing Sources (Uses)	-	-	-	-	(2,165,911)	(2,165,911)	(2,165,911)	-
Net Increase (Decrease) in Fund Balances	\$ -	\$ -	\$ 72,726	\$ 72,726	\$ -	\$ -	\$ 822,734	\$ 822,734

CONTINUED

QUEEN ANNE'S COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024
(Continued)

	CAPITAL PROJECTS - FIRE COMPANY IMPACT FEES				CAPITAL PROJECTS - PARKS & RECREATION IMPACT FEES			
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE POSITIVE (NEGATIVE)
REVENUES								
Taxes								
Local Property Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Recordation Taxes	-	-	-	-	-	-	-	-
State Shared Taxes	-	-	-	-	-	-	-	-
Licenses and Permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for Current Services	291,500	253,235	319,113	65,878	299,600	299,600	252,361	(47,239)
Fines and Forfeitures	-	-	-	-	-	-	-	-
Investment Income	1,200	1,200	32,463	31,263	400	400	37,586	37,186
Donations	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total Revenues	292,700	254,435	351,576	97,141	300,000	300,000	289,947	(10,053)
EXPENDITURES								
Current								
General Government	-	-	-	-	-	-	-	-
Public Safety	382,700	602,031	602,031	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Parks & Recreation	-	-	-	-	-	-	-	-
Health and Social Services	-	-	-	-	-	-	-	-
Education and Library	-	-	-	-	-	-	-	-
Conservation of Natural Resources	-	-	-	-	-	-	-	-
Economic/Community Development	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service								
Principal	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-
Total Expenditures	382,700	602,031	602,031	-	-	-	-	-
Excess of Revenues Over (Under) Expenditures	(90,000)	(347,596)	(250,455)	97,141	300,000	300,000	289,947	(10,053)
OTHER FINANCING SOURCES (USES)								
Proceeds of Capital Asset Disposals	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-
Transfers In	90,000	90,000	53,300	(36,700)	-	-	-	-
Transfers Out	-	-	-	-	(300,000)	(300,000)	-	300,000
Total Other Financing Sources (Uses)	90,000	90,000	53,300	(36,700)	(300,000)	(300,000)	-	300,000
Net Increase (Decrease) in Fund Balances	\$ -	\$ (257,596)	\$ (197,155)	\$ 60,441	\$ -	\$ -	\$ 289,947	\$ 289,947

NON-MAJOR ENTERPRISE FUNDS

Non-Major Enterprise funds account for activities which are commercial in nature and are primarily or partially intended to be self-supporting. Each fund sets its rates and service charges at a level sufficient to: (1) meet all of its operating expenses; (2) provide for depreciation from wear and obsolescence of capital assets; and (3) to the extent that funds are not borrowed, finance the cost of expansion of physical facilities.

NON-MAJOR ENTERPRISE FUNDS

Non-major enterprise funds include the following funds:

Blue Heron Golf Course – This fund accounts for operation and maintenance of an 18-hole public golf course that is owned and operated by the County.

Public Landings and Marinas – This fund accounts for operation, maintenance, and major repairs of public landings, bulkheads, and public marinas. For a fee, the general public has access to these landings to launch small craft into the many waterways that surround the County and can also access the marinas for temporary mooring.

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF NET POSITION
NON-MAJOR ENTERPRISE FUNDS
June 30, 2024

	GOLF COURSE	PUBLIC LANDINGS AND MARINAS	TOTAL NON-MAJOR ENTERPRISE
<u>ASSETS</u>			
Current Assets			
Equity in Pooled Cash	\$ -	\$ 859,726	\$ 859,726
Prepaid Items	2,520	-	2,520
Accounts Receivable (Net)	-	90,990	90,990
Due from Other Governments	-	14,999	14,999
Inventories	8,104	-	8,104
Total Current Assets	10,624	965,715	976,339
Capital Assets	3,979,223	7,571,780	11,551,003
Less Accumulated Depreciation	(896,618)	(1,897,466)	(2,794,084)
Total Capital Assets, Net of Depreciation	3,082,605	5,674,314	8,756,919
Total Assets	3,093,229	6,640,029	9,733,258
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
OPEB	-	4,883	4,883
Pension Benefits	46,896	95,062	141,958
Deferred Charge on Refunding	-	441	441
Total Deferred Outflows of Resources	46,896	100,386	147,282
<u>LIABILITIES</u>			
Current Liabilities			
Accounts Payable	57,307	30,447	87,754
Accrued Interest Payable	1,358	7,657	9,015
Due to Other Funds	185,929	-	185,929
Unearned Revenue	9,801	-	9,801
Current Portion of Compensated Absences	11,686	28,689	40,375
Current Portion of Lease Payable	27,922	-	27,922
Current Portion of Bonds/Notes Payable	5,036	75,840	80,876
Total Current Liabilities	299,039	142,633	441,672
Noncurrent Liabilities			
Compensated Absences	8,136	19,975	28,111
OPEB	-	228,350	228,350
Net Pension Liability	81,325	166,007	247,332
Lease Payable	82,792	-	82,792
Bonds/Notes Payable	75,163	547,758	622,921
Total Noncurrent Liabilities	247,416	962,090	1,209,506
Total Liabilities	546,455	1,104,723	1,651,178
<u>DEFERRED INFLOWS OF RESOURCES</u>			
OPEB	-	56,958	56,958
Pension Benefits	12,738	24,941	37,679
Bond Refundings	-	1,338	1,338
Total Deferred Inflows of Resources	12,738	83,237	95,975
<u>NET POSITION</u>			
Net Investment in Capital Assets	2,891,692	5,049,819	7,941,511
Unrestricted Amounts (Deficit)	(310,760)	502,636	191,876
Total Net Position	\$ 2,580,932	\$ 5,552,455	\$ 8,133,387

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	GOLF COURSE	PUBLIC LANDINGS AND MARINAS	TOTAL NON-MAJOR ENTERPRISE
<u>OPERATING REVENUES</u>			
Charges for Services	\$ 720,153	\$ 465,457	\$ 1,185,610
Intergovernmental	-	14,999	14,999
Material Sales	59,280	-	59,280
Miscellaneous Revenues	1,401	37,765	39,166
Total Operating Revenues	780,834	518,221	1,299,055
<u>OPERATING EXPENSES</u>			
Recreation	657,995	511,826	1,169,821
OPEB	-	(13,421)	(13,421)
Pension Liability Adjustment	(3,099)	(6,503)	(9,602)
Depreciation and amortization	71,170	160,093	231,263
Total Operating Expenses	726,066	651,995	1,378,061
Operating Income (Loss)	54,768	(133,774)	(79,006)
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Expense	(4,842)	(14,300)	(19,142)
Total Non-Operating (Expenses)	(4,842)	(14,300)	(19,142)
Transfers In (Out)	275,000	150,000	425,000
Change in Net Position	324,926	1,926	326,852
Total Net Position - Beginning of Year	2,256,006	5,550,529	7,806,535
Total Net Position - End of Year	\$ 2,580,932	\$ 5,552,455	\$ 8,133,387

QUEEN ANNE'S COUNTY, MARYLAND
COMBINING STATEMENT OF CASH FLOWS
NON-MAJOR ENTERPRISE FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	GOLF COURSE	PUBLIC LANDINGS AND MARINAS	TOTAL NON-MAJOR ENTERPRISE
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Receipts from customers and users	\$ 779,433	\$ 440,558	\$ 1,219,991
Receipts from other operating revenues	4,423	116,155	120,578
Payments to suppliers	(421,621)	(276,228)	(697,849)
Payments to employees and on behalf of employees	(218,547)	(303,610)	(522,157)
Net Cash Provided (Used) by Operating Activities	143,688	(23,125)	120,563
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>			
Transfers from (to) other funds	275,000	150,000	425,000
(Payments) Receipts of interfund loans	(108,118)	-	(108,118)
Net Cash Provided by Noncapital Financing Activities	166,882	150,000	316,882
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>			
Principal paid on lease and bond payables	(32,051)	(72,952)	(105,003)
Interest paid on capital debt	(4,992)	(15,075)	(20,067)
Acquisition and Construction of Capital Assets	(273,527)	-	(273,527)
Net Cash Used by Capital and Related Financing Activities	(310,570)	(88,027)	(398,597)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Investment income	-	-	-
Net Cash Provided (Used) by Investing Activities	-	-	-
Net increase (decrease) in cash and cash equivalents	-	38,848	38,848
Balances - Beginning of year	-	820,878	820,878
Balances - End of year	\$ -	\$ 859,726	\$ 859,726
<u>Reconciliation of operating income (loss) to net cash provided by operating activities</u>			
Operating income (loss)	\$ 54,768	\$ (133,774)	\$ (79,006)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Amortization and Depreciation	71,170	160,093	231,263
Changes in assets and liabilities:			
Accounts receivable, net	-	(24,899)	(24,899)
Operating grants receivable	-	63,391	63,391
Inventories and Prepaid Expenses	(2,586)	-	(2,586)
Vendor accounts payable	19,867	(66,859)	(46,992)
Unearned revenue collected in advance	3,022	-	3,022
Compensated absences	545	(1,152)	(607)
OPEB	-	(13,421)	(13,421)
Net Pension Liability	(3,098)	(6,504)	(9,602)
Net Cash Provided (Used) by Operating Activities	\$ 143,688	\$ (23,125)	\$ 120,563

FIDUCIARY FUNDS

Fiduciary funds account for assets held for others, in a trustee or agency capacity, which cannot be used to support other government programs.

Custodial Funds account for assets held by the County on behalf of individuals, private organizations, or other governments and/or funds. Additional combining schedules for the County's Custodial Funds are included in this section.

CUSTODIAL FUNDS

Custodial funds are as follows:

Tax Ditch – This fund accounts for special taxing district revenues that are used to maintain drainage ditches located in parts of the County.

Zoning Deposits – This fund accounts for performance deposits required under various sections of the Zoning Ordinance.

State and Town Tax Collections – This fund accounts for collections received by the County on behalf of the State of Maryland and incorporated towns located within the County. These taxes are collected by the County along with County taxes and are then remitted to the proper jurisdiction.

Motor Vehicle Administration Deposits – This fund accounts for funds collected by the County for State vehicle registration fees.

Escheat – Abandoned Property – This fund accounts for stale-dated County payroll and disbursements checks that are voided by the County and remitted to the State after three years as abandoned property. In accordance with State statutes, these funds are available to be claimed by the original payee or they revert to the State.

Inmate Welfare – This fund accounts for earnings or other funds deposited into an account established for the inmates. Inmates can use these funds to make purchases at the commissary. Any remaining funds belonging to an inmate is paid to them upon release.

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
JUNE 30, 2024

	TAX DITCH FUND	ZONING DEPOSITS	STATE & TOWN TAX COLLECTIONS	MOTOR VEHICLE ADMIN DEPOSITS	ESCHEAT - ABANDONED PROPERTY	INMATE WELFARE	TOTAL CUSTODIAL FUNDS
ASSETS							
Cash and Cash Equivalents	\$ 197,165	\$ 863,410	\$ 163,530	\$ -	\$ 21,652	\$ 37,680	\$ 1,283,437
Total Assets	\$ 197,165	\$ 863,410	\$ 163,530	\$ -	\$ 21,652	\$ 37,680	\$ 1,283,437
LIABILITIES							
Accounts Payable and Other Liabilities	\$ 11,421	\$ -	\$ -	\$ -	\$ -	\$ 1,259	\$ 12,680
Due to Other Governments	-	-	163,530	-	21,652	-	185,182
Total Liabilities	\$ 11,421	\$ -	\$ 163,530	\$ -	\$ 21,652	\$ 1,259	\$ 197,862
NET POSITION							
Restricted for:							
Individuals, Organizations, and other Governments	\$ 185,744	\$ 863,410	\$ -	\$ -	\$ -	\$ 36,421	\$ 1,085,575

QUEEN ANNE'S COUNTY, MARYLAND
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2024

	TAX DITCH FUND	ZONING DEPOSITS	STATE & TOWN TAX COLLECTIONS	MOTOR VEHICLE ADMIN DEPOSITS	ESCHEAT - ABANDONED PROPERTY	INMATE WELFARE	TOTAL CUSTODIAL FUNDS
ADDITIONS							
Tax Ditch	\$ 37,360	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37,360
Zoning Deposits	-	199,777	-	-	-	-	199,777
Tax Collections for Other Governments	-	-	16,652,672	-	-	-	16,652,672
Motor Vehicle Administration	-	-	-	206,879	-	-	206,879
Escheat - Abandoned Property	-	-	-	-	76,003	-	76,003
Inmate Welfare	-	-	-	-	-	139,416	139,416
Total Additions	37,360	199,777	16,652,672	206,879	76,003	139,416	17,312,107
DEDUCTIONS							
Distribution of Tax Ditch Funds	40,006	-	-	-	-	-	40,006
Refund of Zoning Deposits	-	104,037	-	-	-	-	104,037
Payments of Tax to Other Governments	-	-	16,652,672	-	-	-	16,652,672
Payments to Motor Vehicle Administration	-	-	-	206,879	-	-	206,879
Payments of Escheat to Others	-	-	-	-	76,003	-	76,003
Distribution of Inmate Welfare Funds	-	-	-	-	-	140,532	140,532
Total Deductions	40,006	104,037	16,652,672	206,879	76,003	140,532	17,220,129
Net increase (decrease) in Fiduciary Net Position	(2,646)	95,740	-	-	-	(1,116)	91,978
Net Position-Beginning of Year	188,390	767,670	-	-	-	37,537	993,597
Net Position-End of Year	\$ 185,744	\$ 863,410	\$ -	\$ -	\$ -	\$ 36,421	\$ 1,085,575

Community Partnerships for Children

Community Partnerships for Children is reported as a Non-Major Special Revenue Fund in the County's financial statements. In lieu of preparing separate audited financial statements for the Partnership, additional schedules have been added to the County's financial statements to meet requirements of the Partnership's grantor agencies.

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
COMBINING BALANCE SHEETS
BY GRANTOR
JUNE 30, 2024 (with Summarized Totals as of June 30, 2023)

	Admin	Fed/State GOCCP GOC	Total Community Partnerships	Returned Reinvestment Fund	2024 Total	2023 Summarized Total
ASSETS						
Cash and cash equivalents	\$ 113,328	\$ 71,260	\$ 184,588	\$ 10,488	\$ 195,076	\$ 338,523
Accounts receivable	1,846	17,309	19,155	-	19,155	20,936
Due from State governmental agencies	-	363,017	363,017	-	363,017	257,525
Due from Federal governmental agencies	-	-	-	-	-	-
Total Assets	\$ 115,174	\$ 451,586	\$ 566,760	\$ 10,488	\$ 577,248	\$ 616,984
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable and accrued expenditures	\$ 16,979	\$ 110,443	\$ 127,422	\$ -	\$ 127,422	\$ 238,141
Due to Component Units	198	69,840	70,038	-	70,038	-
Due to State governmental agencies	43,887	269,477	313,364	-	313,364	312,625
Total Liabilities	61,064	449,760	510,824	-	510,824	550,766
FUND BALANCES						
Assigned	54,110	1,826	55,936	10,488	66,424	66,218
Total Fund Balances	54,110	1,826	55,936	10,488	66,424	66,218
Total Liabilities and Fund Balances	\$ 115,174	\$ 451,586	\$ 566,760	\$ 10,488	\$ 577,248	\$ 616,984

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BY COMMUNITY PARTNERSHIP AGREEMENTS (CPA) and NON-COMMUNITY PARTNERSHIP AGREEMENTS (NON-CPA)
FOR THE YEAR ENDED JUNE 30, 2024 (with Summarized Totals for Year Ended June 30, 2023)

	Federal/State GOCCP/GOC								
	Administrative	Community Support	Achievement Mentoring	Local Care Team	Transportation Voucher	Healthy Fam/Home Visiting	Family Navigators	MD After School Opportunity	Community Mentoring
REVENUES									
CPA									
Intergovernmental									
GOC	\$ 52,033	\$ 5,615	\$ 60,319	\$ 36,606	\$ 45,469	\$ 82,172	\$ 42,804	\$ -	\$ 81,099
Subtotal CPA	52,033	5,615	60,319	36,606	45,469	82,172	42,804	-	81,099
Non-CPA									
Intergovernmental									
Federal GOCCP Youth Strategies	-	-	-	-	-	-	-	-	-
State GOCCP - non-CPA	-	-	-	-	-	-	-	25,000	-
Other State Grant Funding	-	-	-	-	-	296,372	-	-	-
Investment Income	-	-	-	-	-	-	-	-	-
Earned Reinvestment Donations	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-
Subtotal Non-CPA	-	-	-	-	-	296,372	-	25,000	-
Total Revenues	52,033	5,615	60,319	36,606	45,469	378,544	42,804	25,000	81,099
EXPENDITURES									
CPA									
Program Contracted Services	-	-	-	-	-	-	-	-	-
Other Expenditures									
Salaries	45,737	-	-	29,354	14,258	-	-	-	-
Fringe Benefit Costs	3,794	-	-	5,379	1,211	-	-	-	-
Auditing	-	-	817	-	-	-	-	-	3,000
Consultants	-	5,615	-	-	-	-	-	-	-
Equipment Rental	747	-	-	-	-	-	-	-	-
Other Contracted Services	-	-	-	-	-	-	37,263	-	10,511
Postage	-	-	-	-	-	1	104	-	-
Office Supplies	-	-	-	-	-	687	194	-	323
Program Supplies	-	-	1,371	-	30,000	1,450	1,202	-	2,831
Food	-	-	-	-	-	-	-	-	5,024
Printing and Publishing	-	-	-	-	-	-	-	-	183
Data Processing Supplies	-	-	-	-	-	10,791	-	-	-
Repairs and Equipment	-	-	-	-	-	-	1,894	-	-
Business Travel	-	-	2,485	-	-	300	746	-	2,036
Subscriptions and Dues	1,754	-	-	-	-	-	-	-	-
Meetings & Conferences	-	-	-	1,873	-	-	-	-	-
Training	-	-	-	-	-	88	546	-	900
Advertising	-	-	-	-	-	-	340	-	-
Communications	-	-	400	-	-	1,032	515	-	-
Rent	-	-	-	-	-	-	-	-	2,000
Equipment under \$1000/\$500	-	-	-	-	-	-	-	-	2,114
Other Charges	-	-	55,246	-	-	67,823	-	-	52,177
Subtotal CPA Expenditures	52,032	5,615	60,319	36,606	45,469	82,172	42,804	-	81,099
Non-CPA									
Program Contracted Services	-	-	-	-	-	-	-	25,000	-
Other Expenditures									
Salaries	128,125	-	-	2,173	6,443	-	-	-	-
Fringe Benefit Costs	60,414	-	-	5,714	6,097	-	-	-	-
Consultants	12,735	-	-	-	-	-	-	-	-
Equipment Rental	2,555	-	-	-	-	-	-	-	-
Other Contracted Services	-	-	-	-	-	296,372	-	-	-
Postage	172	-	-	-	-	-	-	-	-
Office Supplies	1,517	-	-	-	-	-	-	-	-
Program Supplies	11,592	-	-	-	801	-	-	-	-
Food	3,119	-	-	-	-	-	-	-	-
Equipment Operation	-	-	-	-	-	-	-	-	-
Business Travel	50	-	-	-	-	-	-	-	-
Subscriptions and Dues	-	-	-	-	-	-	-	-	-
Meetings & Conferences	2,000	-	-	65	-	-	-	-	-
Training	1,171	-	-	-	-	-	-	-	-
Board's Expenditures	6,784	-	-	-	-	-	-	-	-
Advertising	-	-	-	-	-	-	-	-	-
Marketing/Promotions	-	-	-	-	-	-	-	-	-
Communications	1,998	-	-	100	-	-	-	-	-
Equipment under \$1,000/\$500	-	-	-	400	-	-	-	-	-
Other Charges	11,140	-	-	-	-	-	-	165,255	-
Subtotal Non-CPA Expenditures	243,372	-	-	8,452	13,341	296,372	-	190,255	-
Total Expenditures	295,404	5,615	60,319	45,058	58,810	378,544	42,804	190,255	81,099
Excess of Revenues Over (Under) Expenditures	(243,371)	-	-	(8,452)	(13,341)	-	-	(165,255)	-
OTHER FINANCING SOURCES									
Transfers In for:									
Program Contracted Services	243,371	-	-	8,452	13,341	-	-	165,255	-
Other Financing Sources	243,371	-	-	8,452	13,341	-	-	165,255	-
Net Increase in Fund Balances	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Fund Balances, July 1									
Fund Balances, June 30									

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BY COMMUNITY PARTNERSHIP AGREEMENTS (CPA) and NON-COMMUNITY PARTNERSHIP AGREEMENTS (NON-CPA)
FOR THE YEAR ENDED JUNE 30, 2024 (with Summarized Totals for Year Ended June 30, 2023)

(CONTINUED)

Federal/State GOCCP/GOC	GOCCP/GOC Operating Fund Total	All Programs Subtotal	State GOC		State GOCCP Non-CPA Subtotal	Federal GOCCP Youth Strategies
			CPA Subtotal	Non-CPA Subtotal		
\$ -	\$ 354,084	\$ 406,117	\$ 406,117	\$ -	\$ -	\$ -
-	354,084	406,117	406,117	-	-	-
-	-	-	-	-	-	-
-	25,000	25,000	-	-	25,000	-
-	296,372	296,372	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
15,919	15,919	15,919	-	-	-	-
15,919	337,291	337,291	-	-	25,000	-
15,919	691,375	743,408	406,117	-	25,000	-
-	-	-	-	-	-	-
-	43,612	89,349	89,349	-	-	-
-	6,590	10,384	10,384	-	-	-
-	3,817	3,817	3,817	-	-	-
-	5,615	5,615	5,615	-	-	-
-	-	747	747	-	-	-
-	47,774	47,774	47,774	-	-	-
-	105	105	105	-	-	-
-	1,204	1,204	1,204	-	-	-
-	36,854	36,854	36,854	-	-	-
-	5,024	5,024	5,024	-	-	-
-	183	183	183	-	-	-
-	10,791	10,791	10,791	-	-	-
-	1,894	1,894	1,894	-	-	-
-	5,567	5,567	5,567	-	-	-
-	-	1,754	1,754	-	-	-
-	1,873	1,873	1,873	-	-	-
-	1,534	1,534	1,534	-	-	-
-	340	340	340	-	-	-
-	1,947	1,947	1,947	-	-	-
-	2,000	2,000	2,000	-	-	-
-	2,114	2,114	2,114	-	-	-
-	175,246	175,246	175,246	-	-	-
-	354,084	406,116	406,116	-	-	-
-	25,000	25,000	-	-	25,000	-
48,933	57,549	185,674	-	-	-	-
9,369	21,180	81,594	-	-	-	-
-	-	12,735	-	-	-	-
-	-	2,555	-	-	-	-
-	296,372	296,372	-	-	-	-
-	-	172	-	-	-	-
1,281	1,281	2,798	-	-	-	-
4,064	4,865	16,457	-	-	-	-
-	-	3,119	-	-	-	-
-	-	-	-	-	-	-
-	-	50	-	-	-	-
372	372	372	-	-	-	-
8,167	8,232	10,232	-	-	-	-
-	-	1,171	-	-	-	-
-	-	6,784	-	-	-	-
245	245	245	-	-	-	-
4,380	4,380	4,380	-	-	-	-
-	100	2,098	-	-	-	-
-	400	400	-	-	-	-
-	165,255	176,395	-	-	-	-
76,811	585,231	828,603	-	-	25,000	-
76,811	939,315	1,234,719	406,116	-	25,000	-
(60,892)	(247,940)	(491,311)	1	-	-	-
60,892	247,940	491,311	-	-	-	-
60,892	247,940	491,311	-	-	-	-
\$ -	\$ -	-	1	-	-	-
		55,936	605,780	(1,679,233)	3,491	(25,474)
		\$ 55,936	\$ 605,781	\$ (1,679,233)	\$ 3,491	\$ (25,474)

CONTINUED

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BY COMMUNITY PARTNERSHIP AGREEMENTS (CPA) and NON-COMMUNITY PARTNERSHIP AGREEMENTS (NON-CPA)
FOR THE YEAR ENDED JUNE 30, 2024 (with Summarized Totals for Year Ended June 30, 2023)

(CONTINUED)

	Other Non-CPA State Grants	Other	Total Community Partnerships Operating Funds	Returned Reinvestment Fund	2024 Total	2023 Summarized Total
REVENUES						
<u>CPA</u>						
Intergovernmental						
GOC	\$ -	\$ -	\$ 406,117	\$ -	\$ 406,117	\$ 432,980
Subtotal CPA	-	-	406,117	-	406,117	432,980
<u>Non-CPA</u>						
Intergovernmental						
Federal GOCCP Youth Strategies	-	-	-	-	-	-
State GOCCP - non-CPA	-	-	25,000	-	25,000	-
Other State Grant Funding	296,372	-	296,372	-	296,372	296,170
Investment Income	-	-	-	206	206	604
Earned Reinvestment Donations	-	-	-	-	-	-
Miscellaneous	-	15,919	15,919	-	15,919	28,897
Subtotal Non-CPA	296,372	15,919	337,291	206	337,497	325,671
Total Revenues	296,372	15,919	743,408	206	743,614	758,651
<u>EXPENDITURES</u>						
<u>CPA</u>						
Program Contracted Services	-	-	-	-	-	-
Other Expenditures						
Salaries	-	-	89,349	-	89,349	85,869
Fringe Benefit Costs	-	-	10,384	-	10,384	9,815
Auditing	-	-	3,817	-	3,817	-
Consultants	-	-	5,615	-	5,615	6,633
Equipment Rental	-	-	747	-	747	747
Other Contracted Services	-	-	47,774	-	47,774	82,247
Postage	-	-	105	-	105	2
Office Supplies	-	-	1,204	-	1,204	1,072
Program Supplies	-	-	36,854	-	36,854	45,983
Food	-	-	5,024	-	5,024	4,146
Printing and Publishing	-	-	183	-	183	280
Data Processing Supplies	-	-	10,791	-	10,791	3,240
Repairs and Equipment	-	-	1,894	-	1,894	2,023
Business Travel	-	-	5,567	-	5,567	4,638
Subscriptions and Dues	-	-	1,754	-	1,754	2,955
Meetings & Conferences	-	-	1,873	-	1,873	-
Training	-	-	1,534	-	1,534	35,675
Advertising	-	-	340	-	340	1,349
Communications	-	-	1,947	-	1,947	1,845
Rent	-	-	2,000	-	2,000	8,033
Equipment under \$1000/\$500	-	-	2,114	-	2,114	2,298
Other Charges	-	-	175,246	-	175,246	135,012
Subtotal CPA Expenditures	-	-	406,116	-	406,116	433,862
<u>Non-CPA</u>						
Program Contracted Services	-	-	25,000	-	25,000	416,170
Other Expenditures						
Salaries	-	185,674	185,674	-	185,674	124,511
Fringe Benefit Costs	-	81,594	81,594	-	81,594	55,209
Consultants	-	12,735	12,735	-	12,735	4,013
Equipment Rental	-	2,555	2,555	-	2,555	2,819
Other Contracted Services	-	296,372	296,372	-	296,372	9,188
Postage	-	172	172	-	172	150
Office Supplies	-	2,798	2,798	-	2,798	2,773
Program Supplies	-	16,457	16,457	-	16,457	12,106
Food	-	3,119	3,119	-	3,119	2,359
Equipment Operation	-	-	-	-	-	280
Business Travel	-	50	50	-	50	-
Subscriptions and Dues	-	372	372	-	372	5,000
Meetings & Conferences	-	10,232	10,232	-	10,232	2,000
Training	-	1,171	1,171	-	1,171	2,624
Board's Expenditures	-	6,784	6,784	-	6,784	4,661
Advertising	-	245	245	-	245	-
Marketing/Promotions	-	4,380	4,380	-	4,380	2,973
Communications	-	2,098	2,098	-	2,098	1,326
Equipment under \$1,000/\$500	-	400	400	-	400	-
Other Charges	-	176,395	176,395	-	176,395	255,085
Subtotal Non-CPA Expenditures	-	803,603	828,603	-	828,603	903,247
Total Expenditures	-	803,603	1,234,719	-	1,234,719	1,337,109
Excess of Revenues Over (Under) Expenditures	296,372	(787,684)	(491,311)	206	(491,105)	(578,458)
<u>OTHER FINANCING SOURCES</u>						
Transfers In for:						
Program Contracted Services	-	491,311	491,311	-	491,311	579,062
Other Financing Sources	-	491,311	491,311	-	491,311	579,062
Net Increase in Fund Balances	296,372	(296,373)	-	206	206	604
Fund Balances, July 1	-	1,151,371	55,936	10,282	66,218	65,614
Fund Balances, June 30	\$ 296,372	\$ 854,998	\$ 55,936	\$ 10,488	\$ 66,424	\$ 66,218



QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

	COMMUNITY PARTNERSHIPS FOR CHILDREN				RETURNED REINVESTMENT FUND			
	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES								
Intergovernmental								
GOC - CPA and Non-CPA	\$ 412,055	\$ 452,055	\$ 431,117	\$ (20,938)	\$ -	\$ -	\$ -	\$ -
Other	296,372	296,372	296,372	-	-	-	-	-
Investment Income	-	-	-	-	-	-	206	206
Donations	-	-	-	-	-	-	-	-
Miscellaneous	12,500	12,500	15,919	3,419	-	-	-	-
Total Revenues	720,927	760,927	743,408	(17,519)	-	-	206	206
EXPENDITURES								
Program Contracted Services	-	-	25,000	(25,000)	-	-	-	-
Other Expenditures								
Salaries	237,931	270,210	275,023	(4,813)	-	-	-	-
Fringe Benefit Costs	93,799	105,961	91,978	13,983	-	-	-	-
Auditing	817	3,817	3,817	-	-	-	-	-
Consultants	18,993	18,993	18,350	643	-	-	-	-
Equipment Rental	3,252	3,252	3,302	(50)	-	-	-	-
Other Contracted Services	503,402	393,402	344,146	49,256	-	-	-	-
Postage	510	510	277	233	-	-	-	-
Office Supplies	5,465	5,715	4,002	1,713	-	-	-	-
Program Supplies	50,378	50,568	53,311	(2,743)	-	-	-	-
Food	5,444	6,750	8,143	(1,393)	-	-	-	-
Printing and Publishing	600	750	183	567	-	-	-	-
Data Processing Supplies	2,856	2,856	10,791	(7,935)	-	-	-	-
Repairs and Equipment	1,600	1,600	1,894	(294)	-	-	-	-
Equipment Operation	-	-	-	-	-	-	-	-
Business Travel	3,614	4,318	5,617	(1,299)	-	-	-	-
Subscriptions and Dues	3,000	3,000	2,126	874	-	-	-	-
Meetings & Conferences	3,200	3,200	12,105	(8,905)	-	-	-	-
Training	2,900	3,650	2,705	945	-	-	-	-
Board's Expenditures	7,038	7,038	6,784	254	-	-	-	-
Advertising	420	670	585	85	-	-	-	-
Marketing/Promotions	3,300	3,300	4,380	(1,080)	-	-	-	-
Communications	3,834	3,834	4,045	(211)	-	-	-	-
Rent	10,800	10,800	2,000	8,800	-	-	-	-
Equipment	3,654	5,590	2,514	3,076	-	-	-	-
Other Charges	404,324	425,788	351,641	74,147	-	-	-	-
Total Expenditures	1,371,131	1,335,572	1,234,719	100,853	-	-	-	-
Excess of Revenues Over (Under)								
Expenditures	(650,204)	(574,645)	(491,311)	83,334	-	-	206	206
OTHER FINANCING SOURCES								
Transfers In for:								
Program Contracted Services	650,204	574,645	491,311	(83,334)	-	-	-	-
Other Financing Sources	650,204	574,645	491,311	(83,334)	-	-	-	-
Net Increase in Fund Balances	\$ -	\$ -	-	\$ -	\$ -	\$ -	206	\$ 206
Fund Balances, July 1			55,936				10,282	
Fund Balances, June 30			<u>\$ 55,936</u>				<u>\$ 10,488</u>	

QUEEN ANNE'S COUNTY
COMMUNITY PARTNERSHIPS FOR CHILDREN SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGETARY BASIS
FOR THE YEAR ENDED JUNE 30, 2024

(CONTINUED)

TOTAL				Variance with Final Budget Positive (Negative)
Original Budget	Final Budget	Actual		
\$ 412,055	\$ 452,055	\$ 431,117	\$	(20,938)
296,372	296,372	296,372		-
-	-	206		206
-	-	-		-
12,500	12,500	15,919		3,419
720,927	760,927	743,614		(17,313)
-	-	25,000		(25,000)
237,931	270,210	275,023		(4,813)
93,799	105,961	91,978		13,983
817	3,817	3,817		-
18,993	18,993	18,350		643
3,252	3,252	3,302		(50)
503,402	393,402	344,146		49,256
510	510	277		233
5,465	5,715	4,002		1,713
50,378	50,568	53,311		(2,743)
5,444	6,750	8,143		(1,393)
600	750	183		567
2,856	2,856	10,791		(7,935)
1,600	1,600	1,894		(294)
-	-	-		-
3,614	4,318	5,617		(1,299)
3,000	3,000	2,126		874
3,200	3,200	12,105		(8,905)
2,900	3,650	2,705		945
7,038	7,038	6,784		254
420	670	585		85
3,300	3,300	4,380		(1,080)
3,834	3,834	4,045		(211)
10,800	10,800	2,000		8,800
3,654	5,590	2,514		3,076
404,324	425,788	351,641		74,147
1,371,131	1,335,572	1,234,719		100,853
(650,204)	(574,645)	(491,105)		83,540
650,204	574,645	491,311		(83,334)
650,204	574,645	491,311		(83,334)
\$ -	\$ -	206	\$	206
		66,218		
		\$ 66,424		

STATISTICAL SECTION

STATISTICAL SECTION

The Statistical Section, which fully incorporates information mandated by Governmental Accounting Standards Board (GASB) Statement No. 44, *Economic Condition Reporting: The Statistical Section*, presents detailed information for the primary government in the following areas, as a context for understanding what the information in the Financial Section says about the County's overall financial health:

FINANCIAL TRENDS – Information to help the reader understand how the County's financial performance and well-being have changed over time.

REVENUE CAPACITY – Information to help the reader assess the County's most significant local revenue sources – the property tax and income tax.

DEBT CAPACITY – Information to help the reader assess the affordability of the County's current levels of outstanding debt and the County's ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION – Indicators to help the reader understand the environment within which the County's financial activities take place.

OPERATING INFORMATION – Service and infrastructure data to help the reader understand how the information in the County's financial report relates to the services the County provides and the activities it performs.

Many of these tables cover more than two fiscal years and present data from outside the accounting records. Therefore, the Statistical Section is unaudited.

QUEEN ANNE'S COUNTY, MARYLAND
FINANCIAL TRENDS
NET POSITION BY COMPONENT - GOVERNMENT-WIDE
(GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
LAST TEN FISCAL YEARS
Table 1

	2015	2016	2017	2018	2019
Governmental Activities:					
Net Investment in Capital Assets	\$ 125,434,538	\$ 123,466,319	\$ 120,249,244	\$ 114,794,226	\$ 115,143,089
Restricted	20,464,486	21,063,295	13,094,534	13,275,244	18,962,289
Unrestricted (deficit) (1)	(73,475,567)	(78,567,505)	(67,189,342)	(58,025,753)	(61,637,321)
Total Governmental Activities Net Position	(1) 72,423,457	65,962,109	(2) 66,154,436	(3) 70,043,717	72,468,057
Business-type Activities:					
Net Investment in Capital Assets	80,787,152	80,909,015	86,163,078	84,386,291	85,916,730
Restricted	3,061,534	1,699,914	1,700,836	1,060,134	2,234,440
Unrestricted	8,486,063	10,240,161	4,116,300	7,458,996	10,087,649
Total Business-type Activities Net Position	(1) 92,334,749	92,849,090	(2) 91,980,214	(3) 92,905,421	98,238,819
Primary Government:					
Net Investment in Capital Assets	206,221,690	204,375,334	206,412,322	199,180,517	201,059,819
Restricted	23,526,020	22,763,209	14,795,370	14,335,378	21,196,729
Unrestricted (deficit) (1)	(64,989,504)	(68,327,344)	(63,073,042)	(50,566,757)	(51,549,672)
Total Primary Government Net Position	(1) \$ 164,758,206	\$ 158,811,199	(2) \$ 158,134,650	(3) \$ 162,949,138	\$ 170,706,876

NOTES:

- * Government-wide net position information is reported on the accrual basis of accounting.
- * Accounting standards require that net position be reported in three components in the financial statements: net investment in capital assets, restricted; and unrestricted. Net position is considered restricted when (1) an external party, such as the state or federal government, places a restriction on how the resources may be used, or (2) enabling legislation is enacted by the County.
- * Source: Statement of Net Position

(1) In the government-wide financial statements, the County has reported negative unrestricted amounts for some years. This is due to the fact that the County issues general obligation bonded debt for purposes of capital construction on behalf of the Queen Anne's County Board of Education. Absent the effect of this relationship, the County would have reported the following:

Government-wide unrestricted (deficit) net position would have been:					
Unrestricted (deficit) net position reported above	\$ (64,989,504)	\$ (68,327,344)	\$ (63,073,042)	\$ (50,566,757)	\$ (51,549,672)
Debt issued for capital on behalf of others	66,219,608	63,271,304	59,207,136	58,625,356	58,007,072
County (deficit) net position absent the effect of this relationship	\$ 1,230,104	\$ (5,056,040)	\$ (3,865,906)	\$ 8,058,599	\$ 6,457,400

- (1) FY2014 Net Position of Governmental and Business-Type Activities was restated in fiscal year 2015.
(2) FY2017 Net Position of Governmental and Business-Type Activities was restated in fiscal year 2018.
(3) FY2018 Net Position of Governmental and Business-Type Activities was restated in fiscal year 2019.
(4) FY2022 Net Position of Business-Type Activities was restated in fiscal year 2023.

QUEEN ANNE'S COUNTY, MARYLAND
FINANCIAL TRENDS
NET POSITION BY COMPONENT - GOVERNMENT-WIDE
(GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
LAST TEN FISCAL YEARS
Table 1

(CONTINUED)

	2020		2021		2022		2023		2024
\$	114,252,313	\$	116,220,059	\$	118,666,142	\$	122,128,900	\$	126,092,854
	19,844,181		20,883,128		24,012,709		26,495,555		27,933,020
	(48,809,467)		(20,071,163)		11,879,310		36,459,068		48,797,358
	<u>85,287,027</u>		<u>117,032,024</u>		<u>154,558,161</u>		<u>185,083,523</u>		<u>202,823,232</u>
	86,939,502		88,635,207		93,562,741		99,118,189		111,940,928
	2,037,318		6,322,353		5,310,698		5,350,538		4,147,493
	<u>16,587,060</u>		<u>19,018,596</u>		<u>28,956,179</u>		<u>30,307,701</u>		<u>30,325,458</u>
	<u>105,563,880</u>		<u>113,976,156</u> (4)		<u>127,829,618</u>		<u>134,776,428</u>		<u>146,413,879</u>
	201,191,815		204,855,266		212,228,883		221,247,089		238,033,782
	21,881,499		27,205,481		29,323,407		31,846,093		32,080,513
	<u>(32,222,407)</u>		<u>(1,052,567)</u>		<u>40,835,489</u>		<u>66,766,769</u>		<u>79,122,816</u>
\$	<u>190,850,907</u>	\$	<u>231,008,180</u> (4)	\$	<u>282,387,779</u>	\$	<u>319,859,951</u>	\$	<u>349,237,111</u>
\$	(32,222,407)	\$	(1,052,567)	\$	40,835,489	\$	66,766,769	\$	79,122,816
	<u>55,846,036</u>		<u>56,855,185</u>		<u>53,155,458</u>		<u>48,229,215</u>		<u>43,910,684</u>
\$	<u>23,623,629</u>	\$	<u>55,802,618</u>	\$	<u>93,990,947</u>	\$	<u>114,995,984</u>	\$	<u>123,033,500</u>

QUEEN ANNE'S COUNTY, MARYLAND
FINANCIAL TRENDS
CHANGES IN NET POSITION - GOVERNMENT-WIDE (GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
LAST TEN FISCAL YEARS

Table 2-a

	2015	2016	2017	2018	2019
Expenses					
Governmental Activities:					
General Government	\$ 10,849,277	\$ 13,936,312	\$ 13,177,254	\$ 17,511,975	\$ 16,493,064
Public Safety	25,297,450	27,525,712	27,997,262	28,373,219	35,668,385
Public Works	14,363,603	19,522,534	20,753,117	18,101,635	19,118,090
Parks & Recreation (3)	-	-	-	-	-
Health & Social Services	6,631,598	7,333,528	7,424,371	7,149,348	7,669,431
Education & Library	67,091,679	62,374,873	60,922,185	64,082,500	64,438,616
Conservation of Natural Resources	587,147	1,799,234	616,237	2,567,600	2,696,971
Economic/Community Development	1,763,024	3,391,547	1,860,222	2,477,129	1,808,000
Interest and Fiscal Charges	4,039,622	4,345,527	4,150,101	4,294,929	4,712,864
Total Governmental Activities Expenses	130,623,400	140,229,267	136,900,749	144,558,335	152,605,421
Business-type Activities:					
Water and Sewer	10,412,432	10,615,466	11,818,087	12,880,483	11,232,955
Golf Course	496,065	505,085	540,504	509,150	584,718
Public Landings and Marinas	537,823	529,943	572,360	559,597	1,342,308
Airport	1,014,491	966,896	1,053,899	1,100,136	1,434,031
Total Business-type Activities Expenses	12,460,811	12,617,390	13,984,850	15,049,366	14,594,012
Total Primary Government Expenses	143,084,211	152,846,657	150,885,599	159,607,701	167,199,433
Program Revenues					
Governmental Activities:					
General Government					
Charges for Services	1,505,857	1,565,170	1,552,164	1,669,311	1,769,520
Operating Grants and Contributions	644,297	582,571	563,016	660,790	716,683
Capital Grants and Contributions	96,684	(30,000)	-	1,080,084	480,500
Total Revenue	2,246,838	2,117,741	2,115,180	3,410,185	2,966,703
Public Safety					
Charges for Services	1,244,752	1,354,350	1,350,626	1,505,267	1,415,187
Operating Grants and Contributions	1,052,666	1,088,597	1,037,879	1,294,733	1,161,505
Capital Grants and Contributions	119,118	175,653	5,406	166,001	176,970
Total Revenue	2,416,536	2,618,600	2,393,911	2,966,001	2,753,662
Public Works					
Charges for Services	1,275,538	1,337,358	1,472,664	1,779,206	1,784,040
Operating Grants and Contributions	527,538	1,029,019	980,075	822,659	1,155,251
Capital Grants and Contributions	80,000	108,880	161,084	282,028	1,353,948
Total Revenue	1,883,076	2,475,257	2,613,823	2,883,893	4,293,239
Parks & Recreation (3)					
Charges for Services	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
Total Revenue	-	-	-	-	-
Health & Social Services					
Charges for Services	68,187	76,404	73,066	71,131	91,183
Operating Grants and Contributions	2,056,111	1,834,000	1,893,648	2,018,289	2,120,065
Capital Grants and Contributions	40,527	140,400	58,500	58,500	175,960
Total Revenue	2,164,825	2,050,804	2,025,214	2,147,920	2,387,208
Education & Library					
Charges for Services	1,249,332	1,230,994	1,319,433	1,272,301	1,318,609
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	43,059
Total Revenue	1,249,332	1,230,994	1,319,433	1,272,301	1,361,668
Conservation of Natural Resources					
Charges for Services	72,688	70,708	60,826	110,655	126,940
Operating Grants and Contributions	96,195	68,152	186,333	131,321	94,814
Capital Grants and Contributions	3,637	573,003	-	1,439,284	2,118,200
Total Revenue	172,520	711,863	247,159	1,681,260	2,339,954
Economic/Community Development					
Charges for Services	80,558	311,000	620,000	316,500	-
Operating Grants and Contributions	285,344	156,804	231,360	810,319	205,300
Capital Grants and Contributions	-	-	-	-	-
Total Revenue	365,902	467,804	851,360	1,126,819	205,300
Interest and Fiscal Charges					
Charges for Services	-	-	-	-	-
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
Total Revenue	-	-	-	-	-
Total Governmental Activities Program Revenues	10,499,029	11,673,063	11,566,080	15,488,379	16,307,734

QUEEN ANNE'S COUNTY, MARYLAND
FINANCIAL TRENDS
CHANGES IN NET POSITION - GOVERNMENT-WIDE (GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
LAST TEN FISCAL YEARS
Table 2-a

(CONTINUED)

	2020	2021	2022	2023	2024
\$	17,299,695	\$ 21,447,303	\$ 20,975,854	\$ 21,070,854	\$ 22,378,707
	31,445,313	33,376,832	32,937,936	42,482,230	49,458,541
	15,045,105	13,898,271	15,486,633	19,422,823	20,222,362
	7,780,241	6,051,585	6,445,776	6,338,014	7,458,494
	7,116,694	6,969,134	6,631,472	7,219,183	7,944,933
	68,764,861	68,632,733	68,957,650	69,770,287	83,355,583
	1,423,080	3,621,749	2,402,429	3,386,538	3,702,670
	2,281,480	5,262,207	3,012,720	2,798,777	2,826,682
	4,391,332	4,330,706	4,415,584	4,525,460	4,254,673
	155,547,801	163,590,520	161,266,054	177,014,166	201,602,645
	11,602,537	12,157,175	12,384,820	13,822,527	14,932,981
	541,335	523,435	609,737	697,824	730,908
	683,738	1,104,170	548,928	684,685	666,295
	968,205	940,188	1,017,606	1,058,318	966,183
	13,795,815	14,724,968	14,561,091	16,263,354	17,296,367
	169,343,616	178,315,488	175,827,145	193,277,520	218,899,012
	1,509,985	2,027,823	2,400,962	2,037,088	1,717,926
	428,812	2,686,609	2,920,183	249,863	1,742,174
	520,277	1,056,963	1,219,155	1,549,325	2,529,869
	2,459,074	5,771,395	6,540,300	3,836,276	5,989,969
	1,379,621	1,772,824	2,782,299	1,908,036	2,617,398
	1,697,018	3,603,339	2,300,947	3,601,321	2,628,668
	112,845	1,379,718	908,036	164,422	179,350
	3,189,484	6,755,881	5,991,282	5,673,779	5,425,416
	817,088	1,083,030	1,134,409	961,563	883,739
	1,233,626	1,494,842	8,500	9,070	6,270
	45,640	-	-	1,119,611	2,836,186
	2,096,354	2,577,872	1,142,909	2,090,244	3,726,195
	822,605	1,058,579	1,149,578	1,101,729	1,151,020
	37,060	216,861	32,494	25,681	14,453
	2,237,549	343,301	1,964,345	640,892	924,299
	3,097,214	1,618,741	3,146,417	1,768,302	2,089,772
	72,840	37,025	91,756	77,736	62,176
	2,273,959	2,381,707	2,595,327	3,060,269	2,591,053
	362,900	157,905	207,862	195,509	588,792
	2,709,699	2,576,637	2,894,945	3,333,514	3,242,021
	1,593,200	3,383,580	2,438,720	2,237,364	2,291,783
	-	-	-	-	-
	105,575	973,747	1,850,863	979,756	-
	1,698,775	4,357,327	4,289,583	3,217,120	2,291,783
	136,458	163,971	46,491	76,138	19,262
	117,820	111,443	-	-	-
	831,901	1,612,662	1,095,760	2,007,786	2,474,706
	1,086,179	1,888,076	1,142,251	2,083,924	2,493,968
	205,000	864,667	397,823	620,000	-
	757,258	3,978,848	1,523,758	1,286,414	1,066,447
	-	-	-	-	-
	962,258	4,843,515	1,921,581	1,906,414	1,066,447
	-	-	48,506	46,124	48,412
	-	-	-	-	-
	-	-	-	-	-
	-	-	48,506	46,124	48,412
	17,299,037	30,389,444	27,117,774	23,955,697	26,373,983

QUEEN ANNE'S COUNTY, MARYLAND
FINANCIAL TRENDS
CHANGES IN NET POSITION - GOVERNMENT-WIDE (GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
LAST TEN FISCAL YEARS

Table 2-a

(CONTINUED)

	2015	2016	2017	2018	2019
Business-type Activities:					
Water and Sewer					
Charges for Services	\$ 8,840,213	\$ 8,956,360	\$ 8,222,317	\$ 9,214,383	\$ 10,524,474
Operating Grants and Contributions	90,000	85,099	90,000	90,000	520,000
Capital Grants and Contributions	1,862,257	1,958,051	2,222,796	4,198,378	3,626,906
Total Revenue	10,792,470	10,999,510	10,535,113	13,502,761	14,671,380
Golf Course					
Charges for Services	295,955	305,528	318,599	340,123	373,014
Operating Grants and Contributions	-	-	-	-	-
Capital Grants and Contributions	-	-	-	-	-
Total Revenue	295,955	305,528	318,599	340,123	373,014
Public Landings and Marinas					
Charges for Services	423,723	423,427	443,176	451,524	454,071
Operating Grants and Contributions	43,304	36,781	33,542	104,829	888,592
Capital Grants and Contributions	-	-	-	-	-
Total Revenue	467,027	460,208	476,718	556,353	1,342,663
Airport					
Charges for Services	53,200	45,916	33,256	25,857	24,710
Operating Grants and Contributions	73,311	52,837	245,738	60,858	725,109
Capital Grants and Contributions	-	-	-	-	-
Total Revenue	126,511	98,753	278,994	86,715	749,819
Total Business-type Activities Program Revenues	11,681,963	11,863,999	11,609,424	14,485,952	17,136,876
Total Primary Government Program Revenues	22,180,992	23,537,062	23,175,504	29,974,331	33,444,610
Net (Expense) Revenue (1)					
Governmental activities	(120,124,371)	(128,556,204)	(125,334,669)	(129,069,956)	(136,297,687)
Business-type activities	(778,848)	(753,391)	(2,375,426)	(563,414)	2,542,864
Total Primary Government Net Expense	\$ (120,903,219)	\$ (129,309,595)	\$ (127,710,095)	\$ (129,633,370)	\$ (133,754,823)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Taxes (2)	\$ 116,821,607	\$ 121,011,135	\$ 123,299,031	\$ 131,444,679	\$ 137,285,550
Investment income	94,092	174,691	444,063	978,955	1,772,464
Gain/(Loss) on Sale of Capital Assets	1,098,632	161,106	53,936	87,734	25,823
Miscellaneous	1,076,893	949,046	2,065,465	630,895	979,201
Transfers In (Out)	(360,177)	(201,122)	(335,499)	(183,026)	(1,341,011)
Total Governmental Activities	118,731,047	122,094,856	125,526,996	132,959,237	138,722,027
Business-type Activities:					
Investment income	323,585	320,443	361,840	439,716	550,691
Gain (Loss) on Sale of Capital Assets	-	-	-	-	33,100
Miscellaneous	815,430	746,167	809,211	865,879	865,732
Transfers In (Out)	360,177	201,122	335,499	183,026	1,341,011
Total Business-type Activities	1,499,192	1,267,732	1,506,550	1,488,621	2,790,534
Total Primary Government	120,230,239	123,362,588	127,033,546	134,447,858	141,512,561
Change in Net Position					
Governmental activities	(1,393,324)	(6,461,348)	192,327	3,889,281	2,424,340
Business-type activities	720,344	514,341	(868,876)	925,207	5,333,398
Total Primary Government	\$ (672,980)	\$ (5,947,007)	\$ (676,549)	\$ 4,814,488	\$ 7,757,738

NOTES:

* Government-wide net position information is reported on the accrual basis of accounting.

* Source: Statement of Activities.

- (1) Net (expense)/revenue is the difference between the expenses and program revenues of a function or program. It indicates the degree to which a function or program is supported with its own fees and program-specific grants versus its reliance upon funding from taxes and general revenues. Numbers in parentheses indicate that expenses were greater than program revenues and therefore general revenues were needed to finance that function or program. Numbers without parentheses mean that program revenues were more than sufficient to cover expenses.
- (2) See Table 2-b for detail of General Tax Revenues.
- (3) For years FY15 through FY19, Parks & Recreation governmental activities are included in public works (parks) and social services (recreation).

QUEEN ANNE'S COUNTY, MARYLAND
FINANCIAL TRENDS
CHANGES IN NET POSITION - GOVERNMENT-WIDE (GOVERNMENTAL AND BUSINESS-TYPE ACTIVITIES)
LAST TEN FISCAL YEARS

Table 2-a

(CONTINUED)

2020	2021	2022	2023	2024
\$ 13,873,082	\$ 12,174,150	\$ 18,143,049	\$ 12,330,275	\$ 14,162,090
2,541,550	4,600,000	865,761	1,467,662	2,565,847
1,974,341	2,668,488	3,034,541	4,027,234	2,607,219
18,388,973	19,442,638	22,043,351	17,825,171	19,335,156
399,603	593,022	594,180	617,340	720,153
-	-	-	-	-
-	-	-	-	-
399,603	593,022	594,180	617,340	720,153
538,760	540,240	475,309	465,730	465,457
10,447	178,208	640,752	745,966	14,999
-	-	-	-	-
549,207	718,448	1,116,061	1,211,696	480,456
24,130	24,920	23,774	22,655	6,049
95,052	20,180	516,774	741,939	-
-	-	-	-	5,028,713
119,182	45,100	540,548	764,594	5,034,762
19,456,965	20,799,208	24,294,140	20,418,801	25,570,527
36,756,002	51,188,652	51,411,914	44,374,498	51,944,510
(138,246,764)	(133,201,076)	(134,148,280)	(153,058,469)	(175,228,662)
5,661,150	6,074,240	9,733,049	4,155,447	8,274,160
\$ (132,585,614)	\$ (127,126,836)	\$ (124,415,231)	\$ (148,903,022)	\$ (166,954,502)
\$ 148,876,477	\$ 163,687,534	\$ 171,755,675	\$ 176,022,971	\$ 182,200,656
1,393,017	239,908	462,588	6,448,944	9,192,673
44,343	95,687	(1,157,005)	-	-
900,976	1,073,180	1,801,868	1,628,246	2,059,293
(149,079)	(150,236)	(1,188,709)	(516,330)	(484,251)
151,065,734	164,946,073	171,674,417	183,583,831	192,968,371
589,126	424,983	414,822	1,047,564	1,732,675
17,876	573,500	5,265	2,561	(21,552)
907,830	1,189,317	2,511,617	1,224,908	1,167,917
149,079	150,236	1,188,709	516,330	484,251
1,663,911	2,338,036	4,120,413	2,791,363	3,363,291
152,729,645	167,284,109	175,794,830	186,375,194	196,331,662
12,818,970	31,744,997	37,526,137	30,525,362	17,739,709
7,325,061	8,412,276	13,853,462	6,946,810	11,637,451
\$ 20,144,031	\$ 40,157,273	\$ 51,379,599	\$ 37,472,172	\$ 29,377,160

QUEEN ANNE'S COUNTY, MARYLAND

FINANCIAL TRENDS

GENERAL TAX REVENUES - GOVERNMENTAL ACTIVITIES

LAST TEN FISCAL YEARS

Table 2-b

	2015	2016	2017	2018	2019
Local Property Taxes	\$ 64,672,721	\$ 65,185,546	\$ 66,487,004	\$ 67,736,404	\$ 70,670,569
Local Income Tax	44,643,870	47,928,725	48,624,679	55,211,695	57,728,293
Other Local Taxes	7,505,016	7,896,864	8,187,348	8,496,580	8,886,688
Total Taxes - Governmental Activities	<u>\$ 116,821,607</u>	<u>\$ 121,011,135</u>	<u>\$ 123,299,031</u>	<u>\$ 131,444,679</u>	<u>\$ 137,285,550</u>

	2020	2021	2022	2023	2024
Local Property Taxes	\$ 71,874,566	\$ 74,474,109	\$ 76,017,204	\$ 78,022,772	\$ 82,047,674
Local Income Tax	67,698,447	73,458,519	78,881,170	83,439,604	86,567,013
Other Local Taxes	9,303,464	15,754,906	15,164,554	13,208,003	12,025,782
Total Taxes - Governmental Activities	<u>\$ 148,876,477</u>	<u>\$ 163,687,534</u>	<u>\$ 170,062,928</u>	<u>\$ 174,670,379</u>	<u>\$ 180,640,469</u>

NOTES:

* Government-wide general tax revenue information is reported on the accrual basis of accounting.

* Source: Statement of Activities.

QUEEN ANNE'S COUNTY, MARYLAND
FINANCIAL TRENDS
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
Table 3

	2015	2016	2017	2018	2019
General Fund:					
Nonspendable	\$ 687,777	\$ 586,481	\$ 754,921	\$ 1,001,610	\$ 1,616,447
Restricted	8,681,112	9,002,389	10,626,394	10,999,800	14,361,899
Committed	2,000,000	3,000,000	4,000,000	5,027,897	6,000,000
Assigned	2,034,875	1,926,782	1,998,415	1,483,827	1,224,503
Unassigned	7,793,085	8,468,591	8,830,530	11,142,331	11,856,474
Total General Fund	21,196,849	22,984,243	26,210,260	29,655,465	35,059,323
All Other Governmental Funds:					
Nonspendable	5,919,048	6,146,072	7,552,462	7,583,553	-
Restricted	17,794,372	21,316,088	8,900,465	6,815,341	12,598,139
Committed	4,209,177	3,425,701	13,447,283	15,202,215	18,514,079
Assigned	23,093,224	18,029,073	16,045,167	19,618,643	23,573,581
Unassigned	(108,185)	(115,129)	(53,665)	(48,758)	(28,164)
Total All Other Governmental Funds	50,907,636	48,801,805	45,891,712	49,170,994	54,657,635
Total All Governmental Funds	\$ 72,104,485	\$ 71,786,048	\$ 72,101,972	\$ 78,826,459	\$ 89,716,958
	2020	2021	2022	2023	2024
General Fund:					
Nonspendable	\$ 2,400,664	\$ 5,751,694	\$ 92,744	\$ 242,876	\$ 148,234
Restricted	14,711,547	16,182,014	17,838,136	19,996,347	21,377,816
Committed	6,998,256	7,621,618	8,399,587	9,069,982	9,450,311
Assigned	1,099,170	1,525,829	1,500,000	-	-
Unassigned	15,874,992	19,340,107	32,142,920	39,494,554	46,537,817
Total General Fund	41,084,629	50,421,262	59,973,387	68,803,759	77,514,178
All Other Governmental Funds:					
Nonspendable	-	-	1,327,375	1,274,659	1,218,486
Restricted	15,121,784	17,919,423	22,270,920	17,607,427	12,551,494
Committed	21,296,829	25,457,920	27,010,544	28,987,607	31,668,367
Assigned	23,721,935	36,026,980	44,073,399	49,351,449	49,153,762
Unassigned	(24,133)	(19,649)	-	-	-
Total All Other Governmental Funds	60,116,415	79,384,674	94,682,238	97,221,142	94,592,109
Total All Governmental Funds	\$ 101,201,044	\$ 129,805,936	\$ 154,655,625	\$ 166,024,901	\$ 172,106,287

NOTES:

* Fund balance information for governmental funds is reported on the modified accrual basis of accounting.

* Source: Balance Sheet, Governmental Funds.

QUEEN ANNE'S COUNTY, MARYLAND

FINANCIAL TRENDS

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

Table 4

	2015	2016	2017	2018	2019
Revenues					
Taxes					
Local Property Taxes	\$ 64,672,292	\$ 64,946,443	\$ 66,501,901	\$ 67,944,730	\$ 70,615,293
Local Income Taxes	42,889,715	46,424,552	48,578,044	51,834,189	55,282,162
Other Local Taxes	7,505,016	7,896,865	8,187,348	8,496,580	8,886,688
State Shared Taxes	557,834	623,256	708,566	836,677	1,171,668
Licenses and Permits	1,062,917	1,078,144	1,123,072	1,167,444	1,224,381
Intergovernmental	4,030,576	4,696,561	3,987,308	7,539,052	8,284,699
Bond Interest Reimbursement - Build America Bond	375,323	364,799	350,254	334,858	319,362
Charges for Current Services	4,251,835	4,617,730	5,114,605	5,298,701	5,088,123
Fines and Forfeitures	182,160	250,110	211,102	258,226	192,975
Investment Income	94,092	174,691	444,063	978,955	1,772,464
Donations	41,391	45,773	60,217	57,635	31,084
Miscellaneous	1,076,893	949,045	2,065,465	630,895	979,201
Total Revenues	126,740,044	132,067,969	137,331,945	145,377,942	153,848,100
Expenditures					
Current					
General Government (1)	8,833,255	9,817,062	10,382,078	10,640,065	10,542,151
Public Safety	23,133,608	23,523,103	23,866,030	25,049,431	24,411,320
Public Works	12,041,969	15,080,454	15,506,684	15,235,104	16,163,026
Parks and Recreation	-	-	-	-	-
Health & Social Services	5,425,002	5,827,938	5,981,620	6,100,594	6,209,377
Education & Library	67,116,408	62,405,143	60,950,845	64,117,236	64,473,922
Conservation of Natural Resources	565,289	1,744,260	565,938	2,577,735	2,717,738
Economic/Community Development	1,616,784	3,188,928	1,710,899	2,433,171	1,638,265
Miscellaneous	3,535,585	4,766,722	4,185,652	5,348,568	5,729,955
Capital Outlay	8,733,509	11,050,384	14,591,632	12,311,551	9,323,882
Debt Service					
Principal	7,444,611	7,667,316	8,074,013	7,149,537	7,855,820
Debt Issuance Costs	403,572	218,799	196,150	229,894	211,447
Interest and Fiscal Charges	3,846,823	3,696,719	4,104,254	4,280,553	4,586,387
Total Expenditures	142,696,415	148,986,828	150,115,795	155,473,439	153,863,290
Excess (Deficiency) of Revenues over (under) Expenditures	(15,956,371)	(16,918,859)	(12,783,850)	(10,095,497)	(15,190)
Other Financing Sources (Uses)					
Issuance of Debt	25,384,493	15,484,639	12,775,926	16,000,000	11,000,000
Other Financing Use - Proceeds of Refunding Bonds	-	8,042,773	-	-	-
Bond Premiums	1,901,240	1,650,448	618,681	908,973	1,011,998
Payments to Bond Refunding Agent	(14,881,834)	-	-	-	-
Other Financing Use - Debt Service - Principal	-	(8,446,336)	-	-	-
Proceeds of Capital Asset Disposals	1,331,608	18,100	55,189	54,097	231,588
Insurance Proceeds	57,916	153,534	12,241	39,940	3,114
Leases	-	-	-	-	-
Subscription-Based IT Arrangements	-	-	-	-	-
Transfers In	5,079,641	9,941,051	6,331,482	8,220,201	12,588,897
Transfers Out	(6,449,845)	(10,243,787)	(6,693,745)	(8,403,227)	(13,929,908)
Total Other Financing Sources (Uses)	12,423,219	16,600,422	13,099,774	16,819,984	10,905,689
Net Increase (Decrease) in Fund Balances	\$ (3,533,152)	\$ (318,437)	\$ 315,924	\$ 6,724,487	\$ 10,890,499
Debt service as a percentage of non-capital expenditures (2, 3)	8.43%	8.16%	8.99%	8.00%	8.61%

NOTES:

* Governmental fund information is reported on the modified accrual basis of accounting.

* Source: Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds and the Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.

(1) For all fiscal years, "General Government" includes amounts previously classified as "Intergovernmental" and/or "Contingency."

(2) Only the principal and interest components of debt service expenditures are included in the calculation of the ratio of total debt service expenditures to noncapital expenditures.

(3) Noncapital expenditures represents Total Expenditures above, less the Net Increase in Capital Assets from the Reconciliation between the Government-Wide Statement of Activities and the Statement of Revenues, Expenditures, and Changes in Fund Balance. Only the assets acquired (not included assets transferred or donated) from the reconciliation are used in the calculation.

QUEEN ANNE'S COUNTY, MARYLAND

FINANCIAL TRENDS

CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

Table 4

(CONTINUED)

2020	2021	2022	2023	2024
\$ 71,682,389	\$ 74,769,217	\$ 75,943,263	\$ 78,062,336	\$ 82,109,458
61,547,651	67,985,531	71,002,615	79,467,361	86,007,950
9,303,464	15,754,906	15,164,554	13,208,003	12,025,782
1,192,293	1,286,374	1,692,747	1,352,592	1,560,187
1,083,317	1,461,286	1,656,112	1,417,096	1,207,809
9,506,419	18,705,791	16,927,224	14,889,923	17,381,754
-	-	-	-	-
5,320,465	8,789,033	8,258,386	7,454,195	7,451,475
133,015	141,180	255,955	174,002	132,427
1,393,017	239,908	462,588	6,448,944	9,192,673
143,375	5,780	65,052	20,481	200,518
900,976	1,073,180	1,801,868	1,628,246	2,059,293
162,206,381	190,212,186	193,230,364	204,123,179	219,329,326
10,610,554	13,487,519	13,368,832	15,890,722	16,878,490
27,648,023	29,314,405	32,933,956	38,135,440	42,825,592
12,749,864	12,223,767	14,291,677	19,545,607	19,794,447
6,995,840	5,257,527	5,578,791	6,049,686	6,731,220
6,660,677	6,731,938	6,389,428	7,909,483	8,266,984
68,796,024	68,621,741	68,947,327	69,757,478	82,716,306
1,475,572	3,672,847	2,411,769	3,457,656	3,730,444
2,107,676	5,233,618	2,997,250	3,017,040	3,054,946
5,308,680	6,834,217	6,981,356	8,921,419	7,232,373
4,963,004	12,790,600	9,877,764	8,603,952	9,019,268
8,624,604	7,343,425	7,775,190	8,696,773	8,536,204
316,027	249,479	439,157	29,851	-
4,676,955	4,492,461	4,415,584	4,525,460	4,254,673
160,933,500	176,253,544	176,408,081	194,540,567	213,040,947
1,272,881	13,958,642	16,822,283	9,582,612	6,288,379
9,000,000	13,000,000	7,800,000	-	-
14,682,184	10,835,995	-	-	-
3,654,843	3,814,696	492,106	-	-
-	-	-	-	-
(17,043,453)	(12,970,537)	-	-	-
30,949	41,099	63,850	61,520	89,074
35,761	102,429	35,208	103,030	150,184
-	-	-	638,500	-
-	-	-	1,503,069	38,000
9,690,474	20,469,607	23,952,703	27,982,455	26,534,774
(9,839,553)	(20,647,039)	(24,316,461)	(28,501,910)	(27,019,025)
10,211,205	14,646,250	8,027,406	1,786,664	(206,993)
\$ 11,484,086	\$ 28,604,892	\$ 24,849,689	\$ 11,369,276	\$ 6,081,386
8.53%	7.26%	7.38%	7.26%	6.33%

QUEEN ANNE'S COUNTY, MARYLAND
REVENUE CAPACITY
ASSESSED VALUE OF TAXABLE AND EXEMPT PROPERTY
LAST TEN FISCAL YEARS

Table 5

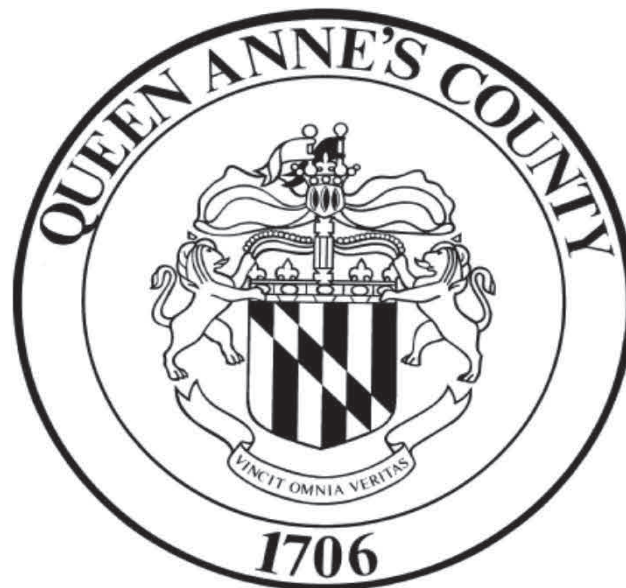
Fiscal Year	Real Property (2)				Personal Property	Total	Exempt Property	Total
	Commercial Assessed Value	Residential (1) Assessed Value	Total Assessed Value	Total Direct Tax Rate (3)	Public Utility Assessed Value (2) (4)	Taxable Assessed Value		Taxable and Exempt Property
2015	\$ 1,526,533,795	\$ 5,971,094,589	\$ 7,497,628,384	\$ 0.8471	\$ 71,076,850	\$ 7,568,705,234	\$ 708,231,797	\$ 8,276,937,031
2016	1,536,236,637	6,015,729,665	7,551,966,302	0.8471	74,544,230	7,626,510,532	713,843,531	8,340,354,063
2017	1,578,390,091	6,136,189,107	7,714,579,198	0.8471	77,685,020	7,792,264,218	771,576,578	8,563,840,796
2018	1,619,626,376	6,277,865,272	7,897,491,648	0.8471	76,903,490	7,974,395,138	784,345,727	8,758,740,865
2019	1,668,339,027	6,485,471,694	8,153,810,721	0.8471	110,703,740	8,264,514,461	810,049,666	9,074,564,127
2020	1,796,512,410	6,587,063,708	8,383,576,118	0.8471	103,282,520	8,486,858,638	839,013,301	9,325,871,939
2021	1,810,616,428	6,789,270,644	8,599,887,072	0.8471	115,005,450	8,714,892,522	860,398,332	9,575,290,854
2022	1,814,529,551	6,984,923,499	8,799,453,050	0.8471	122,167,420	8,921,620,470	879,391,068	9,801,011,538
2023	1,869,310,608	7,334,750,709	9,204,061,317	0.8300	131,489,970	9,335,551,287	887,420,959	10,222,972,246
2024	1,946,403,718	7,735,421,703	9,681,825,421	0.8300	159,917,460	9,841,742,881	920,628,412	10,762,371,293

NOTES:

* Tax exempt property is included for purposes of calculating total assessed value, which is used on Table 12-a.

- (1) Residential real property includes single-family homes, townhouses, condominiums, and apartment dwellings. The assessed value shown above has been reduced for the Homestead Credit assessment.
- (2) Real property and personal property assessments are done every three years and every year, respectively, by the State Department of Assessments and Taxation at 100% of estimated fair value.
- (3) See Table 6-a for real property direct tax rates. Tax Rates are applied per \$100 of assessed value.
- (4) The personal property tax rate for Queen Anne's County is zero.

Source: State of Maryland, Department of Assessments and Taxation.



QUEEN ANNE'S COUNTY, MARYLAND
REVENUE CAPACITY
REAL PROPERTY TAX RATES - COUNTY DIRECT RATE
LAST TEN FISCAL YEARS
Table 6-a

Fiscal Year	County Direct Rate (1)
2015	\$ 0.8471
2016	0.8471
2017	0.8471
2018	0.8471
2019	0.8471
2020	0.8471
2021	0.8471
2022	0.8471
2023	0.8300
2024	0.8300

NOTES:

- * No discounts are allowed.
- * Taxes are levied as of July 1, are due by September 30, and become delinquent October 1.
- * Owner occupied properties may elect to pay on an annual basis. If no election is made, taxes are paid on a semi-annual basis with payment due by September 30 and December 31
- * Non-owner occupied properties must pay on an annual basis.
- * Interest at one percent per month is assessed on delinquent tax bills.
- * Revised tax bills based upon certifications from the State received after September 1 may be paid within thirty days without interest.
- * Delinquent taxes on real property are collected by sale.
- * Costs of tax sale, which vary, are added to the redemption.
- * Tax sale date: Third Tuesday in May.
- * The personal property tax rate for Queen Anne's County is zero.

(1) Tax Rates are applied per \$100 of assessed value.

QUEEN ANNE'S COUNTY, MARYLAND
REVENUE CAPACITY
REAL PROPERTY TAX RATES - COUNTY SPECIAL TAXING DISTRICTS
LAST TEN FISCAL YEARS
Table 6-b

Fiscal Year	Kent Narrows Commercial Management and Waterfront Improvement District
2015	\$ 0.0600
2016	0.0600
2017	0.0600
2018	0.0600
2019	0.0600
2020	0.0600
2021	0.0600
2022	0.0600
2023	0.0600
2024	0.0600

NOTES:

- * Tax rates are per \$100 of assessed value.
- * The personal property tax rate for Queen Anne's County is zero.

QUEEN ANNE'S COUNTY, MARYLAND
REVENUE CAPACITY
REAL PROPERTY TAX RATES - OVERLAPPING GOVERNMENTS - TOWNS
LAST TEN FISCAL YEARS
Table 6-c

Fiscal Year	Town of Centreville	Town of Barclay	Town of Church Hill	Town of Millington	Town of Queen Anne
2015	\$ 0.3800	\$ 0.2000	\$ 0.3400	\$ 0.2800	\$ 0.1800
2016	0.3800	0.2000	0.3400	0.2800	0.1800
2017	0.4100	0.2000	0.3400	0.2800	0.1800
2018	0.4050	0.2000	0.3400	0.2800	0.1800
2019	0.4050	0.2000	0.3400	0.2800	0.1800
2020	0.4050	0.2000	0.3400	0.2800	0.1800
2021	0.4050	0.2000	0.3400	0.2774	0.1800
2022	0.5350	0.2000	0.3400	0.2909	0.1800
2023	0.5350	0.2000	0.3400	0.2920	0.1800
2024	0.5350	0.2000	0.3400	0.3000	0.1800

NOTES:

* Tax rates are per \$100 of assessed value.

* The personal property tax rate for Queen Anne's County is zero.

* Taxes collected by the County for other fiscal units, including overlapping governments, are remitted based on actual collections.

QUEEN ANNE'S COUNTY, MARYLAND
REVENUE CAPACITY
REAL PROPERTY TAX RATES - OVERLAPPING GOVERNMENTS - TOWNS
LAST TEN FISCAL YEARS
Table 6-c

(CONTINUED)

Town of Queenstown		Town of Sudlersville		Town of Templeville	
\$	0.1895	\$	0.1670	\$	0.3600
	0.1850		0.1670		0.3600
	0.1810		0.1670		0.5788
	0.1773		0.1670		0.3600
	0.1726		0.1670		0.3600
	0.1744		0.1670		0.3600
	0.1867		0.1670		0.3600
	0.2026		0.1670		0.3600
	0.2217		0.1670		0.3600
	0.2312		0.1670		0.3600

QUEEN ANNE'S COUNTY, MARYLAND
REVENUE CAPACITY
TEN HIGHEST COMMERCIAL PROPERTY TAXPAYERS
CURRENT FISCAL YEAR AND NINE YEARS AGO
Table 7

For the Fiscal Year Ended June 30, 2024		
	Assessable Base	Ratio: Taxpayer Base to Total Assessable Base
Second Horizon Group Limited Partnership	\$ 35,819,200	0.36 %
KRM - Chesapeake LLC	22,596,900	0.23
Schuls Development LLC	17,909,300	0.18
Kent Towne Market LLC	16,303,800	0.17
Maryland General Land Co LLC	16,150,300	0.16
Great American Life Insurance Co	15,082,100	0.15
Beach Harbor Campers Cooperative Inc	14,498,667	0.15
Anne Arundel Real Estate Holding Co	13,562,700	0.14
Knight Farms LLC	12,229,233	0.12
Mears Point Association	11,000,233	0.11
Total	<u>\$ 175,152,433</u>	<u>1.78 %</u>
Total Assessable Base	<u>\$ 9,841,742,881</u>	<u>100.00 %</u>

For the Fiscal Year Ended June 30, 2015		
	Assessable Base	Ratio: Taxpayer Base to Total Assessable Base
Second Horizon Group Limited Partnership	\$ 61,326,866	0.81 %
KRM Development Corporation	35,787,167	0.47
Maryland General Land Co LLC	20,569,800	0.27
Great American Life Insurance Company	15,721,000	0.21
Aspen Institute for Humanistic Studies	15,253,267	0.20
Beach Harbor Campers Cooperative Inc	12,582,700	0.17
K Hovnanian at Kent Island LLC	11,500,000	0.15
Anne Arundel Real Estate Holding Co	10,166,300	0.13
Mears Point Association	9,992,833	0.13
Shore Health System Inc	9,975,900	0.13
Total	<u>\$ 202,875,833</u>	<u>2.67 %</u>
Total Assessable Base	<u>\$ 7,568,705,234</u>	<u>100.00 %</u>

Source: State of Maryland Department of Assessments and Taxation

QUEEN ANNE'S COUNTY, MARYLAND
REVENUE CAPACITY
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
Table 8

Fiscal Year	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Original Levy		Amount	Percentage of Original Levy
2015	\$ 63,338,629	\$ 63,231,601	99.83%	\$ 107,028	\$ 63,338,629	100.00%
2016	63,799,184	63,647,404	99.76%	151,780	63,799,184	100.00%
2017	65,217,648	65,107,115	99.83%	110,533	65,217,648	100.00%
2018	66,768,776	66,721,619	99.93%	47,157	66,768,776	100.00%
2019	68,887,556	68,778,389	99.84%	109,107	68,887,496	100.00%
2020	70,825,936	70,375,695	99.36%	446,467	70,822,162	99.99%
2021	72,635,124	72,627,467	99.99%	3,793	72,631,260	99.99%
2022	74,882,965	74,789,167	99.87%	80,491	74,869,658	99.98%
2023	77,663,358	77,608,873	99.93%	38,457	77,647,330	99.98%
2024	80,137,298	80,060,018	99.90%	-	80,060,018	99.90%

NOTES:

* This table includes data for all property taxes billed applicable to all funds for Queen Anne's County, Maryland to include General, Special Revenue, and Enterprise Funds. Property taxes billed for the State of Maryland and various municipalities are excluded.

QUEEN ANNE'S COUNTY, MARYLAND
DEBT CAPACITY
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

Table 9

Governmental Activities						
Fiscal Year	General Obligation Bonds	Notes Payable	Leases	Subscription-Based Information Technology Arrangements	Total Governmental Activities	
2015	\$ 112,060,053	\$ 784,785	\$ -	\$ -	\$ 112,844,838	
2016	118,977,909	1,913,199	-	-	120,891,108	
2017	123,519,157	1,698,425	-	-	125,217,582	
2018	132,567,304	1,417,461	-	-	133,984,765	
2019	135,985,079	1,098,323	-	-	137,083,402	
2020	136,513,411	775,589	-	-	137,289,000	
2021	142,970,963	703,773	-	-	143,674,736	
2022	142,140,969	655,957	-	-	142,796,926	
2023	132,251,652	608,141	614,668	1,178,880	134,653,341	
2024	122,661,132	560,325	552,354	905,835	124,679,646	

Business-type Activities						
Fiscal Year	General Obligation Bonds	Notes Payable	Leases	Subscription-Based Information Technology Arrangements	Total Business-type Activities	Total Primary Government
2015	\$ 3,540,295	\$ 11,388,918	\$ -	\$ -	\$ 14,929,213	\$ 127,774,051
2016	3,520,859	10,471,639	-	-	13,992,498	134,883,606
2017	3,217,479	16,296,744	-	-	19,514,223	144,731,805
2018	2,976,195	25,484,821	-	-	28,461,016	162,445,781
2019	2,725,011	29,419,756	-	-	32,144,767	169,228,169
2020	2,475,881	31,932,369	-	-	34,408,250	171,697,250
2021	2,337,041	34,432,935	-	-	36,769,976	180,444,712
2022	2,362,308	33,291,256	39,225	-	35,692,789	178,489,715
2023	2,206,362	35,322,576	144,381	-	37,673,319	172,326,660
2024	2,011,526	34,997,932	110,714	-	37,120,172	161,799,818

Ratios		
Fiscal Year	Debt to Total Personal Income (1)	Outstanding Debt per Capita (1)
2015	6.89%	\$ 2,618
2016	7.24%	2,780
2017	7.64%	2,960
2018	8.39%	3,322
2019	8.22%	3,335
2020	7.29%	3,264
2021	7.73%	3,458
2022	6.96%	3,421
2023	6.33%	3,332
2024	5.85%	3,081

NOTES:

(1) See Table 14 for personal income and population data, which are used in calculating these ratios.

QUEEN ANNE'S COUNTY, MARYLAND
DEBT CAPACITY
RATIOS OF GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS

Table 10

Fiscal Year	General Bonded Debt (1)	Percentage of Total Taxable Assessable Base (2)	Per Capita (3)
2015	\$ 115,600,348	1.53%	\$ 2,369
2016	122,498,768	1.61%	2,525
2017	126,736,636	1.63%	2,592
2018	135,543,499	1.70%	2,772
2019	138,710,090	1.68%	2,733
2020	138,989,292	1.64%	2,643
2021	145,308,004	1.67%	2,785
2022	144,503,277	1.62%	2,769
2023	134,458,014	1.44%	2,600
2024	124,672,658	1.27%	2,374

NOTES:

- * General Bonded Debt includes all general obligation debt, regardless of purpose or repayment source, and other bonded debt financed with general government resources. Other debt is excluded because it is not in the form of bonds.
- (1) General Bonded Debt is comprised of both governmental and business-type activities from Table 9.
- (2) See Table 5 for taxable assessable base.
- (3) See Table 14 for population data.

QUEEN ANNE'S COUNTY, MARYLAND
DEBT CAPACITY
COMPUTATION OF NET DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2024
Table 11

Name of Jurisdiction	Gross Debt
Queen Anne's County:	
County Government	
Total Net Direct Debt (1)	\$ 124,679,646
Towns: (2)	
Centreville (100%)	10,531,000
Queenstown (100%)	4,776,415
Sudlersville (100%)	4,491,262
Millington (100%)	1,000,000
Total Net Overlapping Debt	20,798,677
Total Net Direct and Overlapping Debt	\$ 145,478,323

NOTES:

- (1) Net direct debt of the County includes Governmental Activities general obligation bonds, notes payable, leases, and subscription-based information technology arrangements. See Table 9.
Overlapping debt is the debt of other governmental entities located within the County that is payable in whole or in part by taxpayers of the County.
- (2) Entities are located wholly within Queen Anne's County. Debt information reported by municipalities.



QUEEN ANNE'S COUNTY, MARYLAND
DEBT CAPACITY
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
Table 12-a

	2015	2016	2017	2018	2019
Computation of Legal Debt Margin - for Queen Anne's County					
<u>Other than Debt related to the Sanitary District:</u>					
Authorized debt limit under Title 5 (Subtitle 4) (1)	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000
Authorized bonded debt under specific public laws					
Enterprise Funds, excluding Sanitary District (4)	3,540,295	3,520,859	3,217,479	2,976,195	2,725,011
General Obligation Debt (4)	112,060,053	118,977,909	123,519,157	132,567,304	135,985,079
Subtotal	115,600,348	122,498,768	126,736,636	135,543,499	138,710,090
Total authorized debt under Title 5 and specific public laws	123,600,348	130,498,768	134,736,636	143,543,499	146,710,090
LESS Outstanding bonds, notes payable, and capital leases (5)	14,929,213	134,883,606	144,731,805	162,445,781	169,228,169
Less: Sanitary District debt (4)	11,388,918	10,471,639	16,296,744	25,484,821	29,419,756
Subtotal	3,540,295	124,411,967	128,435,061	136,960,960	139,808,413
Legal Debt Margin - Other than the Sanitary District	\$ 120,060,053	\$ 6,086,801	\$ 6,301,575	\$ 6,582,539	\$ 6,901,677
<u>Debt related to the Sanitary District Proprietary Fund:</u>					
Total taxable assessed value (3)	\$ 7,568,705,234	\$ 7,626,510,532	\$ 7,792,264,218	\$ 7,974,395,138	\$ 8,264,514,461
Plus exempt property (3)	708,231,797	713,843,531	771,576,578	784,345,727	810,049,666
Total assessed value	\$ 8,276,937,031	\$ 8,340,354,063	\$ 8,563,840,796	\$ 8,758,740,865	\$ 9,074,564,127
Debt Limit - 6% of total assessed value (2)	\$ 496,616,222	\$ 500,421,244	\$ 513,830,448	\$ 525,524,452	\$ 544,473,848
LESS Sanitary District	11,388,918	10,471,639	16,296,744	25,484,821	29,419,756
Less: Restricted Cash and Investments in the					
Debt Service Fund available for payment of principal	2,695,383	1,120,775	947,445	1,060,045	1,259,440
	8,693,535	9,350,864	15,349,299	24,424,776	28,160,316
Legal Debt Margin - Sanitary District	\$ 487,922,687	\$ 491,070,380	\$ 498,481,149	\$ 501,099,676	\$ 516,313,532

NOTES:

- (1) Title 5, Subtitle 4 (1), of the Code of Public Local Laws of Queen Anne's County authorizes the County to borrow up to \$8,000,000 for general operating and capital improvement expenditures. This authority is in addition to any bonded debt authorized under specific public local laws.
- (2) Title 24, Subtitle 1, Section 24-146(A) of the Code of Public Local Laws of Queen Anne's County authorizes the County to borrow an amount not to exceed 6% of the total value of property assessed. The proceeds of such borrowings must be used for sewer and water system construction payments.
- (3) See Table 5.
- (4) See Note 9, Section B.
- (5) See Note 9.

QUEEN ANNE'S COUNTY, MARYLAND
DEBT CAPACITY
COMPUTATION OF LEGAL DEBT MARGIN
LAST TEN FISCAL YEARS
Table 12-a

(CONTINUED)

2020	2021	2022	2023	2024
\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000	\$ 8,000,000
2,475,881	2,337,041	2,362,308	2,206,362	2,011,526
136,513,411	142,970,963	142,140,969	132,251,652	122,661,132
138,989,292	145,308,004	144,503,277	134,458,014	124,672,658
146,989,292	153,308,004	152,503,277	142,458,014	132,672,658
171,697,250	180,444,712	35,692,789	38,852,199	38,026,007
31,932,369	34,432,935	33,291,256	35,322,576	34,997,932
139,764,881	146,011,777	2,401,533	3,529,623	3,028,075
\$ 7,224,411	\$ 7,296,227	\$ 150,101,744	\$ 138,928,391	\$ 129,644,583
\$ 8,486,858,638	\$ 8,714,892,522	\$ 8,921,620,470	\$ 9,335,551,287	\$ 9,841,742,881
839,013,301	860,398,332	879,391,068	887,420,959	920,628,412
\$ 9,325,871,939	\$ 9,575,290,854	\$ 9,801,011,538	\$ 10,222,972,246	\$ 10,762,371,293
\$ 559,552,316	\$ 574,517,451	\$ 588,060,692	\$ 613,378,335	\$ 645,742,278
31,932,369	34,432,935	33,291,256	35,322,576	34,997,932
2,031,867	2,684,988	1,913,102	1,703,815	2,170,557
29,900,502	31,747,947	31,378,154	33,618,761	32,827,375
\$ 529,651,814	\$ 542,769,504	\$ 556,682,538	\$ 579,759,574	\$ 612,914,903

QUEEN ANNE'S COUNTY, MARYLAND
DEBT CAPACITY
COMPUTATION OF LOCAL DEBT LIMIT
LAST TEN FISCAL YEARS
Table 12-b

	2015	2016	2017	2018	2019
Computation of Local Debt Limit, as Authorized under Article 95, Section 22F of the Annotated Code of Maryland and per criteria established by Queen Anne's County Resolution No. 13-04, as adopted May 2013.					
CALCULATION PER FIRST FINANCIAL CRITERIA:					
The sum of all outstanding and new general obligation and/or bonded debt is 2.5% or less of the total taxable assessed base.					
Total Taxable Assessed Base (1)	\$ 7,568,705,234	\$ 7,626,510,532	\$ 7,792,264,218	\$ 7,974,395,138	\$ 8,264,514,461
	2.5%	2.5%	2.5%	2.5%	2.5%
2.5% of Total Taxable Assessed Base	<u>\$ 189,217,631</u>	<u>\$ 190,662,763</u>	<u>\$ 194,806,605</u>	<u>\$ 199,359,878</u>	<u>\$ 206,612,862</u>
LESS Outstanding and New General Obligation Debt applicable to limit (2) (3)					
Enterprise Funds' Debt - Bonds	\$ 3,540,295	\$ 3,520,859	\$ 3,217,479	\$ 2,976,195	\$ 2,725,011
General Obligation Debt - Bonds and Notes	112,844,838	120,891,108	125,217,582	133,984,765	137,083,402
Total Outstanding and New General Obligation Debt	<u>\$ 116,385,133</u>	<u>\$ 124,411,967</u>	<u>\$ 128,435,061</u>	<u>\$ 136,960,960</u>	<u>\$ 139,808,413</u>
2.5% of Total Taxable Assessed Base in Excess of					
Total Outstanding and New General Obligation Debt	<u>\$ 72,832,498</u>	<u>\$ 66,250,796</u>	<u>\$ 66,371,544</u>	<u>\$ 62,398,918</u>	<u>\$ 66,804,449</u>
CALCULATION PER SECOND FINANCIAL CRITERIA:					
The sum of all outstanding and new general obligation and/or bonded debt is \$3,000 or less per capita.					
Total County Population (4)	48,804	48,517	48,904	48,904	50,750
\$3,000 Per Capita	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
	<u>\$ 146,412,000</u>	<u>\$ 145,551,000</u>	<u>\$ 146,712,000</u>	<u>\$ 146,712,000</u>	<u>\$ 152,250,000</u>
LESS Outstanding and New General Obligation Debt (1)	<u>\$ 116,385,133</u>	<u>\$ 124,411,967</u>	<u>\$ 128,435,061</u>	<u>\$ 136,960,960</u>	<u>\$ 139,808,413</u>
\$3,000 Per Capita in Excess of					
Total Outstanding and New General Obligation Debt	<u>\$ 30,026,867</u>	<u>\$ 21,139,033</u>	<u>\$ 18,276,939</u>	<u>\$ 9,751,040</u>	<u>\$ 12,441,587</u>

NOTES:

- (1) See Table 5 - Total Taxable Assessed Value.
- (2) See Note 9 A - Changes in Noncurrent Liabilities.
- (3) General Obligation Debt includes debt relating to the Sanitary District, because such debt is backed by the full faith and credit of the County, but excludes all capital leases, which are collateralized by the equipment purchased with such leases.
- (4) See Table 14 - Population.

In May, 2013, as described in Note 9 E, Queen Anne's County adopted Resolution No. 13-04, thereby continuing a local debt policy in compliance with Article 95, Section 22F of the Annotated Code of Maryland.

This policy requires that the County's Director of Budget and Finance to take the following steps:

- (a) prepare a six-year capital project plan each year;
- (b) propose an amount to be transferred from the General Fund operating balance to the General Capital Projects Fund to serve as pay-as-you-go funding in the latter Fund, in order to lessen the need for future County debt;
- (c) limit the County's non-bonded indebtedness to \$8.0 million for general operating expenses or capital improvements;
- (d) certify that the sum of outstanding general bonded debt and any new general obligation debt is 2.5% or less of the total taxable assessed base and is \$3,000 or less per capita; and

This policy also stipulates that although there is some flexibility as to the acceptable percentage of debt service to general fund expenditures, and no absolute limit has been established by the rating agencies or the Government Finance Officers Association, anything above 12% of total general fund expenditures would be a cause to carefully monitor debt service.

QUEEN ANNE'S COUNTY, MARYLAND
DEBT CAPACITY
COMPUTATION OF LOCAL DEBT LIMIT
LAST TEN FISCAL YEARS
Table 12-b

(CONTINUED)

2020	2021	2022	2023	2024
\$ 8,486,858,638	\$ 8,714,892,522	\$ 8,921,620,470	\$ 9,335,551,287	\$ 9,841,742,881
2.5%	2.5%	2.5%	2.5%	2.5%
\$ 212,171,466	\$ 217,872,313	\$ 223,040,512	\$ 233,388,782	\$ 246,043,572
\$ 2,475,881	\$ 2,337,041	\$ 2,362,308	\$ 2,206,362	\$ 2,011,526
137,289,000	143,674,736	142,796,926	132,859,793	123,221,457
\$ 139,764,881	\$ 146,011,777	\$ 145,159,234	\$ 135,066,155	\$ 125,232,983
\$ 72,406,585	\$ 71,860,536	\$ 77,881,278	\$ 98,322,627	\$ 120,810,589
52,597	52,177	52,177	51,711	52,508
\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000	\$ 3,000
\$ 157,791,000	\$ 156,531,000	\$ 156,531,000	\$ 155,133,000	\$ 157,524,000
\$ 139,764,881	\$ 146,011,777	\$ 145,159,234	\$ 135,066,155	\$ 125,232,983
\$ 18,026,119	\$ 10,519,223	\$ 11,371,766	\$ 20,066,845	\$ 32,291,017

QUEEN ANNE'S COUNTY, MARYLAND
 DEMOGRAPHIC AND ECONOMIC INFORMATION
 PRINCIPAL EMPLOYERS
 CURRENT FISCAL YEAR AND NINE YEARS AGO

Table 13

For the Fiscal Year Ended June 30, 2024			
Employer	Employees	Rank	Percentage of Total County Employment
Queen Anne's County Board of Education	1,096	1	6.96%
Queen Anne's County Government	675	2	4.29%
Paul Reed Smith Guitars	468	3	2.97%
Chesapeake College	385	4	2.45%
REEB Millwork	303	5	1.92%
S.E.W. Friel	260	6	1.65%
Food Lion	203	7	1.29%
The Chesapeake Bay Beach Club	150	8	0.95%
Harris Seafood Company	125	9	0.79%
Federal Resources Supply	120	10	0.76%
Total	3,785		24.03%

For the Fiscal Year Ended June 30, 2015			
Employer	Employees	Rank	Percentage of Total County Employment
Queen Anne's County Board of Education	944	1	8.81%
Chesapeake College	510	2	4.76%
Queen Anne's County Government	449	3	4.19%
S.E.W. Friel	275	4	2.57%
Paul Reed Smith Guitars	249	5	2.32%
Reeb Millwork	180	6	1.68%
Cracker Barrel Old Country Store	170	7	1.59%
Power Electronics	162	8	1.51%
Fisherman's Inn	135	9	1.26%
Genesis HealthCare/Corsica Hall Center	134	10	1.25%
Total	3,208		29.94%

Source: Queen Anne's County Economic Development Office; Table 15.

QUEEN ANNE'S COUNTY, MARYLAND
DEMOGRAPHIC AND ECONOMIC INFORMATION
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
Table 14

Fiscal Year	Population (1)	Total Personal Income (2)	Per Capita Income (3)	Unemployment Rate (3)	Average Registered Number of Pupils (4)
2015	48,804	\$ 1,854,356,784	\$ 37,996	4.90%	7,752
2016	48,517	1,862,664,664	38,392	3.90%	7,738
2017	48,904	1,894,198,632	38,733	3.80%	7,799
2018	48,904	1,936,256,072	39,593	3.90%	7,768
2019	50,750	2,058,064,750	40,553	3.70%	7,767
2020	52,597	2,353,926,138	44,754	7.00%	7,705
2021	52,177	2,335,129,458	44,754	5.20%	7,351
2022	52,177	2,565,960,506	49,178	4.00%	7,418
2023	51,711	2,722,687,572	52,652	1.50%	7,539
2024	52,508	2,764,651,216	52,652	2.80%	7,492

NOTES:

(1) Source: Queen Anne's County Division of Land Use and Zoning

(2) Personal income derived by multiplying population by per capita income.

(3) Source: US Census Bureau and Maryland Department of Labor, Licensing, and Regulation - as of June.

(4) Source: Queen Anne's County Board of Education.

QUEEN ANNE'S COUNTY, MARYLAND
OPERATING INFORMATION
COUNTY GOVERNMENT EMPLOYEES - FULL-TIME EQUIVALENTS
LAST TEN FISCAL YEARS
Table 15

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Number of Exempt Employees	30	32	35	34	32	33	37	40	40	46
Number of Full Time Employees	416	431	439	450	479	484	496	462	533	627
Number of Part Time Employees (FTE)	3	3	4	3	3	2	2	2	2	2
Total County Government Employees	449	466	478	487	514	519	535	504	575	675

NOTES:

Source: Queen Anne's County Office of Budget and Finance

QUEEN ANNE'S COUNTY, MARYLAND
OPERATING INFORMATION
COUNTY GOVERNMENT EMPLOYEES - FULL-TIME ONLY BY FUNCTION
LAST TEN FISCAL YEARS
Table 16

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
General Government	81	83	87	76	75	78	79	83	92	97
Public Safety:										
Police	58	59	61	62	69	71	70	65	72	93
Fire - Emergency Management Services	71	72	73	75	82	83	83	84	101	118
Detention Center	41	41	45	41	42	43	45	42	46	54
Animal Services	3	2	2	2	2	2	13	7	13	16
Public Works	58	61	59	75	80	77	75	68	77	93
Health	1	1	1	1	1	1	1	1	1	1
Social Services	38	42	41	39	39	39	41	41	40	45
Parks	39	42	44	43	46	52	51	43	53	60
Conservation of Natural Resources	3	4	4	4	4	4	4	3	3	4
Economic/Community Development	3	6	5	10	11	9	10	10	12	17
Total Governmental Activities	396	413	422	428	451	459	472	447	510	598
Business-Type Activities:										
Sanitary District	46	46	48	51	55	53	56	50	60	72
Bay Bridge Airport	1	1	1	2	2	2	2	2	2	2
Golf	1	1	1	1	1	1	1	1	1	1
Public Landings	2	2	2	2	2	2	2	2	2	2
Total Business-Type Activities	50	50	52	56	60	58	61	55	65	77
Total Full-Time County Employees	446	463	474	484	511	517	533	502	575	675

NOTES:

- Only full-time County employees are represented in this table.
- Employees of the County's component units have been excluded from this table.

Source: Queen Anne's County Office of Budget and Finance

QUEEN ANNE'S COUNTY, MARYLAND
 OPERATING INFORMATION
 OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS
 Table 17

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
General Government:										
Planning & Zoning:										
Number of commercial permits issued	52	50	47	55	30	49	91	63	83	48
Number of residential permits issued:										
Single Family Permits	123	84	124	145	155	173	275	136	271	284
Multi Family Permits	-	1	29	-	37	41	62	32	2	56
Renovations and Additions Permits	270	303	323	339	359	317	343	203	357	303
Total residential permits issued	393	388	476	484	551	531	680	371	630	643
Public Safety:										
Fire and Rescue:										
Number of volunteer members	683	500	400	500	450	542	558	550	703	757
Police:										
Uniformed Police Officers	64	64	64	68	69	71	71	73	77	84
Number of law violations:										
Physical arrests	1,055	903	914	1,097	930	854	1,080	812	859	1,240
Traffic violations	6,030	8,002	7,183	12,384	10,474	9,705	11,142	7,447	9,859	13,111
Detention Center:										
Detention Center Officers	41	39	38	42	41	41	42	41	43	43
Average yearly prison population	123	115	133	115	105	106	158	154	108	99
Public Works:										
Wastewater Treated - Daily (mgd)	2.1	2.0	2.0	2.2	2.2	2.1	2.3	2.7	2.6	2.6
Education:										
Number of Personnel										
Teachers	575	575	572	569	572	584	603	609	615	615
Administrators	40	40	38	37	37	37	36	38	43	49
Support	295	296	304	300	301	281	336	364	348	349
Other	34	34	34	34	32	7	7	7	5	83
Number of Students	7,752	7,738	7,799	7,768	7,767	7,705	7,351	7,418	7,539	7,492
Number of High School Graduates	589	532	550	552	521	590	561	535	534	568

NOTES:
 Source: Various County departments.

QUEEN ANNE'S COUNTY, MARYLAND
OPERATING INFORMATION
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
Table 18

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Governmental Activities:										
Public Safety:										
Fire and Rescue:										
Number of volunteer stations	9	9	9	9	9	9	9	9	9	9
Equipment:										
Engines	16	16	16	16	15	15	15	15	14	15
Tankers	8	8	8	8	7	9	9	9	9	9
Aerial Units	4	5	5	4	5	5	5	5	5	5
Rescue Units	7	6	6	5	5	7	7	7	7	7
Brush Units	7	7	7	7	7	8	8	8	8	8
Boats	6	6	6	3	4	4	4	4	4	4
Ambulance/Medic Units	14	12	13	13	11	13	12	13	11	11
Cars/Other	25	25	16	14	28	33	33	33	30	34
Police:										
Number of Stations	1	1	1	1	1	1	1	1	1	1
Number of Vehicles										
Patrol	68	71	70	70	71	81	66	43	60	74
Other	15	10	9	14	14	12	29	67	30	33
Detention Center										
Capacity	148	148	148	148	148	148	148	148	148	148
Public Works:										
County Maintained Roads and Streets										
Paved (miles)	543	540	549	549	549	550	550	549	549	549
Unpaved (miles)	12	12	12	12	12	12	12	12	12	12
County Owned Water and Wastewater Facilities										
Water										
Miles of Mains	62	64	65	67	68	69	70	71	71	72
Water Treatment Plants	11	11	11	11	11	11	11	11	11	11
Booster Stations	2	2	2	2	2	2	2	2	2	2
Wastewater										
Miles of Mains	122	128	136	151	153	154	160	162	162	162
Wastewater Treatment Plants	1	1	1	1	1	1	1	1	1	1
Wastewater Collection, Lift, and Pumping Stations	31	31	32	32	32	32	32	32	32	33
Education:										
Number of Schools										
High Schools	2	2	2	2	2	2	2	2	2	2
Middle Schools	4	4	4	4	4	4	4	4	4	4
Elementary Schools	8	8	8	8	8	8	8	8	8	8
Parks and Recreation:										
Parks	33	32	32	32	32	32	32	32	32	32
Park Acreage	2,915	2,915	2,915	3,085	3,085	3,085	3,085	3,085	3,085	3,089
Public Landings	20	19	20	20	20	20	20	20	20	20
Library:										
Number of Libraries	3	3	3	3	3	3	3	3	3	3

NOTES:
Source: Various County departments.