

Worcester County

MARYLAND



Annual Comprehensive Financial Report

FISCAL YEAR ENDED JUNE 30, 2024

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Worcester County, Maryland

Annual Comprehensive Financial Report

For Fiscal Year Ended
June 30, 2024



Worcester County Government Center

Prepared by:

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Chief Administrative Officer

Phillip G. Thompson, CPA
Finance Officer

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Enterprise Fund Controller

Jessica R. Wilson, CPA
Deputy Finance Officer

Kimberly Reynolds
Budget Officer

WORCESTER COUNTY, MARYLAND

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INTRODUCTORY SECTION

LETTER OF TRANSMITTAL

GFOA CERTIFICATE OF ACHIEVEMENT

ORGANIZATION CHART

LIST OF PRINCIPAL OFFICIALS AND DIRECTORS



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OFFICE OF THE TREASURER

Worcester County

GOVERNMENT CENTER

ONE WEST MARKET STREET, ROOM 1105

P.O. Box 248

SNOW HILL, MARYLAND

21863

PHILLIP G. THOMPSON, CPA
FINANCE OFFICER

JESSICA R. WILSON, CPA
DEPUTY FINANCE OFFICER

December 23, 2024

To the County Commissioners and Citizens of Worcester County, Maryland:

I am pleased to submit the Annual Comprehensive Financial Report (ACFR) for Worcester County, Maryland for the fiscal year ended June 30, 2024 as required by both local and state statutes. These statutes require that Worcester County, Maryland annually issue 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.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management Discussion and Analysis (MD&A). This letter of transmittal is designed to be read in conjunction with the MD&A, which can be found immediately following the report of the independent auditors.

This report consists of management's representations concerning the finances of the County. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for these representations, the management of the 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 the County's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the County's comprehensive framework of internal controls has been designed to provide 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.

The public accounting firm UHY, LLP has audited Worcester County, Maryland's financial statements. The goal of the independent audit is to provide reasonable assurance that the financial statements of Worcester County, Maryland, for the fiscal year ended June 30, 2024, are free of material misstatement.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and

significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that Worcester County, Maryland'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.

This independent audit of the County's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements are encompassed in the United States Office of Management and Budget's *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), which require the independent 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 Worcester County's separately issued single audit report.

Profile of the Government

Worcester County, established in 1742, lies in the middle of a three-state region known as the Delmarva Peninsula, which comprises portions of Delaware, Maryland and Virginia. The County is the seventh largest in Maryland, having a land area of 483 square miles and 106 square miles of water. On the north, it is bounded by Sussex County, Delaware; on the south by Accomack County, Virginia; on the west by Wicomico and Somerset Counties, Maryland; and on the east by the Atlantic Ocean. One of Worcester County's greatest assets is its seashore. An excellent beach, which forms the entire oceanfront in Maryland, stretches for 31 miles across the entire eastern boundary of the County on a barrier island, which is separated from the mainland by a series of shallow bays.

There are four incorporated municipalities in the County: Berlin, Ocean City, Pocomoke City and Snow Hill. Berlin, Pocomoke City and Snow Hill are well-established communities ranging in size from 2,100 to about 4,500 year-round residents. Each was originally built as a residential, economic and social center to serve its surrounding agricultural communities. The Town of Ocean City is the County's most developed and its major industry is tourism. According to recent estimates, summer populations average over 295,000 in July and August and peak at nearly 325,000 on the July 4th weekend. The Towns and County provide their residents and visitors with various government services, including police and fire protection, beach patrol, water and sewage disposal, public transportation, recreational facilities and emergency health care services.

Form of Government

The County is governed by an elected seven-member Board of County Commissioners, each of whom is elected from one of the seven Commissioner districts. Elections are held every four years in November. The Commissioners must be qualified voters of the County and must have resided at least two years in Worcester County immediately preceding their election. The Board must meet at least twice each month and must remain in session so long as may be necessary to properly transact the business of the County. The Board elects its own president and vice president.

The Chief Administrative Officer of the County is charged with the administration of all departments of the County government. The County provides a full range of municipal services including education, libraries, public safety (sheriff, jail, emergency services and fire marshal), recreational activities, health and social services, sanitary districts, waste disposal, recycling, highways and streets, planning and zoning, and general administrative services.

Budget Process

The Board adopts an operating budget for the General Fund and Enterprise Funds of the County. Revenue estimates for the ensuing fiscal year from the units of the County government are reviewed and compiled by the Budget Officer in February of each year. The expenditure requests are submitted to the Chief Administrative Officer, who in turn presents a requested budget to the Board in March. The Board must then conduct a public hearing on the budget submitted on or before May 30, and shall advertise at least once per week for two weeks prior to the hearing in a publication of general circulation within the County. The Board must then adopt the budget and tax rates on or before the first Tuesday in June.

The County's assessable base has improved steadily in recent years and we anticipate this positive trend will continue in the near term. Salary accounts were increased in FY24 to include a 2% cost of living adjustment (COLA) and included a step increment of 2.5% and longevity pay for those eligible. Finally, the County continues to include capital asset purchases, including vehicles and heavy equipment, into the operating budget in order to meet the operating needs of the departments.

Factors Affecting Financial Condition

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

Local Economy – Like state and local governments across the country, Worcester County's local economic performance reflects many current national trends. The housing market has continued to perform well in the wake of higher interest rates and we are experiencing a steadily improving real property assessable base throughout the County. Of concern are the impacts of potential reductions in state funding and additional costs which may be passed on to local governments. The County's unemployment rate has experienced a slight increase over the last year which is in-line with the national trends and accurately reflects a challenging labor market. The county unemployment rate increased from 2.2% in June of 2023 to 3.4% in June of 2024 according to the Bureau of Labor Statistics. The County continues to maintain the third lowest property tax rate and the lowest income tax rate in the state, providing the County with financial flexibility for future years.

The County has a strong tourism industry, drawing visitors from all over the country to its pristine seashore and many historic sites. The County continues to experience strong tourism in FY24 as we transition to more "normal" post-pandemic travel patterns. County-wide Room Tax revenue totaled \$27.4M in FY24 which correlates to more than \$548M in room/rental sales throughout the County in the current fiscal year which provides further evidence that our tourism market continues to perform well. It is important to note that all Room and Food Tax activity is

collected by the County however only the amount of Room Tax collected in the unincorporated area is reflected in the General Fund. Room and Food Taxes collected by the County “on behalf” of the incorporated municipalities is recorded in the appropriate agency fund. The County’s central location relative to the major mid-Atlantic metropolitan areas continues to make it a target destination for retirees who seek a better quality of life as well as a convenient getaway for those looking to escape the city for a long weekend. Development is purposely controlled to protect the County’s beauty and the fragile environment of its shoreline and waters.

Long-Term Financial Planning – The Board adopts a multi-year capital budget plan, covering 5 years, that forecasts spending for all anticipated capital projects. The plan addresses both repair and replacement of existing infrastructure as well as the development of new facilities to accommodate future growth. It enables the County to identify needed capital projects and to coordinate facility financing and timing. The County has no plans to issue debt in fiscal year 2025, focusing instead on the completion of ongoing projects for which funding has already been secured. These projects include a roof and HVAC project at the County Jail, a Logistical Storage Facility for our Public Safety Departments, and a Belt Filter Press for our Water and Wastewater Department.

Cash Management Policies and Practices – The County invests its funds according to its adopted investment policy, which provides for safety of principal and maximizes security, meets daily cash flow demands, and seeks to achieve an adequate rate of return. Cash temporarily idle during the year is invested in the Maryland Local Government Investment Pool.

Risk Management – The County is a member of the Maryland Local Government Insurance Trust. The Trust is a public-entity risk pool which is owned and directed by the local governments that subscribe to its coverage and operates under the terms of a Trust Agreement. The Trust provides insurance and risk management services to its members. The County obtains worker’s compensation and employee medical coverage through a commercial insurance company.

Pension and Other Post-Employment Benefits – County employees are covered by either the Employees’ Retirement System or the Employees’ Pension System of the State of Maryland. These are multiple-employer public retirement systems sponsored and administered by the Maryland State Retirement and Pension System and created by the Maryland General Assembly. Additional State pension plan offerings include the Law Enforcement Officers’ Pension System (LEOPS) for our public safety personnel as well as a Correctional Officers’ Retirement System (CORS) for employees of the County Jail. In addition to the State plan, the County assumed management of a plan that is administered by the Nationwide Life Insurance Company following the abolishment of the Worcester County Sanitary Commission in 1994. This plan provides coverage for the former employees of the Sanitary Commission, many of whom now work for the County Department of Public Works.

The County also provides other post-employment benefits (OPEB) for retirees and their dependents who meet the Maryland State Retirement System benefit qualifications. The County has created OPEB trusts for the benefit of the employees of the general government as well as the Worcester County Board of Education. This was done in accordance with Governmental

Accounting Standards Board (GASB) Statements. The purpose of these Statements is to provide a more complete and reliable reporting of the financial obligations that governments incur when they provide post-employment benefits as part of the compensation for services rendered by their employees. The enactment of these standards by GASB and the adherence to them by the County should provide our constituents more accurate information about the total cost of the services that we provide.

Awards and Acknowledgements – The Government Finance Officers Association (GFOA) of the United States and Canada has awarded a Certificate of Achievement for Excellence in Financial Reporting to Worcester County, Maryland for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both GAAP and applicable legal requirements.

A certificate of achievement is valid for a period of one year only. We believe that our current Annual Comprehensive Financial Report continues to adhere to the Certificate of Achievement requirements and we will be submitting it to the 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 Worcester County Treasurer's Office. In addition, we could not have produced this report without the support and guidance provided by the Worcester County Commissioners and their staff. I would like to express my appreciation to all the members who contributed to this report for their conscientiousness and dedication throughout the year.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "P. G. Thompson", with a stylized flourish at the end.

Phillip G. Thompson, CPA
Finance Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Worcester County
Maryland**

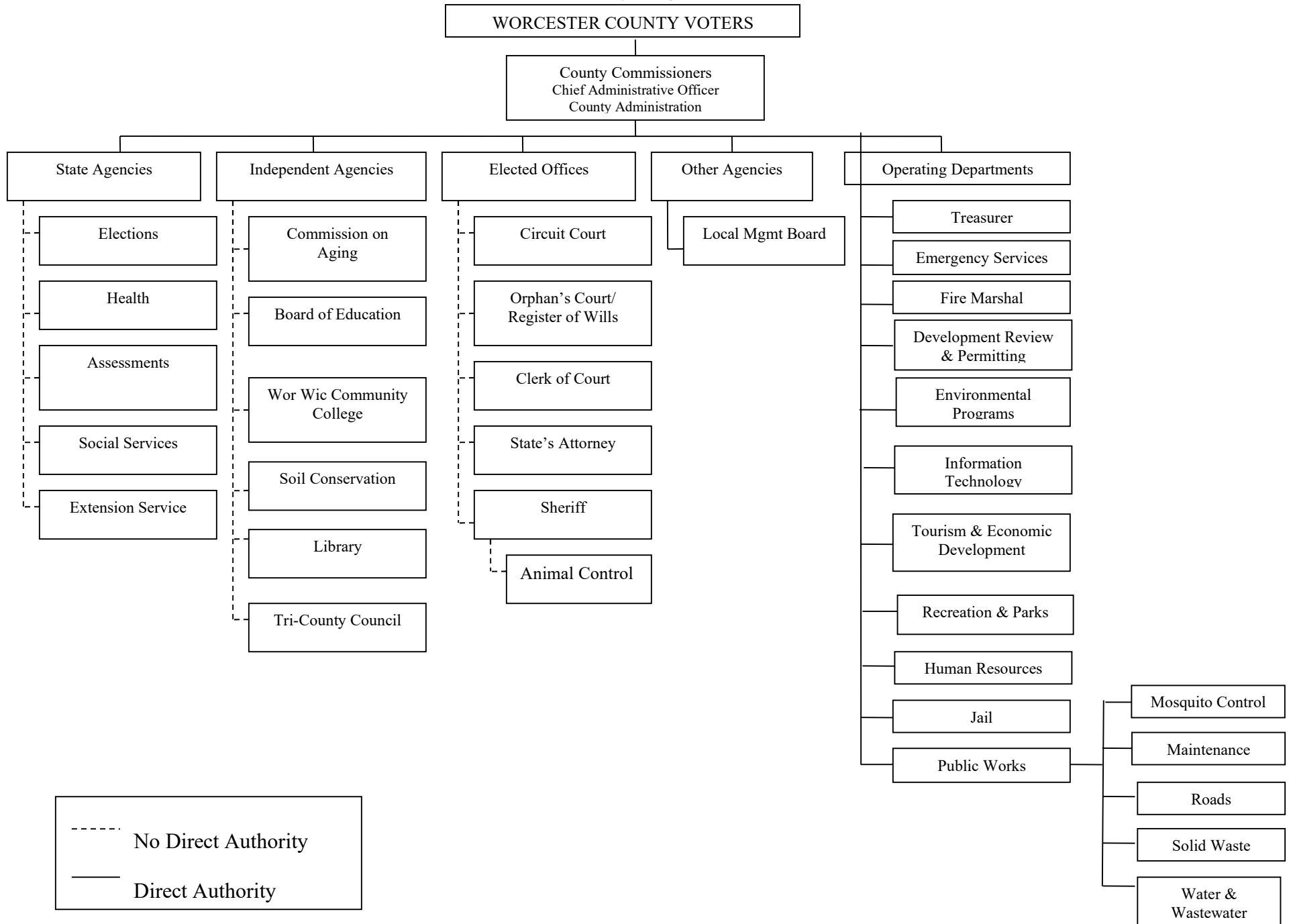
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

Worcester County Organization Chart



Worcester County, Maryland
List of Principal Officials and Directors
June 30, 2024

ELECTED OFFICIALS

County Commissioners

Anthony W. Bertino, Jr., President
Madison J. Bunting, Jr., Vice President
Caryn Abbott
Theodore J. Elder
Eric Fiori
Joseph M. Mitrecic
Diana Purnell

Sheriff
State's Attorney

Matthew Crisafulli
Kristin Heiser

APPOINTED OFFICIALS

Chief Administrative Officer
Deputy Chief Administrative Officer
Attorney
Development Review and Permitting Director
Environmental Programs Director
Emergency Services Director and Fire Marshal
Finance Officer
Human Resources Director
Information Technology Director
Jail Warden
Library Director
Public Works Director
Recreation and Parks Director
Tourism and Economic Development Director

Weston Young
Candace Savage
Roscoe R. Leslie
Jennifer Keener
Robert Mitchell
Matthew Owens
Phillip G. Thompson
Stacey Norton
Brian Jones
Timothy Mulligan
Jennifer Ranck
Dallas Baker
Kelly Rados
Melanie Pursel

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

To the County Commissioners of
Worcester County, Maryland
Snow Hill, Maryland

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of Worcester County, Maryland as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Worcester County, Maryland'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 unit, each major fund, and the aggregate remaining fund information of Worcester County, Maryland, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows, and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Worcester County, Maryland 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.

Emphasis of Matter

As discussed in Note 19 to the financial statements, Worcester County, Maryland determined to restate its June 30, 2023 financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Worcester County, Maryland's basic financial statements. The accompanying combining and individual nonmajor fund financial statements and other supplementary information as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and other supplementary information as listed in the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our 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 Worcester County, Maryland'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 Worcester County, Maryland'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 Worcester County, Maryland's internal control over financial reporting and compliance.

A stylized, handwritten-style signature in dark blue ink that reads "UHY LLP".

Salisbury, Maryland
December 23, 2024

Management's Discussion and Analysis

This discussion and analysis of Worcester County's ("County") financial statements is designed to introduce the basic financial statements and provide an analytical overview of the County's financial activities for the fiscal year ended June 30, 2024. The basic financial statements are comprised of the government-wide financial statements, fund financial statements, and notes to the financial statements. We hope this, in conjunction with additional information provided within the statements, will assist readers in identifying significant financial issues and changes in the County's financial position.

Financial Highlights for Fiscal Year 2024

The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of fiscal year 2024 by \$179.5 million (net position) an increase of \$36.8 million over the fiscal year 2023 net position. Approximately \$57.8 million is attributable to the County's business-type activities of solid waste and water and wastewater operations and approximately \$121.7 million is attributable to the County's governmental activities. 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. Therefore, while the County's financial statements include this outstanding debt, they do not include the capital assets funded by the debt. Debt outstanding for the Board of Education amounted to \$59.3 million at June 30, 2024. Absent the effect of this relationship, the County would have reported an unrestricted governmental activities net position of \$70.7 million on its government-wide financial statements, rather than the unrestricted net position of \$11.4 million.

At the end of the current fiscal year, the County's governmental funds reported combined fund balance of \$120.5 million, an increase of \$14.9 million in comparison with the prior year including the prior period restatement. This increase is a combination of changes in the various fund balances.

- The general fund balance increased by \$17.7 million, after the prior period restatement referenced in note 19 of the financial statements, due to stronger than anticipated revenues for income taxes, investment income, and recordation and transfer taxes.
- The capital projects fund balance decreased by \$4.4 million due to spend down on the Jail Phase 2 Roof and HVAC project.
- The nonmajor governmental funds fund balance increased by \$1.6 million primarily due to Casino Local Impact grant revenue in excess of planned expenditures, an increase in Opioid Restitution Fund revenue, and the addition of the Cannabis Tax Fund in fiscal year 2024.

Budget – Revenues

The fiscal year 2024 budgeted revenues increased by \$8.9 million from \$227 million to \$235.9 million. The budget increases primarily related to the \$6.9 million in net property taxes due by combining the real property tax rate of \$.845 with the assessment increases, income tax revenue estimates of \$2 million due to a strong labor market, interest on investments of \$4.9 million based on current rate of return, and federal/state grants of \$3.2 million for new grant programs and increased grant funding. These budget increase were offset by a decrease in other local taxes of \$3.5 million primarily relating to transfer and recordation taxes due to expectations of a softening real estate market and a reduction in the transfer-in of \$5 million due to no prior year surplus used to balance the budget and less casino grant funds.

Budget – Expenditures

The fiscal year 2024 budget expenditures increased primarily due to needed capital and equipment purchases, 2% cost of living adjustment (COLA) salary increase, and step at 2.5% for eligible County employees. In addition, there were increases in the insurance and benefits expenditures which included an increase in other post-employment benefit (OPEB) for total OPEB funding of \$13.3 million. The Board of Education operating budget decreased by \$218 thousand in fiscal year 2024 and is in accordance with the state of Maryland funding requirement.

General fund actual results during fiscal year 2024 included an increase in fund balance totaling \$17.7 million. A stronger than anticipated labor market resulted in income tax revenue exceeding the budget by \$13.8 million. Other local taxes increased by \$4.2 million due to the related Transfer and Recordation activity due to a robust real estate market. Federal and state grants increased by \$4.2 million primarily due to funding from the American Rescue Plan Act, the Program Open Space (POS) - recreation, and Local Park and Playground Infrastructure (LPPI) grants. In addition, the Investment income increased by \$2.7 million. These additional revenues were offset by the \$6 million transfer out to cover spending in the Capital Projects Fund.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of four components: **1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.** This report also contains **4) supplementary information** in addition to the basic financial statements themselves.

1) Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private business. The government-wide financial statements include a *Statement of Net Position* and a *Statement of Activities*.

The *Statement of Net Position* presents information on all of the County's assets, deferred outflows, liabilities, and deferred inflows, with the difference reported as net position. Over time, increases and decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

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 these financial statements distinguish functions of the County that are principally supported by taxes and intergovernmental revenues (governmental activities) and activities from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities).

The *governmental activities* of the County include general government, public safety, public works, health and hospitals, social services, education, libraries, recreation and culture, conservation of natural resources, economic development, and interest on long-term debt.

The *business-type activities* of the County include solid waste and water and sewer utility operations.

The government-wide financial statements include not only the County itself (the primary government), but also includes the Worcester County Board of Education as a legally separate component unit and are reported separately from financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 28 – 31 of this report.

2) Fund Financial Statements

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

- **Governmental Funds.** Governmental Funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of

the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains nine individual governmental 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 the General, Capital Projects, Debt Service, Department of Social Services, Local Management Board, Casino, Energy Service, Opioid Restitution, and Cannabis Tax funds.

The County adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate budgetary compliance.

The basic governmental fund financial statements can be found on pages 32 – 36 of this report.

- **Proprietary funds.** Proprietary funds are comprised of two types: 1) *Enterprise funds* and 2) *Internal Service funds*. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. Enterprise funds are used to account for functions of the County in which user charges are collected to cover the cost of the service being provided. The County uses enterprise funds to account for its solid waste and water and sewer. Internal service funds are used to report activities that provide supplies and services for the government's other programs and activities. The County does not utilize an internal service fund.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund statements can be found on pages 38 – 42 of this report.

- **Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for fiduciary funds is similar to a proprietary fund.

The basic fiduciary fund financial statements can be found on pages 43 – 44 of this report.

3) **Notes to the Financial Statements**

The notes to the financial statements 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 on pages 46 – 100 of this report.

4) **Supplementary Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required *supplementary information*. Required supplementary information can be found starting on page 102 of this report.

Financial Analysis on Government-Wide Financial Statements

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. One of the largest portions of the County's net position reflects its investments in capital assets (e.g., land, buildings, roads, equipment, and bridges) less related outstanding debt used to acquire those assets in the amount of \$138.6 million at June 30, 2024. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Worcester County, Maryland

Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023 as restated	2024	2023 as restated	2024	2023 as restated
Assets:						
Current and other assets	\$ 165,981,612	\$ 146,831,330	\$ 51,236,665	\$ 50,156,878	\$ 217,218,277	\$ 196,988,208
Capital assets	105,275,208	99,517,384	74,912,796	76,381,890	180,188,004	175,899,274
Total assets:	<u>271,256,820</u>	<u>246,348,714</u>	<u>126,149,461</u>	<u>126,538,768</u>	<u>397,406,281</u>	<u>372,887,482</u>
Deferred outflows of resources	<u>23,112,271</u>	<u>19,367,395</u>	<u>-</u>	<u>-</u>	<u>23,112,271</u>	<u>19,367,395</u>
Liabilities:						
Current and other liabilities	29,332,715	36,171,278	22,395,896	21,643,119	51,728,611	57,814,397
Long-term liabilities	116,370,597	115,214,223	44,652,204	45,360,225	161,022,801	160,574,448
Total liabilities:	<u>145,703,312</u>	<u>151,385,501</u>	<u>67,048,100</u>	<u>67,003,344</u>	<u>212,751,412</u>	<u>218,388,845</u>
Deferred inflows of resources	<u>26,989,295</u>	<u>31,115,809</u>	<u>1,264,219</u>	<u>-</u>	<u>28,253,514</u>	<u>31,115,809</u>
Net position:						
Net investment in capital assets	87,489,875	83,606,528	51,132,888	49,281,303	138,622,763	132,887,831
Restricted	22,769,520	15,550,321	-	-	22,769,520	15,550,321
Unrestricted	11,417,089	(15,943,339)	6,704,254	10,254,121	18,121,343	(5,689,218)
Total net position:	<u>\$ 121,676,484</u>	<u>\$ 83,213,510</u>	<u>\$ 57,837,142</u>	<u>\$ 59,535,424</u>	<u>\$ 179,513,626</u>	<u>\$ 142,748,934</u>

Change in net position over a period of time can be used as an indicator of the financial health of the County. The following table indicates the functional revenues and expenses of governmental activities to demonstrate the extent to which the governmental functions produce revenues to offset program costs. Expenses not covered by direct program revenues are covered primarily by taxes, licenses, and state-shared revenues.

Worcester County, Maryland

Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2024	2023 as restated	2024	2023 as restated	2024	2023 as restated
Revenues:						
Program revenues:						
Charges for services	\$ 5,708,934	\$ 4,932,228	\$ 23,444,123	\$ 23,242,559	\$ 29,153,057	\$ 28,174,787
Operating grants and contributions	13,531,561	15,202,949	31,500	31,500	13,563,061	15,234,449
Capital grants and contributions	5,988,451	8,136,182	-	-	5,988,451	8,136,182
General revenues:						
Real and personal property taxes	159,170,224	154,365,171	-	-	159,170,224	154,365,171
Income taxes	53,832,771	46,962,276	-	-	53,832,771	46,962,276
Other local taxes	18,967,212	18,627,837	-	-	18,967,212	18,627,837
Interest income	8,323,246	4,771,090	1,384,670	669,697	9,707,916	5,440,787
Other income	201,500	1,259,059	61,111	7,369	262,611	1,266,428
Total revenues:	<u>265,723,899</u>	<u>254,256,792</u>	<u>24,921,404</u>	<u>23,951,125</u>	<u>290,645,303</u>	<u>278,207,917</u>
Expenses:						
General government	28,158,897	30,965,115	-	-	28,158,897	30,965,115
Public safety	48,004,500	45,249,039	-	-	48,004,500	45,249,039
Public works	10,330,623	10,152,745	-	-	10,330,623	10,152,745
Health and hospitals	6,580,751	6,596,098	-	-	6,580,751	6,596,098
Social services	2,937,445	4,998,678	-	-	2,937,445	4,998,678
Education	115,298,139	122,482,817	-	-	115,298,139	122,482,817
Libraries, recreation and culture	10,917,531	8,614,433	-	-	10,917,531	8,614,433
Conservation of natural resources	732,908	857,899	-	-	732,908	857,899
Economic development	2,411,003	3,039,252	-	-	2,411,003	3,039,252
Interest charges	1,889,128	1,748,030	-	-	1,889,128	1,748,030
Landfill	-	-	5,780,352	5,663,725	5,780,352	5,663,725
Water and wastewater	-	-	20,839,334	19,289,103	20,839,334	19,289,103
Total expenses:	<u>227,260,925</u>	<u>234,704,106</u>	<u>26,619,686</u>	<u>24,952,828</u>	<u>253,880,611</u>	<u>259,656,934</u>
Increase (decrease) in net position	38,462,974	19,552,686	(1,698,282)	(1,001,703)	36,764,692	18,550,983
Transfer	-	-	-	-	-	-
	<u>38,462,974</u>	<u>19,552,686</u>	<u>(1,698,282)</u>	<u>(1,001,703)</u>	<u>36,764,692</u>	<u>18,550,983</u>
Net position, beginning	83,213,510	63,660,824	59,535,424	60,537,127	142,748,934	124,197,951
Net position, ending	<u>\$ 121,676,484</u>	<u>\$ 83,213,510</u>	<u>\$ 57,837,142</u>	<u>\$ 59,535,424</u>	<u>\$ 179,513,626</u>	<u>\$ 142,748,934</u>

Governmental Activities:

Governmental activities increased the County's net position by \$38.5 million after the prior period restatement as referenced in note 19 of the financial statements. Key elements of the increase in the net position of governmental activities are as follows:

Revenues increased by \$11.5 million as compared to fiscal year 2023 due to a combination of increases and decreases:

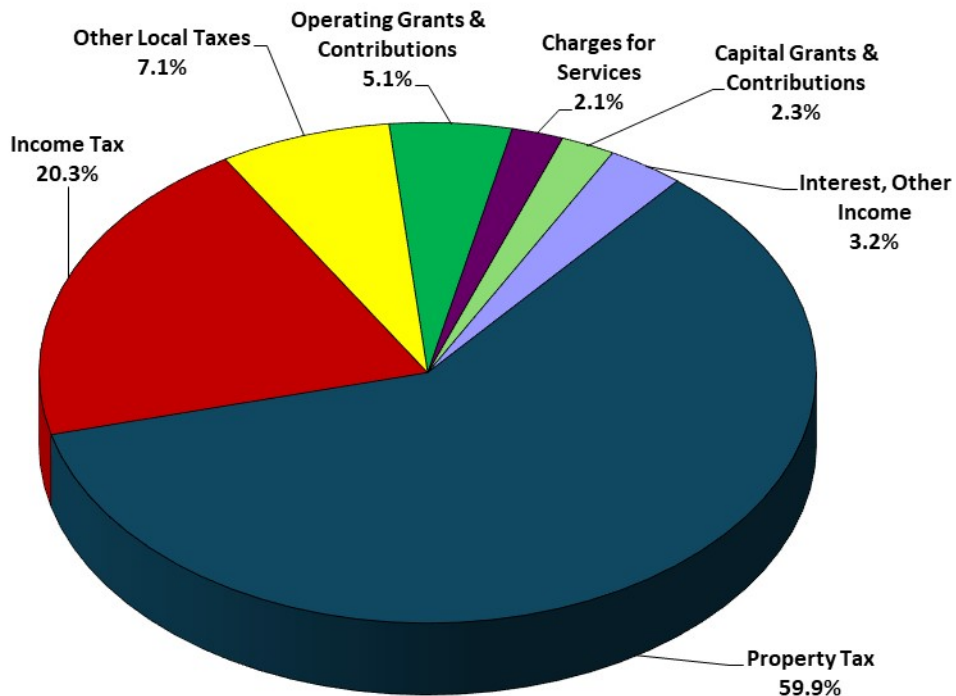
- Operating grants and contributions decreased by \$1.7 million primarily due to receiving \$1 million less in State Tourism grant funding and a \$813 thousand reduction in Department of Housing and Community Development (DHCD) Emergency Rental Assistance Program (ERAP) funding in fiscal year 2024.
- Capital grants and contributions decreased by \$2.1 million primarily due to a \$2.2 million decrease in 911 Emergency Number Systems Board (ENSB) capital grant, \$1.3 million less spending for the American Rescue Plan Act (ARPA) capital grant, and \$1 million for the DHCD Maryland Broadband Connect grant. These reductions were partially offset by receiving an additional \$2.2 million in POS Grants to be used for Parks and Recreation.
- Charges for services increased by \$777 thousand primarily due to the U.S. Marshals grant funding.
- Real and Personal Property taxes increased by \$4.8 million due to the increase in assessments attributable to the recent trends in the real estate market and the reassessment cycle.
- Income taxes increased by \$6.9 million due to a continued strong labor market.
- Interest Income increased by \$3.5 million from the previous year and the positive trend is attributable to the interest rate changes that were made by the Federal Reserve beginning in early fiscal year 2023 and continuing through fiscal year 2024.
- Other Income decreased by \$1.1 million primarily due to minimal sale of capital assets and no retiree drug subsidy in fiscal year 2024.

Expenses decreased by \$7.4 million as compared to fiscal year 2023 primarily due to a combination of increases and decreases:

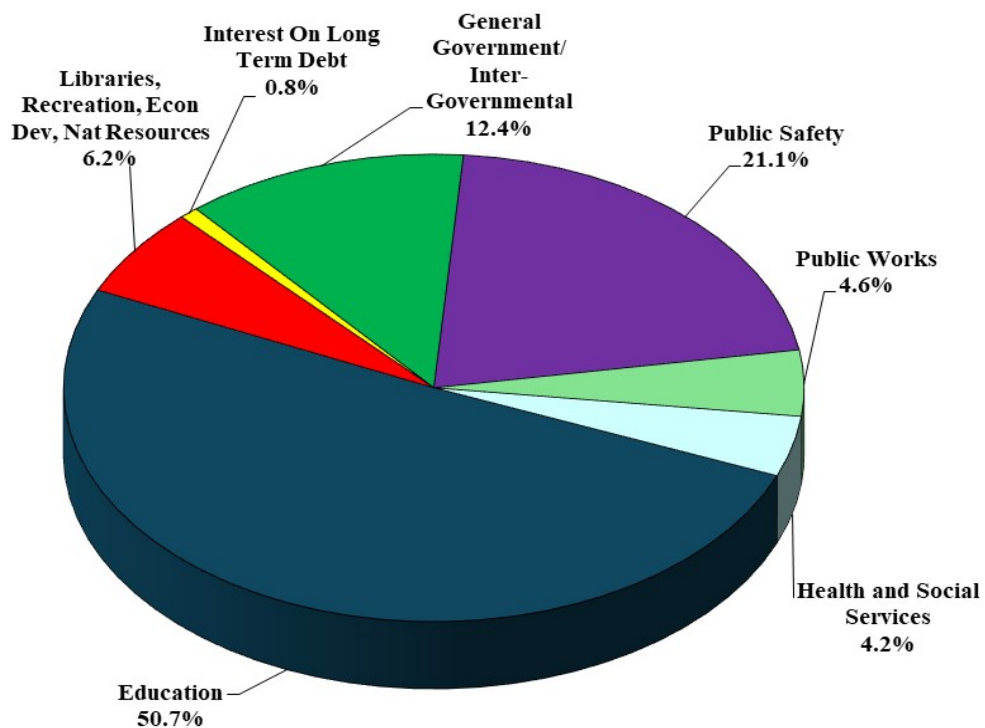
- General government function decreased by \$2.8 million which is primarily related to reduction in the spending of grant funds related to various departments and ARPA funded projects.
- Public safety function increased by \$2.7 million which is primarily related to additional costs associated with salary and benefits, inmate supplies and services, and capital equipment.
- Social services function decreased by \$2.1 million which is primarily related to the Department of Social Services Fund incurring \$2.2 million less in expenditures in fiscal year 2024.
- Education function decreased by \$7.2 million which is primarily attributable to the reduction in capital spending because the Stephen Decatur middle school bond project was completed in fiscal year 2023.
- Libraries, recreation and culture function increased by \$2.3 million which is primarily related to the spending of grant funds related to recreation and parks department and the boat landings.

Fiscal year 2024 revenues and expenses are summarized in the following charts for governmental activities:

Revenues by Source- Governmental Activities For the Year Ended June 30, 2024



Expenses- Governmental Activities For the Year Ended June 30, 2024



Business-type Activities Net Position:

<u>Enterprise Fund Statements</u>	<u>June 30, 2024</u>	<u>June 30, 2023 as restated</u>	<u>Change in Net Position</u>
Water and Wastewater Services	\$ 57,876,838	\$ 59,791,440	\$ (1,914,602)
Solid Waste	(39,696)	(256,016)	216,320
Total	<u>\$ 57,837,142</u>	<u>\$ 59,535,424</u>	<u>\$ (1,698,282)</u>

Water and Wastewater***Revenues***

- Revenues increased to \$18.1 million in fiscal year 2024 from \$17.6 million in fiscal year 2023 primarily due to continued growth in the service areas resulting in more stable usage and revenue.

Expenses

- Operating expenses increased to \$16.4 million in fiscal year 2024 from \$14.7 million in fiscal year 2023 primarily due to an increase in maintenance and services needed in the Riddle Farm service area.
- Depreciation expense remained stable in fiscal years 2024 and 2023 at \$3.8 million.

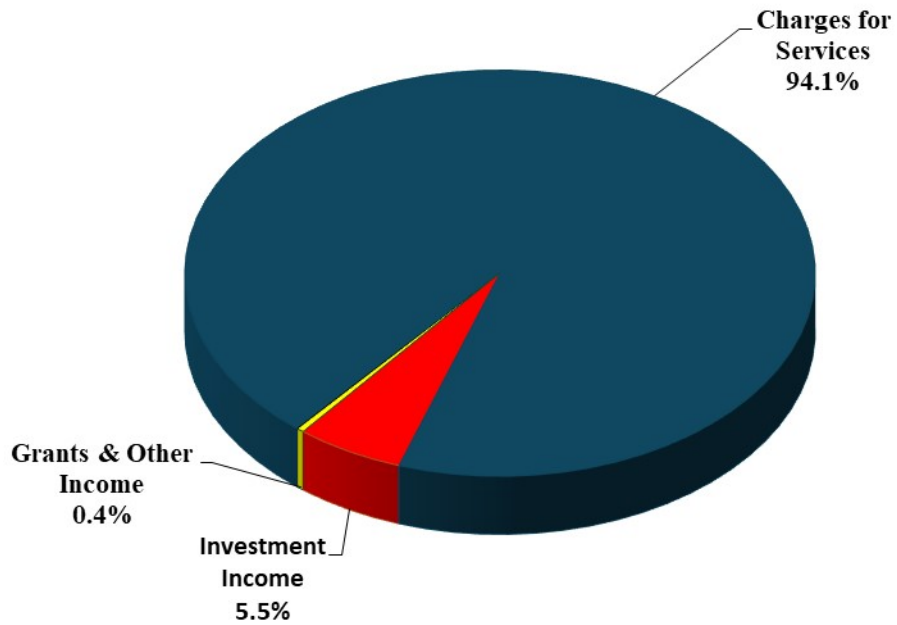
Solid Waste***Revenues***

- Revenues decreased to \$5.3 million in fiscal year 2024 from \$5.6 million in fiscal year 2023 due to a lower volume of trash being brought to the central landfill from commercial and municipal operators.

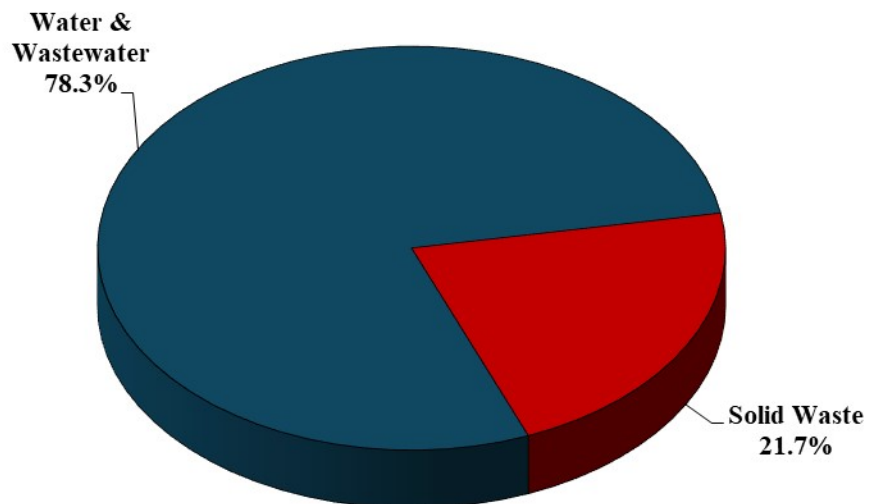
Expenses

- Operating expenses slightly decreased to \$3.4 million in fiscal year 2024 from \$3.5 million in fiscal year 2023 due to the reduction in landfill closure and post-closure costs and vehicle and equipment maintenance costs which was partially offset by an increase in salaries and benefits.
- Depreciation expense increased to \$2.1 million in fiscal year 2024 from \$1.9 million in fiscal year 2023.

**Revenues by Source- Business-Type Activities
For the Year Ended June 30, 2024**



**Expenses- Business-Type Activities
For the Year Ended June 30, 2024**



Financial Analysis on Governmental Fund Financial Statements

Governmental Funds:

The County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, restrictions, and fiscal accountability.

The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. The County has implemented GASB Statement No. 54 – Fund Balance Reporting and Governmental Fund Type Definitions. The purpose of this Statement is to improve financial reporting by establishing fund balance classifications that are easier to understand and apply. It establishes a framework based largely on the spending constraints of the government in order to determine how it may use amounts reported on the governmental funds balance sheet. Fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The following information is as of June 30, 2024 and 2023:

Governmental Fund Financial Statements	June 30, 2024	June 30, 2023 as restated	Net Change in Fund Balance
General Fund	\$ 110,205,538	\$ 92,493,366	\$ 17,712,172
Capital Projects Fund	5,297,916	9,672,586	(4,374,670)
Debt Service Fund	-	-	-
Nonmajor Governmental Funds	5,008,066	3,457,231	1,550,835
Total	<u>\$ 120,511,520</u>	<u>\$ 105,623,183</u>	<u>\$ 14,888,337</u>

The **General Fund** is the chief operating fund of the County. At the end of the current fiscal year the fund balance of the General Fund was \$110.2 million. This fund balance includes non-spendable items totaling \$155 thousand. In accordance with GASB Statement No. 54, the unassigned general fund amount includes the County reserve of \$35.4 million which is set aside for contingency and emergency conditions. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 22.4% of total general fund expenditures, while total fund balance represents 48.7% of that same amount.

The **Capital Projects Fund** is used to account for major capital acquisition and construction of County facilities. Major sources for these projects are pay-as-you-go funding, debt proceeds, and federal and State grants. The fund balance of the County's Capital Projects Fund decreased by \$4.4 million during the current fiscal year. This is mainly due to the ongoing Jail Phase 2 Roof and HVAC project.

The **Debt Service Fund** is used to account for the accumulation of resources for, and the payment of, general long-term debt, including lease obligations, principal, interest, and related costs. The fund balance of this fund remains at \$0.

The **Nonmajor Governmental Funds** include the Department of Social Services, Local Management Board, Casino Fund, Energy Service Fund, Opioid Restitution Fund, and Cannabis Tax Fund. Fund balances in these funds increased by \$1.6 million from fiscal year 2023. The Casino Fund, accounts for the County's portion of proceeds from the Ocean Downs Casino facility, reflects a \$564 thousand increase in fund balance in the fiscal year due to generating more revenues than expenditures incurred. The Opioid Restitution Fund added an additional \$360 thousand to the fund balance due to generating additional intergovernmental revenues while not incurring any expenditures. The Cannabis Fund which was created in fiscal year 2024 ended the year with a Fund Balance of \$630 thousand due to the County receiving tax revenue the while not incurring any expenditures. Further details of these activities are on pages 134 – 139.

General Fund Budgetary Highlights

General fund differences between the final budget and the final actual results for the County increased the fund balance by \$17.7 million. Revenues received were \$26.6 million more than the final budgeted estimates and

expenditures and other financing uses were \$8.9 million more than final budgeted estimates. The major variances between the budgeted amounts and actual are summarized as follows:

Revenues were \$26.6 million more than original estimates, a 11% variance.

- Net property tax revenues were less than budget by \$311 thousand or .2% due to a decrease in personal property taxes and on the corporate and utility tax collection. Net property tax revenue comprised 61.2% of all County revenues in 2024 and 62.3% when compared to 2023.
- Income taxes ended the fiscal year with a surplus of \$13.8 million, or 34.5% over budget estimates due to a stronger than anticipated labor market during the pandemic and thereafter.
- Other local taxes increased \$4.8 million or 35% over estimated budgeted revenues. This category includes admission and amusement taxes, food and room tax administration, room tax for unincorporated entities, cannabis tax, recordation tax, and transfer tax. Transfer tax exceeded budget by \$2.1 million or 53.5% and recordation tax exceeded budget by \$2.2 million or 31.3% over budget combined due to a robust real estate market and the related recording activity.
- Intergovernmental federal and state grants were \$4.2 million or 40.3% over budgeted revenues. The increase is due to \$1.7 million in ARPA for reimbursements requested for the fiscal year, \$500 thousand DHCD broadband infrastructure grant, \$1 million grant for Open Space Program- Recreation, and \$952 thousand for LPPI Parks Grant.
- Charges for Services increased by \$913 thousand or 47.8% over budgeted revenues. This includes Jail US Marshal reimbursement revenue which increased by 100% in fiscal year 2024 and Sheriff fees which exceeded budget estimates by 91.4%.
- Licenses and Permits were \$146 thousand or 5.4% over budgeted revenues. Liquor licenses and health permits contributed to over half of this increase. The remaining increase is related to additional plumbing permits and environmental permits being pulled as the real estate market has slowed to more normal growth levels.

Expenditures and other financing uses were \$8.9 million, or 3.8% higher than the budget.

- Public Safety actual was over budget by \$780 thousand. This increase is primarily due to capital increases and additional Public Safety Grant Programs which will offset these expenses.
- Public Works actual was under budget by \$619 thousand primarily due to extended lead time on receiving roads materials and extended timelines with consulting services.
- Economic Development and Tourism actual was over budget by \$301 thousand. This was due to the Tri County Economic Grant funds and related spending.
- Library, recreation and parks actual was over budget by \$1.3 million due to Recreation and Parks grant related purchases which are offset by grant revenues.
- Intergovernmental actual was over budget by \$451 thousand due to the Towns' share of county income tax being higher than anticipated.
- Other financing uses was over budget by \$5.4 million which was comprised of the following transfers: Net transfer of \$6.1 million to the capital projects fund to cover pay-as-you-go expenses not included in the fiscal year budget and transfer from the casino fund was over budget by \$649 thousand due to public safety vehicles being ordered in fiscal year 2023 and 2024 that were received at calendar year end of 2024 due to previous supply chain issues.
-

Capital Asset and Debt Administration

Capital assets: The County's investment in capital assets for its governmental and business-type activities as of June 30, 2024 amounts to \$180.2 million (net of accumulated depreciation). The total increase in the County's

investment in capital assets for the current year was 2.44%. The capital assets include land, buildings, water and sewer infrastructure, improvements, machinery and equipment, park facilities, roads, highways, and bridges.

Worcester County, Maryland
Capital Assets (Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and improvements	\$ 15,419,481	\$ 15,631,638	\$ 1,341,872	\$ 1,341,872	\$ 16,761,353	\$ 16,973,510
Building and building improvements	54,673,082	57,267,140	71,978	82,717	54,745,060	57,349,857
Improvements other than buildings	9,805,553	7,359,882	7,548,799	9,164,707	17,354,352	16,524,589
Machinery and equipment	5,807,749	5,814,664	5,978,288	3,148,099	11,786,037	8,962,763
Water and sewer systems	-	-	59,345,301	62,276,955	59,345,301	62,276,955
Infrastructure	5,858,532	5,462,420	-	-	5,858,532	5,462,420
Construction-in-progress	13,710,811	7,981,640	626,558	367,540	14,337,369	8,349,180
Total:	\$105,275,208	\$ 99,517,384	\$ 74,912,796	\$ 76,381,890	\$180,188,004	\$175,899,274

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

General government

- The County continued phase 2 of the Jail Improvements for the inmate housing unit facilities which is a 40-year-old building. Improvements on heating, ventilation, and air conditioning equipment will be done to meet current standards and mitigate future disruptions due to equipment failure. The project is estimated to cost \$12 million and will be funded through bond proceeds with a completion goal of fiscal year 2025. Project costs of \$4.6 million were incurred in fiscal year 2024.



- The Public Works North End building improvements were completed in fiscal year 2024. The building improvements included exterior second story windows and interior office improvements. The project costs totaled \$500 thousand and was funded through capital projects.

- The County contributed \$1,817,296 for the following education projects:
 - \$510,409 for HVAC Upgrades at various schools.
 - \$486,132 for the Stephen Decatur Middle School Addition (2022 Bond).
 - \$349,669 for Security Cameras at various schools.
 - \$225,105 for the Wor-Wic Community College Applied Technology Building.
 - \$161,609 for Playground Upgrades at various schools.
 - \$49,999 for Board of Education Central Office Improvements.
 - \$22,165 for the Worcester Technical High School Roof Repair.
 - \$6,333 for the repairs of various school vehicles.
 - \$3,400 for the Snow Hill Middle School Roof Repair.
 - \$2,475 for the Buckingham Elementary School feasibility/school design study.

Additional information on Worcester County's capital assets can be found in note 5 on pages 60 – 61 of this report.

Long-term debt: At the end of the current fiscal year, Worcester County had total bonded long-term debt of \$105.7 million. The total debt is backed by the full faith and credit of Worcester County. Business-type activities are directly responsible for \$24.3 million of the total debt. School-related debt totals \$59.3 million at June 30, 2024 and is included in the governmental activities.

Worcester County, Maryland
Outstanding Debt/General Obligation Bonds

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
General Bonded Debt	\$ 81,303,947	\$ 92,235,249	\$ 24,349,785	\$ 26,056,146	\$ 105,653,732	\$ 118,291,395

The County's total bonded debt decreased by \$12.6 million during the current fiscal year due to planned repayments of debt. Worcester County maintains an "Aa2" rating with Moody's, and an "AA+" rating with Standard and Poor's and in August 2024 the County received an upgrade from an "AA" to "AAA" rating with Fitch for general obligation debt.

Additional information on the County's long-term debt can be found in note 6 on pages 62 – 68 of this report.

General Fund Economic Factors and Next Year's Budgets and Rates

Fiscal Year 2025 Budget

The approved fiscal year 2025 operating budget totals \$261.9 million and is supported by the real property tax rate of \$.845 per \$100 of assessed value and the personal property tax rate of \$2.1125 per \$100. Fiscal year 2025 represents the ninth consecutive year of increasing real property assessments in the County. The local income tax rate remains stable at 2.25%. The fiscal year 2025 budget was developed to continue to proactively address one-time capital and operating expenses that have been previously reduced due to prior years' budget constraints. Budget decisions were based upon current and historical data.

Revenues

In fiscal year 2025, the operating budget increased \$26 million or 11% more than fiscal year 2024. The real property tax rate of \$.845 combined with assessment increases will increase net property taxes by \$14.6 million. Income tax revenue estimates increased by \$7 million based on prior year actuals and current estimates for net taxable income. Other local taxes increased \$3.3 million due to a steady and strong real estate market impacting recordation and transfer tax activity. State shared revenue increased \$700 thousand due to an increase estimate in User Highway Revenue and 9-1-1- Fees. Charges for Services increased by \$277 thousand primarily attributable to Sheriff contractual services with the Board of Education. Interest Income increased by \$1 million based upon projected market rates of return. Other Revenues increased by \$5 thousand due to expected increase in tax sale revenue. The County will continue to utilize Casino/Local Impact grant and table game funds for the debt payments and one-time capital public safety purchases. The Casino/Local Impact Grant transfer decreased by \$127 thousand in fiscal year 2025.

Expenditures

The fiscal year 2025 operating budget increase from the prior year includes increases in budget expenditures to most departments and agencies primarily due to needed capital and equipment purchases and salary increases for County employees. Insurance and benefits increased by \$1 million including an increase in hospitalization of \$285 thousand and a \$3.5 million allocation in rate stability fund to reduce health insurance rates from a 12.6% increase to a 4.3% increase. Debt service decreased by \$3.1 million over the prior year resulting in a total debt budget of \$10 million. The OPEB general fund transfer will be funded at \$11 million in total. The Board of Education operating budget increased by \$5.4 million over the fiscal year 2024 funding level and in accordance with the state of Maryland funding requirement.

Requests for Information

This financial report is designed to provide a general overview of Worcester County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Government Center Room 1105, Snow Hill, MD 21863.

BASIC FINANCIAL STATEMENTS

WORCESTER COUNTY, MARYLAND
STATEMENT OF NET POSITION
June 30, 2024

	Primary Government			Component Unit
	Governmental	Business-Type	Total	The Worcester County Board of Education
	Activities	Activities		
ASSETS				
Cash and short-term investments	\$ 120,083,827	\$ 27,872,158	\$ 147,955,985	\$ 10,930,890
Receivables:				
Taxes	3,481,552	-	3,481,552	-
Federal, state, and local governments	13,659,218	-	13,659,218	4,895,995
Leases	-	1,277,940	1,277,940	-
Other	1,311,959	8,970,610	10,282,569	808,390
Internal balances	4,513,741	(4,513,741)	-	-
Prepaid items	154,875	13,358	168,233	-
Net OPEB prepayment (Note 8)	22,769,520	-	22,769,520	-
Other assets	6,920	17,616,340	17,623,260	-
Nondepreciable capital assets	29,130,292	1,968,430	31,098,722	2,635,194
Depreciable capital assets, net	76,144,916	72,944,366	149,089,282	202,366,026
Total assets	271,256,820	126,149,461	397,406,281	221,636,495
DEFERRED OUTFLOWS OF RESOURCES				
Pensions (see Note 7)	16,794,651	-	16,794,651	2,019,253
Other post employment benefits (see Note 8)	6,317,620	-	6,317,620	29,395,138
Total deferred outflows of resources	23,112,271	-	23,112,271	31,414,391
LIABILITIES				
Accounts payable and accrued liabilities	10,722,008	930,363	11,652,371	7,675,888
Unearned revenue	8,675,269	-	8,675,269	3,509,558
Due to fiduciary funds	350	-	350	-
Long-term liabilities:				
Compensated absences due within one year	1,980,271	280,015	2,260,286	51,832
Compensated absences due in more than one year	2,420,332	342,240	2,762,572	786,122
Long-term debt due within one year	7,954,817	21,185,518	29,140,335	1,440,038
Long-term debt due in more than one year	73,693,202	25,444,252	99,137,454	1,052,815
Unearned revenue	-	18,865,712	18,865,712	-
Net pension liability due in more than one year (see Note 7)	40,257,063	-	40,257,063	6,512,440
Other post employment benefits due in more than one year (see Note 8)	-	-	-	94,830,808
Total liabilities	145,703,312	67,048,100	212,751,412	115,859,501
DEFERRED INFLOWS OF RESOURCES				
Pensions (see Note 7)	1,861,477	-	1,861,477	72,241
Other post employment benefits (see Note 8)	25,127,818	-	25,127,818	228,110,063
Leases	-	1,264,219	1,264,219	-
Total deferred inflows of resources	26,989,295	1,264,219	28,253,514	228,182,304
NET POSITION				
Net investment in capital assets	87,489,875	51,132,888	138,622,763	202,508,367
Restricted for:				
Other post-employment benefits	22,769,520	-	22,769,520	-
Capital projects	-	-	-	54,678
Unrestricted (deficit)	11,417,089	6,704,254	18,121,343	(293,553,964)
Total net position	\$ 121,676,484	\$ 57,837,142	\$ 179,513,626	\$ (90,990,919)



WORCESTER COUNTY, MARYLAND
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Function/Program	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
Governmental activities:				
Current:				
General government	\$ 28,158,897	\$ 2,711,673	\$ 7,407,557	\$ 2,215,675
Public safety	48,004,500	1,284,472	2,932,960	9,970
Public works	10,330,623	640,737	1,491,035	-
Health and hospitals	6,580,751	478,438	152,118	-
Social services	2,937,445	-	60,814	-
Education	115,298,139	-	-	-
Libraries, recreation and culture	10,917,531	564,007	861,634	3,605,557
Conservation of natural resources	732,908	-	30,000	-
Economic development	2,411,003	29,607	595,443	157,249
Interest on long-term debt	1,889,128	-	-	-
Total governmental activities	227,260,925	5,708,934	13,531,561	5,988,451
Business-type activities:				
Department of Solid Waste	5,780,352	5,336,942	-	-
Department of Water and Wastewater	20,839,334	18,107,181	31,500	-
Total business-type activities	26,619,686	23,444,123	31,500	-
Total primary government	253,880,611	29,153,057	13,563,061	5,988,451
Component units:				
The Worcester County Board of Education	143,859,693	3,703,616	177,106,617	1,867,654
Total component units	143,859,693	3,703,616	177,106,617	1,867,654

General revenues:

Taxes:

Real and personal property

Income

Room tax & admin fees

Admission and amusement

Cannabis

Recordation

Transfer tax

Food tax admin fees

Interest

Other

Total general revenues

Total change in net position

Net position, beginning of year as restated

Net position, end of year

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	The Worcester County Board of Education
\$ (15,823,992)	\$ -	\$ (15,823,992)	\$ -
(43,777,098)	-	(43,777,098)	-
(8,198,851)	-	(8,198,851)	-
(5,950,195)	-	(5,950,195)	-
(2,876,631)	-	(2,876,631)	-
(115,298,139)	-	(115,298,139)	-
(5,886,333)	-	(5,886,333)	-
(702,908)	-	(702,908)	-
(1,628,704)	-	(1,628,704)	-
(1,889,128)	-	(1,889,128)	-
(202,031,979)	-	(202,031,979)	-
-	(443,410)	(443,410)	-
-	(2,700,653)	(2,700,653)	-
-	(3,144,063)	(3,144,063)	-
(202,031,979)	(3,144,063)	(205,176,042)	-
-	-	-	38,818,194
-	-	-	38,818,194
159,170,224	-	159,170,224	-
53,832,771	-	53,832,771	-
2,053,720	-	2,053,720	-
731,510	-	731,510	-
754,643	-	754,643	-
9,188,870	-	9,188,870	-
6,141,189	-	6,141,189	-
97,280	-	97,280	-
8,323,246	1,384,670	9,707,916	13,941
201,500	61,111	262,611	564,763
240,494,953	1,445,781	241,940,734	578,704
38,462,974	(1,698,282)	36,764,692	39,396,898
83,213,510	59,535,424	142,748,934	(130,387,817)
\$ 121,676,484	\$ 57,837,142	\$ 179,513,626	\$ (90,990,919)

WORCESTER COUNTY, MARYLAND**BALANCE SHEET****GOVERNMENTAL FUNDS****June 30, 2024**

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
ASSETS					
Cash and short-term investments	\$ 111,351,844	\$ 6,184,867	\$ -	\$ 2,547,116	\$ 120,083,827
Receivables:					
Taxes	3,481,552	-	-	-	3,481,552
Federal, state, and local governments	13,659,218	-	-	-	13,659,218
Other	1,311,899	60	-	-	1,311,959
Due from other funds	4,513,741	331,711	-	2,711,216	7,556,668
Prepaid items	154,875	-	-	-	154,875
Other assets	6,920	-	-	-	6,920
Total assets	\$ 134,480,049	\$ 6,516,638	\$ -	\$ 5,258,332	\$ 146,255,019
LIABILITIES					
Accounts payable and accrued liabilities	\$ 6,333,021	\$ 910,461	\$ -	\$ 250,266	\$ 7,493,748
Due to other funds	3,043,277	-	-	-	3,043,277
Unearned revenue	8,367,008	308,261	-	-	8,675,269
Other	3,808,956	-	-	-	3,808,956
Total liabilities	21,552,262	1,218,722	-	250,266	23,021,250
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	2,722,249	-	-	-	2,722,249
FUND BALANCES					
Nonspendable	154,875	-	-	-	154,875
Restricted	-	5,297,916	-	-	5,297,916
Assigned	59,390,116	-	-	5,008,066	64,398,182
Unassigned	50,660,547	-	-	-	50,660,547
Total fund balances	110,205,538	5,297,916	-	5,008,066	120,511,520
Total liabilities, deferred inflows of resources, and fund balances	\$ 134,480,049	\$ 6,516,638	\$ -	\$ 5,258,332	\$ 146,255,019

WORCESTER COUNTY, MARYLAND
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2024

Total fund balances, governmental funds	\$ 120,511,520
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and are, therefore, not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position.	105,275,208
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Certain revenues that do not provide current financial resources are reported as deferred inflows of resources in the fund financial statements, but are reported as revenue in the governmental activities of the Statement of Net Position.	2,722,249
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Deferred outflows of resources - pensions (see Note 7)	16,794,651
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Deferred outflows of resources - OPEB (see Note 8)	6,317,620
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Deferred inflows of resources - pensions (see Note 7)	(1,861,477)
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Deferred inflows of resources - OPEB (see Note 8)	(25,127,818)
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Some liabilities are not due and payable in the current period and, therefore, are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position. Those liabilities consist of:

Bonds, notes, and leases payable	(81,648,019)	
Compensated absences	(3,819,907)	
Net pension liability (see Note 7)	(40,257,063)	
Other post employment benefits (see Note 8)	22,769,520	
Total long-term liabilities	<u>(102,955,469)</u>	

Net position of governmental activities in the Statement of Net Position	<u>\$ 121,676,484</u>
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WORCESTER COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
REVENUES:					
Taxes	\$ 231,279,808	\$ -	\$ -	\$ 629,546	\$ 231,909,354
Licenses and permits	2,874,265	-	-	-	2,874,265
Intergovernmental	14,676,815	-	-	4,843,196	19,520,011
Charges for services	2,823,042	-	-	-	2,823,042
Investment Income	7,667,749	554,344	-	101,153	8,323,246
Miscellaneous	805,169	-	-	-	805,169
Total revenues	260,126,848	554,344	-	5,573,895	266,255,087
EXPENDITURES:					
Current:					
General government	25,300,024	-	-	-	25,300,024
Public safety	45,382,253	-	-	-	45,382,253
Public works	10,105,451	-	-	-	10,105,451
Health and hospitals	6,071,378	-	-	-	6,071,378
Social services	1,975,005	-	-	962,440	2,937,445
Education	113,480,844	1,817,295	-	-	115,298,139
Libraries, recreation, parks and culture	10,804,308	-	-	-	10,804,308
Conservation of natural resources	714,107	-	-	18,801	732,908
Economic development	2,361,003	-	-	-	2,361,003
Distributions to incorporated municipalities	9,989,063	-	-	-	9,989,063
Capital projects	-	9,186,346	-	-	9,186,346
Debt service:					
Principal retirement	-	-	9,624,558	-	9,624,558
Interest and other charges	-	-	3,573,874	-	3,573,874
Total expenditures	226,183,436	11,003,641	13,198,432	981,241	251,366,750
Excess (deficiency) of revenues over expenditures	33,943,412	(10,449,297)	(13,198,432)	4,592,654	14,888,337
OTHER FINANCING SOURCES (USES):					
Transfers in	3,041,819	6,074,627	13,198,432	-	22,314,878
Transfers out	(19,273,059)	-	-	(3,041,819)	(22,314,878)
Total other financing sources (uses)	(16,231,240)	6,074,627	13,198,432	(3,041,819)	-
Net change in fund balances	17,712,172	(4,374,670)	-	1,550,835	14,888,337
Fund balances, beginning as restated	92,493,366	9,672,586	-	3,457,231	105,623,183
Fund balances, ending	\$ 110,205,538	\$ 5,297,916	\$ -	\$ 5,008,066	\$ 120,511,520

WORCESTER COUNTY, MARYLAND
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
Year Ended June 30, 2024

Net change in fund balances, governmental funds	\$ 14,888,337
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In the current period, these amounts are:

Capital outlay	12,566,885
Depreciation expense	(6,572,880)
Loss on the disposal of capital assets	(592,041)

Because some revenues will not be collected for several months after the County's fiscal year ends, they are not considered "available" revenues and are deferred in the governmental funds. Unavailable revenues increased by this amount this year.	60,853
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Governmental funds report payments of debt principal as an expenditure. In contrast, the Statement of Activities treats such payments as a reduction in long-term liabilities.	10,008,463
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Premiums, discounts, and similar items are reported in governmental funds when debt is issued; whereas, these amounts are deferred and amortized in the Statement of Activities.	1,306,744
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Some items reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. These items consist of:

Change in pension expense (see Note 7)	(861,188)
Change in post-retirement employee benefits (see Note 8)	8,009,562
Change in compensated absences	(351,761)

Change in net position of governmental activities	<u>\$ 38,462,974</u>
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WORCESTER COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
Year Ended June 30, 2024

	<u>Budgeted Amounts</u>			<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Final Budget</u>
REVENUES:				
Taxes	\$ 212,995,860	\$ 212,995,860	\$ 231,279,808	\$ 18,283,948
Licenses and permits	2,728,390	2,728,390	2,874,265	145,875
Intergovernmental	10,460,762	10,460,762	14,676,815	4,216,053
Charges for services	1,909,672	1,909,672	2,823,042	913,370
Investment income	5,000,000	5,000,000	7,667,749	2,667,749
Miscellaneous	402,600	402,600	805,169	402,569
Total revenues	233,497,284	233,497,284	260,126,848	26,629,564
EXPENDITURES:				
General government	25,488,343	25,488,343	25,300,024	188,319
Public safety	44,602,096	44,602,096	45,382,253	(780,157)
Public works	10,724,546	10,724,546	10,105,451	619,095
Health and hospitals	6,309,620	6,309,620	6,071,378	238,242
Social services	1,946,173	1,946,173	1,975,005	(28,832)
Education	111,604,215	111,604,215	113,480,844	(1,876,629)
Libraries, recreation, parks, and culture	9,536,357	9,536,357	10,804,308	(1,267,951)
Conservation of natural resources	881,560	881,560	714,107	167,453
Economic development	2,059,723	2,059,723	2,361,003	(301,280)
Intergovernmental	9,538,332	9,538,332	9,989,063	(450,731)
Total expenditures	222,690,965	222,690,965	226,183,436	(3,492,471)
Excess of revenues over expenditures	10,806,319	10,806,319	33,943,412	23,137,093
OTHER FINANCING SOURCES (USES):				
Transfers in	2,392,943	2,392,943	3,041,819	648,876
Transfers out	(13,199,262)	(13,199,262)	(19,273,059)	(6,073,797)
Total other financing sources (uses)	(10,806,319)	(10,806,319)	(16,231,240)	(5,424,921)
Net change in fund balance	\$ -	\$ -	17,712,172	\$ 17,712,172
Fund balance, beginning as restated			92,493,366	
Fund balance, ending			<u>\$ 110,205,538</u>	



WORCESTER COUNTY, MARYLAND
STATEMENT OF NET POSITION
BUSINESS-TYPE ACTIVITIES
June 30, 2024

	Department of <u>Solid Waste</u>	Department of <u>Water and Wastewater</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and short-term investments	\$ 12,912,941	\$ 14,959,217	\$ 27,872,158
Accounts receivable	230,616	5,709,379	5,939,995
Lease receivable	-	1,277,940	1,277,940
Other receivable	-	3,030,615	3,030,615
Prepaid items	-	13,358	13,358
Due from other funds	7,394	417,070	424,464
Total current assets	13,150,951	25,407,579	38,558,530
Noncurrent assets:			
Capital assets:			
Land, land rights and improvements	1,226,989	114,883	1,341,872
Construction-in-progress	90,370	536,188	626,558
Buildings and building improvements	429,570	-	429,570
Improvements other than buildings	42,169,109	-	42,169,109
Water and sewer systems	-	120,240,620	120,240,620
Machinery and equipment	8,515,218	6,646,067	15,161,285
	52,431,256	127,537,758	179,969,014
Less: accumulated depreciation	(38,800,609)	(66,255,609)	(105,056,218)
	13,630,647	61,282,149	74,912,796
Other assets:			
Long-term debt service receivable	-	17,616,340	17,616,340
Total noncurrent assets	13,630,647	78,898,489	92,529,136
Total assets	\$ 26,781,598	\$ 104,306,068	\$ 131,087,666

WORCESTER COUNTY, MARYLAND
STATEMENT OF NET POSITION
BUSINESS-TYPE ACTIVITIES (Continued)
June 30, 2024

	Department of <u>Solid Waste</u>	Department of <u>Water and Wastewater</u>	<u>Total</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 180,533	\$ 821,593	\$ 1,002,126
Bonds and notes payable - current	350,831	1,447,465	1,798,296
Leases payable - current	607,360	-	607,360
Landfill - closure and postclosure costs	18,779,862	-	18,779,862
Accrued bond interest payable	42,896	165,356	208,252
Total current liabilities	19,961,482	2,434,414	22,395,896
Noncurrent liabilities:			
Unearned revenues	-	18,865,712	18,865,712
Compensated absences	53,926	288,314	342,240
Bonds and notes payable	3,510,858	19,040,631	22,551,489
Leases payable	2,892,763	-	2,892,763
Due to other funds	402,265	4,535,940	4,938,205
Total noncurrent liabilities	6,859,812	42,730,597	49,590,409
Total liabilities	26,821,294	45,165,011	71,986,305
DEFERRED INFLOWS OF RESOURCES			
Leases	-	1,264,219	1,264,219
Total deferred inflows of resources	-	1,264,219	1,264,219
NET POSITION (DEFICIT)			
Net investment in capital assets	6,268,835	44,864,053	51,132,888
Unrestricted (deficit)	(6,308,531)	13,012,785	6,704,254
Total net position (deficit)	\$ (39,696)	\$ 57,876,838	\$ 57,837,142

WORCESTER COUNTY, MARYLAND**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION****BUSINESS-TYPE ACTIVITIES****Year Ended June 30, 2024**

	Department of <u>Solid Waste</u>	Department of <u>Water and Wastewater</u>	<u>Total</u>
OPERATING REVENUES:			
Domestic charges	\$ -	\$ 11,576,702	\$ 11,576,702
Commercial charges	-	1,093,519	1,093,519
Hook-up charges	-	565,205	565,205
Future capital development	-	145,400	145,400
Interest and penalties on overdue accounts	1,130	156,221	157,351
Additional assessments	-	205,735	205,735
Payments by developers	-	35,157	35,157
Other revenue	54,643	2,132,859	2,187,502
Interfund charges	381,996	-	381,996
Debt service revenue	-	1,909,943	1,909,943
White Horse Park revenue	-	286,440	286,440
Stump, yard waste, and mulch revenue	44,449	-	44,449
Licenses and permits	4,705	-	4,705
Tipping fees	4,850,019	-	4,850,019
Total operating revenues	5,336,942	18,107,181	23,444,123
Total operating expenses	3,399,155	16,358,442	19,757,597
Operating income before depreciation and general expenses	1,937,787	1,748,739	3,686,526
Depreciation and general expenses	2,138,268	3,844,492	5,982,760
Operating loss	(200,481)	(2,095,753)	(2,296,234)
NONOPERATING REVENUES (EXPENSES):			
Interest on investments	600,776	783,894	1,384,670
Operating grants	-	31,500	31,500
Interest expense	(242,929)	(636,400)	(879,329)
Sale of capital assets	58,954	2,157	61,111
Total nonoperating revenues (expenses)	416,801	181,151	597,952
Change in net position	216,320	(1,914,602)	(1,698,282)
Net position (deficit), beginning as restated	(256,016)	59,791,440	59,535,424
Net position (deficit), ending	\$ (39,696)	\$ 57,876,838	\$ 57,837,142

WORCESTER COUNTY, MARYLAND
STATEMENT OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES
Year Ended June 30, 2024

	Department of <u>Solid Waste</u>	Department of <u>Water and Wastewater</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received for services	\$ 4,849,706	\$ 15,768,852	\$ 20,618,558
Cash received from other revenues	55,773	2,119,138	2,174,911
Cash received for future capital development	-	145,400	145,400
Cash received for interfund charges	381,996	-	381,996
Cash payments to employees	(964,457)	(4,414,248)	(5,378,705)
Cash payments for fringe benefits	(460,242)	(2,306,984)	(2,767,226)
Cash payments for materials, supplies, and services	(1,620,573)	(9,534,978)	(11,155,551)
Net cash provided by operating activities	2,242,203	1,777,180	4,019,383
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of property and equipment	(778,250)	(893,552)	(1,671,802)
Proceeds from sales of property and equipment	388,956	2,157	391,113
Principal paid on lease obligations	(716,184)	-	(716,184)
Principal paid on bonds, lines of credit, and notes	(339,233)	(1,367,128)	(1,706,361)
Interest paid on lease obligations	(94,008)	-	(94,008)
Interest paid on bonds, lines of credit, and notes	(148,921)	(636,400)	(785,321)
Net cash used by capital and related financing activities	(1,687,640)	(2,894,923)	(4,582,563)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash received for operating grants	-	31,500	31,500
Advances from (repayments to) other funds, net	434,923	(1,735,531)	(1,300,608)
Net cash provided (used) by noncapital financing activities	434,923	(1,704,031)	(1,269,108)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	600,776	783,894	1,384,670
Net cash provided by investing activities	600,776	783,894	1,384,670
Net increase (decrease) in cash and short-term investments	1,590,262	(2,037,880)	(447,618)
Cash and short-term investments, beginning	11,322,679	16,997,097	28,319,776
Cash and short-term investments, ending	\$ 12,912,941	\$ 14,959,217	\$ 27,872,158

WORCESTER COUNTY, MARYLAND
STATEMENT OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES
Year Ended June 30, 2024
(CONTINUED)

	Department of <u>Solid Waste</u>	Department of <u>Water and Wastewater</u>	<u>Total</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating loss	\$ (200,481)	\$ (2,095,753)	\$ (2,296,234)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	2,138,268	3,844,492	5,982,760
Changes in assets and liabilities:			
Accounts receivable	(49,467)	1,113,968	1,064,501
Leases receivables	-	(1,277,940)	(1,277,940)
Prepaid items	-	(13,358)	(13,358)
Accounts payable and accrued expenses	349,201	172,786	521,987
Unearned revenue	-	(1,174,038)	(1,174,038)
Deferred Inflow - Leases	-	1,264,219	1,264,219
Compensated absences	4,682	(57,196)	(52,514)
Net cash provided by operating activities	\$ 2,242,203	\$ 1,777,180	\$ 4,019,383

WORCESTER COUNTY, MARYLAND
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2024

	Public Drainage <u>Associations</u>	Other Post- Employment Benefits <u>Trust</u>	Custodial <u>Funds</u>
ASSETS			
Cash and short-term investments	\$ 650,198	\$ 3,616,294	\$ 4,444,814
Trust investments:			
Money market funds	-	2,725,681	-
MLGIP	-	464,961	-
Fixed income securities	-	40,519,558	-
Equities securities	-	33,661,370	-
Taxes receivable	-	-	1,315,861
Special assessments receivable	6,795	-	-
Other receivables	-	367,914	33,403
Due from other funds	350	-	-
Total assets	657,343	81,355,778	5,794,078
LIABILITIES			
Accounts payable	-	-	1,935,980
Unearned revenue	-	-	473,952
Due to other governments	-	-	1,554,452
Total liabilities	-	-	3,964,384
NET POSITION			
Fiduciary net position held for others	657,343	-	1,829,694
Fiduciary net position held for other post-employment benefits	-	81,355,778	-
Total net position	\$ 657,343	\$ 81,355,778	\$ 1,829,694

WORCESTER COUNTY, MARYLAND
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2024

	Public Drainage Associations	Other Post- Employment Benefits Trust	Custodial Funds
ADDITIONS:			
Contributions:			
Special assessments	\$ 120,133	\$ -	\$ -
Collections for other governments	10,000	-	100,703,976
Grant funding	-	-	1,176,498
Employer contributions	-	2,537,056	-
Plan member contributions	-	254,318	-
Other	27,413	-	1,369,435
Total contributions	157,546	2,791,374	103,249,909
Investment earnings:			
Interest	13,385	199,981	14,073
Net increase in fair value of investments	-	5,865,732	-
Total investment earnings	13,385	6,065,713	14,073
Total additions	170,931	8,857,087	103,263,982
DEDUCTIONS:			
Ditch maintenance	150,417	-	-
Claims incurred	-	2,436,778	-
Payments to other governments	-	-	101,151,072
Administrative	-	-	-
Other	291	-	1,429,834
Total deductions	150,708	2,436,778	102,580,906
Change in net position	20,223	6,420,309	683,076
Net position, beginning as restated	637,120	74,935,469	1,146,618
Net position, ending	\$ 657,343	\$ 81,355,778	\$ 1,829,694

NOTES TO FINANCIAL STATEMENTS

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 1. Description of Worcester County, Maryland

Worcester County, Maryland (the "County") is a home rule county governed by a seven-member Board of County Commissioners with the county seat located in Snow Hill, Maryland. The County government directly provides all basic local governmental services.

The financial statements of Worcester County, Maryland are prepared in accordance with U.S. generally accepted accounting principles ("GAAP") applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial principles. The following is a summary of the significant policies:

Note 2. Summary of Significant Accounting Policies

A. Financial Reporting Entity

A reporting entity is composed of the primary government, component units, and other organizations that are included to ensure the financial statements of the County are not misleading. The primary government of the County consists of all funds, departments, boards, and agencies that are not legally separate from the County.

The component unit column on the government-wide financial statements contains the financial data of the County's discretely presented component unit: the Board of Education of Worcester County (the "BOE"). It is reported in a separate column to emphasize that it is legally separate from the County. Although this organization is a legally separate entity and has a separately elected governing board, it is included in the financial statements of the County because the County is financially accountable for the organization.

The BOE administers the public school system in the County. The BOE is organized as a separate legal entity, but does not have the power to levy taxes or issue bonds. The BOE's budget is subject to approval by the County Commissioners, and the BOE receives a significant portion of its operational and capital project funding from the County.

Separately issued financial statements can be obtained from the following:

Board of Education of Worcester County
6270 Worcester Highway
Newark, Maryland 21841

B. Basis of Presentation

The County's basic financial statements consist of government-wide financial statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements, which provide a more detailed level of financial information.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental in nature and those that are considered business-type activities.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 2. Summary of Significant Accounting Policies (continued)

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the County at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and business-type activities. Direct expenses are those that are specifically associated with a service, program, or department and, therefore, clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program, and interest earned on grants that is required to be used to support a particular program. Revenues that are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental program or business activity is self-financing or draws from the general revenues of the County.

FUND FINANCIAL STATEMENTS

During the year, the County segregates transactions related to certain County functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the County at this more detailed level. The focus of governmental and proprietary fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

C. Fund Accounting

The accounts of the County are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are summarized by providing a separate set of self-balancing accounts which includes its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the County:

GOVERNMENTAL FUND TYPES

Governmental funds are accounted for using the current financial resources measurement focus. Only current assets and current liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available resources during a given period. The following are the County's major governmental funds:

General Fund – The General Fund is the general operating fund of the County. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

In addition, the County has the following governmental funds which the County has chosen to show as major funds due to their importance to the overall performance of the County:

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities, which are not financed by proprietary funds.

Debt Service Fund – The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt, including lease obligations, principal, interest, and related costs.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 2. Summary of Significant Accounting Policies (continued)

The remaining governmental funds which are non-major consist of the following:

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The Department of Social Services Fund, the Local Management Board, the Casino Fund, the Energy Service Fund, Opioid Restitution Fund, and the Cannabis Tax Fund are the special revenue funds of the County.

PROPRIETARY FUND TYPES

Proprietary funds are accounted for using the economic resources measurement focus; the accounting objectives are determination of net income, financial position, and cash flows. All assets and liabilities associated with a proprietary fund's activities are included on its balance sheet. Proprietary fund equity is segregated into net investment in capital assets and unrestricted net position.

Enterprise Funds – Enterprise funds are established to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The Department of Solid Waste and the Department of Water and Wastewater Services are the major enterprise funds of the County.

FIDUCIARY FUND TYPES

Fiduciary funds account for assets held by the County in a trustee or custodial capacity. Custodial funds report fiduciary activities that are not required to be reported as another fiduciary fund type.

Trust and Custodial Funds – Trust and Custodial Funds are used to account for assets held by the County as an agent for other funds and/or other governments. The trust funds include the OPEB Trust Fund and the Public Drainage Fund (a private purpose trust fund). The custodial funds include the State of Maryland Property Tax Fund, Maryland Department of Motor Vehicles Fund, Tax Sale Fund, Development Tax Fund, Performance Bond Fund, Personal Property Tax Fund, Forest Conservation Fund, Bay Restoration Fund, Berlin Room Tax Fund, Snow Hill Property Tax Fund, Snow Hill Room Tax Fund, Berlin Property Tax Fund, Pocomoke Property Tax Fund, Pocomoke Room Tax Fund, Ocean City Property Tax Fund, Ocean City Food Tax Fund, Ocean City Room Tax Fund, Special Loans Fund, Critical Areas Fund, Seized Funds Pending Forfeiture Fund, Rural Legacy Fund, and Inmate Welfare Fund.

D. Measurement Focus

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of the County are included on the Statement of Net Position.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 2. Summary of Significant Accounting Policies (continued)

FUND FINANCIAL STATEMENTS

All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reflects the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the fund financial statements for governmental funds.

Like the government-wide financial statements, the enterprise funds and custodial funds are accounted for using a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the Statement of Net Position. The Statement of Changes in Revenues, Expenses, and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows reflects how the County finances and meets the cash flow needs of its enterprise activities.

E. Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Enterprise funds and fiduciary funds use the accrual basis of accounting. Differences in the accrual basis of accounting arise in the recognition of revenue, the recording of unearned revenue, and in the presentation of expenses versus expenditures.

REVENUES – EXCHANGE AND NONEXCHANGE TRANSACTIONS

Revenues resulting from exchange transactions, in which each party gives and receives essentially equal value, are recorded on the accrual basis when the exchange takes place. On the modified accrual basis, revenue is recognized in the year in which the resources are measurable and become available. Available means the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, “available” means expected to be received within sixty days after year-end.

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year in which the resources are required to be used or the year when use is first permitted; matching requirements, in which the County must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On the modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 2. Summary of Significant Accounting Policies (continued)

Under the modified accrual basis, the following revenue sources are considered both measurable and available at year end: property taxes, franchise taxes, special assessments, intergovernmental revenues, interest revenue, and charges for services. Income taxes collected and held by the State at year-end on behalf of the County are also recognized as revenue. License and permit revenues are not susceptible to accrual because they generally are not measurable until received in cash.

DEFERRED OUTFLOWS / INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position and/or Balance Sheet will sometimes 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 and, therefore, will not be recognized as an outflow of resources (expense/expenditure) until that time. The County recognizes deferred outflows of resources related to advance refundings of debt (see Note 6). The County and BOE recognize deferred outflows of resources related to their pension obligations (see Note 7) and OPEB liability (Note 8) for changes in assumptions, change in proportion and share of contributions, difference between expected and actual experience and net difference between projected and actual investment earnings. These amounts are deferred and recognized as outflows of resources in the period that the amounts become available.

In addition to liabilities, the Statement of Net Position and/or Balance Sheet will sometimes 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 and, therefore, will not be recognized as an inflow of resources (revenue) until that time. The County has an item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, this item, unavailable revenue, is reported only on the governmental funds Balance Sheet. The governmental funds record unavailable revenues from property taxes. The County and BOE also recognize deferred inflows of resources related to their pension obligations (see Note 7) and OPEB liability (see Note 8) for changes in assumptions, change in proportion and share of contributions, net difference between projected and actual investment earnings and differences between expected and actual experience. The County also recognizes deferred inflows of resources related to leases (see Note 18) for lease payments to be received in future years. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available.

EXPENSES / EXPENDITURES

On the accrual basis, expenses are recognized in the period in which they are incurred.

The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of costs, such as depreciation and amortization, are not recognized in governmental funds.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 2. Summary of Significant Accounting Policies (continued)

F. Budgetary Data

Formal budgetary accounting is employed as a management control for all enterprise funds. The annual budgets for the enterprise funds are prepared in accordance with the basis of accounting utilized by those funds. The General Fund of the County has a legally adopted budget. The Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund is prepared on a basis consistent with the budget. The County's budget includes appropriations of prior year fund balance as "other sources" in the current year. Also, the Statement of Activities is prepared on a basis consistent with GAAP where encumbrances are treated as assignments of fund net position and prior year fund net position is not recognized as other revenue sources. The budgets shown in the financial statements are the budget ordinances at the close of the day on June 30, 2024. All annual appropriations lapse at fiscal year-end.

The County follows these procedures in establishing the governmental funds budgetary data reflected in the financial statements:

- 1) Prior to April 30, the Chief Administrative Officer submits to the County Commissioners a proposed budget for the fiscal year commencing the following July 1. The budget includes requested expenditures and the means of financing them.
- 2) Public hearings are conducted to obtain taxpayer comments.
- 3) No later than the first Tuesday in June, the budget is legally enacted through passage of a budget resolution.
- 4) The Chief Administrative Officer is not authorized to make any transfers of budgeted amounts. The County's legal level of budgetary control is at the County Commissioner level, such that all transfers must be approved by the County Commissioners.

The BOE follows these procedures in establishing its general fund budgetary data reflected in the financial statements:

- 1) The Superintendent and Supervisor of Business Operations formulate a proposed budget for review by the BOE during the second public hearing scheduled in February.
- 2) Prior to March 31, the BOE adopts the proposed budget. The proposed budget, exclusive of amounts relating to restricted programs, is submitted to the County Commissioners.
- 3) In mid-May, the County Commissioners and the BOE discuss the budget in public forum.
- 4) The County Commissioners approve the budget no later than the first Tuesday in June. The approved budget is subject to affirmation by the BOE within thirty days of the County Commissioners' approval.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 2. Summary of Significant Accounting Policies (continued)

G. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental fund types. Encumbrances outstanding at year-end are reported as assignments of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

H. Cash and Short-Term Investments

For purposes of the Statement of Cash Flows, the County considers all highly liquid investments with original maturities of less than 30 days to be cash equivalents.

I. Prepaid Items

Payments made to vendors for services that will benefit periods beyond year-end are reported as prepaid items using the consumption method, which records a current asset for the prepaid amount and reflects the expenditure/expense in the year in which services are consumed.

J. Property Taxes

Taxes are levied annually on July 1 and are due in full by September 30 for non-owner occupied properties. Owner occupied property taxes and small business taxes are due in two equal semiannual installments on September 30 and December 31, respectively. Property taxes are attached as an enforceable lien and are in arrears on October 1 for non-owner occupied properties and January 1 for owner occupied properties. The County bills and collects its own taxes. County property tax revenues are recognized when collected.

K. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in governmental funds. General capital assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets used by the enterprise funds are reported in both the business-type activities column of the government-wide Statement of Net Position and in the respective funds.

All capital assets are capitalized at cost or estimated cost and updated for additions and reductions during the year. Donated capital assets are recorded at their acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, on the date donated. The County maintains a capitalization threshold of \$10,000. The County's infrastructure consists of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are expensed.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 2. Summary of Significant Accounting Policies (continued)

All capital assets are depreciated, except for land, land improvements, and construction-in-progress. Building improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and building improvements	40 - 100 years
Improvements other than buildings	40 years
Machinery and equipment	5 - 20 years
Water and sewer systems	6 - 40 years
Infrastructure	5 - 50 years

L. Interfund Receivables / Payables

On fund financial statements, receivables and payables resulting from short-term interfund loans or interfund services provided and used are classified as "Interfund Receivables/Payables." Interfund balances within governmental activities and within business-type activities are eliminated on the government-wide Statement of Net Position. The only interfund balances which remain on the government-wide Statement of Net Position are those between governmental and fiduciary activities. These amounts are reflected as "due to fiduciary funds."

M. Compensated Absences

Vacation benefits are earned by employees of the County based on time in service, and the rights to such benefits are vested. Sick leave is also accumulated by employees based on time in service. However, accumulated sick leave benefits do not vest and are not paid unless employees are absent due to illness, except that accumulated sick time is credited to months of service in the calculation of employees' retirement benefits. The County records vested vacation benefits as they are earned.

The entire compensated absences liability is reported on the government-wide financial statements.

N. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities, and long-term obligations are reported on the government-wide financial statements. All payables, accrued liabilities, and long-term obligations payable from the enterprise funds are reported on the enterprise fund financial statements.

In general, governmental fund payables and accrued liabilities are recognized as fund liabilities when incurred. However, compensated absences and contractually required pension contributions that are paid from governmental funds are reported as liabilities on the fund financial statements only to the extent that they are due for payment during the current year or paid out within 60 days of year end. Loans and leases are recognized as liabilities on the fund financial statements when due.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 2. Summary of Significant Accounting Policies (continued)

O. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets net of accumulated depreciation, and reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through constitutional provisions or enabling legislation adopted by the County, or through external restrictions imposed by grantors, creditors, or laws and/or regulations of other governments.

The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

P. Governmental Fund Balance

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

Nonspendable – Amounts that cannot be spent either because they are in a nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted – Amounts that can be spent only for specific purposes because of the County charter or code, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed – Amounts that are established only for specific purposes, modified, or rescinded, as determined through formal action by the County Commissioners, by the approval of a resolution.

Assigned – Amounts that are designated by the Commissioners or management with intent to be used for specific purposes, but are neither restricted nor committed by approval of a resolution.

Unassigned – Amounts not included in other spendable classifications. The General Fund is the only fund that reports a positive unassigned fund balance amount. In accordance with County policy, included within unassigned fund balance are reserve amounts of \$35,383,534 for contingency and emergency conditions. These reserve amounts do not meet the definition of assigned in accordance with GASB 54 and are thus included within unassigned fund balance.

It is the County's policy to consider restricted fund balances to have been depleted before using any of the components of unrestricted fund balance. When the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Q. Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activities of the enterprise funds. For the County, these revenues are charges for services for the Department of Water and Wastewater and the Department of Solid Waste. Operating expenses are the necessary costs incurred to provide the service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as nonoperating.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 2. Summary of Significant Accounting Policies (continued)

R. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general revenues.

Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating revenues/expenses in enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

S. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

T. New Accounting Policies

The County adopted Government Accounting Standard Board's Statement No. 100, *Accounting Changes and Error Corrections*, on July 1, 2023. This statement's objective is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

Note 3. Cash and Short-Term Investments

Deposits are maintained in a variety of financial institutions.

The County is authorized to invest unexpended revenues from taxation, bond sales, lawful receipts of funds from other governmental agencies, or any other funds properly received by it, until it determines the funds are needed for proper public purposes. The County's investment policy, in order to minimize credit and interest rate risk, allows it to invest in United States government bonds or evidence of indebtedness; or it can invest in federally insured banking institutions, which pledge United States Treasury bills, notes, or other obligations to secure such deposits, repurchase agreements, and collateralized certificates of deposit.

At June 30, 2024, Worcester County had deposits with financial institutions totaling \$20,006,808 (with a carrying value of \$18,174,321). The depository banks pledge collateral for specific accounts, which are held in the County's name. Deposits in financial institutions were fully insured or collateralized at June 30, 2024 and, therefore, have no custodial risk associated with them.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 3. Cash and Short-Term Investments (continued)

The County is a participant in the Maryland Local Government Investment Pool ("MLGIP"), which provides all local government units of the State a safe investment vehicle for the short-term investment of funds. The State Legislature created MLGIP with the passage of Article 95 §22G of the Annotated Code of Maryland. The MLGIP, under the administrative control of the State Treasurer, is managed by PNC Capital Advisors, LLC and custodied by PNC Bank, N.A. An MLGIP Advisory Committee of current participants was formed to review, on a semiannual basis, the activities of the Fund and to provide suggestions to enhance the Pool. The MLGIP is rated "AAAm" by Standard and Poor's. The fair value of the Pool is the same as the value of the Pool shares. At June 30, 2024, the County had investments of \$138,955,625 with the MLGIP, which are recorded at cost, which approximates fair value.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County's exposure to credit risk on deposits is minimal, as all deposits are in the form of cash, fully insured by the FDIC, or collateralized by securities pledged in the County's name. The County minimizes its exposure to credit risk on investments by limiting its investments to U.S. Treasury obligations and the MLGIP. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's exposure to interest rate risk is minimal as of June 30, 2024, as its only investments within the primary government consisted of the MLGIP. The County's only other investments are within the Retiree Benefit Trust Fund.

The Worcester County Retiree Benefit Trust Fund is authorized to invest in securities in varying proportions when and for as long as, in the opinion of the Fund's Trustees, prevailing market and economic considerations indicate that it is in the best interest of the Fund to do so.

Investments in the Retiree Benefit Trust Fund by type and maturity at June 30, 2024, measured at fair value, were as follows:

	1 Year	1-5 Years	Over 5 Years	Total	Rate
MLGIP	\$ 464,961	\$ -	\$ -	\$ 464,961	5.30%
M&T Investments:					
Money Market	2,725,681	-	-	2,725,681	5.16%
Fixed Income:					
U.S. Treasury	3,468,174	7,331,522	2,957,930	13,757,626	0.50% - 4.625%
U.S. Government Agency	989,815	1,835,121	3,836,154	6,661,090	1.625% - 6.00%
Other Fixed Income	3,746,031	18,802	16,336,009	20,100,842	1.125% - 6.20%
Equities	33,661,370	-	-	33,661,370	N/A
Total	\$ 45,056,032	\$ 9,185,445	\$ 23,130,093	\$ 77,371,570	

The County uses the fair value hierarchy established by GAAP to measure the fair value of its assets. The hierarchy is based on the valuation inputs used to measure the fair value of the assets and gives the highest priority to unadjusted, quoted market prices in active markets for identical assets (Level 1 measurements) and gives the lowest priority to unobservable inputs (Level 3 measurements). The levels of the fair value hierarchy are as follows: Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, such as quoted market prices for similar assets or identical assets in less active markets; and Level 3 inputs are significant unobservable inputs, such as pricing models.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 3. Cash and Short-Term Investments (continued)

The County has the following recurring fair value measurements as of June 30, 2024:

- Amounts invested in MLGIP and money market funds are valued using quoted market prices (Level 1 inputs)
- Amounts invested in fixed income investments are comprised of securities priced by industry standard vendors, using significant observable inputs such as benchmark yields, reported trades, and broker/dealer quotes (Level 2 inputs), which are then allocated to position holders on a per unit basis
- Amounts invested in domestic and international equities are comprised of securities valued using quoted market prices (Level 1 inputs)

Reconciliation of cash and short-term investments as shown on the Statement of Net Position:

Petty cash	\$ 2,306
Carrying amount of deposits	18,174,321
Money market funds	2,725,681
Fixed income securities	40,519,558
Equities securities	33,661,370
MLGIP	138,955,625
Less: cash and investments recorded within fiduciary funds	(86,082,876)
Total	\$ 147,955,985

Note 4. Interfund Balances and Transfers

As a result of its operations, the County effects a variety of transactions between funds to finance operations, service debt, etc. Accordingly, to the extent that certain interfund transactions have not been paid or received as of June 30, 2024, appropriate “due from/to” other funds have been established.

Interfund transactions are classified as follows:

- 1) Transfers to support the operations of other funds are recorded as “Transfers in (out) to other funds” and classified as “other financing sources (uses)” in the fund statements. Transfers between governmental and proprietary funds are netted as part of the reconciliation of the government-wide financial statements. All payroll and some shared expenses, such as benefits, are paid out of the General Fund and then reimbursed from proprietary or other funds as applicable. Tax collections are receipted into the General Fund and reimbursed to other taxing agencies/funds monthly.
- 2) Loans between funds are classified as interfund loans receivable/payable or as advances to/from other funds in the fund statements. Interfund loans do not affect total equity, but advances to other funds are offset by a reservation of the fund equity. Loans and advances are netted as part of the reconciliation of the government-wide financial statements.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 4. Interfund Balances and Transfers (continued)

Interfund balances at June 30, 2024 consisted of the following individual fund receivables and payables:

	Due from Other Funds	Due to Other Funds
General Fund:		
Enterprise funds:		
Department of Solid Waste (shared expenses)	\$ 402,265	\$ -
Department of Water and Wastewater (payroll and shared expenses)	4,111,476	-
Total due from (to) enterprise funds	4,513,741	-
Other funds:		
Energy Service Fund (funds held on behalf of)	-	(193,628)
Capital Projects Fund (reimbursement between funds)	-	(331,711)
Casino Fund (reimbursement between funds)	-	(1,350,901)
Opioid Restitution Fund (funds held on behalf of)	-	(537,141)
Cannabis Tax Fund (funds held on behalf of)	-	(629,546)
Public Drainage Association (June collections paid in July)	-	(350)
Total due from (to) other funds	-	(3,043,277)
Total General Fund due from (to) other funds	4,513,741	(3,043,277)
Other governmental funds:		
General Fund	2,711,216	-
Fiduciary funds	350	-
Capital Projects Fund:		
General Fund	331,711	-
Enterprise funds:		
General Fund	-	(4,513,741)
	\$ 7,557,018	\$ (7,557,018)

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 4. Interfund Balances and Transfers (continued)

Interfund transfer activity for the year ended June 30, 2024 consisted of the following individual amounts:

	Transfers In	Transfers Out
General Fund:		
Capital Projects Fund	\$ -	\$ (6,074,627)
Debt Service Fund	-	(13,198,432)
Casino Fund	3,041,819	-
Capital Projects Fund:		
General Fund	6,074,627	-
Debt Service Fund:		
General Fund	13,198,432	-
Casino Fund:		
General Fund	-	(3,041,819)
	\$ 22,314,878	\$ (22,314,878)

Interfund transfers are for the following purposes:

- Transfers from the General Fund to the Capital Projects Fund are for capital projects that are not funded by specific revenue sources or through bond funds.
- Interfund transfers from the General Fund to the Debt Service Fund are for bond payments.
- The interfund transfer from the Casino Fund to the General Fund is for the bond payment for the Worcester Technical High School bond.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Transfers and Reductions	Balance June 30, 2024
Primary government:				
Governmental activities:				
Nondepreciable capital assets:				
Land and improvements	\$ 15,631,638	\$ -	\$ (212,157)	\$ 15,419,481
Construction-in-progress	7,981,640	7,122,920	(1,393,749)	13,710,811
Total nondepreciable capital assets	23,613,278	7,122,920	(1,605,906)	29,130,292
Depreciable capital assets:				
Building and building improvements	100,060,307	383,141	(502,978)	99,940,470
Improvements other than buildings	16,675,718	1,956,178	1,169,732	19,801,628
Machinery and equipment	37,543,593	2,590,271	98,113	40,231,977
Infrastructure	113,102,366	870,235	-	113,972,601
Total depreciable capital assets	267,381,984	5,799,825	764,867	273,946,676
Less accumulated depreciation for:				
Buildings and building improvements	(42,793,167)	(2,620,303)	146,082	(45,267,388)
Improvements other than buildings	(9,315,836)	(680,239)	-	(9,996,075)
Machinery and equipment	(31,728,929)	(2,798,215)	102,916	(34,424,228)
Infrastructure	(107,639,946)	(474,123)	-	(108,114,069)
Total accumulated depreciation	(191,477,878)	(6,572,880)	248,998	(197,801,760)
Total depreciable capital assets, net	75,904,106	(773,055)	1,013,865	76,144,916
Governmental activities capital assets, net	\$ 99,517,384	\$ 6,349,865	\$ (592,041)	\$ 105,275,208

Depreciation expense was charged to governmental functions as follows:

General government	\$ 806,248
Public safety	3,259,606
Public works	1,018,708
Health and hospitals	459,296
Libraries, recreation and culture	1,029,022
Economic development	-
Total depreciation expense	\$ 6,572,880

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 5. Capital Assets (continued)

Capital asset activity for the enterprise funds for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Transfers and Reductions	Balance June 30, 2024
Business-type activities:				
Nondepreciable capital assets:				
Land, land rights and improvements	\$ 1,341,872	\$ -	\$ -	\$ 1,341,872
Construction-in-progress	367,540	228,359	30,659	626,558
Total nondepreciable capital assets	1,709,412	228,359	30,659	1,968,430
Depreciable capital assets:				
Buildings and building improvements	429,570	-	-	429,570
Improvements other than buildings	42,199,768	-	(30,659)	42,169,109
Machinery and equipment	13,033,781	4,040,376	(1,912,872)	15,161,285
Water and sewer systems	119,665,687	574,933	-	120,240,620
Total depreciable capital assets	175,328,806	4,615,309	(1,943,531)	178,000,584
Less accumulated depreciation for:				
Buildings and building improvements	(346,853)	(10,739)	-	(357,592)
Improvements other than buildings	(33,035,061)	(1,552,882)	(32,367)	(34,620,310)
Machinery and equipment	(9,885,682)	(912,552)	1,615,237	(9,182,997)
Water and sewer systems	(57,388,732)	(3,506,587)	-	(60,895,319)
Total accumulated depreciation	(100,656,328)	(5,982,760)	1,582,870	(105,056,218)
Total depreciable capital assets, net	74,672,478	(1,367,451)	(360,661)	72,944,366
Business-type activities capital assets, net	\$ 76,381,890	\$ (1,139,092)	\$ (330,002)	\$ 74,912,796

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 6. Long-Term Debt

Changes in the County's long-term obligations for the year ended June 30, 2024 were as follows:

	Balance at June 30, 2023	Additions/ Transfers	Reductions/ Transfers	Balance at June 30, 2024	Amount Due in One Year
Governmental activities:					
General obligation bonds:					
Consolidated Public Improvement Bonds, 2013 Series; interest at 2.5% to 3.4%; due semiannually to 2033	\$ 3,455,000	\$ -	\$ (300,000)	\$ 3,155,000	\$ 305,000
Consolidated Public Improvement Bonds, 2014 Series; interest at 3.25% to 5%; due semiannually to 2029	20,135,000	-	(2,980,000)	17,155,000	3,125,000
Consolidated Public Improvement Bonds, 2015 Series A; interest at 3% to 5%; due semiannually to 2030	5,660,121	-	(604,558)	5,055,563	632,960
Consolidated Public Improvement Refunding Bonds, 2015 Series B; interest at 2.125% to 4%; due semiannually to 2026	3,060,000	-	(3,060,000)	-	-
Consolidated Public Improvement Bonds, 2019 Series; interest at 3% to 5%; due semiannually to 2034	29,100,000	-	(1,830,000)	27,270,000	1,930,000
Consolidated Public Improvement Bonds, 2022 Series; interest at 3.625% to 5%; due semiannually to 2037	22,130,000	-	(850,000)	21,280,000	1,080,000
Deferred bond premium, net	8,695,128	-	(1,306,744)	7,388,384	830,506
Note payable; interest at 4.09%; due monthly to 2039	372,117	-	(372,117)	-	-
Financed purchases payable	-	355,860	(11,788)	344,072	51,351
	92,607,366	355,860	(11,315,207)	81,648,019	7,954,817
Compensated absences*	4,030,319	2,675,406	(2,305,122)	4,400,603	1,980,271
Total governmental activities	\$ 96,637,685	\$ 3,031,266	\$ (13,620,329)	\$ 86,048,622	\$ 9,935,088

*Balance of Compensated Absences at June 30, 2023 reported is shown as restated, see Note 19.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 6. Long-Term Debt (continued)

	Balance at June 30, 2023	Additions/ Transfers	Reductions/ Transfers	Balance at June 30, 2024	Amount Due in One Year
Business-type activities:					
Estimated landfill closure costs	\$ 18,361,062	\$ 418,800	\$ -	\$ 18,779,862	\$ 18,779,862
General obligation bonds:					
Snug Harbor Water Quality Loan Agreement, 2007; interest at 0.4%; due semiannually to 2026	89,008	-	(32,011)	56,997	32,140
MDE Drinking Water Bond; interest at 1.1%; due semiannually to 2029	123,918	-	(20,092)	103,826	20,313
Mystic Harbour USDA note payable, 2012; interest at 2%; due quarterly to 2052	4,044,864	-	(103,984)	3,940,880	106,083
Mystic Harbour USDA note payable, 2014; interest at 2.5%; due quarterly to 2053	2,381,928	-	(52,625)	2,329,303	53,957
Mystic Harbour USDA note payable, 2016; interest at 2.25%; due quarterly to 2056	220,764	-	(4,565)	216,199	4,668
Mystic Harbour USDA note payable, 2018; interest at 2.75%; due quarterly to 2058	2,259,820	-	(39,325)	2,220,495	40,588
Consolidated Public Improvement Bonds, 2014 Series; interest at 2% to 5%; due semiannually to 2029	2,485,000	-	(365,000)	2,120,000	385,000
Consolidated Public Improvement Refunding Bonds, 2015 Series B; interest at 2.125% to 4%; due semiannually to 2026	680,000	-	(205,000)	475,000	210,000
Consolidated Public Improvement Bonds, 2015 Series A; interest at 3% to 5%; due semiannually to 2030	2,104,878	-	(225,442)	1,879,436	237,042
Consolidated Public Improvement Bonds, 2019 Series; interest at 3% to 5%; due semiannually to 2034	4,860,000	-	(305,000)	4,555,000	315,000
Mystic Harbour USDA note payable, 2020; interest at 1.50%; due quarterly to 2060	161,265	-	(3,261)	158,004	3,316

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 6. Long-Term Debt (continued)

	Balance at June 30, 2023	Additions/ Transfers	Reductions/ Transfers	Balance at June 30, 2024	Amount Due in One Year
MDE Water Quality Bond; interest at 0.40%; due semiannually to 2051	958,182	-	(33,174)	925,008	33,307
Consolidated Public Improvement Bonds, 2022 Series; interest at 3.625% to 5%; due semiannually to 2037	4,235,000	-	(165,000)	4,070,000	205,000
Deferred bond premium, net	1,451,519	-	(151,882)	1,299,637	151,882
Financed purchases payable	1,044,441	3,171,866	(716,184)	3,500,123	607,360
	45,461,649	3,590,666	(2,422,545)	46,629,770	21,185,518
Compensated absences*	570,845	556,563	(505,153)	622,255	280,015
Total business-type activities	\$ 46,032,494	\$ 4,147,229	\$ (2,927,698)	\$ 47,252,025	\$ 21,465,533

*Balance of Compensated Absences at June 30, 2023 reported is shown as restated, see Note 19.

In October 2006, the County entered into an agreement with the Maryland Department of the Environment's State Revolving Loan Fund to finance water quality capital projects totaling \$584,186 with an interest rate of 0.4% and administrative charges of 5% to be repaid over the next 19 years. The loan was used to fund the Snug Harbor sewer extension.

In September 2008, the County entered into an agreement with the Maryland Department of the Environment's State Revolving Loan Fund to finance a portion of a drinking water capital project totaling \$653,000 with an interest rate of 1.1% and administrative charges of 5% to be repaid over the next 19 years. The loan was used to fund the construction of the Newark water tower.

In June 2011, the County acquired the debt of the previous Worcester County Liquor Control Board. This included two mortgages payable, which are secured by real estate. In February 2017, the County paid off one of the mortgages, which was secured by the Department of Liquor Control's retail store located in Pocomoke City, Maryland. The remaining mortgage was assumed by the County's governmental funds as part of the transfer of the Department of Liquor Control's warehouse in Snow Hill, Maryland to the General Fund.

In July 2012, the County entered into an agreement with the United States Department of Agriculture Rural Development to finance a portion of a wastewater treatment plant project totaling \$5,062,000 with an interest rate of 2.0% to be repaid over the next five years. The maturity date was converted to over 40 years in June 2013. In November 2013, the County obtained additional funding for this project in the amount of \$2,822,000 with an interest rate of 2.5% to be repaid over the following 40 years. In June 2016, the County obtained additional funding for this project in the amount of \$250,000 with an interest rate of 2.25% to be repaid over the following 40 years. These loans were used to fund the Mystic Harbour wastewater treatment plant upgrades.

In January 2013, the County issued \$13,105,000 in Consolidated General Obligation Refunding Bonds, 2013 Series, with an average interest rate of 3.6% and maturing in 2020 and 2033. Proceeds of \$8,510,000 were used to refund the 2002 and 2004 Series bonds and \$4,595,000 was used to fund the Correctional Officers' Retirement System pension plan. The Consolidated additional proceeds were placed in escrow for the purpose of generating resources for all future debt service payments on \$8,900,000 of the refunded general obligation bonds. As a result, the associated liability has been removed. A net interest savings of \$2,441,745 will be achieved over the life of the bond.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 6. Long-Term Debt (continued)

In October 2013, the County issued \$48,300,000 in Consolidated Public Improvement Bonds, 2014 Series, with an average interest rate of 2.5% and maturing in 2029. Proceeds of \$43,000,000 were used to fund the renovation of the Snow Hill High School. The remaining \$5,300,000 was used to finance various wastewater treatment plant upgrades for the Ocean Pines service area.

In June 2015, the County issued \$12,015,000 in Consolidated Public Improvement Bonds, 2015 Series A, with an average interest rate of 3.8% and maturing in 2030. Proceeds of \$5,400,000 were used to finance the 800 MHz Emergency Services radio system upgrades; \$3,360,000 was used to finance portions of the Berlin Rubblefill cap and closure project; \$2,035,000 will be used to finance portions of the Central Landfill cell five construction project; and \$1,220,000 was used to finance the Mystic Harbour water system interconnection project and water tower painting.

In June 2015, the County issued \$26,950,000 in Consolidated Public Improvement Refunding Bonds, 2015 Series B, with an average interest rate of 4% and maturing in 2026. Proceeds were used to refund portions of the 2007 and 2008 Series bonds and pay off the loan used to fund the Ocean Pines fire protection system project. The net proceeds of \$27,760,663 (after underwriting fees and other issuance costs) were deposited in a trust fund with an escrow agent and used to purchase U.S. government securities for the purpose of generating resources for all future debt service payments on \$25,300,000 of the refunded general obligation bonds. As a result, this portion of the refunded general obligation bonds is considered defeased and the associated liability has been removed. The advance refunding resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$2,460,663. A net interest savings of \$1,187,255 will be achieved over the life of the bond.

In March 2018, the County entered into an agreement with the United States Department of Agriculture Rural Development to finance the Mystic Harbour Effluent Disposal and Reuse Facilities totaling \$2,450,000 with an interest rate of 2.75% and maturing in 2058. In July 2020, the County obtained additional funding for this project in the amount of \$170,000 with an interest rate of 1.5% and maturing in 2060.

In April 2019, the County issued \$39,765,000 in Consolidated Public Improvement Bonds, 2019 Series, with an average interest rate of 4% and maturing in 2034. Proceeds of the bond will be used to construct, install and equip a new Showell Elementary School facility, new turf athletic field and track at Stephen Decatur High School, the Central Landfill Site Cell No. 5 construction project, and various water and wastewater infrastructure projects in the Ocean Pines and Riddle Farm Sanitary Service Areas.

In November 2020, the County entered into an agreement with the Maryland Department of the Environment's State Revolving Loan Fund to finance water quality capital projects totaling \$1,046,771 with an interest rate of 0.4% and administrative charges of 5% to be repaid over 30 years. The loan was used to fund the Newark spray irrigation project.

In November 2022, the County issued \$26,365,000 in Consolidated Public Improvement Bonds, 2022 series, with an average interest rate of 4.614% and maturing in 2037. Proceeds of the bond will be used to construct, install and equip an addition to Stephen Decatur Middle School, various jail and public safety facility improvements, and various water and wastewater infrastructure projects in the Ocean Pines Sanitary Service Area.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 6. Long-Term Debt (continued)

The following is a summary of the County's future annual debt service requirements on long-term obligations (excluding landfill closure costs and financed purchase obligations, which are reported separately):

Governmental Activities

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 7,072,960	\$ 3,000,354	\$ 10,073,314
2026	7,420,419	2,656,909	10,077,328
2027	7,791,936	2,360,657	10,152,593
2028	8,135,338	2,052,638	10,187,976
2029	8,495,625	1,729,492	10,225,117
2030-2034	24,329,285	4,731,187	29,060,472
2035-2039	10,670,000	672,925	11,342,925
Total	\$ 73,915,563	\$ 17,204,162	\$ 91,119,725

Business-Type Activities

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 1,646,414	\$ 630,997	\$ 2,277,411
2026	1,716,818	564,162	2,280,980
2027	1,590,707	503,549	2,094,256
2028	1,602,522	445,811	2,048,333
2029	1,672,896	386,667	2,059,563
2030-2034	5,730,457	1,414,631	7,145,088
2035-2039	3,500,944	751,466	4,252,410
2040-2044	1,715,369	541,369	2,256,738
2045-2049	1,905,620	351,118	2,256,738
2050-2054	1,557,950	138,839	1,696,789
2055-2059	403,850	22,038	425,888
2060-2064	6,601	71	6,672
Total	\$ 23,050,148	\$ 5,750,718	\$ 28,800,866

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 6. Long-Term Debt (continued)

The County has entered into financed purchase agreements for the acquisition of various equipment, whereby ownership is transferred to the County at the end of the payment term. Accordingly, the present value of future minimum financed purchase payments and the related assets have been recorded in the appropriate fund.

The assets acquired through financed purchase agreements are as follows:

Business-Type Activities

Equipment	\$ 5,249,704
Less: accumulated depreciation	(1,068,583)
Total	\$ 4,181,121

Governmental Activities

Equipment	\$ 355,860
Less: accumulated depreciation	(13,191)
Total	\$ 342,669

The following is a summary of the future minimum payments on the financed purchases:

Business-Type Activities

<u>Year Ending June 30,</u>	
2025	\$ 814,160
2026	1,030,428
2027	959,728
2028	745,676
2029	496,065
	4,046,057
Less: amount representing interest	(545,934)
Present value of future minimum financed purchase payments	\$ 3,500,123

Governmental Activities

<u>Year Ending June 30,</u>	
2025	\$ 72,841
2026	72,841
2027	72,841
2028	72,841
2029	126,935
	418,299
Less: amount representing interest	(74,227)
Present value of future minimum financed purchase payments	\$ 344,072

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 6. Long-Term Debt (continued)

Funds Used for Debt Service and Liquidation of Compensated Absences

Payments on bonds and notes payable that pertain to the County’s governmental activities are made by the Debt Service Fund via transfers from the General Fund. Payments on bonds and notes payable that pertain to the County’s business-type activities are made by the fund in which the liability exists. The compensated absences liability attributable to the governmental activities will be liquidated by the County’s General Fund. The compensated absences liability attributable to business-type activities will be liquidated by the fund in which the liability exists.

Under provisions of Article 41, Section 266A through 266I of the Annotated Code of Maryland, the County has participated in Industrial Revenue Bonds for various projects within the County. Neither the bonds, nor the interest thereon, constitute an indebtedness or contingent liability of the County and, accordingly, they are not included in the governmental funds.

Note 7. Pension Plans

The County maintains or participates in certain retirement plans which provide benefits to its employees. The various plans and plan participants are outlined below:

<u>Employees</u>	<u>Plan</u>
Board of Education	Maryland State Retirement and Pension System
Library	Maryland State Retirement and Pension System
Worcester County:	
Sheriff’s office	Maryland State Retirement and Pension System
Correctional officers	Maryland State Retirement and Pension System
Board of Elections	Maryland State Retirement and Pension System
County employees and appointed officers	Maryland State Retirement and Pension System
Elected officials	Maryland State Retirement and Pension System
Certain former Sanitary Commission employees	Worcester County Supplemental Pension Plan

Maryland State Retirement and Pension System

Organization

The State Retirement Agency (the “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 the 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. The State Retirement Agency issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State Retirement and Pension System of Maryland, 120 E. Baltimore Street, Suite 1660, Baltimore, Maryland 21202-1600 or on-line at www.sra.maryland.gov.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 7. Pension Plans (continued)

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 employees participating in each plan are as follows:

<u>Employees</u>	<u>Plan</u>
Board of Education – regular employees	Employees' System
Board of Education – teachers	Teachers' System
Library	Teachers' System
Worcester County:	
Sheriff's office	LEOPS
Correctional officers	Correctional Officers' Retirement System
Board of Elections	Employees' System
County employees and appointed officers	Employees' System
Elected officials	Employees' System

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

Basis of Accounting

The System's financial statements are prepared on the accrual basis of accounting in accordance with GAAP. For purposes of measuring net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the System and additions to and deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Covered Members

Teachers' Retirement and Pension Systems

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.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 7. Pension Plans (continued)

Employees' Retirement and Pension Systems

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 this 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', Correctional Officers', or State Police 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 State Police Retirement System or 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.

Beginning July 1, 2011, the member contribution rate was increased for members of the Teachers' Pension System and Employees' Pension System from 5% to 7%. The contribution rate changed from 4% to 6% in fiscal year 2012 and 7% in fiscal year 2013 and beyond for members of the Law Enforcement Officers' Pension System.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 7. Pension Plans (continued)

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 (currently 6.80%).

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.

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 benefit of 60% (30 years of credit).

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 7. Pension Plans (continued)

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 these 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. An individual who is a member of the State Police Retirement System on or before June 30, 2011, is eligible for full retirement benefits upon the earlier of attaining age 50 or accumulating 22 years of eligibility service regardless of age. An individual who becomes a member of the State Police Retirement System on or after July 1, 2011 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 equals 2.55% of the member's AFC multiplied by the number of years of accumulated creditable service and may not exceed 71.4% of the member's AFC.

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 at 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' Pension System is 30%.

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

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 7. Pension Plans (continued)

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 $\frac{2}{3}$ (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.

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 COLAs 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 annually. 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.

For Correctional Officers' Retirement System retirees, prior to July 1, 2011, unlimited compounded COLAs are effective July 1 and are applied to all benefits which have been in payment for one year. With certain exceptions, effective July 1, 1998, for Teachers', Employees', and LEOPS retirees, the adjustment is capped at a maximum 3% compounded and is applied to all benefits which have been in payment for one year. The annual increases to pension allowances for Employees' Pension System retirees who were employed by a participating governmental unit that does not provide enhanced pension benefits are limited to 3% of the initial allowance.

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 at 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.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 7. Pension Plans (continued)

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:

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 Method	Five-year smoothed fair value (max. 120% and min 80% of the fair value)
Inflation	In the 2023 actuarial valuation, 2.25% general, 2.75% wage
Salary Increases	In the 2023 actuarial valuation, 2.75% to 11.25%
Investment Rate of Return	In the 2023 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 2019 experience study of 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

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 weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return were adopted by the 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 as of June 30, 2023, 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%	

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 7. Pension Plans (continued)

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. This 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.

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-percentage-point lower or 1-percentage-point higher:

System	1% Decrease to 5.80%	Discount Rate 6.80%	1% Increase to 7.80%
County	\$ 59,693,078	\$ 40,257,063	\$ 24,128,538
Board of Education	9,656,630	6,512,440	3,903,307

Teachers’ and Employees’ Retirement and Pension Systems

Employer Contributions:

In accordance with Maryland Senate Bill 1301, *Budget Reconciliation and Financing Act of 2012*, the Board of Education (BOE) is required to pay 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 the fiscal year ending June 30, 2024, was \$3,429,156. In addition, the State of Maryland contributed \$6,696,702 on behalf of the BOE. The BOE has recognized the State on-behalf payments as both a revenue and expense.

During fiscal year 2024, the BOE reported expense of \$727,006 related to the Employees’ Systems in the fund financial statements. This amount was paid directly by the County and the Board has recognized the County on-behalf payments as both a revenue and expense.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 7. Pension Plans (continued)

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 BOE and Library, and the BOE pays the normal cost for the Teachers' Systems, the BOE and Library are not required to record their respective shares of the unfunded pension liability for the Teachers' Systems – the State of Maryland is required to record that liability. The BOE is required to record a liability for the Employees' Systems.

At June 30, 2024, the BOE reported a liability for its proportionate share of the net pension liability that reflected a reduction for State pension support provided to the BOE. The amount recognized by the BOE 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 BOE were as follows:

BOE's proportionate share of the net pension liability (Employees' Systems)	\$ 6,512,440
State's proportionate share of the net pension liability (Teachers' Systems)	61,698,512
Total	\$ 68,210,952

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 BOE's proportion of the net pension liability was calculated as follows by the System(s):

- 1) Calculate the net pension liability as of June 30, 2023, for the entire System in accordance with the provision of GASB No. 67.
- 2) Determine the total contributions to the System by the State and participating governmental units ("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 BOE would have contributed if they funded at the rate of all other participating governments and what the BOE actually contributed. The difference between what the BOE 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 contribution.
- 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 the contribution and the System's net pension liability and other related amounts as of June 30, 2023, under the GASB No. 67 requirements.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 7. Pension Plans (continued)

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

	<u>BOE</u>	<u>County</u>
Employer's proportion (percentage) of the collective net pension liability	0.0282777%	0.1748004%
Employer's proportionate share of the collective net pension liability	\$ 6,512,440	\$ 40,257,063
Pension expense recognized in the government wide financial statements	\$ 4,248,274	\$ 5,770,674
Pension expense recognized in the government fund financial statements	\$ 4,156,162	\$ 4,909,486
Deferred inflows of resources:		
Difference between expected and actual experience	\$ 23,122	\$ 1,718,550
Net difference between projected and actual earnings on pension plan investments	-	-
Change in assumptions	49,119	142,927
Total deferred inflows of resources	\$ 72,241	\$ 1,861,477
Deferred outflows of resources:		
Changes in assumptions	\$ 447,579	\$ 2,766,738
Net difference between projected and actual earnings on pension plan investments	582,532	3,600,961
Differences between expected and actual experience	-	1,414,916
Change in proportion and share of contributions	262,136	4,102,550
Year ended June 30, 2024 contributions	727,006	4,909,486
Total deferred outflows of resources	\$ 2,019,253	\$ 16,794,651
Net pension liability June 30, 2023	\$ 5,689,156	\$ 32,314,849
Change in net pension liability factored for contributions	823,284	7,942,214
Net pension liability June 30, 2024	\$ 6,512,440	\$ 40,257,063

The \$727,006 and \$4,909,486 of deferred outflows of resources resulting from the BOE's and the County's respective contributions to the System subsequent to the measurement date will be recognized as a reduction of net pension liability during the subsequent fiscal year rather than the current fiscal year. Other amounts reported as deferred outflows and inflows of resources will be amortized over approximately a five-year period.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 7. Pension Plans (continued)

The County's and BOE's respective deferred outflows of resources and deferred inflows of resources related to pensions will be amortized as follows:

County

Year Ended June 30,	Net Deferred (Inflows) Outflows
2025	\$ 2,079,773
2026	1,555,092
2027	4,488,306
2028	1,549,638
2029	350,879
Total	\$ 10,023,688

Board of Education

Year Ended June 30,	Net Deferred (Inflows) Outflows
2025	\$ 241,083
2026	156,205
2027	626,177
2028	157,190
2029	39,351
Total	\$ 1,220,006

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

	Total Payroll	Covered Payroll	On-Behalf by State
County - MD Retirement and Pension System	\$ 42,057,230	\$ 33,480,145	\$ -
Board of Education	91,544,964	80,466,871	6,696,702
Library	2,238,457	1,903,682	288,726

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. Pension obligations are primarily liquidated from the general fund.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 7. Pension Plans (continued)

Worcester County Supplemental Pension Plan

Certain eligible employees of the Department of Water and Wastewater Services (the "Department") are covered by a cost-sharing multiple-employer defined benefit pension plan administered by Nationwide Life Insurance Company. Employees who participate in the plan are required to contribute 4% of their annual compensation. Certain employees of the Town of Ocean City are also eligible to participate in the plan. Participation in the plan is split approximately 50/50 between the Department and the Town of Ocean City. The pension plan provides pension, death, and disability benefits. The normal retirement age is 65, although reduced retirement benefits may be taken at age 55 with the completion of ten years of service. Participating employees are fully vested after five years of service. Separate audited financial statements are not issued by the plan. Disclosures and related amounts are immaterial to the County's financial statements.

Note 8. Other Post-Employment Benefits

Worcester County

Plan Description

The Worcester County Post-Retirement Medical Benefits Plan (the "Plan") is a single employer defined benefit healthcare plan administered by the County. The Plan provides medical and prescription drug benefits to eligible retirees, their spouses, and eligible dependents. All classes of employees are eligible to participate in the Plan upon retirement. Participants must meet the following eligibility requirements of the Maryland State Retirement System to be eligible for benefits:

- 1) Age 55 and 15 years of service, or
- 2) Age 62 and 5 years of service (if hired prior to November 1, 2007), or
- 3) 30 years of service at any age

Eligible spouses and dependents desiring coverage through the eligible retiree's plan must be enrolled in the Plan immediately prior to the retiree's effective date of retirement. As of July 1, 2023, the date of the last actuarial valuation, the following numbers of employees were receiving or were potentially eligible to receive future benefits:

	<u>County</u>
Inactive employees or beneficiaries currently receiving benefit payments	429
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	499
	<u>928</u>

Separate financial statements are not issued for the Other Post-Employment Benefit ("OPEB") Trust.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 8. Other Post-Employment Benefits (continued)

Funding Policy

The County provides basic major medical insurance (Medicare supplemental program for those over 65) and a prescription drug plan for its retired employees. It is the County's policy to pay 90% of the cost of such benefits for eligible retirees, dependents, and spouses hired prior to July 1, 2015. For employees hired between June 30, 2015 and September 30, 2017, the County will pay 80% of the cost of benefits for retirees, their spouses, and their dependents. For employees hired subsequent to October 1, 2017, the County will pay 80% of the cost of the benefits for retirees only. The County's OPEB Trust currently pays for the cost of these benefits on a pay-as-you-go basis.

For the year ended June 30, 2024, the OPEB Trust paid for coverage of 429 retirees at a total cost, net of retiree contributions, of approximately \$2,436,777. Liabilities not paid out of the Trust are typically liquidated from the general fund.

The County created the Retiree Benefit Trust of Worcester County and the Retiree Benefit Trust of the Board of Education of Worcester County (collectively the "Trust") in order to arrange for the establishment of a reserve to pay promised future health and drug benefits for employee services that have already occurred. Employee and retiree contributions are not permitted and an actuarially determined contribution is not calculated for the plan. The trustees of each Trust consist of a five-member board that has final authority in all matters pertaining to the Trust.

The Trust prohibits any part of the Trust to be used for or diverted to purposes other than providing benefits to participants and beneficiaries under the Plan. The Trust provides that in no event will the assets of the Trust be transferred to an entity that is not a state, a political subdivision, or an entity the income of which is excluded from taxation under Internal Revenue Code Section 115.

Net OPEB Liability

The County'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 date of July 1, 2023.

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	4.00%, average, including inflation
Discount rate	7.00%
Healthcare cost trend rates	5.50% for fiscal year 2024, decreasing .07% per year to an ultimate rate of 4.50% for fiscal year 2039 and later years
Mortality	PubG.H-2010 Mortality Table - General with Mortality Improvement using Scale MP-2020

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 8. Other Post-Employment Benefits (continued)

Investments

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and cash equivalents	5%	0.5%
Fixed income investments	30%	5.7%
Equities	65%	8.1%
Total	100%	

Discount rate

The discount rate used to measure the total OPEB liability was 7.00%. The projection of cash flows used to determine the discount rate assumed that the County’s contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The periods of projected benefit payments were fiscal years 2024 through 2039.

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.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 8. Other Post-Employment Benefits (continued)

The County's net OPEB liability/(asset) is an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The following table shows the components of the County's total OPEB liability, fiduciary net position, and the resulting net OPEB liability/(asset) as of June 30, 2024:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/2023	\$ 59,385,148	\$ 74,935,469	\$ (15,550,321)
Changes for the year:			
Service cost	1,132,370	-	1,132,370
Interest cost	4,041,157	-	4,041,157
Differences between expected and actual experience	(3,709,316)	608,395	(4,317,711)
Changes of assumptions and other inputs	677,663	-	677,663
Contributions - employer	-	2,169,142	(2,169,142)
Contributions - non-employer contributing entities	-	254,318	(254,318)
Net investment income	-	6,065,711	(6,065,711)
Benefit payments	(3,308,679)	(2,436,777)	(871,902)
Administrative expense	-	-	-
Other changes	-	(608,395)	608,395
Net changes	(1,166,805)	6,052,394	(7,219,199)
Balances at 6/30/2024	\$ 58,218,343	\$ 80,987,863	\$ (22,769,520)

Funding Status and Funding Progress

As of July 1, 2023, the most recent actuarial valuation date, the total OPEB liability for benefits was \$58,218,343, with \$80,987,863 in plan Fiduciary net position, resulting in a prepaid asset of \$22,769,520. The ratio of plan Fiduciary net position to the total OPEB liability was 139.11%. The covered employee payroll was \$33,967,458, and the ratio of the net OPEB liability/(asset) to the covered payroll was (67.03)%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about 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 multi-year trend information about whether the net OPEB liability is increasing or decreasing over time relative to the total OPEB liability for benefits.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 8. Other Post-Employment Benefits (continued)

Additional information as of the latest actuarial valuation is as follows:

- *Measurement date* – The County selected a June 30, 2024 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.

Sensitivity of the Total and Net OPEB Liability

The following table presents the County's total and net OPEB liability using the discount rate of 7.00%, 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:

	Discount Rate	Net OPEB Liability
1% decrease	6.00%	\$ (15,633,524)
Current discount Rate	7.00%	\$ (22,769,520)
1% increase	8.00%	\$ (28,645,255)

The following table presents the County's net OPEB liability using the health care trend rate of 5.50%, decreasing to 4.50%, 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 Cost Trend Rate	Net OPEB Liability
1% decrease	4.50% decreasing to 3.50%	\$ (29,216,986)
Current discount Rate	5.50% decreasing to 4.50%	\$ (22,769,520)
1% increase	6.50% decreasing to 5.50%	\$ (14,845,602)

OPEB Expense and Deferred Inflows/Outflows of Resources related to OPEB

For the fiscal year ended June 30, 2024, the County recognized an OPEB benefit of \$5,840,420 on the government-wide statements. At June 30, 2024, the County 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
Differences between expected and actual experience	\$ -	\$ 24,504,967
Changes of assumptions	2,381,335	622,851
Net difference between projected and actual earnings	3,936,285	-
Total	<u>\$ 6,317,620</u>	<u>\$ 25,127,818</u>

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 8. Other Post-Employment Benefits (continued)

Amounts reported as deferred outflows and inflows of resources related to the OPEB plan will be amortized and expensed over the expected average remaining service life of participants as follows:

Year Ended June 30,	Net Deferred (Inflows) Outflows
2025	\$ (4,989,581)
2026	(2,485,141)
2027	(5,273,421)
2028	(5,210,451)
2029	(436,010)
Thereafter	(415,594)
Total	<u>\$ (18,810,198)</u>

Changes in assumptions in the most recent actuarial valuation included actuarial cost method changes, the starting per capita costs were updated using most recent premiums, and the health care trend rates were reset based on recent experience.

Board of Education of Worcester County

Plan Description and Benefits Provided

The Worcester County Public Schools Post-Retirement Medical Benefits Plan (the "Plan") is a single employer defined benefit healthcare plan administered by the Board. The Plan provides medical and prescription drug benefits to eligible retirees, their spouses and eligible dependents. All classes of 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

In addition, eligible spouses and dependents desiring coverage through the eligible retiree's plan must be enrolled in the Plan immediately prior to the retiree's effective date of retirement.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 8. Other Post-Employment Benefits (continued)

As of July 1, 2023, the date of the last actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	659
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	1,001
	1,660

Funding Policy

The Board provides basic major medical insurance (Medicare supplemental program for those over 65) and a prescription drug plan for its retired employees. It is the Board's policy to pay 90% of the cost of such benefits for eligible retirees, dependents and spouses hired prior to July 1, 2015, 80% for retirees, dependents, and spouses for July 1, 2015 to September 30, 2017 hires, and 80% for employees hired after October 1, 2017. The Board's OPEB Trust currently pays for the cost of these benefits on a pay as you go basis. For the year ended June 30, 2024, the OPEB Trust paid for coverage of approximately 659 retirees at a total cost of approximately \$4,800,000. For the year ended June 30, 2024, Worcester County Commissioners funded the trust in the amount of \$8,676,568 to fund future benefits and the Board funded the trust in the amount of \$3,868,211 to fund future benefits.

On behalf of the Board, the Worcester County Commissioners created the Retiree Benefit Trust of the Board of Education of Worcester County (the "Trust") in order to arrange for the establishment of a reserve to pay promised future health and drug benefits for employee services that have already occurred. The Board intends the contributions to the Trust will qualify as "contributions in relation to the actuarially determined contribution" within the meaning of GASB Statement Number 75 and that the Trust will qualify as a "trust or equivalent arrangement" within the meaning of GASB Statement 75.

Contributions by the Board are solely dependent on the governmental entities that provide funding for the Board. Employee and retiree contributions are not permitted. The trustees of the Trust consist of a five member board who have final authority in all matters pertaining to the Trust.

The Trust prohibits any part of the Trust to be used for or diverted to purposes other than providing benefits to participants and beneficiaries under the Plan. The Trust provides that in no event will the assets of the Trust be transferred to an entity that is not a state, a political subdivision, or an entity the income of which is excluded from taxation under Section 115 of the IRS Code.

Net OPEB Liability

The Board'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 date of July 1, 2023.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 8. Other Post-Employment Benefits (continued)

Actuarial Assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.00%
Salary increases	4.00%, average, including inflation
Discount rate	7.00%
Healthcare cost trend rates	5.50% for fiscal year 2025, decreasing .0667% per year to an ultimate rate of 4.50% for fiscal year 2039 and later years
Mortality	PubT.H-2010 Mortality Table - Teachers with Mortality Improvement using scale MP-2020
Retirement Age	Based on results of actuarial experience study with a Census date of June 2020

Investments

The long-term expected rate of return on OPEB 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 OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash and cash equivalents	1%	0.2%
Fixed income investments	34%	5.3%
Equities	65%	8.0%
Total	<u>100%</u>	

Discount rate

The discount rate used to measure the total OPEB liability was 7.00% for Fiscal Year 2024. This rate was changed from 5.172% used in Fiscal Year 2023. This is the single equivalent discount rate which represents a blended interest rate based on a long-term rate of return for those payments prior to the crossover date and a 20-year high grade municipal bond index for all remaining payments after such a crossover date. The rates used are a long-term rate of return of 7.00% and the S & P Municipal Bond 20-year High-Grade rate index as of June 30, 2024 of 4.21%.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 8. Other Post-Employment Benefits (continued)

The projection of cash flows used to determine the discount rate assumed that the Board's contribution will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability. The periods of projected benefit payments were fiscal years 2024 through 2039.

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.

The Board's net OPEB liability is an amount actuarially determined in accordance with the parameters of GASB Statement No. 75. The following table shows the components of the Board's total OPEB liability, fiduciary net position, and the resulting net OPEB liability as of June 30, 2024:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balance at 6/30/2023	\$ 174,950,595	\$ 35,323,034	\$ 139,627,561
Changes for the year:			
Service cost	4,375,552	-	4,375,552
Interest cost	8,887,674	-	8,887,674
Differences between expected and actual experience	(6,636,719)	63,246	(6,699,965)
Changes of assumptions and other inputs	(34,595,317)	-	(34,595,317)
Contributions - County and other	-	8,676,568	(8,676,568)
Contributions - Board	-	3,868,211	(3,868,211)
Net investment income	-	2,907,800	(2,907,800)
Implicit rate subsidy	-	-	-
Benefit payments	(6,201,034)	(4,825,670)	(1,375,364)
Administrative expense	-	-	-
Other changes	-	(63,246)	63,246
Net changes	(34,169,844)	10,626,909	(44,796,753)
Balances at 6/30/2024	\$ 140,780,751	\$ 45,949,943	\$ 94,830,808

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 8. Other Post-Employment Benefits (continued)

Funding Status and Funding Progress

As of July 1, 2023, the most recent actuarial valuation date, the total OPEB liability for benefits was \$140,780,751, with \$45,949,943 in plan Fiduciary net position, resulting in an unfunded OPEB liability of \$94,830,808. The ratio of plan Fiduciary net position to the total OPEB liability was 32.64%. The covered employee payroll was \$67,298,857, and the ratio of the net OPEB liability to the covered payroll was 140.91%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability 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 multi-year trend information about whether the net OPEB liability is increasing or decreasing over time relative to the total OPEB liability for benefits.

Additional information as of the latest actuarial valuation is as follows:

- *Measurement date* – The Board selected a June 30, 2024 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.

Sensitivity of the Total and Net OPEB Liability

The following table presents the Board's total and net OPEB liability using the discount rate of 5.172%, 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:

	Discount Rate	Board's Net OPEB Liability
1% decrease	6.000%	\$ 113,162,490
Current Discount Rate	7.000%	\$ 94,830,808
1% increase	8.000%	\$ 79,752,440

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 8. Other Post-Employment Benefits (continued)

The following table presents the Board's net OPEB liability using the health care trend rate of 5.43%, decreasing to 4.43%, 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:

	<u>Health Care Cost Trend Rate</u>	<u>Board's Net OPEB Liability</u>
1% decrease	4.50%	\$ 77,423,423
Current discount Rate	5.50%	\$ 94,830,808
1% increase	6.50%	\$ 116,525,682

OPEB Expense and Deferred Inflows/Outflows of Resources related to OPEB

For the fiscal year ended June 30, 2024, the Board recognized an OPEB credit of \$30,888,858 on the government-wide statements. 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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 137,995,897
Changes of assumptions	27,696,190	90,114,166
Net difference between projected and actual earnings on OPEB Plan Investments	1,698,948	-
Total	<u>\$ 29,395,138</u>	<u>\$ 228,110,063</u>

Amounts reported as deferred outflows and inflows of resources related to the OPEB plan will be amortized and expensed over the expected average remaining service life of participants as follows:

<u>Year Ended June 30,</u>	
2025	\$ (39,484,756)
2026	(43,054,654)
2027	(49,772,439)
2028	(49,737,791)
2029	(6,495,481)
Thereafter	(10,169,804)
	<u>\$ (198,714,925)</u>

Changes in assumptions in the most recent actuarial valuation included the discount rate (an increase from 5.172% to 7.000%).

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 9. Volunteer Firemen Pension Plan Length of Service Award Program (LOSAP)

The County contributes to the LOSAP for the chartered fire and ambulance company's personnel in Worcester County, a single-employer noncontributory trust fund. Any person who is certified as an active member with any Worcester County volunteer fire or approved ambulance company is eligible to participate. Active members who have completed 25 years of certified volunteer service or a life member of Gold Badge member status (inactive) who submits an award distribution application to the trustees for approval shall receive \$50 per month, for a maximum benefit of 120 months for a total award of \$10,000. A retention bonus of \$2,500 will be paid to new members after completing five years of active volunteer service excluding transfers from another volunteer fire company. Volunteers qualified for participation may participate in either a monthly award plan or annual contribution award plan and award payments cease upon death. The LOSAP also provides for death and disability benefits to participating volunteers. Benefit provisions and all other requirements are established by the chartered fire and ambulance companies and approved by the Commissioners as authorized by the State's legislative assembly. Though not mandatory, the County currently contributes all the amounts necessary to fund the payments of benefits under the LOSAP. The plan liability is immaterial and therefore not included in the financial statements.

Note 10. Deferred Compensation

The County offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all eligible full-time County employees, permits them to defer a portion of their salaries until future years. The deferred compensation is not available to employees until termination, retirement, death, or an unforeseeable emergency; as approved by the County Commissioners.

The County funds all compensation deferred under the plan, at the direction of the covered employee, through investments underwritten by Security Benefits.

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 plan participants and are not subject to the claims of the County's general creditors.

The County has no liability for losses under the plan but does have the duty of care that would be required of an ordinary prudent investor.

Note 11. Commitments and Contingencies

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

The County regularly enters into contracts for services during the normal course of operations. The contracts often extend over fiscal years.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 11. Commitments and Contingencies (continued)

Enterprise Fund

In June 2024 the County contracted with Davis, Bowen & Friedel for professional services related to the St. Martins by the Bay Water Project Design Services. The total estimated cost of this project is \$73,100.

In April 2024 the County contracted with KCI Technologies, Inc. for professional services related to the Riddle Farm Force Main Bypass Design project. The total estimated cost of this work is \$161,500.

In January 2024 the County entered into a contract with George, Miles & Buhr for professional services related to the bidding, contract administration, and RPR services for the planned equipment upgrades at the Riddle Farm Wastewater Treatment Plant. The total estimated cost of this work is \$332,750.

General Fund

In December 2023 the County contracted with Wallace, Montgomery, & Associates, LLP for professional services related to the County Comprehensive Plan Update. The total estimated cost of this project is \$151,551.

In February 2024 the County entered into a contract with L3Harris, a Delaware corporation, for planned upgrades to the emergency communications 800 Mhz radio system. The total estimated cost of this project is \$980,082.

In February 2024 the County entered into a contract with L3Harris, a Delaware corporation, for planned hardware updates to the emergency communications radio system. The total estimated cost of this project is \$1,797,584.

In May 2024 the County entered into contract with HCE, LLC, for paving at the South Point Boat Ramp. The total estimated cost of this project is \$51,252.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 12. Assigned Fund Balance

Assignments of fund balance are intended to be used for specific purposes but are not legally restricted. The assignments for the year ended June 30, 2024 are summarized as follows:

Assigned for:

Board of Education - Buckingham Elementary School (Engineering/Design)	\$ 631,826
Board of Education - Berlin Intermediate School (Engineering/Design)	640,209
Board of Education - Gymnasium Air Condition Project SHMS & PMS	199,650
Board of Education - Fire Alarm Replacement OCES	154,000
Board of Education - Roof Replacement Worcester Tech High School (partial funding)	3,430,581
Board of Education PES Roof	1,704,000
Board of Education Admin Building (Windows/Renovations)	222,769
Board of Education BIS Fire Alarm	225,000
Board of Education Front Door Visitor Access Systems (All Schools)	225,000
Board of Education HVAC Replacements (SHMS,PMS)	37,886
Board of Education Maintenance (Vans)	73,793
Board of Education PMS Evening Program	85,049
Board of Education Pocomoke Elementary Intercom	75,000
Board of Education Pocomoke Elementary RoofTop Units	796,418
Board of Education Roof Repairs (BIS, SDHS, WT)	175,000
Board of Education SHMS/CCSS Roof	2,632,783
Board of Education OPEB transfer (FY24 reconciliation)	1,261,616
Broadband Projects	1,000,000
Commission on Aging - Berlin Senior Cener Expansion Feasibility Study	40,000
Commission on Aging - Berlin Assembly Room HVAC Replacement	22,272
Commission on Aging Camera System & Keyscan Upgrade	25,497
Commission on Aging - OC Senior Center HVAC Upgrades	260,000
Commission on Aging Berlin & OC Senior Center New Flooring	36,515
Commission on Aging - Snow Hill Senior Center HVAC	131,076
Salisbury Airport Pledge (Matching Funds)	50,000
Advertising Campaign	100,000
Outside Legal Council	75,000
County Government Study (Needed Space Expansion)	1,200,000
Financial Software Upgrade - Tyler/Munis Merger	500,000
Encumbrances (FY24 unspent funds to be spent FY25)	1,260,326
County - Other Post Employment Benefit transfer (FY24 reconciliation)	315,404
Health Department & 50 Plus Center - Pocomoke Building Replace (Design)	704,500
Berlin Health Dept Conference Room HVAC Replacement	35,429
Health Department - Berlin Health New Flooring	116,623
Health Department - Berlin Dental Clinic HVAC Upgrades	37,500
Ocean City Library Parking Lot Improvements	110,000
Snow Hill Library Building Improvments(HVAC,Plumbing, Electrical)	2,710,867
Pocomoke New Library	4,988,841
Recreation Center Water Heater Replacement	10,174
West Ocean City Harbor - Ice Vending Machine	212,700
Recreation Center Building HVAC Improvement	1,524,600
Animal Control Kennel HVAC Replacement	20,005
Emergency Services - WCPN North Hub	56,653

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 12. Assigned Fund Balance (continued)

Fire Tower/Training Center Upgrades/Expansion	1,850,000
Emergency Services - Radio Coverage Enhancement	995,000
Emergency Services Mobile Generator (FY23)	225,000
Emergency Services - Outdoor Warning Siren Replacement	1,272,153
Radio System IT Refresh	2,250,000
Courthouse Chiller Pumps	67,204
Government Center Metal Roof Evaluation & New Roof	2,821,152
Government Center Roof Top Unit Replacements	99,768
Roads - New Well/Brine Maker & Truck Fill Station (Cut from FY25 Budget)	181,000
Recycle - Overhead Doors (Cut from FY25 Budget)	180,000
Courthouse Bar Library Renovation	50,000
Courtroom 4 Feasability Study(Engineering & Design)	200,000
Courthouse Washington St Entrance Evaluation	100,000
Parking Lot Improvements 110 Wash	339,634
Parking Lot Upgrades/Resurfacing (Annually to Complete)	409,943
Strategic Highway Safety Plan & Share Used Path 611	106,693
County Building Repairs and Improvements	450,000
Fire Alarm System Upgrades	85,000
Isle of Wight Building Renovation	943,000
HVAC Automation Systems Controls (various buildings)	300,000
Recycle & Home Owner Convenience Upgrade-Berlin,Bishopville, Riddle	650,000
Roads - Cove Landing Road Crossroad Pipe Replacement	411,000
Roads Department Paving Projects	1,551,752
Roads Building Improvements	26,515
Water Wastewater Operations Assistance	9,411,187
WWW -Radio Read Water Meter Intergovernmental Loan	1,525,000
WWW -Riddle WWW WGC EDU Purchase	3,018,622
WWW - Landings Intergovernmental Loan	200,000
WWW - Ocean Pines Service Area Gum Point Road Intergovernmental Loan	268,000
WWW - Ocean Pines Service Area St Martins by the Bay Intergovernmental Loan	9,640
WWW - St Martins by the Bay Intergovernmental Loan	73,100
WWW Programable Logic Controllers Intergovernmental Loan	250,000
WWW - Newark Household Water Filters	58,000
WWW - Newark Water Treatment Plant Rehab (Earmark Match)	637,500
Water Wastewater Service Area Consolidation	259,691
Total	\$ 59,390,116

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 12. Assigned Fund Balance (continued)

The nonmajor governmental fund have assigned fund balances as follows:

- The Department of Social Services and the Local Management Board assigned funds are being held by those entities to provide services as directed by the entities for the benefit of the citizens of the County.
- Casino assigned funds originate from local impact grants which shall be used for improvements primarily in the communities in immediate proximity to the video lottery facilities. Currently, Casino funds are being used for the debt service payment on the Worcester Technical High School bond.
- Opioid assigned funds originate from settlement payments from the state which shall be used for purposes of future opioid remediation.
- Cannabis assigned funds originate from cannabis tax collection remittances from the state which shall be used for community reinvestment and repair funding.
- Energy Service assigned funds are being held for energy conservation related initiatives.

Note 13. Landfill Closure and Post-closure Care Costs

State and federal laws and regulations require the County to place a final cover on Worcester County landfills when closed and to perform certain maintenance and monitoring functions at the landfill sites for 30 years after closure.

The County has reported \$18,779,862 in estimated landfill closure and post-closure care liabilities at June 30, 2024 in the enterprise fund related to the Central Landfill. Accrual of closure and post-closure care costs have been recognized based on estimated capacity used to date.

The Central Landfill facility in Newark is the only active landfill in the County. The facility is situated on a 724.5 acre parcel located approximately 3.5 miles northeast of the Town of Snow Hill. The facility, which began operations in 1990 and includes room for potentially eight landfill cells. As of June 30, 2024, cells #1, #2, #3 and #4 are inactive. The County received approval from the Maryland Department of the Environment to begin mining the existing cell #1 instead of closing or “capping” it in order to reclaim as much as 40% of the airspace for future use. If successful, the mining operation will likely continue to the other closed or “filled” cells in order to reclaim landfill capacity and extend the overall life of the facility. The County began mining of cell #1 during fiscal year 2010, but suspended the mining operation during fiscal years 2014 through 2020 to avoid filling up cell #4 before cell #5 was complete. The County has completed cell #5. MDE is requiring the installation of a landfill gas collections system on the inactive cells. Mining operations will be reevaluated after the gas collection system has been installed.

The County has satisfied its financial assurance requirements based upon the local government financial ratio tests as of June 30, 2023. The County expects to satisfy these requirements as of June 30, 2024 using the same criteria.

Estimated closure and post-closure care costs may change in the future due to inflation and changes in technology, laws, and/or regulations.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 14. Risk Management

The County's risk financing techniques include participation in a public entity pool and the purchase of commercial insurance.

For general, property, excess, and environmental liability coverage, the County is a member of the Maryland Local Government Insurance Trust ("LGIT"). This is a public entity risk pool, which is owned and directed by the local governments that subscribe to its coverages and operates under the terms of a Trust Agreement.

LGIT subscribers share the risk among participants of the pools. As a result, the County's annual premium requirements are affected by the loss experience of the various insurance pools in which it participates. Conversely, favorable performance of certain insurance pools may result in reduced premiums.

The primary government 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 County carries commercial insurance for these and other risks of loss, including workers' compensation, employee health, and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage limits for the three most recent fiscal years.

Note 15. On-Behalf Payments

On-behalf payments for fringe benefits represent the pension contribution by the State of Maryland to the State Retirement System for applicable employees of the Library. The amount recognized as revenue and expenditures for the year ended June 30, 2024 was \$288,726 for the Library, which is included in miscellaneous revenues and libraries, recreation, parks and culture expenditures, respectively.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 16. Component Units

The Board of Education of Worcester County

Cash and Short-Term Investments

At June 30, 2024, the Board of Education (BOE) had deposits of \$7,852,578 (carrying value \$10,930,890), which were either fully insured or collateralized by securities held in the name of the BOE.

Capital Assets

Capital asset activity for the year ended June 30, 2024 was as follows:

	Balance June 30, 2023	Additions	Transfers and Reductions	Balance June 30, 2024
Governmental activities:				
Nondepreciable capital assets:				
Land and improvements	\$ 1,886,779	\$ -	\$ -	\$ 1,886,779
Construction-in-progress	170,367	578,048	-	748,415
Total nondepreciable capital assets	2,057,146	578,048	-	2,635,194
Depreciable capital assets:				
Building and building improvements	290,257,671	1,568,719	-	291,826,390
Machinery and equipment	13,197,395	204,302	-	13,401,697
Total depreciable assets	303,455,066	1,773,021	-	305,228,087
Less accumulated depreciation for:				
Buildings and building improvements	(88,852,530)	(5,319,369)	-	(94,171,899)
Machinery and equipment	(7,206,107)	(1,838,893)	-	(9,045,000)
Total accumulated depreciation	(96,058,637)	(7,158,262)	-	(103,216,899)
Total depreciable capital assets, net	207,396,429	(5,385,241)	-	202,011,188
Intangible right-to-use assets:				
Leased equipment	1,506,981	26,226	-	1,533,207
Less accumulated amortiation	(1,091,556)	(220,606)	-	(1,312,162)
Total intangible right-to-use assets, net	415,425	(194,380)	-	221,045
Governmental activities capital assets, net	\$ 209,869,000	\$ (5,001,573)	\$ -	\$ 204,867,427

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 16. Component Units (continued)

	Balance June 30, 2023	Additions	Transfers and Reductions	Balance June 30, 2024
Business-type activities:				
Depreciable capital assets:				
Machinery, equipment and vehicles	\$ 406,833	\$ 14,172	\$ -	\$ 421,005
Less accumulated depreciation for:				
Machinery, equipment and vehicles	(268,723)	(18,489)	-	(287,212)
Total depreciable capital assets, net	138,110	(4,317)	-	133,793
Business-type activities capital assets, net	\$ 138,110	\$ (4,317)	\$ -	\$ 133,793

Financed Purchases

The computer equipment contracts are secured by the equipment financed under the related agreement. In the event of nonappropriation of funds in a given year, the lease would be deemed terminated. Future minimum lease payments under the financed purchase obligations, which will be funded from the General Fund and partially from an appropriation from the County, are as follows:

<u>Year Ending June 30,</u>	
2025	\$ 1,356,601
2026	1,000,571
	<u>2,357,172</u>
Less: amount representing interest	(98,054)
	<u>Present value of future minimum financed purchase payments</u>
	<u>\$ 2,259,118</u>

Intangible Right-to-Use Assets

In accordance with GASB No. 87, *Leases*, the board recognizes the value of right-to-use assets leased under long-term contracts along with a related lease liability. Payments under vehicle leases total approximately \$38,000 per year and will expire through fiscal year 2029. For purposes of discounting future payments on these leases the Board used the imputed interest rate in the lease agreement, ranging from 4.50% to 8.90%. Payments under copier leases total approximately \$206,000 per year. These lease agreements will expire through fiscal year 2026. For purposes of discounting future payments on these leases the Board used its incremental borrowing rate in place at the time of lease inception, 2.65%.

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2025	\$ 149,868	\$ 7,024	\$ 156,892
2026	60,560	2,330	62,890
2027	12,838	876	13,714
2028	5,575	436	6,011
2029	4,894	124	5,018
Total	\$ 233,735	\$ 10,790	\$ 244,525

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 16. Component Units (continued)

Long-Term Debt

The following is a summary of long-term debt transactions of the BOE for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Reductions	Balance June 30, 2024
Net OPEB liability	\$ 139,627,561	\$ -	\$ (44,796,753)	\$ 94,830,808
Net pension liability	5,689,156	823,284	-	6,512,440
Financed purchases	4,405,066	-	(2,145,948)	2,259,118
Intangible right-to-use leases	434,992	26,226	(227,483)	233,735
Long-term portion of accrued compensated absences	826,265	61,794	(50,105)	837,954
	<u>\$ 150,983,040</u>	<u>\$ 911,304</u>	<u>\$ (47,220,289)</u>	<u>\$ 104,674,055</u>

Post-Retirement Benefits

The BOE currently funds 90% of the healthcare insurance premiums for retirees hired prior to July 1, 2015 (and 80% of the premiums for retirees hired subsequent to June 30, 2015) who have accumulated the required number of years of service with the BOE prior to their retirement. The BOE's OPEB Trust currently pays for the cost of these benefits on a pay-as-you-go basis. For the year ended June 30, 2024, the BOE's OPEB Trust paid for coverage of approximately 659 retirees at a total cost of approximately \$4,800,000. For the year ended June 30, 2024, the County contributed \$3,868,211 to the BOE's OPEB Trust to fund the ARC and the pay-as-you-go post-retirement healthcare benefits.

Commitments and Contingencies

The BOE regularly enters into contracts for goods and services during the normal course of operations. The contracts often extend over fiscal years.

The BOE receives a substantial amount of its support from Federal, State and local agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the BOE.

The BOE is a defendant in various lawsuits. After considering 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 BOE.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 16. Component Units (continued)

Risk Management

The BOE is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The BOE has joined the Maryland Association of Boards of Education Workers' Compensation Group Insurance Fund (the Fund), a public entity risk pool currently providing workers compensation coverage for participating BOEs of education in the State of Maryland. The BOE pays an annual premium to the Fund calculated based on projected payroll. The agreement for the Fund provides that it will be self-sustaining through member premiums and will reinsure through commercial companies for claims which exceed coverage limits as specified in the agreement. Should the Fund encounter deficits in its casualty and/or property funds, this deficit may be made up from additional assessments of BOEs participating in the deficit Fund. The BOE continues to carry commercial insurance for all other risks of loss, including general liability, employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance in the last three years.

On-Behalf Payments

On-behalf payments for fringe benefits represent the pension contribution by the State of Maryland to the State Retirement System for applicable employees of the BOE. The amount recognized as revenue and expenditures for the year ended June 30, 2024 was \$6,696,702 for the BOE, which is included in intergovernmental revenues and education expenditures, respectively, in the BOE's separately issued financial statements.

Note 17. Required Fund Disclosures

The General Fund had an excess of actual expenditures over budgeted expenditures of \$3,492,471 for the year ended June 30, 2024.

Note 18. Lease Receivables

The County's Wastewater Enterprise Fund has entered into various lease agreements to lease land near County owned water towers for antenna mounting sites. Monthly payments for these leases range from \$4,000 to \$2,208. The County uses its incremental borrowing rate to determine the initial value of the lease receivable and corresponding deferred inflow. The County has options to extend which typically are in five-year renewal increments up to 25 years. The County has considered the probability of exercising the lease renewal options in the initial calculation of the lease.

The table below is a summary of activity for the County's lease receivables and corresponding deferred inflows during the year.

Business-Type Activities	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024
Lease Receivable	\$ -	1,282,178	(4,238)	\$ 1,277,940
Deferred Inflows	\$ -	1,282,178	(17,959)	\$ 1,264,219

For the year ended June 30, 2024, rental and interest income associated with lease receivables were \$33,112 and \$18,796, respectively.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2024

Note 19. Prior Period Restatement

The County determined to accrue for compensatory time and holiday time within accrued compensated absences during fiscal year 2024, and as such, restated their July 1, 2023, beginning balances. In addition, the portion of accrued compensated absences to be recognized within the fund financial statements was adjusted to more closely align with the recognition of other liabilities. During the year, the County also determined to include the inmate welfare fund as a custodial fund.

The impact of these changes on the July 1, 2023 beginning balances are as follows:

	Business-Type Activities
Net position, as previously reported at July 1, 2023	\$ 59,714,957
Restatement	(179,533)
Net position, as restated, at July 1, 2023	<u>\$ 59,535,424</u>
	Governmental Activities
Net position, as previously reported at July 1, 2023	\$ 84,987,067
Restatement	(1,773,557)
Net position, as restated, at July 1, 2023	<u>\$ 83,213,510</u>
	Governmental Funds
Fund Balance, as previously reported at July 1, 2023	\$ 105,169,857
Restatement	453,326
Fund Balance, as restated, at July 1, 2023	<u>\$ 105,623,183</u>
	Custodial Funds
Net position, as previously reported at July 1, 2023	\$ 524,222
Restatement	622,396
Net position, as restated, at July 1, 2023	<u>\$ 1,146,618</u>

REQUIRED SUPPLEMENTARY INFORMATION

WORCESTER 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 of the Collective NPL (Percentage) A	Employer's Proportionate 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 (in \$000's) D	Plan's Total Pension Liability (in \$000's) E	Plan's Fiduciary Net Position as a Percentage of Total Pension Liability (D / E)
June 30, 2014	0.1160133%	\$ 20,588,571	\$ 27,965,651	73.62%	\$ 45,339,988	\$ 63,086,719	71.87%
June 30, 2015	0.1316800%	27,365,360	23,419,512	116.85%	45,789,840	66,571,552	68.78%
June 30, 2016	0.1366138%	32,232,695	23,922,358	134.74%	45,365,927	68,959,954	65.79%
June 30, 2017	0.1228108%	26,556,233	23,537,007	112.83%	48,987,184	70,610,885	69.38%
June 30, 2018	0.1385248%	29,064,712	24,859,390	116.92%	51,827,233	72,808,833	71.18%
June 30, 2019	0.1394292%	28,758,121	25,130,065	114.44%	53,943,420	74,569,030	72.34%
June 30, 2020	0.1433537%	32,399,879	25,729,161	125.93%	54,586,037	77,187,397	70.72%
June 30, 2021	0.1571015%	23,568,845	26,968,715	87.39%	67,604,500	82,606,805	81.84%
June 30, 2022	0.1615054%	32,314,849	27,795,982	116.26%	64,310,991	84,319,523	76.27%
June 30, 2023	0.1748004%	40,257,063	33,480,145	120.24%	64,892,973	87,923,284	73.81%

WORCESTER COUNTY, MARYLAND
MARYLAND STATE RETIREMENT AND PENSION SYSTEMS
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

SCHEDULE OF CONTRIBUTIONS
(as of fiscal year)

Fiscal Year	Measurement Date	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	June 30, 2014	\$ 2,703,529	\$ 2,703,529	\$ -	\$ 23,419,512	11.54%
2016	June 30, 2015	2,775,459	2,775,459	-	23,922,358	11.60%
2017	June 30, 2016	2,661,350	2,661,350	-	23,537,007	11.31%
2018	June 30, 2017	2,499,618	2,499,618	-	24,859,390	10.06%
2019	June 30, 2018	2,762,289	2,762,289	-	25,130,065	10.99%
2020	June 30, 2019	2,863,177	2,863,177	-	25,729,161	11.13%
2021	June 30, 2020	3,073,593	3,073,593	-	26,968,715	11.40%
2022	June 30, 2021	3,461,769	3,461,769	-	27,795,976	12.45%
2023	June 30, 2022	3,686,042	3,686,042	-	29,520,807	12.49%
2024	June 30, 2023	4,263,236	4,263,236	-	33,480,145	12.73%

WORCESTER COUNTY, MARYLAND
MARYLAND STATE RETIREMENT AND PENSION SYSTEMS
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

ACTUARIAL ASSUMPTIONS - PENSION PLAN

Actuarial	Entry age normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	25-year closed amortization period ending June 30, 2039; 16 years remaining
Asset Valuation Method	Five-year smoothed fair value (max. 120% and min 80% of the fair 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 2019 experience study of 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

WORCESTER COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

As of June 30,	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total OPEB liability										
Service cost				\$ 1,608,612	\$ 1,636,060	\$ 1,253,739	\$ 1,310,245	\$ 1,610,608	\$ 1,677,058	\$ 1,132,370
Interest				5,528,825	5,523,505	5,824,086	5,672,207	5,905,285	3,876,385	4,041,157
Differences between expected and actual experience				(930,789)	-	(2,782,115)	-	(36,448,498)	-	(3,709,316)
Changes of assumptions				(972,422)	-	(2,884,137)	-	3,040,825	-	677,663
Benefit payments				(2,753,006)	(3,005,953)	(3,365,480)	(4,210,867)	(3,094,641)	(3,090,425)	(3,308,679)
Other charges				3,031,292	142,763	(177,632)	-	-	-	-
Net change in OPEB liability				5,512,512	4,296,375	(2,131,539)	2,771,585	(28,986,421)	2,463,018	(1,166,805)
Total OPEB liability - beginning				75,459,618	80,972,130	85,268,505	83,136,966	85,908,551	56,922,130	59,385,148
Total OPEB liability - ending (a)				\$ 80,972,130	\$ 85,268,505	\$ 83,136,966	\$ 85,908,551	\$ 56,922,130	\$ 59,385,148	\$ 58,218,343
Plan fiduciary net position										
Differences between expected and actual experience				41,035	(771,893)	(2,058,287)	9,128,879	(15,046,294)	(383,766)	608,395
Contributions - employer				2,500,000	5,285,500	7,124,143	3,968,744	5,500,000	2,246,219	2,169,142
Contributions - non-employer contributing entities				487,541	322,821	672,167	634,900	167,056	84,645	254,318
Net investment income				3,330,424	2,955,419	2,104,856	13,964,958	(9,899,624)	4,698,362	6,065,711
Benefit payments				(2,753,006)	(3,005,953)	(3,365,480)	(3,178,216)	(2,277,292)	(2,357,938)	(2,436,777)
Administrative expenses				(1,150)	(3,400)	(1,000)	(5,000)	(1,500)	(4,000)	-
Other charges				(41,035)	771,893	2,058,287	(9,128,879)	15,046,294	383,766	(608,395)
Net change in plan fiduciary net position				3,563,809	5,554,387	6,534,686	15,385,386	(6,511,360)	4,667,288	6,052,394
Plan fiduciary net position - beginning				45,741,273	49,305,082	54,859,469	61,394,155	76,779,541	70,268,181	74,935,469
Plan fiduciary net position - ending (b)				\$ 49,305,082	\$ 54,859,469	\$ 61,394,155	\$ 76,779,541	\$ 70,268,181	\$ 74,935,469	\$ 80,987,863
County's net OPEB liability(asset) - ending (a) - (b)				\$ 31,667,048	\$ 30,409,036	\$ 21,742,811	\$ 9,129,010	\$ (13,346,051)	\$ (15,550,321)	\$ (22,769,520)
Plan fiduciary net position as a percentage of the total OPEB liability				60.89%	64.34%	73.85%	89.37%	123.45%	126.19%	139.11%
Covered employee payroll				\$ 25,501,214	\$ 27,050,408	\$ 25,615,178	\$ 25,615,178	\$ 26,811,070	\$ 27,882,951	\$ 33,967,458
County's net OPEB liability as a percentage of covered employee payroll				124%	112%	85%	36%	-50%	-56%	-67%
Expected Average Remaining Service Years of All Participants				7.12	6.38	6.24	6.24	6.97	6.97	6.95

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

WORCESTER COUNTY, MARYLAND
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2024

SCHEDULE OF INVESTMENT RETURNS

	Fiscal Year									
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Annual money-weighted rate of return, net of investment				7.01	5.67%	3.62%	20.21%	-13.46%	6.47%	7.78%

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

WORCESTER COUNTY, MARYLAND
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the year ended June 30, 2024

Note 1. Pensions

Changes in Benefit Terms

There were no benefit changes during the year.

Changes in Assumptions

There were no changes in assumptions during the year.

Methods 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 Method	Five-year smoothed fair value (max. 120% and min 80% of the fair 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 of 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

WORCESTER COUNTY, MARYLAND
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the year ended June 30, 2024

Note 2. Other Post Employment Benefits

Methods and assumptions used to determine contribution rates:

Valuation date	July 1, 2023
Actuarial cost method	Entry age normal
Amortization method	Level dollar, closed period
Amortization period	5 years
Inflation	3.00%
Healthcare cost trend rates	5.50% for fiscal year 2024, decreasing .07% per year to an ultimate rate of 4.50% for fiscal year 2039 and later years
Salary increases	4.00%, average, including inflation
Investment rate of return	7.00%
Mortality	PubG.H-2010 Mortality Table - General with Mortality

Retirement rates

<u>Age</u>	<u>County</u>
55 - 59	0%
60 - 61	5%
62 -64	30%
65	15%
66 - 69	35%
70+	100%

Withdrawal rates

Table T-4 from the Pension Acutary's Handbook

<u>Age</u>	<u>County</u>
20	5.48%
25	5.34%
30	5.11%
35	4.75%
40	4.29%
45	3.78%
50	2.90%
55	1.82%
60	1.72%

Retiree contributions

	<u>Pre-Medicare</u>		<u>Medicare Eligible</u>	
	<u>Retiree</u>	<u>Spouse</u>	<u>Retiree</u>	<u>Spouse</u>
Pre 7/1/15 hires	\$ 804	\$ 1,408	\$ 390	\$ 390
7/1/15 & subsequent hires	1,609	2,817	780	780
Spouse pay-all		14,084		3,900

OTHER SUPPLEMENTARY INFORMATION

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes:				
Real property:				
Full-year levy	\$ 152,143,661	\$ 152,143,661	\$ 152,260,588	\$ 116,927
Semi-year levy	126,750	126,750	268,663	141,913
Personal property	389,756	389,756	151,464	(238,292)
Corporations and utilities	9,617,782	9,617,782	9,295,964	(321,818)
Net additions and abatements	(208,200)	(208,200)	(198,937)	9,263
	162,069,749	162,069,749	161,777,742	(292,007)
Interest on delinquent taxes	800,000	800,000	789,241	(10,759)
Discounts allowed on taxes	(500,000)	(500,000)	(506,305)	(6,305)
Tax credits for assessment increase	(2,948,889)	(2,948,889)	(2,951,307)	(2,418)
Total real and personal property	159,420,860	159,420,860	159,109,371	(311,489)
Local income tax	40,000,000	40,000,000	53,832,771	13,832,771
Other local taxes:				
Room tax admin	265,000	265,000	258,830	(6,170)
Room tax	1,500,000	1,500,000	1,794,890	294,890
Admission and amusement	700,000	700,000	731,510	31,510
Cannabis	-	-	125,097	125,097
Recordation	7,000,000	7,000,000	9,188,870	2,188,870
Transfer tax	4,000,000	4,000,000	6,141,189	2,141,189
Food tax admin	110,000	110,000	97,280	(12,720)
Total taxes	212,995,860	212,995,860	231,279,808	18,283,948
Licenses and permits:				
Business:				
Liquor licenses	950,000	950,000	936,925	(13,075)
Vending machine licenses	65,000	65,000	48,200	(16,800)
Traders' licenses	80,000	80,000	97,965	17,965
Occupational licenses	30,000	30,000	33,656	3,656
Bingo permits	12,000	12,000	16,387	4,387

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Licenses and permits, continued:				
Other:				
Building permits	\$ 315,000	\$ 315,000	\$ 357,844	\$ 42,844
Electrical permits	18,000	18,000	20,825	2,825
Marriage licenses	20,000	20,000	20,670	670
Commercial plumbing plan review	2,500	2,500	525	(1,975)
Civil ceremony licenses	1,000	1,000	1,860	860
Shoreline construction permits	20,000	20,000	18,700	(1,300)
Timber harvest permits	3,000	3,000	2,200	(800)
Sediment erosion control/SWM/permits	29,000	29,000	50,320	21,320
Environmental permits	88,025	88,025	143,419	55,394
Forestry conservation review fees	6,000	6,000	6,981	981
Health permits	426,915	426,915	436,237	9,322
Raffle permits	1,500	1,500	1,525	25
Rental permits	195,000	195,000	177,425	(17,575)
Plumbing permits	65,000	65,000	88,695	23,695
Landfill permits	320,000	320,000	321,550	1,550
Gas permits	20,000	20,000	21,549	1,549
PAYT tags - household	7,500	7,500	5,875	(1,625)
Planning and zoning permits	52,950	52,950	64,932	11,982
Total licenses and permits	2,728,390	2,728,390	2,874,265	145,875
Intergovernmental:				
Federal grants:				
Payments in lieu of taxes	20,305	20,305	24,396	4,091
American rescue plan act	-	-	1,687,544	1,687,544
DHCD ARPA Broadband Infrastructure	-	-	500,000	500,000
CDBG housing rehab grant	150,000	150,000	157,249	7,249
Homeland security grant	162,343	162,343	106,502	(55,841)
Bulletproof vest program	-	-	9,970	9,970
MDE beach monitoring grant	3,261	3,261	3,261	-
Traffic safety - State Highway Administration	1,500	1,500	3,573	2,073
Library federal grant	-	-	20,762	20,762
Child support enforcement	9,000	9,000	3,957	(5,043)
GOCCP sheriff grant	-	-	420,042	420,042
BJAG sherrif grant	-	-	100,005	100,005
US Fish and Wildlife Service	7,000	7,000	6,326	(674)
Elder abuse prevention	461,890	461,890	512,921	51,031

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Intergovernmental, continued:				
State grants:				
Highway user revenue	\$ 1,470,169	\$ 1,470,169	\$ 1,491,036	\$ 20,867
911 State fees	1,400,000	1,400,000	1,494,182	94,182
Police protection	244,113	244,113	259,602	15,489
State park revenues	625,000	625,000	534,225	(90,775)
Open space program - parks	1,371,395	1,371,395	1,233,866	(137,529)
Open space program - recreation	-	-	1,000,431	1,000,431
LPPI grant	-	-	952,131	952,131
Library aid	183,610	183,610	190,213	6,603
Other housing rehab income	4,000	4,000	-	(4,000)
Share of State forest land	70,000	70,000	-	(70,000)
Eastern Shore library grant	80,000	80,000	80,000	-
Other grants	106,500	106,500	110,547	4,047
Coastal zone grant	1,508,500	1,508,500	703,830	(804,670)
Sheriff - sex offender grant	10,000	10,000	25,759	15,759
Sheriff - health tobacco enforcement	3,000	3,000	10,000	7,000
Sheriff - health underage drinking	4,000	4,000	7,500	3,500
Heroin coordinator	50,615	50,615	52,133	1,518
Senator Amoss grant	370,000	370,000	368,417	(1,583)
Tourism	160,000	160,000	102,511	(57,489)
Economic development	-	-	383,440	383,440
Welcome Center state grant	-	-	4,575	4,575
Critical area grant	9,000	9,000	9,000	-
MALPF administrative fees	12,000	12,000	30,000	18,000
Local assistance & tribal grant	50,000	50,000	73,094	23,094
Conservation easement admin fee	25,000	25,000	16,895	(8,105)
Conservation easement reimbursements	50,000	50,000	9,400	(40,600)
Water system monitoring	17,560	17,560	42,788	25,228
Donation sponsorship program	25,000	25,000	18,282	(6,718)
Family support grant	439,764	439,764	508,103	68,339
Drug court coordinator	224,706	224,706	220,706	(4,000)
Waterway improvement grants	280,000	280,000	426,905	146,905
Statewide specialized transportation assistance	126,975	126,975	126,975	-
Septic system BRF grants	240,000	240,000	304,124	64,124
Intern Program grant	100,000	100,000	-	(100,000)
Dental program reimbursement	16,721	16,721	25,143	8,422
Bay Restoration operations and maintenance	35,000	35,000	21,000	(14,000)
MD Department of Aging grant	45,027	45,027	60,814	15,787
MD AOC security grant	84,213	84,213	28,131	(56,082)
Maryland criminal intelligence network	50,000	50,000	109,713	59,713
Special events - sponsorships	-	-	3,550	3,550
911 ENSB grant	153,595	153,595	(20,249)	(173,844)
Medication opioid disorder grant	-	-	101,535	101,535
Total intergovernmental	10,460,762	10,460,762	14,676,815	4,216,053

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Service charges and fees:				
Liquor advertising fees	\$ 1,200	\$ 1,200	\$ 1,980	\$ 780
Jail - U.S marshals grant	-	-	594,929	594,929
DHCD housing administration fees	7,000	7,000	27,853	20,853
Trial jury reimbursement	54,000	54,000	57,075	3,075
Court fines	25,000	25,000	27,017	2,017
Civil infraction fines	2,765	2,765	16,041	13,276
Rent revenue	191,386	191,386	181,504	(9,882)
Sheriff fees	115,100	115,100	220,302	105,202
Sales of publications and copies	7,000	7,000	2,085	(4,915)
Library use charges	10,000	10,000	22,689	12,689
Library Erate reimbursements	850	850	6,863	6,013
Mosquito control charges	50,000	50,000	42,201	(7,799)
EDU transfer fee	-	-	2,800	2,800
Casino security	-	-	32,100	32,100
Seacrets security	50,000	50,000	87,780	37,780
Purnell Properties security	-	-	6,480	6,480
Vehicle tag fees	1,000	1,000	416	(584)
Critical area review fees	8,000	8,000	10,661	2,661
Tourism programs and events	-	-	1,754	1,754
Shared facility fees	500	500	-	(500)
Stormwater management review fees	95,000	95,000	118,220	23,220
Roads department fees	2,500	2,500	15,890	13,390
Bay restoration administration fees	22,500	22,500	23,998	1,498
Shoreline Commission application fees	25,000	25,000	25,350	350
Park fees	61,050	61,050	79,734	18,684
Concession stand fees	85,000	85,000	107,742	22,742
Environmental fees	19,900	19,900	28,665	8,765
Recreation fees	347,845	347,845	288,210	(59,635)
Solar renewable energy credits	1,000	1,000	2,560	1,560
Water and sewer plan amendment fees	2,000	2,000	-	(2,000)
Circuit Court bar library	5,000	5,000	-	(5,000)
Firearms training center fees	8,000	8,000	13,288	5,288
Payments for jail use	55,420	55,420	130,553	75,133
First offender program fees	5,000	5,000	1,000	(4,000)
Fire inspection fees	150,000	150,000	199,016	49,016
Family services legal fees	500	500	2,825	2,325
Community service fees	70,000	70,000	70,515	515
Public Works	40,000	40,000	43,775	3,775
Franchise fees	22,506	22,506	23,018	512

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Service charges and fees, continued:				
Special Events fees	\$ 114,950	\$ 114,950	\$ 43,176	\$ (71,774)
Tournament fees	15,000	15,000	6,000	(9,000)
Motor coach fees	15,000	15,000	6,130	(8,870)
Recycling	157,700	157,700	134,435	(23,265)
Metal recycling	30,000	30,000	80,697	50,697
Tire revenue	35,000	35,000	35,715	715
Total service charges and fees	1,909,672	1,909,672	2,823,042	913,370
Miscellaneous:				
Retiree drug subsidy	60,000	60,000	-	(60,000)
Interest on investments	5,000,000	5,000,000	7,667,749	2,667,749
Sale of capital assets	125,000	125,000	46,495	(78,505)
Credit card fees	17,600	17,600	11,627	(5,973)
Tax sale revenue	-	-	22,159	22,159
Miscellaneous	200,000	200,000	436,162	236,162
MSRS library on-behalf payments	-	-	288,726	288,726
Total miscellaneous	5,402,600	5,402,600	8,472,918	3,070,318
Total revenues	233,497,284	233,497,284	260,126,848	26,629,564

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
General government:				
County Commissioners' office:				
Salaries	\$ 1,172,276	\$ 1,172,276	\$ 1,201,713	\$ (29,437)
Benefits	551,222	551,222	536,558	14,664
Overtime pay	-	-	347	(347)
Administrative	21,123	17,566	10,342	7,224
Other supplies and equipment	21,158	21,158	16,872	4,286
Equipment maintenance	11,980	11,980	11,306	674
Legal	16,470	19,829	19,763	66
Vehicle operating expense	4,000	4,000	3,417	583
Building site	1,440	1,638	1,638	-
Advertising	27,500	27,500	6,624	20,876
Training and travel	63,136	63,136	45,776	17,360
Uniforms and personal equipment	1,000	1,000	350	650
Enterprise fund credits	(103,851)	(103,851)	(103,851)	-
	1,787,454	1,787,454	1,750,855	36,599
Circuit Court:				
Salaries	1,172,153	1,172,153	1,183,783	(11,630)
Benefits	542,840	542,840	528,399	14,441
Administrative	21,249	19,070	15,129	3,941
Other supplies and equipment	9,900	10,338	10,338	-
Equipment maintenance	25,486	25,607	25,607	-
Grant services	277,725	277,725	186,284	91,441
Legal	107,000	107,000	90,150	16,850
Building site	1,765	3,385	3,385	-
Training and travel	8,932	8,932	6,442	2,490
Uniforms and personal equipment	500	500	183	317
	2,167,550	2,167,550	2,049,700	117,850
Orphans' Court:				
Salaries	28,500	28,500	29,049	(549)
Benefits	13,321	13,321	12,966	355
Administrative	1,600	1,600	-	1,600
Training and travel	6,800	6,800	4,858	1,942
	50,221	50,221	46,873	3,348

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
General government, continued:				
State's Attorney's office:				
Salaries	\$ 3,121,361	\$ 3,121,361	\$ 3,006,188	\$ 115,173
Benefits	1,399,205	1,399,205	1,361,982	37,223
Overtime pay	-	-	45,087	(45,087)
Administrative	35,930	35,930	19,544	16,386
Other supplies and equipment	22,145	22,145	17,663	4,482
Equipment maintenance	44,870	44,870	43,680	1,190
Grant programs	-	-	15,885	(15,885)
Uniforms and personal equipment	1,827	929	648	281
Legal	8,500	8,500	6,297	2,203
Vehicle operating expense	6,600	7,498	7,498	-
Building site	3,050	3,050	2,753	297
Training and travel	24,450	24,450	16,925	7,525
Capital equipment	43,000	43,000	39,475	3,525
	4,710,938	4,710,938	4,583,625	127,313
Treasurer's office:				
Salaries	1,521,703	1,521,703	1,528,179	(6,476)
Benefits	700,768	700,768	682,126	18,642
Overtime pay	2,000	2,000	-	2,000
Administrative	50,410	47,694	47,654	40
Other supplies and equipment	12,300	10,136	8,134	2,002
Equipment maintenance	110,200	110,469	110,469	-
Consulting services	1,200	5,597	5,597	-
Building site	1,300	1,514	1,514	-
Training and travel	9,260	9,260	9,033	227
Enterprise fund credits	(277,014)	(277,014)	(262,095)	(14,919)
	2,132,127	2,132,127	2,130,611	1,516
Elections office:				
State employees' salaries and benefits	640,677	640,677	600,831	39,846
Benefits	7,018	7,018	6,831	187
Administrative	13,532	13,104	12,642	462
Other supplies and equipment	298,985	298,985	107,505	191,480
Voting machines and poll expenses	297,699	297,699	257,261	40,438
Equipment maintenance	6,156	6,156	5,042	1,114
Uniforms and personal equipment	-	428	428	-
Consulting services	55,440	54,075	35,487	18,588
Building site	98,390	99,755	99,755	-
Benefits & Insurance	-	10,109	10,109	-
Training and travel	20,078	9,969	9,031	938
	1,437,975	1,437,975	1,144,922	293,053

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
General government, continued:				
Human resources:				
Salaries	\$ 528,400	\$ 528,400	\$ 521,890	\$ 6,510
Benefits	241,082	241,082	234,668	6,414
Overtime pay	4,000	4,000	3,842	158
Administrative	13,140	13,140	10,210	2,930
Other supplies and equipment	6,550	6,550	6,310	240
Equipment maintenance	2,400	2,400	2,261	139
Grant programs	-	-	3,500	(3,500)
Consulting services	17,100	17,100	14,965	2,135
Vehicle operating expense	5,000	5,000	3,542	1,458
Uniforms and personal equipment	850	850	847	3
Building site	400	400	360	40
Advertising	7,000	7,000	6,355	645
Training and travel	4,500	4,500	4,439	61
Enterprise fund credits	(77,176)	(77,176)	(77,176)	-
	753,246	753,246	736,013	17,233
Development review and permitting:				
Salaries	1,825,948	1,825,948	1,781,698	44,250
Benefits	817,789	817,789	796,034	21,755
Overtime pay	3,000	3,000	1,672	1,328
Administrative	29,707	28,076	24,503	3,573
Other supplies and equipment	12,837	12,837	10,290	2,547
Equipment maintenance	11,578	11,578	14,364	(2,786)
Consulting services	125,000	125,000	95,243	29,757
Housing rehabilitation program	191,500	191,500	185,808	5,692
Legal	28,500	28,500	27,677	823
Vehicle operating expense	16,000	17,573	17,573	-
Building site	1,410	1,468	1,468	-
Advertising	16,000	21,219	21,219	-
Training and travel	41,983	36,764	30,479	6,285
Enterprise fund credits	(21,669)	(21,669)	(21,668)	(1)
Interfund credits	(78,706)	(78,706)	(78,706)	-
	3,020,877	3,020,877	2,907,654	113,223

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
General government, continued:				
Environmental programs:				
Salaries	\$ 1,340,475	\$ 1,340,475	\$ 1,338,284	\$ 2,191
Benefits	613,688	613,688	597,363	16,325
Overtime pay	1,500	1,500	-	1,500
Administrative	17,781	17,781	12,554	5,227
Other supplies and equipment	18,530	17,764	10,408	7,356
Equipment maintenance	3,600	3,804	3,804	-
Grant programs	1,844,500	1,844,500	986,423	858,077
Consulting services	74,100	74,100	113,211	(39,111)
Vehicle operating expense	23,700	24,262	25,768	(1,506)
Building site	1,045	1,045	2,630	(1,585)
Advertising	3,200	3,200	697	2,503
Training and travel	5,300	5,300	4,710	590
Enterprise fund credits	(32,041)	(32,041)	(32,041)	-
	3,915,378	3,915,378	3,063,811	851,567
Information Technology:				
Salaries	685,640	685,640	670,725	14,915
Benefits	307,840	307,840	299,650	8,190
Overtime pay	3,000	3,000	587	2,413
Administrative	1,200	1,200	991	209
Other supplies and equipment	22,200	22,200	16,060	6,140
Vehicle operating expense	2,800	2,800	2,010	790
Building site	40	40	-	40
Training and travel	7,600	7,600	7,470	130
Uniforms and personal equipment	500	500	440	60
Enterprise fund credits	(34,868)	(34,868)	(34,868)	-
	995,952	995,952	963,065	32,887

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
General government, continued:				
Other general government:				
Administrative	\$ 174,474	\$ 174,474	\$ 179,368	\$ (4,894)
Other supplies and equipment	56,500	45,166	35,768	9,398
Equipment maintenance	937,910	937,910	892,791	45,119
Systems maintenance	500	243	-	243
Consulting services	144,000	144,000	97,138	46,862
Vehicle operating expense	25,000	25,000	-	25,000
Energy	15,000	15,000	-	15,000
Building site	765,794	765,794	675,415	90,379
Other maintenance and services	4,800	5,057	5,057	-
Grant programs	100,000	100,000	2,211,544	(2,111,544)
Advertising	-	11,334	-	11,334
Training and travel	71,320	71,320	23,178	48,142
Tri-County Council	544,089	544,089	390,878	153,211
Other non-matching expenses - Briddletown	31,500	31,500	31,500	-
Other non-matching expenses - SDAT	633,848	633,848	625,092	8,756
Property-liability insurance	770,000	770,000	678,358	91,642
Legal services	5,000	5,000	8,210	(3,210)
Other expenses	86,890	86,890	57,597	29,293
Capital equipment	150,000	150,000	-	150,000
Interest expense	-	-	11,001	(11,001)
	4,516,625	4,516,625	5,922,895	(1,406,270)
Total general government	25,488,343	25,488,343	25,300,024	188,319

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public safety:				
Sheriff's office:				
Salaries	\$ 7,489,489	\$ 7,644,597	\$ 7,692,347	\$ (47,750)
Benefits	3,962,548	3,962,548	3,857,135	105,413
Overtime pay	733,094	733,094	948,866	(215,772)
Administrative	57,960	53,475	53,306	169
Other supplies and equipment	850,633	716,739	728,620	(11,881)
Equipment maintenance	281,144	236,144	217,459	18,685
Uniforms and personal equipment	339,985	283,422	272,794	10,628
Grant programs	-	-	121,526	(121,526)
Advertising	3,000	1,857	1,857	-
Legal	15,000	5,889	5,889	-
Consulting services	107,000	55,373	43,162	12,211
Vehicle operating expense	493,786	674,326	690,619	(16,293)
Building site	81,781	51,158	51,158	-
Training and travel	135,370	132,168	132,168	-
Capital equipment	913,984	913,984	889,920	24,064
	15,464,774	15,464,774	15,706,826	(242,052)
Emergency services:				
Salaries	1,904,029	1,904,029	1,867,090	36,939
Benefits	966,610	966,610	940,896	25,714
Overtime pay	192,038	192,038	240,816	(48,778)
Administrative	12,425	12,425	10,491	1,934
Other supplies and equipment	155,360	155,360	263,505	(108,145)
Equipment maintenance	529,870	500,714	397,616	103,098
Uniforms and personal equipment	9,725	9,725	5,765	3,960
Grant programs	263,717	263,717	307,387	(43,670)
Consulting services	-	783	783	-
Vehicle operating expense	28,050	28,050	21,582	6,468
Building site	153,960	182,333	182,333	-
Training and travel	24,900	24,900	15,508	9,392
Capital equipment	-	-	389,757	(389,757)
	4,240,684	4,240,684	4,643,529	(402,845)

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public safety, continued:				
Jail:				
Salaries	\$ 6,930,427	\$ 6,930,427	\$ 6,358,159	\$ 572,268
Overtime pay	50,000	50,000	274,867	(224,867)
Benefits	3,041,667	3,041,667	2,960,751	80,916
Administrative	6,925	7,059	7,059	-
Other supplies and equipment	10,040	13,373	13,373	-
Equipment maintenance	30,193	32,764	32,764	-
Uniforms and personal equipment	69,650	63,420	63,553	(133)
Grant programs	-	-	103,407	(103,407)
Inmate supplies and services	2,183,084	2,183,084	2,520,339	(337,255)
Consulting services	4,000	8,454	8,610	(156)
Vehicle operating expense	8,800	7,032	7,032	-
Building site	729,350	729,350	776,411	(47,061)
Other maintenance and services	12,650	10,156	10,156	-
Training and travel	16,056	16,056	18,605	(2,549)
Capital equipment	325,000	325,000	448,657	(123,657)
	13,417,842	13,417,842	13,603,743	(185,901)
Fire Marshal:				
Salaries	574,095	574,095	599,529	(25,434)
Benefits	279,373	279,373	271,940	7,433
Overtime pay	20,000	20,000	9,704	10,296
Administrative	7,120	7,120	4,859	2,261
Supplies and equipment	39,056	38,963	27,550	11,413
Equipment maintenance	7,487	7,580	7,512	68
Uniforms and personal equipment	13,700	13,663	12,952	711
Consulting services	15,000	10,992	1,709	9,283
Vehicle operating expense	35,000	39,008	39,008	-
Building site	360	397	397	-
Training and travel	9,510	9,510	9,040	470
Capital equipment	-	-	63,397	(63,397)
	1,000,701	1,000,701	1,047,597	(46,896)

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public safety, continued:				
Volunteer fire departments:				
County grant to fire companies	\$ 2,520,000	\$ 2,520,000	\$ 2,520,000	\$ -
Fireman's Training Center	114,548	114,548	75,200	39,348
State grant for fire companies	371,279	371,279	368,418	2,861
County grant to ambulance companies	7,221,068	7,221,068	7,221,068	-
Training and travel - transportation expense	3,000	3,000	-	3,000
Volunteer fireman worker's compensation	54,000	54,000	81,472	(27,472)
LOSAP appropriation	186,200	186,200	114,400	71,800
EMT Paramedic	8,000	8,000	-	8,000
	10,478,095	10,478,095	10,380,558	97,537
Total public safety	44,602,096	44,602,096	45,382,253	(780,157)
Public works:				
Maintenance:				
Salaries	1,352,105	1,352,105	1,365,276	(13,171)
Benefits	626,764	626,764	610,090	16,674
Overtime pay	7,500	7,500	1,520	5,980
Administrative	9,430	9,430	7,966	1,464
Other supplies and equipment	43,074	29,029	28,961	68
Equipment maintenance	23,850	23,850	23,850	-
Uniforms and personal equipment	11,800	11,800	10,410	1,390
Consulting services	100	100	50	50
Custodial services	5,000	5,972	5,918	54
Vehicle operating expense	68,475	82,520	78,814	3,706
Building site	25,489	24,517	19,443	5,074
Advertising	500	500	54	446
Training and travel	11,000	11,000	7,653	3,347
Capital equipment	79,450	79,450	49,818	29,632
	2,264,537	2,264,537	2,209,823	54,714
Roads department:				
Salaries	1,787,122	1,787,122	1,763,548	23,574
Benefits	808,350	808,350	786,845	21,505
Overtime pay	20,000	20,000	(763)	20,763
Administrative	2,618	2,618	2,223	395
Other supplies and equipment	146,979	146,979	137,103	9,876
Equipment maintenance	5,505	5,505	3,361	2,144
Road maintenance materials	1,203,000	1,184,424	1,090,984	93,440
Uniforms and personal equipment	19,000	19,000	17,319	1,681
Consulting services	150	150	95	55
Vehicle operating expense	414,060	428,206	428,206	-

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Public works, continued:				
Roads department, continued:				
Building site	\$ 37,030	\$ 41,460	\$ 41,460	\$ -
Road maintenance	351,425	351,425	283,722	67,703
Advertising	1,300	1,300	51	1,249
Training and travel	12,301	12,301	5,983	6,318
Capital equipment	512,645	512,645	478,787	33,858
	5,321,485	5,321,485	5,038,924	282,561
Homeowner Convenience Centers:				
Salaries	273,872	273,872	232,243	41,629
Benefits	106,790	106,790	103,949	2,841
Overtime pay	5,000	5,000	636	4,364
Building site	262,436	261,638	222,429	39,209
Administrative expense	6,000	6,798	6,798	-
Consulting services	2,300	2,300	-	2,300
Uniforms and personal equipment	4,700	4,700	3,920	780
Training and travel	1,000	1,000	-	1,000
Interfund	198,951	198,951	198,951	-
	861,049	861,049	768,926	92,123
Recycling:				
Salaries	470,932	470,932	458,834	12,098
Benefits	211,198	211,198	205,580	5,618
Overtime pay	5,000	5,000	1,730	3,270
Building site	71,432	82,578	82,578	-
Other maintenance and services	57,000	62,635	62,635	-
Supplies and equipment	13,000	12,382	11,172	1,210
Vehicle operating expenses	84,700	84,700	104,968	(20,268)
Advertising	500	500	-	500
Training and travel	1,000	1,000	50	950
Administrative expense	2,090	2,708	2,708	-
Consulting services	12,825	(2,625)	-	(2,625)
Uniforms and personal equipment	4,500	4,500	4,339	161
Interfund	183,045	183,045	183,045	-
Capital equipment	18,000	16,669	15,825	844
	1,135,222	1,135,222	1,133,464	1,758

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	<u>Original</u>	<u>Final</u>		
Public works, continued:				
Other public works:				
Salaries	\$ 695,499	\$ 695,499	\$ 666,934	\$ 28,565
Benefits	305,832	305,832	297,696	8,136
Administrative	3,770	3,770	2,372	1,398
Other supplies and equipment	9,800	9,800	9,083	717
Equipment maintenance	7,800	8,288	8,288	-
Uniforms and personal equipment	2,500	2,748	2,745	3
Consulting services	190,150	190,150	126,760	63,390
Vehicle operating expense	12,200	12,200	8,864	3,336
Building site	33,120	33,120	22,410	10,710
Other maintenance and services	1,700	1,826	1,826	-
Fleet services	(30,624)	(30,624)	(67,192)	36,568
Central fuel facility	-	-	(23,707)	23,707
Advertising	500	524	524	-
Training and travel	15,090	14,204	2,795	11,409
Enterprise fund credits	(183,791)	(183,791)	(183,791)	-
Interfund	78,707	78,707	78,707	-
	1,142,253	1,142,253	954,314	187,939
Total public works	10,724,546	10,724,546	10,105,451	619,095

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Health and hospitals:				
Health department:				
Administrative	\$ -	\$ 339	\$ 339	\$ -
Adverstising	2,500	2,161	117	2,044
Health clinic's building expenses	435,370	417,999	368,971	49,028
Other maintenance and services	-	17,371	17,371	-
Other non-matching expenses	235,083	235,083	35,691	199,392
Matching appropriation	5,185,643	5,185,643	5,185,643	-
	5,858,596	5,858,596	5,608,132	250,464
Mosquito control:				
Salaries	66,248	66,248	67,665	(1,417)
Benefits	31,029	31,029	30,203	826
Overtime pay	1,000	1,000	-	1,000
Administrative	500	500	259	241
Other supplies and equipment	2,000	2,000	1,571	429
Equipment maintenance	550	550	318	232
Uniforms and personal equipment	500	500	500	-
Vehicle operating expense	18,500	18,500	14,502	3,998
Travel, training, and expense	200	200	75	125
Building site	8,750	8,750	6,667	2,083
Appropriation for spraying	70,000	70,000	91,258	(21,258)
Capital equipment	32,250	32,250	30,731	1,519
	231,527	231,527	243,749	(12,222)
Other health and hospitals:				
Worcester County Developmental Center	219,497	219,497	219,497	-
	219,497	219,497	219,497	-
Total health and hospitals	6,309,620	6,309,620	6,071,378	238,242
Social services:				
Commission on Aging:				
Other supplies and equipment	1,800	1,800	1,800	-
Grant services	172,002	172,002	187,789	(15,787)
Senior transportation	5,400	5,400	5,400	-
Senior center building expenses	183,200	183,200	184,030	(830)
Training and travel	7,000	7,000	7,000	-
Appropriation for Commission on Aging	1,265,900	1,265,900	1,265,900	-
Capital equipment	-	-	14,186	(14,186)
	1,635,302	1,635,302	1,666,105	(30,803)

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Social services, continued:				
Other social services:				
Big Brothers / Big Sisters	\$ 1,000	\$ 1,000	\$ 1,000	\$ -
BRAVE program	3,500	3,500	3,500	-
Coastal Hospice at the Ocean	10,000	10,000	10,000	-
The Cricket Center	25,000	25,000	25,000	-
Diakonia	50,000	50,000	50,000	-
Drug and alcohol council	9,000	9,000	7,029	1,971
Jesse Klump Memorial Fund, Inc.	1,000	1,000	1,000	-
Life Crisis Center	8,500	8,500	8,500	-
Maryland Food Bank	10,000	10,000	10,000	-
Oasis Ministries	9,000	9,000	9,000	-
Samaritan Shelter	20,000	20,000	20,000	-
Social Services Pharmacy grant	15,000	15,000	15,000	-
Worcester County GOLD	15,000	15,000	15,000	-
Youth & Family Counseling	95,000	95,000	95,000	-
Worcester County 4H & FFA Fair	10,000	10,000	10,000	-
Matching appropriation - DHMD - WCDC	28,871	28,871	28,871	-
	310,871	310,871	308,900	1,971
Total social services	1,946,173	1,946,173	1,975,005	(28,832)
Education:				
Board of Education:				
School construction	-	-	-	-
Retirement	758,679	758,679	727,006	31,673
Post-retirement benefits	8,308,654	8,308,654	10,148,223	(1,839,569)
School building improvements	100,000	100,000	100,000	-
Operating appropriations	99,706,640	99,706,640	99,706,640	-
Technology program	200,000	200,000	200,000	-
Restricted programs	-	-	68,733	(68,733)
	109,073,973	109,073,973	110,950,602	(1,876,629)
Wor-Wic Community College:				
Operating appropriation	2,530,242	2,530,242	2,530,242	-
	2,530,242	2,530,242	2,530,242	-
Total education	111,604,215	111,604,215	113,480,844	(1,876,629)

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Libraries, recreation, parks and culture:				
Recreation department:				
Salaries	\$ 1,160,136	\$ 1,160,136	\$ 1,147,696	\$ 12,440
Benefits	526,903	526,903	512,886	14,017
Overtime pay	1,500	1,500	1,333	167
Administrative	81,790	81,790	71,451	10,339
Other supplies and equipment	66,170	66,170	72,990	(6,820)
Equipment maintenance	37,005	37,005	31,653	5,352
Other maintenance and services	100	100	-	100
Uniforms and personal equipment	4,800	4,800	4,282	518
Grant programs	-	-	779,267	(779,267)
Recreation programs	340,800	340,800	244,097	96,703
Consulting services	750	750	-	750
Vehicle and equipment operating expense	5,300	5,700	5,700	-
Building site	188,140	187,740	163,622	24,118
Advertising	16,300	16,300	11,187	5,113
Training and travel	45,630	45,630	25,496	20,134
Capital equipment	37,500	37,500	33,656	3,844
	2,512,824	2,512,824	3,105,316	(592,492)
Parks department:				
Salaries	524,923	524,923	525,584	(661)
Benefits	241,629	241,629	235,201	6,428
Overtime pay	2,000	2,000	1,340	660
Administrative	1,255	1,255	777	478
Supplies and equipment	26,580	26,580	16,308	10,272
Uniforms and personal equipment	3,240	3,240	3,077	163
Grant programs	1,474,250	1,474,250	1,813,991	(339,741)
Other supplies and materials	48,000	48,000	45,681	2,319
Vehicle and equipment operating expense	42,100	42,100	38,850	3,250
Park expenses	92,015	92,015	88,552	3,463
Other maintenance and services	5,200	5,200	4,666	534
Advertising	500	500	137	363
Training and travel	12,600	12,600	12,294	306
Capital equipment	101,000	101,000	108,798	(7,798)
	2,575,292	2,575,292	2,895,256	(319,964)
Boat landings:				
Grant programs	280,000	280,000	399,015	(119,015)
Landing expenses	45,738	45,738	39,700	6,038
Advertising	400	400	-	400
	326,138	326,138	438,715	(112,577)

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Libraries, recreation, parks and culture, continued:				
Library:				
Salaries	\$ 2,198,460	\$ 2,198,460	\$ 2,238,457	\$ (39,997)
Benefits	1,026,476	1,026,476	999,169	27,307
Overtime pay	2,000	2,000	-	2,000
Administrative	31,100	31,049	19,737	11,312
Other supplies and equipment	316,000	316,000	295,341	20,659
Equipment maintenance	42,710	42,710	35,193	7,517
Grant services	80,000	80,000	98,400	(18,400)
Legal	1,500	1,500	-	1,500
Vehicle operating expenses	4,350	4,350	2,753	1,597
Building site	328,307	328,307	266,069	62,238
Advertising	-	51	51	-
Training and travel	9,000	9,000	3,547	5,453
Benefits and insurance	2,200	2,200	225	1,975
Capital equipment	-	-	37,353	(37,353)
MSRS library on-behalf payments	-	-	288,726	(288,726)
	4,042,103	4,042,103	4,285,021	(242,918)
Other recreation and culture:				
Captain Steve's Poor Girls Open Inc.	10,000	10,000	10,000	-
Furnace Town	40,000	40,000	40,000	-
Marva Theatre	15,000	15,000	15,000	-
Discovery Center	15,000	15,000	15,000	-
	80,000	80,000	80,000	-
Total libraries, recreation, parks and culture	9,536,357	9,536,357	10,804,308	(1,267,951)
Conservation of natural resources:				
Extension service:				
Administrative	11,014	11,535	11,535	-
Equipment maintenance	6,000	6,000	5,861	139
Building site	2,980	2,459	75	2,384
Operating appropriation	235,631	235,631	235,631	-
	255,625	255,625	253,102	2,523
Other natural resources:				
Gypsy moth control	73,935	73,935	8,138	65,797
Soil Conservation District	12,000	12,000	12,000	-
Matching appropriation beach maintenance	490,000	490,000	414,658	75,342
Matching appropriation MD Agricultural Land				
Preservation	50,000	50,000	2,409	47,591
Conservation easements	-	-	23,800	(23,800)
	625,935	625,935	461,005	164,930
Total conservation of natural resources	881,560	881,560	714,107	167,453

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Economic development:				
Economic development department:				
Salaries	\$ 144,992	\$ 144,992	\$ 149,056	\$ (4,064)
Benefits	68,352	68,352	66,533	1,819
Administrative	14,100	13,406	9,826	3,580
Other supplies and equipment	6,500	6,500	4,937	1,563
Equipment maintenance	900	1,380	1,380	-
Program expense	200,000	200,000	195,207	4,793
Grant programs	-	-	388,182	(388,182)
Consulting services	45,000	44,555	34,000	10,555
Vehicle operating expense	1,750	1,857	1,928	(71)
Building site	-	445	445	-
Training and travel	14,783	14,676	11,386	3,290
Capital equipment	30,000	30,214	30,214	-
	526,377	526,377	893,094	(366,717)
 Tourism:				
Salaries	326,707	326,707	322,914	3,793
Benefits	148,077	148,077	144,138	3,939
Overtime pay	1,000	1,000	-	1,000
Administrative	4,670	5,562	5,562	-
Other supplies and equipment	69,108	63,767	62,718	1,049
Equipment maintenance	2,600	1,031	516	515
Uniforms and personal equipment	400	400	21	379
Grant programs	160,000	160,000	107,086	52,914
Legal	-	-	-	-
Consulting services	37,100	37,100	36,050	1,050
Vehicle operating expense	3,525	3,745	3,745	-
Building site	62,609	64,178	64,178	-
Advertising	709,500	713,729	713,729	-
Training and travel	8,050	8,050	7,252	798
	1,533,346	1,533,346	1,467,909	65,437
Total economic development	2,059,723	2,059,723	2,361,003	(301,280)

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2024

(CONTINUED)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u> <u>Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Intergovernmental:				
Towns' share county bingo fees	\$ 2,000	\$ 2,000	\$ 2,947	\$ (947)
Towns' share county income tax	2,776,800	2,776,800	3,229,233	(452,433)
Towns' share liquor license fees	342,157	342,157	389,467	(47,310)
Grants to towns - conditional grants	99,918	99,918	49,959	49,959
Grants to towns for police	550,000	550,000	550,000	-
Grants to towns for fire	651,000	651,000	651,000	-
Grants to towns for tourism	50,000	50,000	50,000	-
Other grants to towns	5,066,457	5,066,457	5,066,457	-
Total intergovernmental	9,538,332	9,538,332	9,989,063	(450,731)
Total expenditures	222,690,965	222,690,965	226,183,436	(3,492,471)
 Excess of revenues over expenditures	 10,806,319	 10,806,319	 33,943,412	 23,137,093
 OTHER FINANCING SOURCES (USES):				
Transfer to Debt Service Fund	(13,199,262)	(13,199,262)	(13,198,432)	830
Transfer to Capital Projects Fund	-	-	(6,074,627)	(6,074,627)
Transfer from Casino Fund	2,392,943	2,392,943	3,041,819	648,876
Total other financing uses	(10,806,319)	(10,806,319)	(16,231,240)	(5,424,921)
 Net change in fund balance	 \$ -	 \$ -	 17,712,172	 \$ 17,712,172
 Fund balance, beginning as restated			 92,493,366	
 Fund balance, ending			 <u>\$ 110,205,538</u>	

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 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

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

Local Management Board – This fund accounts for activities funded by the State of Maryland to provide family focused community-based services.

Casino Fund – This fund accounts for local impact grants which shall be used for improvements primarily in the communities in immediate proximity of the video lottery facility.

Energy Service Fund – This fund accounts for settlement funds for the purposes of funding energy initiatives and efforts, including infrastructure development intended to improve the reliability of energy service to residents and businesses.

Opioid Restitution Fund – This fund accounts for activities funded by the State of Maryland in efforts to reduce the opioid epidemic.

Cannabis Tax Fund – This fund accounts for activities funded by the State of Maryland for community reinvestment and repair funds using cannabis taxes collected by the State.

WORCESTER COUNTY, MARYLAND**COMBINING BALANCE SHEET****NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2024

	Department of Social Services <u>Fund</u>	Local Management <u>Board</u>	Casino <u>Fund</u>	Energy Service <u>Fund</u>
ASSETS				
Cash and short-term investments	\$ 71,815	\$ 533,155	\$ 1,942,146	\$ -
Due from other funds	-	-	1,350,901	193,628
Total assets	\$ 71,815	\$ 533,155	\$ 3,293,047	\$ 193,628
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 250,266	\$ -	\$ -
Total liabilities	-	250,266	-	-
Fund balances:				
Assigned	71,815	282,889	3,293,047	193,628
Total fund balances	71,815	282,889	3,293,047	193,628
Total liabilities and fund balances	\$ 71,815	\$ 533,155	\$ 3,293,047	\$ 193,628

Opioid Restitution <u>Fund</u>	Cannabis Tax <u>Fund</u>	<u>Total</u>
\$ -	\$ -	\$ 2,547,116
537,141	629,546	2,711,216
<u>\$ 537,141</u>	<u>\$ 629,546</u>	<u>\$ 5,258,332</u>

\$ -	\$ -	\$ 250,266
-	-	250,266

537,141	629,546	5,008,066
<u>537,141</u>	<u>629,546</u>	<u>5,008,066</u>
<u>\$ 537,141</u>	<u>\$ 629,546</u>	<u>\$ 5,258,332</u>

WORCESTER COUNTY, MARYLAND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2024

	Department of Social Services <u>Fund</u>	Local Management <u>Board</u>	Casino <u>Fund</u>	Energy Service <u>Fund</u>
REVENUES:				
Taxes and special assessments	\$ -	\$ -	\$ -	\$ -
Intergovernmental	47,932	930,831	3,504,867	-
Interest income	-	33	101,120	-
Total revenues	47,932	930,864	3,605,987	-
EXPENDITURES:				
Social services	31,027	679,451	-	-
Administrative expenses	-	251,962	-	18,801
Total expenditures	31,027	931,413	-	18,801
Excess (deficiency) of revenues over expenditures	16,905	(549)	3,605,987	(18,801)
OTHER FINANCING USES:				
Transfers out	-	-	(3,041,819)	-
Excess (deficiency) of revenues and other financing uses over expenditures	16,905	(549)	564,168	(18,801)
Fund balances, beginning	54,910	283,438	2,728,879	212,429
Fund balances, ending	\$ 71,815	\$ 282,889	\$ 3,293,047	\$ 193,628

Opioid Restitution Fund	Cannabis Tax Fund	Total
\$ -	\$ 629,546	\$ 629,546
359,566	-	4,843,196
-	-	101,153
359,566	629,546	5,573,895
-	-	710,478
-	-	270,763
-	-	981,241
359,566	629,546	4,592,654
-	-	(3,041,819)
359,566	629,546	1,550,835
177,575	-	3,457,231
\$ 537,141	\$ 629,546	\$ 5,008,066

WORCESTER COUNTY, MARYLAND
BALANCE SHEET
LOCAL MANAGEMENT BOARD - NONMAJOR GOVERNMENTAL FUND
June 30, 2024

ASSETS	
Cash	\$ 528,769
Cash - earned reinvestment	4,386
Total assets	533,155

LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	250,266
Total liabilities	250,266
Fund balance	282,889
Total liabilities and fund balance	\$ 533,155

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
LOCAL MANAGEMENT BOARD - NONMAJOR GOVERNMENTAL FUND
Year Ended June 30, 2024

REVENUES:

Administrative receipts	\$ 930,831
Total revenues	930,831

EXPENDITURES:

Administrative:	
Salaries	94,138
Benefits	47,627
Communications	1,137
Consultants	10,000
Indirect administrative expenses	12,239
Postage	300
Printing	1,000
Supplies	4,496
Refund of unspent grant funding	80,504
Business travel	521
Community partnership grant:	
Bounce Back	149,069
Community Support	57,264
Local Care Team Coordinator	52,599
Worcester Health Families	120,519
Worcester Connects Program	151,080
Worcester Navigation	148,920
Total expenditures	931,413

Change in fund balance before other financing sources	(582)
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OTHER FINANCING SOURCES:

Interest income	33
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Change in fund balance	(549)
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Fund balance, beginning	283,438
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Fund balance, ending	\$ 282,889
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WORCESTER COUNTY, MARYLAND
COMBINING SCHEDULE OF FUND NET POSITION - OPERATING FUNDS
DEPARTMENT OF WATER AND WASTEWATER SERVICES
June 30, 2024

	West Ocean City <u>S.A.</u>	Ocean Pines <u>S.A.</u>	Newark Service <u>Area</u>	Briddletown Service <u>Area</u>	Shared Facilities	Edgewater Acres <u>S.A.</u>
ASSETS						
Current assets:						
Cash and short-term investments	\$ 3,362,751	\$ 477,964	\$ (97,552)	\$ 48,484	\$ 8,370	\$ (130,755)
Accounts receivable - usage billings	395,435	1,986,548	45,536	3,499	255,961	62,374
Lease receivable	-	-	1,277,940	-	-	-
Other receivable	-	-	11,993	-	-	-
Interfund receivable	-	-	-	-	-	-
Prepaid expenses	500	9,127	305	13	-	215
Due from other funds	-	417,070	-	-	-	-
Total current assets	3,758,686	2,890,709	1,238,222	51,996	264,331	(68,166)
Capital assets:						
Land and land rights	47,037	63,319	4,527	-	-	-
Water and sewer systems	11,523,026	52,279,247	3,577,979	330,480	-	94,806
Machinery and equipment	157,517	4,187,494	-	-	-	103,753
Construction-in-progress	142,557	92,926	-	-	-	-
	11,870,137	56,622,986	3,582,506	330,480	-	198,559
Less: accumulated depreciation	(10,494,208)	(32,546,257)	(1,118,422)	(301,507)	-	(168,430)
	1,375,929	24,076,729	2,464,084	28,973	-	30,129
Total assets	5,134,615	26,967,438	3,702,306	80,969	264,331	(38,037)
LIABILITIES						
Current liabilities:						
Accounts payable and accrued expenses	54,011	408,578	14,986	4,919	2,555	13,933
Interfund payable	-	342,658	44,510	-	-	-
Total current liabilities	54,011	751,236	59,496	4,919	2,555	13,933
Other liabilities:						
Compensated absences	9,650	215,146	6,543	831	-	3,793
Due to other funds	30,480	-	2,395	303	289,653	3,792
Total other liabilities	40,130	215,146	8,938	1,134	289,653	7,585
Total liabilities	94,141	966,382	68,434	6,052	292,208	21,518
DEFERRED INFLOWS OF RESOURCES						
Leases	-	-	1,264,219	-	-	-
NET POSITION						
Unrestricted net position	\$ 5,040,474	\$ 26,001,056	\$ 2,369,653	\$ 74,917	\$ (27,877)	\$ (59,555)

Assateague Pointe <u>S.A.</u>	River Run <u>S.A.</u>	Mystic Harbour <u>S.A.</u>	Lighthouse Sound <u>S.A.</u>	Riddle Farm <u>S.A.</u>	The Landings <u>S.A.</u>	Support Groups	Total
\$ 270,811	\$ 320,787	\$ 198,815	\$ 92,389	\$ (2,935,127)	\$ (385,509)	\$ 228,080	\$ 1,459,508
78,881	43,948	331,460	29,231	661,168	88,433	983	3,983,457
-	-	-	-	-	-	-	1,277,940
-	-	-	-	3,018,622	-	-	3,030,615
-	-	929,075	-	-	-	-	929,075
371	182	1,339	149	867	290	-	13,358
-	-	-	-	-	-	-	417,070
350,063	364,917	1,460,689	121,769	745,530	(296,786)	229,063	11,111,023
-	-	-	-	-	-	-	114,883
1,201,439	-	20,910,533	-	21,313,747	9,009,363	-	120,240,620
-	128,233	549,185	26,381	-	-	1,493,504	6,646,067
-	8,592	-	-	250,502	41,611	-	536,188
1,201,439	136,825	21,459,718	26,381	21,564,249	9,050,974	1,493,504	127,537,758
(1,172,733)	(128,235)	(6,043,945)	(17,148)	(9,145,115)	(3,843,845)	(1,275,764)	(66,255,609)
28,706	8,590	15,415,773	9,233	12,419,134	5,207,129	217,740	61,282,149
378,769	373,507	16,876,462	131,002	13,164,664	4,910,343	446,803	72,393,172
10,094	10,493	88,889	5,488	159,918	24,794	22,934	821,593
48,983	-	-	-	55,914	-	-	492,065
59,077	10,493	88,889	5,488	215,832	24,794	22,934	1,313,658
5,278	2,378	25,005	3,050	11,267	5,375	-	288,314
9,003	3,692	52,685	1,201	3,702,147	167,428	273,161	4,535,940
14,281	6,070	77,690	4,251	3,713,414	172,803	273,161	4,824,254
73,358	16,563	166,579	9,739	3,929,246	197,597	296,095	6,137,912
-	-	-	-	-	-	-	1,264,219
\$ 305,411	\$ 356,944	\$ 16,709,883	\$ 121,263	\$ 9,235,418	\$ 4,712,746	\$ 150,708	\$ 64,991,041

WORCESTER COUNTY, MARYLAND**COMBINING SCHEDULE OF FUND NET POSITION - CAPITAL PROJECT****DEPARTMENT OF WATER AND WASTEWATER SERVICES****June 30, 2024**

	Ocean Pines <u>S.A.</u>	Newark Service <u>Area</u>	Mystic Harbour <u>S.A.</u>	Snug Harbor <u>S.A.</u>
ASSETS				
Current assets:				
Cash and short-term investments	\$ 10,314,141	\$ 14,813	\$ 3,170,755	\$ -
Accounts receivable - EDU	1,280,724	70,045	317,096	41,401
Interfund receivable	342,658	44,510	-	48,983
Total current assets	11,937,523	129,368	3,487,851	90,384
Other assets:				
Long-term EDU receivable	7,795,000	975,213	8,656,270	24,857
Total other assets	7,795,000	975,213	8,656,270	24,857
Total assets	19,732,523	1,104,581	12,144,121	115,241
LIABILITIES				
Current liabilities:				
Interfund payable	-	-	929,075	-
Bonds payable - current portion	1,043,523	53,620	305,760	32,140
Accrued bond interest payable	147,832	2,018	10,805	1,430
Total current liabilities	1,191,355	55,638	1,245,640	33,570
Other liabilities:				
Unearned revenue	8,740,000	1,028,833	8,864,883	56,996
Bonds payable	8,547,362	975,213	9,307,013	24,857
Total other liabilities	17,287,362	2,004,046	18,171,896	81,853
Total liabilities	18,478,717	2,059,684	19,417,536	115,423
NET POSITION				
Unrestricted net position (deficit)	\$ 1,253,806	\$ (955,103)	\$ (7,273,415)	\$ (182)

Riddle

Farm

S.A.

Total

\$	-	\$	13,499,709
	16,656		1,725,922
	55,914		492,065
	72,570		15,717,696

	165,000		17,616,340
	165,000		17,616,340
	237,570		33,334,036

	-		929,075
	12,422		1,447,465
	3,271		165,356
	15,693		2,541,896

	175,000		18,865,712
	186,186		19,040,631
	361,186		37,906,343
	376,879		40,448,239

\$	(139,309)	\$	(7,114,203)

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL - OPERATING FUNDS
DEPARTMENT OF WATER AND WASTEWATER SERVICES
Year Ended June 30, 2024

	West Ocean City Service Area			Ocean Pines Service Area		
	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>
OPERATING REVENUES:						
Charges for service	\$ 1,513,605	\$ 1,534,485	\$ 20,880	\$ 8,161,196	\$ 8,251,998	\$ 90,802
Interest and penalties	15,000	15,837	837	90,000	98,847	8,847
Other revenue	-	88,125	88,125	215,000	1,639,949	1,424,949
Total operating revenues	1,528,605	1,638,447	109,842	8,466,196	9,990,794	1,524,598
OPERATING EXPENSES:						
Personnel services	316,375	117,403	198,972	4,178,953	3,933,646	245,307
Supplies and materials	24,013	31,747	(7,734)	727,180	925,826	(198,646)
Maintenance and services	964,650	788,303	176,347	2,603,917	2,667,927	(64,010)
Other charges	19,726	28,959	(9,233)	102,581	149,049	(46,468)
Interfund charges	131,846	127,743	4,103	547,777	531,418	16,359
Total operating expenses	1,456,610	1,094,155	362,455	8,160,408	8,207,866	(47,458)
Operating income (loss) before depreciation	71,995	544,292	472,297	305,788	1,782,928	1,477,140
Depreciation	-	384,867	(384,867)	-	1,778,542	(1,778,542)
Net operating income (loss)	71,995	159,425	87,430	305,788	4,386	(301,402)
NONOPERATING REVENUES (EXPENSES):						
Transfer from (to) reserves	43,005	-	(43,005)	158,072	-	(158,072)
Transfer from (to) other funds	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Interest income	25,000	122,105	97,105	-	-	-
Net nonoperating revenues (expenses)	68,005	122,105	54,100	158,072	-	(158,072)
Net income (loss)	\$ 140,000	\$ 281,530	\$ 141,530	\$ 463,860	\$ 4,386	\$ (459,474)
OTHER BUDGETED EXPENDITURES:						
Capital outlay	\$ (140,000)			\$ (463,860)		
Total other budgeted expenditures	(140,000)			(463,860)		
Budgeted net income (loss)	\$ -			\$ -		

Newark Service Area			Bridgetown Service Area			Edgewater Acres Service Area		
Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget
\$ 175,340	\$ 176,537	\$ 1,197	\$ 15,372	\$ 21,175	\$ 5,803	\$ 265,845	\$ 254,782	\$ (11,063)
2,500	3,860	1,360	670	426	(244)	1,500	1,749	249
29,195	49,908	20,713	-	187	187	865	872	7
207,035	230,305	23,270	16,042	21,788	5,746	268,210	257,403	(10,807)
117,881	190,009	(72,128)	10,091	5,911	4,180	67,317	100,583	(33,266)
13,824	14,392	(568)	1,106	1,109	(3)	2,976	5,020	(2,044)
53,661	68,467	(14,806)	34,701	43,189	(8,488)	177,863	173,491	4,372
1,397	2,233	(836)	326	301	25	2,272	3,387	(1,115)
7,065	6,855	210	1,627	1,569	58	13,424	13,015	409
193,828	281,956	(88,128)	47,851	52,079	(4,228)	263,852	295,496	(31,644)
13,207	(51,651)	(64,858)	(31,809)	(30,291)	1,518	4,358	(38,093)	(42,451)
-	98,623	(98,623)	-	7,886	(7,886)	-	6,889	(6,889)
13,207	(150,274)	(163,481)	(31,809)	(38,177)	(6,368)	4,358	(44,982)	(49,340)
(13,207)	-	13,207	309	-	(309)	(4,358)	-	4,358
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	31,500	31,500	-	-	-	-
-	18,796	18,796	-	-	-	-	-	-
(13,207)	18,796	32,003	31,809	31,500	(309)	(4,358)	-	4,358
\$ -	\$ (131,478)	\$ (131,478)	\$ -	\$ (6,677)	\$ (6,677)	\$ -	\$ (44,982)	\$ (44,982)
\$ -			\$ -			\$ -		
-			-			-		
\$ -			\$ -			\$ -		

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL - OPERATING FUNDS
DEPARTMENT OF WATER AND WASTEWATER SERVICES
Year Ended June 30, 2024

(CONTINUED)

	Assateague Pointe Service Area			River Run Service Area		
	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>
OPERATING REVENUES:						
Charges for service	\$ 308,540	\$ 322,023	\$ 13,483	\$ 198,224	\$ 242,510	\$ 44,286
Interest and penalties	4,300	4,725	425	600	1,511	911
Other revenue	-	2,508	2,508	-	1,098	1,098
Total operating revenues	312,840	329,256	16,416	198,824	245,119	46,295
OPERATING EXPENSES:						
Personnel services	156,007	131,167	24,840	45,626	67,548	(21,922)
Supplies and materials	35,707	58,728	(23,021)	19,628	27,979	(8,351)
Maintenance and services	133,000	134,530	(1,530)	137,456	133,279	4,177
Other charges	6,763	8,165	(1,402)	1,796	2,745	(949)
Interfund charges	34,484	33,432	1,052	11,213	10,880	333
Total operating expenses	365,961	366,022	(61)	215,719	242,431	(26,712)
Operating income (loss) before depreciation	(53,121)	(36,766)	16,355	(16,895)	2,688	19,583
Depreciation	-	6,320	(6,320)	-	-	-
Net operating income (loss)	(53,121)	(43,086)	10,035	(16,895)	2,688	19,583
NONOPERATING REVENUES (EXPENSES):						
Transfer from (to) reserves	53,121	-	(53,121)	46,895	-	(46,895)
Transfer from (to) other funds	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Net nonoperating revenues (expenses)	53,121	-	(53,121)	46,895	-	(46,895)
Net income (loss)	\$ -	\$ (43,086)	\$ (43,086)	\$ 30,000	\$ 2,688	\$ (27,312)
OTHER BUDGETED EXPENDITURES:						
Capital outlay	\$ -			\$ (30,000)		
Total other budgeted expenditures	-			(30,000)		
Budgeted net income (loss)	\$ -			\$ -		

Mystic Harbour Service Area			Lighthouse Sound Service Area			Riddle Farm Service Area		
Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget
\$ 1,305,476	\$ 1,377,697	\$ 72,221	\$ 117,188	116,328	\$ (860)	\$ 846,999	\$ 872,514	\$ 25,515
15,000	18,343	3,343	700	659	(41)	6,000	7,136	1,136
138,328	186,059	47,731	-	466	466	-	2,719	2,719
1,458,804	1,582,099	123,295	117,888	117,453	(435)	852,999	882,369	29,370
761,484	707,059	54,425	71,853	88,188	(16,335)	419,511	355,509	64,002
238,856	434,507	(195,651)	10,369	12,841	(2,472)	99,500	116,450	(16,950)
814,744	990,349	(175,605)	30,178	22,834	7,344	900,036	2,128,967	(1,228,931)
20,112	29,381	(9,269)	1,178	980	198	5,329	7,123	(1,794)
109,299	106,161	3,138	4,068	3,923	145	26,553	25,747	806
1,944,495	2,267,457	(322,962)	117,646	128,766	(11,120)	1,450,929	2,633,796	(1,182,867)
(485,691)	(685,358)	(199,667)	242	(11,313)	(11,555)	(597,930)	(1,751,427)	(1,153,497)
-	641,888	(641,888)	-	5,276	(5,276)	-	593,278	(593,278)
(485,691)	(1,327,246)	(841,555)	242	(16,589)	(16,831)	(597,930)	(2,344,705)	(1,746,775)
545,691	-	(545,691)	(242)	-	242	597,930	-	(597,930)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
545,691	-	(545,691)	(242)	-	242	597,930	-	(597,930)
\$ 60,000	\$ (1,327,246)	\$ (1,387,246)	\$ -	\$ (16,589)	\$ (16,589)	\$ -	\$ (2,344,705)	\$ (2,344,705)
\$ (60,000)			\$ -			\$ -		
(60,000)			-			-		
\$ -			\$ -			\$ -		

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL - OPERATING FUNDS
DEPARTMENT OF WATER AND WASTEWATER SERVICES
Year Ended June 30, 2024

(CONTINUED)

	The Landings Service Area			Support Group		
	Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES:						
Charges for service	\$ 360,040	\$ 715,553	\$ 355,513	\$ -	\$ -	\$ -
Interest and penalties	4,000	3,128	(872)	-	-	-
Other revenue	-	1,794	1,794	-	5,435	5,435
Total operating revenues	364,040	720,475	356,435	-	5,435	5,435
OPERATING EXPENSES:						
Personnel services	147,026	154,456	(7,430)	-	4,406	(4,406)
Supplies and materials	27,598	29,554	(1,956)	-	-	-
Maintenance and services	245,774	522,906	(277,132)	-	1,029	(1,029)
Other charges	2,396	2,642	(246)	-	2,377	(2,377)
Interfund charges	9,285	9,009	276	-	-	-
Total operating expenses	432,079	718,567	(286,488)	-	7,812	(7,812)
Operating income (loss) before depreciation	(68,039)	1,908	69,947	-	(2,377)	(2,377)
Depreciation	-	225,289	(225,289)	-	95,634	(95,634)
Net operating income (loss)	(68,039)	(223,381)	(155,342)	-	(98,011)	(98,011)
NONOPERATING REVENUES (EXPENSES):						
Transfer from (to) reserves	68,039	-	(68,039)	-	-	-
Transfer from (to) other funds	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	2,157	2,157
Operating grants	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Net nonoperating revenues (expenses)	68,039	-	(68,039)	-	2,157	2,157
Net income (loss)	\$ -	\$ (223,381)	\$ (223,381)	\$ -	\$ (95,854)	\$ (95,854)
OTHER BUDGETED EXPENDITURES:						
Capital outlay	\$ -			\$ -		
Total other budgeted expenditures	-			-		
Budgeted net income (loss)	\$ -			\$ -		

Shared Facilities			Combined Totals		
Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ 13,267,825	\$ 13,885,602	\$ 617,777
-	-	-	140,270	156,221	15,951
-	35,157	35,157	383,388	2,014,277	1,630,889
-	35,157	35,157	13,791,483	16,056,100	2,264,617
-	39,328	(39,328)	6,292,124	5,895,213	396,911
-	-	-	1,200,757	1,658,153	(457,396)
-	22,711	(22,711)	6,095,980	7,697,982	(1,602,002)
-	-	-	163,876	237,342	(73,466)
-	-	-	896,641	869,752	26,889
-	62,039	(62,039)	14,649,378	16,358,442	(1,709,064)
-	(26,882)	(26,882)	(857,895)	(302,342)	555,553
-	-	-	-	3,844,492	(3,844,492)
-	(26,882)	(26,882)	(857,895)	(4,146,834)	(3,288,939)
-	-	-	1,495,255	-	(1,495,255)
-	-	-	-	-	-
-	-	-	-	2,157	2,157
-	-	-	31,500	31,500	-
-	-	-	25,000	140,901	115,901
-	-	-	1,551,755	174,558	(1,377,197)
\$ -	\$ (26,882)	\$ (26,882)	\$ 693,860	\$ (3,972,276)	\$ (4,666,136)
\$ -			\$ (693,860)		
-			(693,860)		
\$ -			\$ -		

WORCESTER COUNTY, MARYLAND
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES
IN FUND NET POSITION - CAPITAL PROJECTS FUNDS
DEPARTMENT OF WATER AND WASTEWATER SERVICES
Year Ended June 30, 2024

	Ocean Pines <u>S.A.</u>	Newark Service <u>Area</u>	Mystic Harbour <u>S.A.</u>	Snug Harbor <u>S.A.</u>
Revenues:				
Debt service revenue	\$ 1,359,730	\$ 65,553	\$ 422,598	\$ 34,450
Other revenues	98,522	-	40,194	-
Total revenues	1,458,252	65,553	462,792	34,450
Operating income (loss)	1,458,252	65,553	462,792	34,450
Nonoperating income (expense):				
Interest on investments	476,669	15	166,309	-
Bond interest expense	(383,591)	(8,346)	(234,106)	(2,465)
Transfers from (to) other funds	-	-	-	-
Total nonoperating income (expense)	93,078	(8,331)	(67,797)	(2,465)
Change in net position	1,551,330	57,222	394,995	31,985
Net position (deficit), beginning	(297,524)	(1,012,325)	(7,668,410)	(32,167)
Net position (deficit), ending	\$ 1,253,806	\$ (955,103)	\$ (7,273,415)	\$ (182)

Riddle Farm <u>S.A.</u>		<u>Total</u>	
\$	27,612	\$	1,909,943
	2,422		141,138
	30,034		2,051,081
	30,034		2,051,081
	-		642,993
	(7,892)		(636,400)
	-		-
	(7,892)		6,593
	22,142		2,057,674
	(161,451)		(9,171,877)
\$	(139,309)	\$	(7,114,203)

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND
NET POSITION BY OPERATING FUND - BUDGET AND ACTUAL
DEPARTMENT OF SOLID WASTE
Year Ended June 30, 2024

	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>
Operating revenues:			
Licenses and permits	\$ 4,500	\$ 4,705	\$ 205
Stump, yard waste, and mulch revenue	70,000	44,449	(25,551)
Interest and penalties on overdue accounts	1,000	1,130	130
Interfund charges	381,996	381,996	-
Other revenue	10,000	54,643	44,643
Tipping fees	4,250,585	4,850,019	599,434
Total operating revenues	4,718,081	5,336,942	618,861
Total operating expenses	4,118,082	3,399,155	718,927
Operating income (loss) before depreciation	599,999	1,937,787	1,337,788
Depreciation	-	2,138,268	(2,138,268)
Operating income (loss)	599,999	(200,481)	(800,480)
Nonoperating income (expense):			
Interest on investments	403,221	600,776	197,555
Transfer to reserves	(63,921)	-	63,921
Interest expense	(939,299)	(242,929)	696,370
Sale of capital assets	-	58,954	58,954
Total nonoperating income (expense)	(599,999)	416,801	1,016,800
Change in net position	\$ -	216,320	\$ 216,320
Net position (deficit), beginning as restated		(256,016)	
Net position (deficit), ending		\$ (39,696)	

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND
NET POSITION BY OPERATING FUND - BUDGET AND ACTUAL
DEPARTMENT OF SOLID WASTE
Year Ended June 30, 2024

(CONTINUED)

	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>
Expenses:			
Department: Administration			
Salaries	\$ 124,716	\$ 126,979	\$ (2,263)
Benefits	94,785	56,430	38,355
Salaries and benefits - Treasurer's support	64,016	56,812	7,204
Salaries and benefits - Public Works and administrative	131,114	133,292	(2,178)
Administrative expenses	18,000	22,433	(4,433)
Alarm monitoring	600	1,238	(638)
Audit services	7,650	12,944	(5,294)
Insurance	12,250	18,200	(5,950)
Solid waste committee	2,800	2,436	364
Supplies	-	-	-
Uniforms	1,500	-	1,500
	<u>457,431</u>	<u>430,764</u>	<u>26,667</u>
Department: Solid Waste			
Salaries	757,133	710,506	46,627
Benefits	562,882	341,285	221,597
Buildings and grounds	489,730	502,673	(12,943)
Capital equipment	870,000	-	870,000
Closure and post-closure costs	-	418,800	(418,800)
Compliance and permitting	-	5,494	(5,494)
Consulting services	250,000	117,163	132,837
Fuel	180,000	226,687	(46,687)
Leachate expense	225,000	294,463	(69,463)
Safety expense	-	521	(521)
Supplies and equipment	13,800	14,349	(549)
Telephone	2,256	3,207	(951)
Training	17,650	2,814	14,836
Uniforms	9,200	8,072	1,128
Utilities	18,000	19,546	(1,546)
Vehicle and heavy equipment maintenance	265,000	302,811	(37,811)
	<u>3,660,651</u>	<u>2,968,391</u>	<u>692,260</u>
Total operating expenses	\$ 4,118,082	\$ 3,399,155	\$ 718,927

WORCESTER COUNTY, MARYLAND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2024

	State of Maryland Property Taxes	Maryland Department of Motor Vehicles - License Fees	Tax Sale Fund	Development Taxes	Performance Bonds	Personal Property Tax Liability	Forest Conservation	Bay Restoration	Snow Hill Property Tax
ASSETS									
Cash and short-term investments	\$ -	\$ 2	\$ 103,748	\$ 154,875	\$ 1,656,910	\$ 170,830	\$ 144,304	\$ 128,197	\$ -
Taxes receivable	343,900	-	-	-	-	-	-	103,458	48,475
Other receivables	-	-	-	-	-	-	-	-	-
Total assets	343,900	2	103,748	154,875	1,656,910	170,830	144,304	231,655	48,475
LIABILITIES									
Accounts payable	-	-	90,122	-	1,656,910	170,830	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Due to other governments	343,900	2	13,626	41,749	-	-	-	231,655	48,475
Total liabilities	343,900	2	103,748	41,749	1,656,910	170,830	-	231,655	48,475
NET POSITION									
Fiduciary net position held for others	-	-	-	113,126	-	-	144,304	-	-
Total net position	\$ -	\$ -	\$ -	\$ 113,126	\$ -	\$ -	\$ 144,304	\$ -	\$ -

WORCESTER COUNTY, MARYLAND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2024

(CONTINUED)

	Berlin Property <u>Tax</u>	Pocomoke Property <u>Tax</u>	Ocean City Property <u>Tax</u>	Special <u>Loans</u>	Critical <u>Areas</u>	Seized Funds Pending <u>Forfeiture</u>	Snow Hill Room <u>Tax</u>	Berlin Room <u>Tax</u>	Pocomoke Room <u>Tax</u>
ASSETS									
Cash and short-term investments	\$ -	\$ -	\$ -	\$ 808,963	\$ 105,600	\$ 267,183	\$ -	\$ -	\$ -
Taxes receivable	94,204	134,122	591,702	-	-	-	-	-	-
Other receivables	-	-	-	13,801	-	18,002	-	-	-
Total assets	94,204	134,122	591,702	822,764	105,600	285,185	-	-	-
LIABILITIES									
Accounts payable	-	-	-	-	-	7,118	-	-	-
Unearned revenue	-	-	-	-	-	278,067	-	-	-
Due to other governments	94,204	134,122	591,702	55,017	-	-	-	-	-
Total liabilities	94,204	134,122	591,702	55,017	-	285,185	-	-	-
NET POSITION									
Fiduciary net position held for others	-	-	-	767,747	105,600	-	-	-	-
Total net position	\$ -	\$ -	\$ -	\$ 767,747	\$ 105,600	\$ -	\$ -	\$ -	\$ -

WORCESTER COUNTY, MARYLAND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2024

(CONTINUED)

	Ocean City Room <u>Tax</u>	Ocean City Food <u>Tax</u>	Rural Legacy <u>Fund</u>	Inmate Welfare <u>Fund</u>	<u>Total</u>
ASSETS					
Cash and short-term investments	\$ -	\$ -	\$ 203,159	\$ 701,043	\$ 4,444,814
Taxes receivable	-	-	-	-	1,315,861
Other receivables	-	-	-	1,600	33,403
Total assets	-	-	203,159	702,643	5,794,078
LIABILITIES					
Accounts payable	-	-	-	11,000	1,935,980
Unearned revenue	-	-	195,885	-	473,952
Due to other governments	-	-	-	-	1,554,452
Total liabilities	-	-	195,885	11,000	3,964,384
NET POSITION					
Fiduciary net position held for others	-	-	7,274	691,643	1,829,694
Total net position	\$ -	\$ -	\$ 7,274	\$ 691,643	1,829,694

WORCESTER COUNTY, MARYLAND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
Year Ended June 30, 2024

	State of Maryland Property Taxes	Maryland Department of Motor Vehicles - License Fees	Tax Sale Fund	Development Taxes	Performance Bonds	Personal Property Tax Liability	Forest Conservation	Bay Restoration	Snow Hill Property Tax
ADDITIONS:									
Collections for other governments	\$ 19,743,299	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,145,229	\$ 1,294,736
Grant funding	-	-	-	-	-	-	-	-	-
Other	-	124,804	268,625	57,813	221,431	10,350	-	-	-
Interest	-	-	-	-	-	-	2,962	-	-
Total additions	19,743,299	124,804	268,625	57,813	221,431	10,350	2,962	1,145,229	1,294,736
DEDUCTIONS:									
Payments to other governments	19,743,299	124,804	268,625	53,667	-	-	-	1,145,229	1,294,736
Other	-	-	-	30,000	221,431	10,350	-	-	-
Total deductions	19,743,299	124,804	268,625	83,667	221,431	10,350	-	1,145,229	1,294,736
Change in net position	-	-	-	(25,854)	-	-	2,962	-	-
Net position, beginning as restated	-	-	-	138,980	-	-	141,342	-	-
Net position, ending	\$ -	\$ -	\$ -	\$ 113,126	\$ -	\$ -	\$ 144,304	\$ -	\$ -

WORCESTER COUNTY, MARYLAND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
Year Ended June 30, 2024

(CONTINUED)

	Berlin Property Tax	Pocomoke Property Tax	Ocean City Property Tax	Special Loans	Critical Areas	Seized Funds Pending Forfeiture	Snow Hill Room Tax	Berlin Room Tax	Pocomoke Room Tax
ADDITIONS:									
Collections for other governments	\$ 4,549,046	\$ 3,073,880	\$ 43,425,271	\$ -	\$ -	\$ -	\$ 3,912	\$ 99,718	\$ 126,045
Grant funding	-	-	-	1,176,498	-	-	-	-	-
Other	-	-	-	-	32,586	312,180	-	-	-
Interest	-	-	-	-	2,023	-	-	-	-
Total additions	4,549,046	3,073,880	43,425,271	1,176,498	34,609	312,180	3,912	99,718	126,045
DEDUCTIONS:									
Payments to other governments	4,549,046	3,073,880	43,425,271	-	-	-	3,912	99,718	126,045
Other	-	-	-	581,660	-	312,180	-	-	-
Total deductions	4,549,046	3,073,880	43,425,271	581,660	-	312,180	3,912	99,718	126,045
Change in net position	-	-	-	594,838	34,609	-	-	-	-
Net position, beginning as restated	-	-	-	172,909	70,991	-	-	-	-
Net position, ending	\$ -	\$ -	\$ -	\$ 767,747	\$ 105,600	\$ -	\$ -	\$ -	\$ -

WORCESTER COUNTY, MARYLAND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
Year Ended June 30, 2024

(CONTINUED)

	Ocean City Room <u>Tax</u>	Ocean City Food <u>Tax</u>	Rural Legacy <u>Fund</u>	Inmate Welfare <u>Fund</u>	<u>Total</u>
ADDITIONS:					
Collections for other governments	\$ 25,394,524	\$ 1,848,316	\$ -	\$ -	\$ 100,703,976
Grant funding	-	-	-	-	1,176,498
Other	-	-	-	341,646	1,369,435
Interest	-	-	7,274	1,814	14,073
Total additions	25,394,524	1,848,316	7,274	343,460	103,263,982
DEDUCTIONS:					
Payments to other governments	25,394,524	1,848,316	-	-	101,151,072
Other	-	-	-	274,213	1,429,834
Total deductions	25,394,524	1,848,316	-	274,213	102,580,906
Change in net position	-	-	7,274	69,247	683,076
Net position, beginning as restated	-	-	-	622,396	1,146,618
Net position, ending	\$ -	\$ -	\$ 7,274	\$ 691,643	\$ 1,829,694

WORCESTER COUNTY, MARYLAND
SCHEDULE OF ASSESSABLE BASE
GENERAL FUND
Year Ended June 30, 2024

	<u>Full-Year Assessment</u>	<u>Half-Year Assessment</u>	<u>Total</u>
Real property	\$ 18,026,409,252	\$ 63,588,906	\$ 18,089,998,158
Personal property - individuals and firms - all districts	7,166,434	-	7,166,434
Railroads and public utilities	233,917,240	-	233,917,240
Railroads and public utilities - reduced rate	849,820	-	849,820
Ordinary business corporations	205,710,647	-	205,710,647
Total	\$ 18,474,053,393	\$ 63,588,906	\$ 18,537,642,299

Computation of Taxes for County Purposes

\$18,026,409,252 assessable base at \$0.845 per \$100 base (full-year)	\$ 152,323,158
\$446,794,321 assessable base at \$2.1125 per \$100 base (full-year)	9,438,530
\$849,820 assessable base at \$0.845 per \$100 base (full-year)	7,181
\$63,588,906 assessable base at \$0.4225 per \$100 base (half-year)	268,663
	162,037,532
Adjustment for deferred property taxes receivable	(60,853)
Net additions and abatements	(198,937)
Total County taxes for the year ended June 30, 2024	\$ 161,777,742

WORCESTER COUNTY, MARYLAND
SCHEDULE OF ASSESSABLE BASES AND TAX LEVIES
GENERAL FUND
Fiscal Years Ended June 30, 2024

<u>Fiscal Year</u>	<u>Assessable Base at June 30</u>	<u>Percentage Change From Prior Year</u>	<u>Tax Rate</u>	<u>Taxes</u>	<u>Percentage Change From Prior Year</u>
1994 - 1995	\$ 2,288,466,700	1.69%	1.68	\$ 38,367,332	1.69%
1995 - 1996	2,309,492,502	0.92%	1.68	38,687,619	0.83%
1996 - 1997	2,380,191,243	3.06%	1.68	39,864,643	3.04%
1997 - 1998	2,426,505,995	1.95%	1.72	41,606,010	4.37%
1998 - 1999	2,491,029,177	2.66%	1.72	42,705,429	2.64%
1999 - 2000	2,586,502,181	3.83%	1.74	44,830,570	4.98%
2000 - 2001	2,712,238,607	4.86%	1.74	46,883,527	4.58%
2001 - 2002	6,748,561,217 *	(0.47)%	.73 - 1.825	52,068,932	11.06%
2002 - 2003	7,264,345,677	7.64%	.73 - 1.825	56,057,444	7.66%
2003 - 2004	8,441,544,002	16.21%	.73 - 1.825	64,473,123	15.01%
2004 - 2005	10,074,216,702	19.34%	.73 - 1.825	76,196,731	18.18%
2005 - 2006	11,906,248,133	18.19%	.73 - 1.825	89,397,911	17.33%
2006 - 2007	14,580,162,820	22.46%	.70 - 1.750	104,613,265	17.02%
2007 - 2008	17,371,368,530	19.14%	.70 - 1.750	124,489,545	19.00%
2008 - 2009	20,247,338,533	16.56%	.70 - 1.750	144,925,736	16.42%
2009 - 2010	19,301,510,253	(4.67)%	.70 - 1.750	138,391,588	(4.51)%
2010 - 2011	18,130,187,255	(6.07)%	.70 - 1.750	130,012,598	(6.05)%
2011 - 2012	17,522,393,962	(3.35)%	.70 - 1.750	125,901,362	(3.16)%
2012 - 2013	15,775,515,175	(9.97)%	.77 - 1.925	125,175,667	(0.58)%
2013 - 2014	15,069,853,304	(4.47)%	.77 - 1.925	119,266,630	(4.72)%
2014 - 2015	14,888,348,699	(1.20)%	.77 - 1.925	119,042,321	(0.19)%
2015 - 2016	14,885,658,093	(0.02)%	.835 - 2.0875	128,059,010	7.57%
2016 - 2017	15,193,940,789	2.07%	.835 - 2.0875	131,175,473	2.43%
2017 - 2018	15,561,696,352	2.42%	.835 - 2.0875	133,807,437	2.01%
2018 - 2019	15,923,438,805	2.32%	.835 - 2.0875	137,743,893	2.94%
2019 - 2020	16,369,397,578	2.80%	.845 - 2.1125	143,174,528	3.94%
2020 - 2021	16,842,648,651	2.89%	.845 - 2.1125	147,627,291	3.11%
2021 - 2022	17,119,307,603	1.64%	.845 - 2.1125	150,307,170	1.82%
2022 - 2023	17,744,230,948	3.65%	.845 - 2.1125	155,187,397	3.25%
2023 - 2024	18,537,642,299	4.47%	.845 - 2.1125	161,777,742	4.25%

* Effective in fiscal year 2002, the State of Maryland converted to a full cash value for assessment purposes.
Prior to fiscal year 2002, the State of Maryland assessed properties at 40% of market value.

WORCESTER COUNTY, MARYLAND
TAXES RECEIVABLE
GENERAL FUND
June 30, 2024

Levies of years ended June 30:

2024	\$ 2,759,074
2023	148,113
2022	153,826
2021	224,571
2020 and prior	195,968
Total	<u>\$ 3,481,552</u>

WORCESTER COUNTY, MARYLAND
NOTES TO THE OTHER SUPPLEMENTARY INFORMATION
For the year ended June 30, 2024

Note 1. Budgetary Basis

Other supplementary information includes financial statements and schedules that are not required by the Governmental Accounting Standards Board, nor are they considered part of the basic financial statements. Such information is included for purposes of additional analysis. The budgetary information contained in this section is prepared and adopted on a basis consistent with generally accepted accounting principles. Such statements and schedules include:

Budgetary Comparison Schedules:

General Fund
Department of Water and Wastewater Services
Department of Solid Waste

Note 2. Actual Revenues and Expenditures over Budget

Expenditures in the General Fund exceeded the budget by \$3.5 million and were primarily related to the expenditure of grant funds which were received by the County in FY24. This grant activity was not budgeted in FY24 due to the uncertainty of timing of grant projects when the FY24 Budget was adopted in June 2023. The increased grant activity is most evident in the Other General Government department on page 119.

Revenue in the General Fund Exceeded the budget by \$26.6 million and approximately \$18.3 million relates to additional tax revenues included on page 110 that exceeded the budget. Income, recordation, and transfer taxes made up variances due to increased construction activity in the County. In addition, interest on investments exceeded budget by \$2.7 million on page 114 due to steadily improving interest rates during the year primarily related to rate increases made by Federal Reserve.



STATISTICAL SECTION

This part of Worcester County's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the County's overall financial health. The Statistical Section contains data which usually covers more than one year and may present non-accounting data. As a result, this section of the report is unaudited.

Contents

Schedule

Financial Trends

1 – 4

These schedules contain trend information to help the reader understand how the County's financial performance and well-being have changed over time.

Revenue Capacity

5 – 8

These schedules contain information to help the reader assess the factors affecting the County's ability to generate its property taxes.

Debt Capacity

9 – 12

These schedules contain 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

13 – 14

These schedules offer demographic and economic indicators to help the reader understand the environment within which the County's financial activities take place and to help make comparisons over time with other governments.

Operating Information

15 – 17

These schedules contain information about the County's operations and resources to help the reader understand how the County's financial information relates to the services the County provides and the activities it performs.

Sources: *Unless otherwise noted, the information in these schedules is derived from the financial reports for the relevant year. The County implemented GASB Statement Number 34 in 2003; schedules presenting government-wide information include information beginning in that year.*

Schedule 1

Worcester County, Maryland

Net Position by Component

Last Ten Fiscal Years

(accrual basis of accounting)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Governmental activities										
Net investment in capital assets	\$ 87,489,875	\$ 83,606,528	\$ 88,217,453	\$ 90,993,442	\$ 93,809,523	\$ 89,332,799	\$ 86,692,388	\$ 82,846,858	\$ 77,759,097	\$ 86,671,386
Restricted	22,769,520	15,550,321	-	-	-	-	-	-	-	-
Unrestricted	11,417,089	(15,943,339)	(24,556,629)	(55,474,908)	(79,582,700)	(66,240,565)	(66,318,716)	(25,490,273)	(22,728,680)	(28,314,942)
Total governmental activities net position	121,676,484	83,213,510	63,660,824	35,518,534	14,226,823	23,092,234	20,373,672	57,356,585	55,030,417	58,356,444
Business-type activities										
Net investment in capital assets	51,132,888	49,281,303	56,320,686	57,958,906	57,912,012	61,719,892	61,943,999	58,358,305	53,420,609	55,184,962
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	6,704,254	10,254,121	4,216,441	2,066,021	2,105,496	(1,937,328)	(4,778,123)	(3,737,553)	30,886	571,926
Total business-type activities net position	57,837,142	59,535,424	60,537,127	60,024,927	60,017,508	59,782,564	57,165,876	54,620,752	53,451,495	55,756,888
Primary government										
Net investment in capital assets	138,622,763	132,887,831	144,538,139	148,952,348	155,816,535	151,052,691	148,636,387	141,205,163	131,179,706	141,856,348
Restricted	22,769,520	15,550,321	-	-	-	-	-	-	-	-
Unrestricted	18,121,343	(5,689,218)	(20,340,188)	(53,408,887)	(81,572,204)	(68,177,893)	(71,096,839)	(29,227,826)	(22,697,794)	(27,743,016)
Total primary government net position	\$ 179,513,626	\$ 142,748,934	\$ 124,197,951	\$ 95,543,461	\$ 74,244,331	\$ 82,874,798	\$ 77,539,548	\$ 111,977,337	\$ 108,481,912	\$ 114,113,332

Note: Fiscal years prior to 2014 have not been restated for the effects of implementing GASB Statement No. 68

Fiscal year 2015 and subsequent years have been restated to recognize deferred outflows related to the advance refunding of portions of the County's 2007 and 2008 bond issues

Fiscal years prior to 2018 have not been restated for the effects of implementing GASB Statement No. 75

Fiscal year 2023 Governmental and Business-Type Activities was restated in fiscal year 2024.

Schedule 2
Worcester County, Maryland
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Expenses										
Governmental activities:										
General government	\$ 28,158,897	\$ 30,965,115	\$ 22,858,631	\$ 27,023,761	\$ 23,725,666	\$ 27,275,158	\$ 38,378,190	\$ 44,311,285	\$ 44,076,570	\$ 38,635,684
Public safety	48,004,500	45,249,039	42,244,797	39,295,951	38,790,887	37,741,726	36,229,150	33,626,987	31,539,249	31,973,300
Public works	10,330,623	10,152,745	10,016,308	9,629,488	10,065,623	7,810,742	8,808,385	4,850,672	5,567,728	5,217,371
Health and hospitals	6,580,751	6,596,098	6,457,426	6,640,734	6,780,295	6,691,645	6,597,319	6,657,023	6,377,497	6,551,417
Social services	2,937,445	4,998,678	5,124,740	2,903,950	2,446,321	2,444,405	2,290,971	2,035,417	2,075,471	1,946,138
Education	115,298,139	122,482,817	111,152,755	109,762,529	127,270,912	99,447,577	92,556,477	94,649,729	93,437,468	100,313,254
Libraries, recreation and culture	10,917,531	8,614,433	8,626,343	8,903,755	7,873,319	7,147,979	6,049,573	5,905,393	5,258,231	6,092,227
Conservation of natural resources	732,908	857,899	759,553	748,500	840,547	849,887	712,005	425,671	497,939	375,697
Economic development	2,411,003	3,039,252	2,014,967	13,069,061	1,876,097	1,634,878	1,711,548	1,686,229	1,631,443	1,932,046
Interest on long-term debt	1,889,128	1,748,030	2,105,319	2,555,254	2,646,733	2,852,292	3,704,618	4,076,145	3,874,043	4,891,421
Total governmental activities	<u>227,260,925</u>	<u>234,704,106</u>	<u>211,360,839</u>	<u>220,532,983</u>	<u>222,316,400</u>	<u>193,896,289</u>	<u>197,038,236</u>	<u>198,224,551</u>	<u>194,335,639</u>	<u>197,928,555</u>
Business-type activities:										
Department of Solid Waste	5,780,352	5,663,725	4,304,282	7,083,647	2,975,362	5,691,253	4,092,967	4,367,047	4,183,293	5,638,012
Department of Water and Wastewater	20,839,334	19,289,103	16,895,063	16,142,579	15,174,092	15,060,164	14,466,207	13,691,072	14,035,346	13,409,381
Department of Liquor Control	-	-	-	636,072	1,035,251	999,469	1,032,268	6,076,646	7,929,512	10,477,998
Total business-type activities	<u>26,619,686</u>	<u>24,952,828</u>	<u>21,199,345</u>	<u>23,862,298</u>	<u>19,184,705</u>	<u>21,750,886</u>	<u>19,591,442</u>	<u>24,134,765</u>	<u>26,148,151</u>	<u>29,525,391</u>
Total primary government expenses	<u>\$ 253,880,611</u>	<u>\$ 259,656,934</u>	<u>\$ 232,560,184</u>	<u>\$ 244,395,281</u>	<u>\$ 241,501,105</u>	<u>\$ 215,647,175</u>	<u>\$ 216,629,678</u>	<u>\$ 222,359,316</u>	<u>\$ 220,483,790</u>	<u>\$ 227,453,946</u>
Program revenues										
Governmental activities:										
Charges for services										
General government	\$ 2,711,673	\$ 2,688,082	\$ 2,512,294	\$ 2,679,098	\$ 1,851,965	\$ 2,062,878	\$ 2,276,106	\$ 2,087,794	\$ 2,053,695	\$ 2,081,072
Public safety	1,284,472	674,851	908,054	1,148,737	3,885,304	5,651,824	5,803,127	6,030,900	5,513,482	5,143,953
Public works	640,737	624,334	626,029	533,758	509,961	107,201	98,986	88,721	75,713	87,884
Health and hospitals	478,438	456,961	471,158	477,375	425,583	447,883	444,284	430,894	431,643	431,421
Libraries, recreation and culture	564,007	482,243	491,679	232,390	305,597	353,870	364,513	361,834	349,348	312,460
Economic development	29,607	5,757	28,473	22,390	33,829	35,608	20,046	17,615	8,747	38,184
Operating grants and contributions	13,531,561	15,202,949	18,777,131	24,502,238	9,097,988	7,431,909	7,131,615	5,559,621	5,244,177	5,132,554
Capital grants and contributions	5,988,451	8,136,182	2,447,679	5,756,212	942,814	1,043,469	2,932,654	1,984,522	1,936,382	1,861,970
Total governmental activities	<u>25,228,946</u>	<u>28,271,359</u>	<u>26,262,497</u>	<u>35,352,198</u>	<u>17,053,041</u>	<u>17,134,642</u>	<u>19,071,331</u>	<u>16,561,901</u>	<u>15,613,187</u>	<u>15,089,498</u>
Business-type activities:										
Charges for services										
Department of Solid Waste	5,336,942	5,624,552	4,635,291	5,245,653	4,502,971	4,262,096	4,005,295	3,757,085	4,004,384	4,060,039
Department of Water and Wastewater	18,107,181	17,618,007	17,027,128	17,240,986	16,216,982	17,244,935	15,406,636	14,283,986	12,160,567	12,885,762
Department of Liquor Control	-	-	-	631,287	1,040,823	945,096	864,418	5,236,447	7,623,320	9,985,444
Operating grants and contributions	31,500	31,500	30,000	30,000	28,000	26,000	26,000	26,000	26,000	49,202
Total business-type activities	<u>23,475,623</u>	<u>23,274,059</u>	<u>21,692,419</u>	<u>23,147,926</u>	<u>21,788,776</u>	<u>22,478,127</u>	<u>20,302,349</u>	<u>23,303,518</u>	<u>23,814,271</u>	<u>26,980,447</u>
Total primary government program revenues	<u>\$ 48,704,569</u>	<u>\$ 51,545,418</u>	<u>\$ 47,954,916</u>	<u>\$ 58,500,124</u>	<u>\$ 38,841,817</u>	<u>\$ 39,612,769</u>	<u>\$ 39,373,680</u>	<u>\$ 39,865,419</u>	<u>\$ 39,427,458</u>	<u>\$ 42,069,945</u>
Net (expense)/revenue										
Governmental activities	\$ (202,031,979)	\$ (206,432,747)	\$ (185,098,342)	\$ (185,180,785)	\$ (205,263,359)	\$ (176,761,647)	\$ (177,966,905)	\$ (181,662,650)	\$ (178,722,452)	\$ (182,839,057)
Business-type activities	(3,144,063)	(1,678,769)	493,074	(714,372)	2,604,071	727,241	710,907	(831,247)	(2,333,880)	(2,544,944)
Total primary government net expense	<u>\$ (205,176,042)</u>	<u>\$ (208,111,516)</u>	<u>\$ (184,605,268)</u>	<u>\$ (185,895,157)</u>	<u>\$ (202,659,288)</u>	<u>\$ (176,034,406)</u>	<u>\$ (177,255,998)</u>	<u>\$ (182,493,897)</u>	<u>\$ (181,056,332)</u>	<u>\$ (185,384,001)</u>

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General revenues and other changes in net position										
Governmental activities:										
Property taxes	\$ 159,170,224	\$ 154,365,171	\$ 148,807,036	\$ 147,020,697	\$ 142,030,348	\$ 136,687,069	\$ 132,813,479	\$ 130,179,520	\$ 127,411,911	\$ 117,097,119
Local income tax	53,832,771	46,962,276	37,351,910	35,824,894	28,891,384	23,172,123	22,260,250	22,891,694	17,931,884	13,690,331
Other local taxes	18,967,212	18,627,837	26,282,481	22,010,948	13,543,200	13,986,660	30,555,387	30,136,897	28,239,135	25,418,688
State shared	-	-	-	-	-	-	-	936,535	942,464	931,712
Department of Liquor Control distribution	-	-	-	-	-	-	-	-	-	9,005
Transfers in (out)	-	-	-	(449,411)	2,582,957	(1,698,323)	(1,666,323)	(1,336,264)	-	-
Interest	8,323,246	4,771,090	123,832	114,302	1,966,015	2,163,658	1,059,323	476,064	207,071	180,030
Other	201,500	1,259,059	675,373	1,951,066	7,384,044	5,117,087	618,739	704,372	663,960	3,017,731
Total governmental activities	<u>240,494,953</u>	<u>225,985,433</u>	<u>213,240,632</u>	<u>206,472,496</u>	<u>196,397,948</u>	<u>179,428,274</u>	<u>185,640,855</u>	<u>183,988,818</u>	<u>175,396,425</u>	<u>160,344,616</u>
Business-type activities:										
Transfers in (out)	-	-	-	449,411	(2,582,957)	1,698,323	1,666,323	1,336,264	-	-
Interest	1,384,670	669,697	19,126	18,043	213,830	191,124	167,894	76,072	28,487	7,893
Other	61,111	7,369	-	254,337	-	-	-	588,168	-	-
Total business-type activities	<u>1,445,781</u>	<u>677,066</u>	<u>19,126</u>	<u>721,791</u>	<u>(2,369,127)</u>	<u>1,889,447</u>	<u>1,834,217</u>	<u>2,000,504</u>	<u>28,487</u>	<u>7,893</u>
Total primary government general revenues	<u>\$ 241,940,734</u>	<u>\$ 226,662,499</u>	<u>\$ 213,259,758</u>	<u>\$ 207,194,287</u>	<u>\$ 194,028,821</u>	<u>\$ 181,317,721</u>	<u>\$ 187,475,072</u>	<u>\$ 185,989,322</u>	<u>\$ 175,424,912</u>	<u>\$ 160,352,509</u>
Change in net position										
Governmental activities	\$ 38,462,974	\$ 19,552,686	\$ 28,142,290	\$ 21,291,711	\$ (8,865,411)	\$ 2,718,562	\$ 7,673,950	\$ 2,326,168	\$ (3,326,027)	\$ (22,494,441)
Business-type activities	(1,698,282)	(1,001,703)	512,200	7,419	234,944	2,616,688	2,545,124	1,169,257	(2,305,393)	(2,537,051)
Total primary government change in net position	<u>\$ 36,764,692</u>	<u>\$ 18,550,983</u>	<u>\$ 28,654,490</u>	<u>\$ 21,299,130</u>	<u>\$ (8,630,467)</u>	<u>\$ 5,355,250</u>	<u>\$ 10,219,074</u>	<u>\$ 3,495,425</u>	<u>\$ (5,631,420)</u>	<u>\$ (25,031,492)</u>

Notes: Fiscal years prior to 2015 have not been restated for the effects of implementing GASB Statement No. 68

Fiscal year 2015 and subsequent years have been restated to recognize deferred outflows related to the advance refunding of portions of the County's 2007 and 2008 bond issues

Fiscal years prior to 2018 have not been restated for the effects of implementing GASB Statement No. 75

Fiscal year 2023 Governmental and Business-Type Activities was restated in fiscal year 2024.

Schedule 3**Worcester County, Maryland****Fund Balances of Governmental Funds****Last Ten Fiscal Years***(modified accrual basis of accounting)*

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
General Fund										
Nonspendable	\$ 154,875	\$ 378,567	\$ 52,122	\$ 110,153	\$ 47,892	\$ 8,556	\$ 59,544	\$ 134,238	\$ 106,655	\$ 5,255
Restricted	-	-	-	-	-	-	-	-	-	-
Assigned	59,390,116	47,477,981	41,058,171	35,511,437	19,483,747	16,626,776	18,735,587	23,486,890	16,315,297	8,679,957
Unassigned	<u>50,660,547</u>	<u>44,636,818</u>	<u>41,258,119</u>	<u>35,709,113</u>	<u>35,565,178</u>	<u>35,170,278</u>	<u>35,170,292</u>	<u>34,308,460</u>	<u>33,532,633</u>	<u>33,976,802</u>
Total General Fund	<u>110,205,538</u>	<u>92,493,366</u>	<u>82,368,412</u>	<u>71,330,703</u>	<u>55,096,817</u>	<u>51,805,610</u>	<u>53,965,423</u>	<u>57,929,588</u>	<u>49,954,585</u>	<u>42,662,014</u>
All other Governmental Funds										
Nonspendable	-	-	-	-	-	-	-	-	-	-
Restricted	5,297,916	9,672,586	-	978,115	9,259,319	34,728,744	-	1,655,852	18,055,520	31,685,392
Assigned	5,008,066	3,457,231	3,938,275	2,410,459	1,654,398	2,240,640	1,628,447	1,578,412	1,876,454	2,249,959
Unassigned	-	-	<u>(1,547,922)</u>	-	-	-	<u>(554,039)</u>	-	<u>(13,457)</u>	-
Total all other Governmental Funds	<u>10,305,982</u>	<u>13,129,817</u>	<u>2,390,353</u>	<u>3,388,574</u>	<u>10,913,717</u>	<u>36,969,384</u>	<u>1,074,408</u>	<u>3,234,264</u>	<u>19,918,517</u>	<u>33,935,351</u>
Total Governmental Fund Balance	<u>\$ 120,511,520</u>	<u>\$ 105,623,183</u>	<u>\$ 84,758,765</u>	<u>\$ 74,719,277</u>	<u>\$ 66,010,534</u>	<u>\$ 88,774,992</u>	<u>\$ 55,039,831</u>	<u>\$ 61,163,852</u>	<u>\$ 69,873,102</u>	<u>\$ 76,597,365</u>

Note:

Fiscal year 2023 General Fund balance was restated in fiscal year 2024.

Schedule 4

Worcester County, Maryland

Changes in Fund Balances of Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Revenues										
Property tax	\$ 159,109,371	\$ 153,693,011	\$ 149,327,901	\$ 146,756,683	\$ 142,160,874	\$ 137,214,614	\$ 132,742,340	\$ 130,270,802	\$ 127,061,276	\$ 117,963,356
Income tax	53,832,771	46,962,276	37,351,910	35,824,894	28,891,384	23,172,123	22,260,250	22,891,694	17,931,884	13,690,331
Room tax & admin	2,053,720	1,958,734	1,583,548	1,085,207	984,669	1,043,596	16,877,349	16,398,656	15,564,805	14,707,093
Food tax admin	97,280	112,531	83,556	75,158	77,437	79,305	1,501,166	1,553,867	1,424,439	1,358,236
Transfer tax	6,141,189	6,195,584	9,462,305	8,176,629	4,680,904	4,631,429	4,400,977	4,271,320	4,158,215	3,278,524
Recordation tax	9,188,870	9,551,423	14,354,002	12,222,034	7,115,438	7,116,381	7,018,586	7,250,500	6,449,513	5,437,913
Cannabis tax	754,643	-	-	-	-	-	-	-	-	-
Other local taxes	731,510	809,565	799,070	451,920	684,752	1,115,949	757,309	662,554	642,163	636,922
Licenses and permits	2,874,265	2,828,232	2,666,571	2,901,494	2,027,965	1,959,788	2,131,974	1,964,838	1,896,140	1,917,527
* Intergovernmental	19,520,011	23,410,376	21,263,833	30,257,437	9,980,985	8,529,777	10,097,621	7,585,022	7,215,195	7,015,992
Service charges	2,823,042	1,779,208	2,098,649	1,962,123	4,775,728	6,459,709	6,647,971	7,778,109	7,265,304	6,915,882
Interest income	8,323,246	4,163,858	119,427	103,318	1,424,410	1,861,896	1,014,636	404,551	155,069	180,035
Miscellaneous	805,169	2,171,188	913,222	2,231,975	8,194,012	5,604,217	857,191	946,352	894,974	741,127
Total revenues	<u>266,255,087</u>	<u>253,635,986</u>	<u>240,023,994</u>	<u>242,048,872</u>	<u>210,998,558</u>	<u>198,788,784</u>	<u>206,307,370</u>	<u>201,978,265</u>	<u>190,658,977</u>	<u>173,842,938</u>
Expenditures										
Current										
General government	25,300,024	26,406,399	24,169,522	20,293,079	19,022,436	17,325,562	15,244,102	14,471,003	13,817,335	13,296,067
Public safety	45,382,253	42,468,417	38,866,745	36,052,606	36,183,713	35,402,667	33,806,134	31,692,896	30,032,349	29,173,284
Public works	10,105,451	9,196,350	8,889,497	8,507,876	8,749,324	6,773,851	6,868,097	6,593,857	5,533,978	5,104,405
Health and hospitals	6,071,378	6,063,809	5,972,969	6,154,707	6,193,861	6,218,443	6,352,671	6,136,576	5,972,819	6,083,778
Social services	2,937,445	4,998,678	5,124,740	2,903,950	2,446,321	2,444,405	2,036,763	2,035,417	2,075,471	1,946,138
Education	115,298,139	122,482,817	111,152,755	109,762,529	127,270,912	99,447,577	92,556,477	85,965,082	93,437,468	100,313,254
Libraries, recreation and culture	10,804,308	7,838,265	7,983,080	8,077,203	7,184,206	6,695,951	5,529,816	5,376,686	6,041,560	6,052,818
Conservation of natural resources	732,908	857,899	759,553	748,500	840,547	849,887	712,005	425,671	497,939	375,697
Economic development	2,361,003	2,986,476	1,962,191	13,016,286	1,822,959	1,577,718	1,652,589	1,624,752	1,590,410	1,874,591
Distributions to municipalities	9,989,063	10,078,904	8,564,267	9,248,873	8,314,671	8,032,840	25,062,659	24,828,030	23,471,593	22,572,176
Capital projects	9,186,346	9,653,984	2,848,014	4,186,200	2,515,262	6,699,794	8,620,378	18,009,658	3,431,562	2,005,481
Debt service										
Principal	9,624,558	10,852,098	10,414,499	10,209,060	9,397,476	8,654,694	8,952,180	8,197,986	7,940,134	9,487,482
Interest	3,573,874	2,999,712	3,276,674	3,729,849	3,821,328	3,327,448	3,371,197	3,742,724	3,540,622	4,249,246
Total expenditures	<u>251,366,750</u>	<u>256,883,808</u>	<u>229,984,506</u>	<u>232,890,718</u>	<u>233,763,016</u>	<u>203,450,837</u>	<u>210,765,068</u>	<u>209,100,338</u>	<u>197,383,240</u>	<u>202,534,417</u>
Excess of revenues over (under) expenditures	<u>14,888,337</u>	<u>(3,247,822)</u>	<u>10,039,488</u>	<u>9,158,154</u>	<u>(22,764,458)</u>	<u>(4,662,053)</u>	<u>(4,457,698)</u>	<u>(7,122,073)</u>	<u>(6,724,263)</u>	<u>(28,691,479)</u>
Other financing sources (uses)										
Issuance of long-term debt	-	24,112,240	-	-	-	40,043,602	-	-	-	37,437,354
Payment to bond refunding escrow age	-	-	-	-	-	-	-	-	-	(27,757,877)
Transfers:										
Transfers in	22,314,878	22,502,566	24,746,238	19,599,674	20,394,209	19,872,169	22,440,497	17,469,746	17,469,180	19,908,436
Transfers out	(22,314,878)	(22,502,566)	(24,746,238)	(20,049,085)	(20,394,209)	(21,570,492)	(24,106,820)	(19,056,923)	(17,469,180)	(19,908,436)
Total other financing sources (uses)	<u>-</u>	<u>24,112,240</u>	<u>-</u>	<u>(449,411)</u>	<u>-</u>	<u>38,345,279</u>	<u>(1,666,323)</u>	<u>(1,587,177)</u>	<u>-</u>	<u>9,679,477</u>
Net change in fund balances	<u>\$ 14,888,337</u>	<u>\$ 20,864,418</u>	<u>\$ 10,039,488</u>	<u>\$ 8,708,743</u>	<u>\$ (22,764,458)</u>	<u>\$ 33,683,226</u>	<u>\$ (6,124,021)</u>	<u>\$ (8,709,250)</u>	<u>\$ (6,724,263)</u>	<u>\$ (19,012,002)</u>
Debt service as a percentage of noncapital expenditures	5.53%	5.63%	6.03%	6.06%	5.72%	6.10%	6.10%	6.00%	5.97%	6.86%

Notes:

* Includes state shared taxes originally reported separately in years prior to 2018.

Fiscal year 2023 General Fund balance was restated in fiscal year 2024.

Schedule 5

Worcester County, Maryland

Assessed Value (Full Cash Value) of Taxable Property, Last Ten Fiscal Years

Fiscal Year	Real Property	Personal Property Individuals and Firms	Business Corporations and Utilities	Total Taxable Assessed Value	County Real Property Tax Rate *	County Personal Property Tax Rate *	County Business Corp and Utilities Tax Rate *
2024	\$ 18,089,998,158	\$ 7,166,434	\$ 440,477,707	\$ 18,537,642,299	\$ 0.8450	\$ 2.1125	\$ 2.1125
2023	17,237,025,768	11,545,310	495,659,870	17,744,230,948	0.8450	2.1125	2.1125
2022	16,678,233,583	11,542,930	429,531,090	17,119,307,603	0.8450	2.1125	2.1125
2021	16,388,942,205	13,561,690	440,144,756	16,842,648,651	0.8450	2.1125	2.1125
2020	15,965,833,845	16,109,633	387,454,100	16,369,397,578	0.8450	2.1125	2.1125
2019	15,544,751,018	15,702,611	362,985,175	15,923,438,804	0.8350	2.0875	2.0875
2018	15,207,948,042	15,928,910	337,819,400	15,561,696,352	0.8350	2.0875	2.0875
2017	14,825,676,056	18,977,901	349,286,832	15,193,940,789	0.8350	2.0875	2.0875
2016	14,534,558,652	17,437,771	333,661,670	14,885,658,093	0.8350	2.0875	2.0875
2015	14,556,412,647	16,548,700	315,387,352	14,888,348,699	0.7700	1.9250	1.9250

Source: Worcester County Treasurer's Office and Maryland State Department of Assessments and Taxation

Note: The Maryland State Department of Assessments and Taxation assesses property every three years.
The County is divided into three areas and each area is reassessed in a different year.

* Per \$100 of value

^a For fiscal years ending June 30, 2002 and later, real property is assessed at full cash value; prior to fiscal year 2002, real property was assessed at 40% of cash value.

^b For all years, Public Utility Personal Property is assessed at full cash value.

Schedule 6

Worcester County, Maryland

Real Property Tax Rates- Direct and Overlapping Governments

Last Ten Fiscal Years

(rate per \$100 of assessed value)

	Year Taxes Are Payable									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
County- Direct Rate										
General	\$0.8450	\$0.8450	\$0.8450	\$0.8450	\$0.8450	\$0.8350	\$0.8350	\$0.8350	\$0.8350	\$0.7700
State- Overlapping Rate										
Maryland	\$0.1120	\$0.1120	\$0.1120	\$0.1120	\$0.1120	\$0.1120	\$0.1120	\$0.1120	\$0.1120	\$0.1120
Towns- Overlapping Rates										
Berlin	\$0.8275	\$0.8150	\$0.8150	\$0.8000	\$0.8000	\$0.6800	\$0.6800	\$0.6800	\$0.6800	\$0.6800
Ocean City	0.4526	0.4526	0.4561	0.4559	0.4559	0.4656	0.4656	0.4656	0.4780	0.4704
Pocomoke	0.9375	0.9375	0.9375	0.9375	0.9375	0.9375	0.9375	0.9375	0.9375	0.9285
Snow Hill	0.9375	0.8600	0.8600	0.8600	0.8600	0.8600	0.8600	0.8600	0.8600	0.8600

Source: Worcester County Treasurer's Office

Schedule 7**Worcester County, Maryland****Principal Property Taxpayers****Current Year and Nine Years Ago**

Taxpayer	Fiscal Year 2024			Fiscal Year 2015		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Delmarva Power	\$ 115,095,410	1	0.62%	\$ 65,204,310	1	0.44%
Harrison Inn Stardust	50,224,300	2	0.27%	54,027,500	2	0.36%
Sun TRS Frontier LLC	47,890,333	3	0.26%			
Americana Stowaway Motel Inc.	45,422,133	4	0.25%	27,862,933	4	0.19%
Ocean Enterprise 589 LLC	39,362,700	6	0.21%			
Sun TRS Castaways LLC	37,996,767	7	0.20%			
Sandiper Energy	37,140,410	5	0.20%			
91st Street Joint Venture	35,020,400	8	0.19%	28,944,200	3	0.19%
Choptank Electric Cooperative	32,808,000	9	0.18%	23,507,910	5	0.16%
Ocean I Hospitality	26,400,000	10	0.14%			
Verizon Maryland				19,440,110	9	0.13%
Individual				20,059,733	6	0.13%
Harrison Inn Ocean View				19,890,933	7	0.13%
Harrison Hi 18 LLC				19,870,633	8	0.13%
LPBOC Hotel				18,461,100	10	0.12%
Total	\$ 467,360,453		2.52%	\$ 297,269,362		1.98%

Source:

Worcester County Treasurer's Office

Schedule 8
Worcester County, Maryland
Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year	Net Taxes Levied for Fiscal Year *	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 159,086,225	\$ 156,327,151	98.27%	\$ -	\$ 156,327,151	98.27%
2023	154,349,670	151,674,366	98.27%	2,527,191	154,201,557	99.90%
2022	148,819,557	146,533,235	98.46%	2,132,496	148,665,731	99.90%
2021	146,705,516	143,563,138	97.86%	2,917,807	146,480,945	99.85%
2020	141,912,724	139,087,210	98.01%	2,775,035	141,862,245	99.96%
2019	136,104,204	133,114,537	97.80%	2,936,558	136,051,095	99.96%
2018	132,889,741	129,867,847	97.73%	2,988,732	132,856,579	99.98%
2017	130,113,435	127,089,001	97.68%	2,978,095	130,067,096	99.96%
2016	127,310,134	124,071,029	97.46%	3,090,992	127,162,021	99.88%
2015	116,946,415	114,199,325	97.65%	2,598,977	116,798,302	99.87%

Source: Worcester County Treasurer's Office

Notes: The information in this schedule relates to the County's own property tax levies, and does not include those it collects on behalf of other governments

* This chart nets the Homestead Credit with the total tax levy for each year

Schedule 9

Worcester County, Maryland Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities				Business-type Activities			Total Primary Government	Percentage of Personal Income	Bond/Lease Debt Per Capita
	General Obligation Bonds	Note Outstanding	Leases	Deferred Bond Premiums	General Obligation Bonds	Leases	Deferred Bond Premiums			
2024	\$ 73,915,563	\$ -	\$ 344,072	\$ 7,388,384	\$ 23,050,148	\$ 3,500,123	\$ 1,299,637	\$ 109,497,927	2.97%	\$ 2,021
2023	83,540,121	372,117	-	8,695,128	24,604,627	1,044,441	1,451,519	119,707,953	3.45%	2,222
2022	72,262,219	389,351	-	7,964,570	21,729,331	1,570,353	1,213,252	105,129,076	3.35%	2,004
2021	82,673,478	405,895	-	9,139,165	23,229,702	1,553,603	1,339,831	118,341,674	3.77%	2,256
2020	92,882,538	421,777	-	10,313,760	23,634,612	1,615,768	1,466,408	130,334,863	4.14%	2,484
2019	102,279,413	437,024	-	11,488,355	24,968,024	1,725,689	1,560,386	142,458,891	4.53%	2,749
2018	76,854,107	451,661	-	6,395,561	20,591,706	1,874,810	688,717	106,856,562	3.44%	2,062
2017	85,806,287	465,712	-	6,750,477	20,151,002	803,425	719,748	114,696,651	3.81%	2,219
2016	94,004,273	-	-	7,105,393	22,670,278	1,353,997	758,437	125,892,378	4.31%	2,447
2015	101,944,407	-	-	7,460,309	24,299,716	1,527,500	782,829	136,014,761	4.99%	2,639

Source: Worcester County Treasurer's Office

Notes: 2024 percentage of personal income calculated using 2023 personal income data, which is the most recent available

2024 bond/lease debt per capita calculated using 2023 population data, which is the most recent available

See Schedule 13 for population and personal income data

Schedule 10

Worcester County, Maryland

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years

Fiscal Year	General Obligation Bonds **	Total Taxable Assessed Value	Percentage of Total Taxable Assessed Value	Population	Bond Debt Per Capita
2024	105,653,732	18,537,642,299	0.57%	*	1,950
2023	118,291,395	17,744,230,948	0.67%	54,171	2,184
2022	103,169,372	17,119,307,603	0.60%	53,866	1,915
2021	116,382,176	16,842,648,651	0.69%	53,132	2,190
2020	128,297,318	16,369,397,578	0.78%	52,460	2,446
2019	140,296,178	15,923,438,804	0.88%	51,823	2,707
2018	104,530,091	15,561,696,352	0.67%	51,823	2,017
2017	113,427,514	15,193,940,789	0.75%	51,443	2,205
2016	124,538,381	14,885,658,093	0.84%	51,444	2,421
2015	134,487,261	14,888,348,699	0.90%	51,540	2,609

Source: Worcester County Treasurer's Office

Notes: 2024 bond debt per capita calculated using 2023 population data, which is the most recent available

* Information not yet available

** This column includes General Obligation Bonds and Deferred Bond Premiums

Schedule 11

Worcester County, Maryland

Direct and Overlapping Governmental Activities Debt

As of June 30, 2024

	<u>Governmental Unit</u>	<u>Debt Outstanding</u>
Direct Debt		
	Worcester County - General Government	\$ 21,956,722
	Worcester County - School Debt	59,347,225
	Subtotal Direct Debt	<u>81,303,947 *</u>
Overlapping Debt		
	Berlin	15,309,369
	Ocean City	57,052,383
	Pocomoke	5,754,877
	Snow Hill	2,251,324
	Subtotal Overlapping Debt	<u>80,367,953 **</u>
Total Direct and Overlapping Debt		<u><u>\$ 161,671,900</u></u>

Source: Worcester County Treasurer's Office

Note: * Net direct debt of the County includes Governmental Activities general obligation bonds, notes payable, and deferred bond premiums.
Net direct debt of the School includes Governmental Activities general obligation bonds and deferred bond premiums
See Note 6

** 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.
Unaudited information provided by municipalities

Schedule 12
Worcester County, Maryland
Legal Debt Margin Information
Last Ten Fiscal Years
(dollars in thousands)

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Total Debt Outstanding Limit										
Taxable Assessable Base	\$18,537,642	\$17,744,231	\$17,119,308	\$16,842,649	\$ 16,369,398	\$ 15,923,439	\$ 15,561,696	\$ 15,193,941	\$ 14,885,658	\$ 14,888,349
Debt Limit, 1% of Assessable Base	185,376	177,442	171,193	168,426	163,693	159,234	155,617	151,939	148,857	148,883
Amount of Debt Applicable to Limit	81,303	92,235	80,227	91,813	103,196	113,768	83,250	92,557	101,110	109,405
Debt Margin	<u>\$ 104,073</u>	<u>\$ 85,207</u>	<u>\$ 90,966</u>	<u>\$ 76,613</u>	<u>\$ 70,811</u>	<u>\$ 56,955</u>	<u>\$ 78,763</u>	<u>\$ 66,133</u>	<u>\$ 54,852</u>	<u>\$ 46,939</u>
Total debt applicable to the limit as a percentage of debt limit	43.86%	51.98%	46.86%	54.51%	63.04%	71.45%	53.50%	60.92%	67.92%	73.48%
Total Debt Service Limit										
Total Governmental Fund Revenue	\$ 266,255	\$ 253,636	\$ 240,024	\$ 242,049	\$ 210,999	\$ 198,789	\$ 206,307	\$ 201,978	\$ 190,659	\$ 173,843
Debt Service Limit, 10% of Revenue	26,626	25,364	24,002	24,205	21,099	19,879	20,631	20,198	19,066	17,384
Debt Service Applicable to Limit	13,198	13,652	13,691	13,939	13,219	11,982	12,323	11,941	11,481	13,737
Debt Service Margin	<u>\$ 13,428</u>	<u>\$ 11,712</u>	<u>\$ 10,311</u>	<u>\$ 10,266</u>	<u>\$ 7,881</u>	<u>\$ 7,897</u>	<u>\$ 8,307</u>	<u>\$ 8,257</u>	<u>\$ 7,585</u>	<u>\$ 3,648</u>
Total debt service applicable to the limit as a percentage of debt service limit	49.57%	53.83%	57.04%	57.59%	62.65%	60.28%	59.73%	59.12%	60.22%	79.02%

Source: Worcester County Treasurer's Office

Note: The County has established a debt capacity policy by adopting Resolution 07-1. The policy limits the County's outstanding general obligation long-term debt to no more than 1 percent of the assessable property tax base of the County and the annual debt service to no more than 10 percent of the annual government revenue.

Schedule 13

Worcester County, Maryland

Demographic and Economic Statistics

Last Ten Fiscal Years

Year	Population ^a	Personal Income ^b (dollars in thousands)	Per Capita Personal Income ^b	Public School Enrollment ^c	Unemployment Rate ^d
2024	*	*	*	6,848	3.4%
2023	54,171	\$ 3,692,431	\$ 68,163	6,841	2.2%
2022	53,866	3,473,587	64,486	6,803	3.9%
2021	53,132	3,390,411	63,811	6,711	6.9%
2020	52,460	3,137,940	59,881	6,882	10.7%
2019	51,823	3,148,166	60,748	6,810	5.0%
2018	51,823	3,109,753	60,007	6,684	6.0%
2017	51,690	3,007,897	58,191	6,667	5.8%
2016	51,444	2,919,306	56,747	6,660	6.4%
2015	51,540	2,723,740	52,847	6,654	7.7%

Source: ^a U.S. Census Bureau Population Factfinder

^b U.S. Department of Commerce Bureau of Economic Analysis, November 16, 2023

^c Worcester County Board of Education

^d Maryland Department of Labor, Licensing and Regulation, as of June 30

Note: * Information not yet available

Schedule 14

Worcester County, Maryland

Principal Employers

Current Year and Nine Years Ago

Employer	2024	
	Employees	Percentage of Total County Employment
Worcester County Board of Education	1,150	2.82%
Town of Ocean City	1,150	2.82%
Harrison Group	975	2.39%
Atlantic General Hospital	972	2.38%
Worcester County Government	725	1.78%
BlueWater Development/BlueWater Hospitality	608	1.49%
Bayshore Development	600	1.47%
Fagers Island Hotels	600	1.47%
O.C. Seacrets, Inc.	500	1.23%
Wal-mart Super Center	420	1.03%
	7,700	18.89%
Total Worcester County Employees		40,768

Employer	2015	
	Employees	Percentage of Total County Employment
Worcester County Board of Education	1,178	4.31%
Harrison Group	1,089	3.99%
Atlantic General Hospital	847	3.10%
Worcester County Government	660	2.42%
Town of Ocean City	619	2.27%
Wal-Mart Super Center	577	2.11%
O.C. Seacrets, Inc.	502	1.84%
Bayshore Development	480	1.76%
Dough Roller	342	1.25%
Clarion Fountainebleu Hotel	339	1.24%
	6,633	24.29%
Total Worcester County Employees		27,306

Sources: Worcester County Economic Development

Schedule 15
Worcester County, Maryland
Full-time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Function/Program										
General government	146.4	142.7	130.5	126.9	125.6	128.0	121.6	120.6	122.0	121.4
Commissioners, judges, and boards	19.0	19.0	19.0	19.0	19.0	20.0	20.0	19.0	19.0	21.0
Public safety	240.8	253.3	221.4	223.9	226.3	229.3	237.0	231.7	228.7	225.2
Public works	85.1	88.1	77.9	75.9	76.7	58.1	60.0	59.8	57.2	59.1
Library and recreation	80.0	79.5	79.2	74.9	75.2	69.4	65.5	65.5	64.3	64.0
Water and wastewater	64.0	65.0	64.0	59.3	59.5	62.6	63.4	64.9	65.9	64.8
Solid waste	17.5	18.5	19.0	15.1	15.3	34.1	36.1	35.3	35.2	35.7
Liquor control	-	-	-	1.1	1.9	2.7	4.3	15.9	19.0	24.5
Total	<u>652.8</u>	<u>666.1</u>	<u>611.0</u>	<u>596.1</u>	<u>599.5</u>	<u>604.2</u>	<u>607.9</u>	<u>612.7</u>	<u>611.3</u>	<u>615.7</u>

Source: Worcester County Administration

Notes: A full-time employee is scheduled to work 260 days per year (52 weeks x 5 days per week).
At eight hours per day, 2,080 hours are scheduled per year (including vacation and sick leave).
Full-time-equivalent employment is calculated by dividing total labor hours by 2,080.

County Commissioners, Orphan's Court Judges, and Board Members noted as full-time equivalent

The Department of Liquor Control ceased operations in FY21.

Part-time and temporary employees are included in this table

Schedule 16

Worcester County, Maryland

Operating Indicators by Function/Program

Last Ten Fiscal Years

	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
<u>Function/Program</u>										
General Government										
Building permits issued *	140	141	152	197	167	158	154	127	138	133
Value of new construction (in 000's)	54,573	61,617	56,907	59,704	36,725	37,927	31,415	29,559	29,865	26,806
Public Safety										
Detention Center										
Average daily population	148	135	120	163	222	310	351	345	344	338
Fire protection (all volunteer)										
Fire calls answered	2,561	2,512	2,583	2,273	2,151	1,996	2,179	2,181	2,436	2,673
Emergency Medical Services										
EMS calls answered	11,614	10,671	10,810	9,504	9,430	7,480	6,959	6,906	6,551	6,537
Education										
Students	6,848	6,841	6,803	6,811	6,882	6,810	6,684	6,667	6,660	6,654
Teachers	596	596	596	589	584	584	585	572	572	572
Public Works										
Centerline miles of road maintained	533	533	533	533	533	533	533	531	531	531
Wastewater treated (mgd)	1.1	1.2	1.2	1.4	1.3	1.9	1.9	2.1	2.4	2.4

Source: Worcester County Administration and individual County departments

Note: * Single Family Dwelling Units

Schedule 17
Worcester County, Maryland
Capital Asset Statistics by Function
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Public Safety										
Detention center capacity	507	507	507	507	507	507	507	507	507	507
Fire companies	10	10	10	10	10	10	10	10	10	10
Emergency medical services companies	8	8	8	8	8	8	8	8	8	8
Education										
Elementary schools	5	5	5	5	5	5	5	5	5	5
Intermediate schools	1	1	1	1	1	1	1	1	1	1
Middle schools	3	3	3	3	3	3	3	3	3	3
Special school	1	1	1	1	1	1	1	1	1	1
High schools	3	3	3	3	3	3	3	3	3	3
Technical high school	1	1	1	1	1	1	1	1	1	1
Public libraries	5	5	5	5	5	5	5	5	5	5
Recreation Facilities										
Recreation center	1	1	1	1	1	1	1	1	1	1
County parks	13	13	13	13	13	13	13	13	13	13
Park acreage	899	883	883	883	883	883	883	883	883	883
Public landings and wharves	9	9	9	9	9	9	9	9	9	9
Boat slips	38	38	38	38	8	8	8	8	8	8
Public Works										
Centerline miles of County roads	533	533	533	533	533	533	533	531	531	531
Public easements - Ocean Pines	64.12	64.12	64.12	64.12	64.12	64.12	64.12	64.12	64.12	64.12
Bridges	41	42	42	43	43	43	43	43	43	44
Wastewater treatment plants	8	8	8	8	8	8	8	8	8	8
Miles of sewer pipeline	199	199	198	196	195	195	193	192	191	191
Water well house facilities	5	5	5	5	5	5	5	5	5	5
Pump stations	59	58	57	57	57	57	56	55	55	55
Water tanks	6	6	6	6	6	6	6	6	6	6
Waterlines	160	159	159	157	157	157	157	156	154	151
Water treatment facilities	10	10	10	10	10	10	10	10	10	10
Recycling center	1	1	1	1	1	1	1	1	1	1

Source: Worcester County Administration and individual County departments



Worcester County

Annual Comprehensive Financial Report

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