

Worcester County

MARYLAND

Annual Comprehensive Financial Report

FISCAL YEAR ENDED JUNE 30, 2023

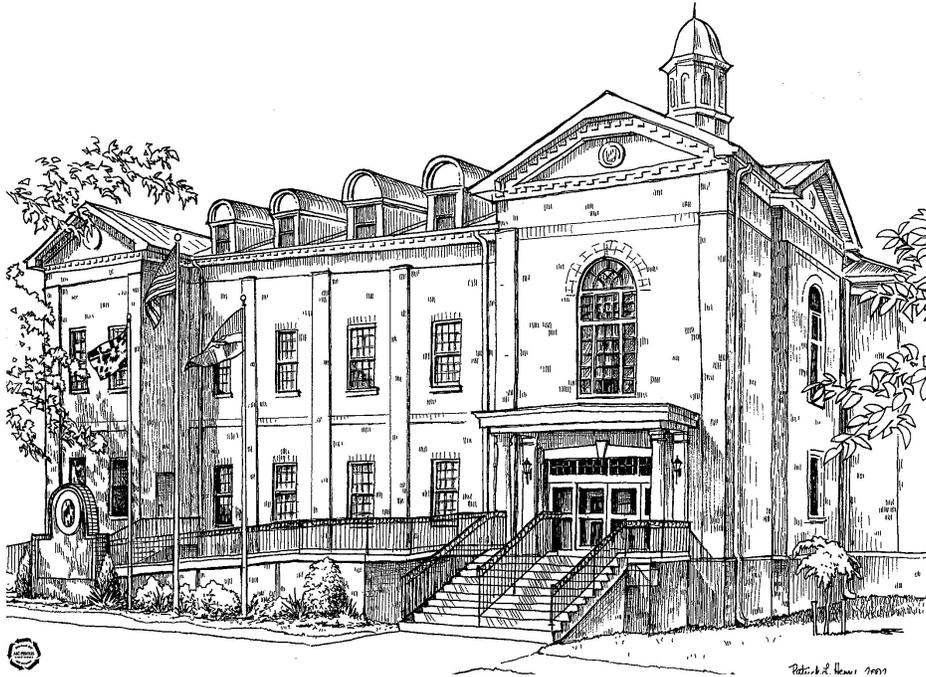
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Worcester County, Maryland

Annual Comprehensive Financial Report

For Fiscal Year Ended
June 30, 2023



Worcester County Government Center

Prepared by:

Weston Young, PE
Chief Administrative Officer

Phillip G. Thompson, CPA
Finance Officer

Jessica R. Wilson, CPA
Deputy Finance Officer

Barbara Hitch
Enterprise Fund Controller

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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FAX: 410-632-3003

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 20, 2023

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, 2023 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, 2023, are free of material misstatement.

The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent 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, 2023 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, a liquor retail operation, 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 FY23 to include a 4% cost of living adjustment (COLA) and included a step increment of 2.5% and longevity pay for those eligible. The effects of a State-mandated escalator provision related to school funding required the County to provide additional funding for the seventh consecutive year to the Board of Education. 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 Covid-19 international pandemic continues to cause uncertainty and angst for our citizens and taxpayers as well as those across the globe. 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 significant 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 decreases over the last year which are in line with the national trends and accurately reflect a challenging labor market. The county unemployment rate decreased from 4.2% in June of 2022 to 1.9% in June of 2023 according to the Bureau of Labor Statistics. The County continues to maintain the second 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 impact of the Covid-19 pandemic was of particular concern to this segment of our local economy. The County continues to experience strong tourism in FY23 as we transition to more “normal” post-pandemic travel patterns. County-wide Room tax revenue increased by 22.2% in the current fiscal year and Food Tax increased by 7.8% providing 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 2024, focusing instead on the completion of ongoing projects for which funding has already been secured. These projects include the planned addition to the Stephen Decatur Middle School, a roof and HVAC project at the County Jail, and a Logistical Storage Facility for our Public Safety Departments.

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, 2022. 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 "Phillip G. Thompson".

Phillip G. Thompson, CPA
Finance Officer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Worcester County
Maryland**

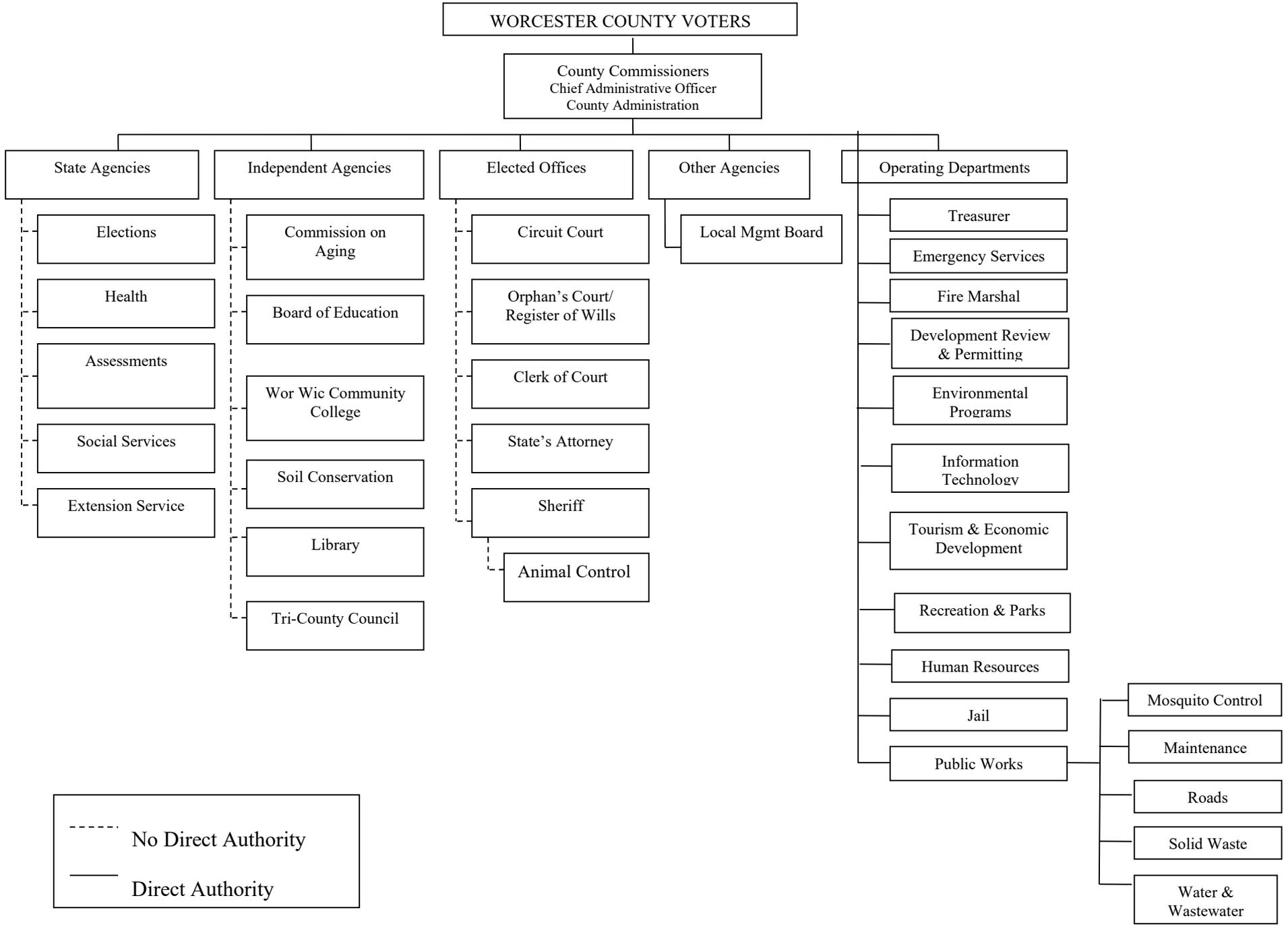
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Worcester County Organization Chart



----- No Direct Authority
 _____ Direct Authority

Worcester County, Maryland
List of Principal Officials and Directors
June 30, 2023

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
Finance Officer
Fire Marshal
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
John William Birch, Jr.
Phillip G. Thompson
Matthew Owens
Stacey Norton
Brian Jones
Fulton Holland Jr.
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, 2023, 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, 2023, 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 2 to the financial statements, during the year ended June 30, 2023, the County adopted new accounting guidance from the Government Accounting Standards Board (GASB) Statement No. 96, "Subscription Based Information Technology Arrangements". 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 20, 2023 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.

The image shows a handwritten signature in dark ink that reads "UHY LLP". The letters are stylized and cursive.

Salisbury, Maryland
December 20, 2023

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, 2023. 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 2023

The assets and deferred outflows of the County exceeded its liabilities and deferred inflows at the close of fiscal year 2023 by \$144.7 million (net position) an increase of \$20.5 million over the fiscal year 2022 net position. Approximately \$59.7 million is attributable to the County's business-type activities of solid waste and water and wastewater operations and approximately \$85 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 \$68.8 million at June 30, 2023. Absent the effect of this relationship, the County would have reported an unrestricted governmental activities net position of \$54.6 million on its government-wide financial statements, rather than the unrestricted net position of (\$14.2 million). New general government and school debt in the amount of \$24 million and new enterprise fund debt of \$4.6 million issued in fiscal year 2023 and repayment of existing general government and enterprise fund bonds of \$13.5 million resulted in an overall increase in bonded debt of \$15.1 million.

At the end of the current fiscal year, the County's governmental funds reported combined fund balance of \$105.2 million, an increase of \$20.4 million in comparison with the prior year. This increase is a combination of changes in the various fund balances.

- The general fund balance increased by \$9.7 million due to stronger than anticipated revenues for real estate taxes, income taxes, investment income, and recordation and transfer taxes. These increases were partially offset by decreases in Jail revenue.
- The capital projects fund balance increased by \$11.2 million due to the issuance of long term debt for the planned Stephen Decatur Middle School Addition, Jail Roof and HVAC project, and a Public Safety Logistical Storage Facility project.
- The other governmental funds decreased by \$481 thousand primarily due to casino local impact grant revenue in excess of planned expenditures, the addition of an Opioid Restitution Fund in FY23, and a decrease within the Department of Social Services Fund.

Budget – Revenues

For the fiscal year 2023 real estate billing, Worcester County real property assessments increased by 3.65% over the prior year. The fiscal year 2023 budget increased by \$10.5 million from \$216.5 million to \$227 million. The budget increases primarily related to the \$4.1 million in net property taxes due by combining the real property tax rate of \$.845 with the assessment increases and income tax revenue estimates of \$8 million due to a strong labor market were offset by a reduction in ICE housing at the County Jail of \$1.5 million.

Budget – Expenditures

The fiscal year 2023 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 4% cost of living adjustment (COLA) salary increase and step at 2.5% for eligible County employees. The other post-employment benefit (OPEB) general fund transfer was funded at \$11.9 million in total, an increase of \$818 thousand from the prior year. The Board of Education operating budget was increased by \$4 million above the fiscal year 2022 in accordance with the state of Maryland required Maintenance of Effort (MOE) funding requirement.

General fund actual results during fiscal year 2023 included an increase in fund balance totaling \$9.7 million. Property taxes exceeded budget by \$1.2 million due to a robust real estate market and other local taxes increased by \$1.5 million due to the related Room, Amusement, Transfer, and Recordation activity. In addition, a stronger than anticipated labor market resulted in income tax revenue exceeding budget by \$9 million. Grants increased by \$9.8 million primarily due to the American Rescue Plan Act funding, the Department of Housing and Community Development (DHCD), and 911 ENSB grants. The planned transfer of \$4.2 million from prior years surplus in the FY23 budget was not needed and therefore not transferred.

Overview of the Financial Statements

This discussion and analysis is 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 seven 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, and Energy Service 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 – 99 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 100 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 \$132.9 million at June 30, 2023. 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	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$ 146,831,330	\$ 125,093,356	\$ 50,156,878	\$ 40,570,622	\$ 196,988,208	\$ 165,663,978
Capital assets	99,517,384	94,839,023	76,381,890	80,833,622	175,899,274	175,672,645
Total assets:	246,348,714	219,932,379	126,538,768	121,404,244	372,887,482	341,336,623
Deferred outflows						
of resources	19,367,395	21,907,912	-	-	19,367,395	21,907,912
Liabilities:						
Current and other liabilities	34,399,010	37,043,231	21,463,586	21,331,197	55,862,596	58,374,428
Long-term liabilities	115,214,223	93,242,735	45,360,225	39,535,920	160,574,448	132,778,655
Total liabilities:	149,613,233	130,285,966	66,823,811	60,867,117	216,437,044	191,153,083
Deferred inflows						
of resources	31,115,809	47,893,501	-	-	31,115,809	47,893,501
Net position:						
Net investment in capital assets	83,606,528	88,217,453	49,281,303	56,320,686	132,887,831	144,538,139
Restricted	15,550,321	-	-	-	15,550,321	-
Unrestricted	(14,169,782)	(24,556,629)	10,433,654	4,216,441	(3,736,128)	(20,340,188)
Total net position:	\$ 84,987,067	\$ 63,660,824	\$ 59,714,957	\$ 60,537,127	\$ 144,702,024	\$ 124,197,951

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 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	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$ 4,932,228	\$ 5,037,687	\$ 23,242,559	\$ 21,662,419	\$ 28,174,787	\$ 26,700,106
Operating grants and contributions	15,202,949	18,756,330	31,500	30,000	15,234,449	18,786,330
Capital grants and contributions	8,136,182	2,447,679	-	-	8,136,182	2,447,679
General revenues:						
Real and personal property taxes	154,365,171	148,807,036	-	-	154,365,171	148,807,036
Income taxes	46,962,276	37,351,910	-	-	46,962,276	37,351,910
Other local taxes	18,627,837	26,282,481	-	-	18,627,837	26,282,481
Interest income	4,771,090	123,832	669,697	19,126	5,440,787	142,958
Other income	1,259,059	696,174	7,369	-	1,266,428	696,174
Total revenues:	254,256,792	239,503,129	23,951,125	21,711,545	278,207,917	261,214,674
Expenses:						
General government	29,191,558	22,858,631	-	-	29,191,558	22,858,631
Public safety	45,249,039	42,244,797	-	-	45,249,039	42,244,797
Public works	10,152,745	10,016,308	-	-	10,152,745	10,016,308
Health and hospitals	6,596,098	6,457,426	-	-	6,596,098	6,457,426
Social services	4,998,678	5,124,740	-	-	4,998,678	5,124,740
Education	122,482,817	111,152,755	-	-	122,482,817	111,152,755
Libraries, recreation and culture	8,614,433	8,626,343	-	-	8,614,433	8,626,343
Conservation of natural resources	857,899	759,553	-	-	857,899	759,553
Economic development	3,039,252	2,014,967	-	-	3,039,252	2,014,967
Interest charges	1,748,030	2,105,319	-	-	1,748,030	2,105,319
Landfill	-	-	5,643,632	4,304,282	5,643,632	4,304,282
Water and wastewater	-	-	19,129,663	16,895,063	19,129,663	16,895,063
Total expenses:	232,930,549	211,360,839	24,773,295	21,199,345	257,703,844	232,560,184
Increase (decrease) in net position	21,326,243	28,142,290	(822,170)	512,200	20,504,073	28,654,490
Transfer	-	-	-	-	-	-
	21,326,243	28,142,290	(822,170)	512,200	20,504,073	28,654,490
Net position, beginning	63,660,824	35,518,534	60,537,127	60,024,927	124,197,951	95,543,461
Net position, ending	\$ 84,987,067	\$ 63,660,824	\$ 59,714,957	\$ 60,537,127	\$ 144,702,024	\$ 124,197,951

Governmental Activities:

Governmental activities increased the County's net position by \$21.3 million. Key elements of the increase in the net position of governmental activities are as follows:

Revenues increased by \$14.8 million as compared to fiscal year 2022 due to a combination of increases and decreases:

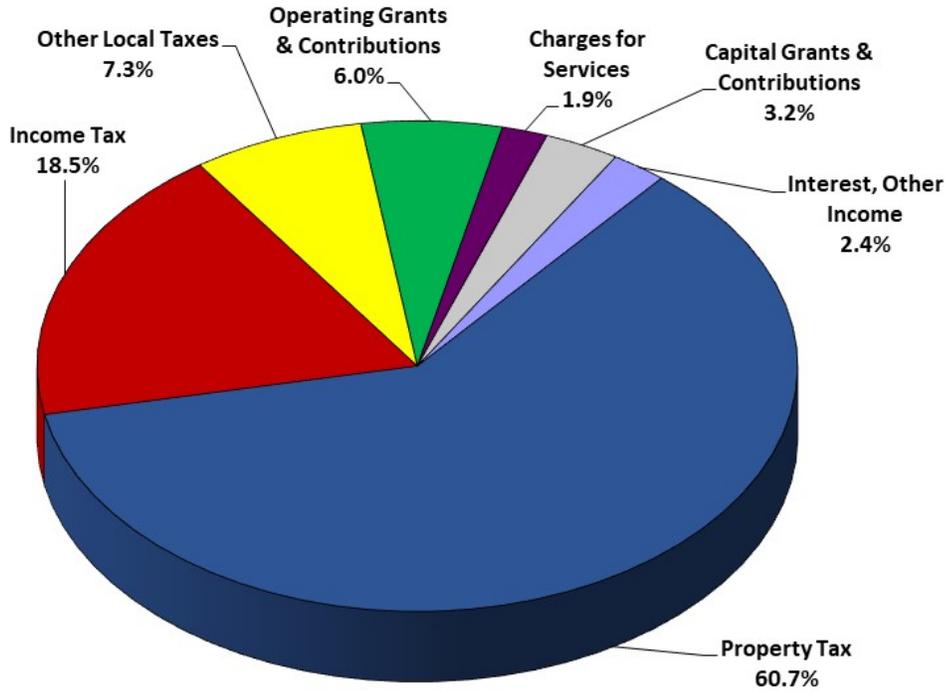
- Operating grants and contributions decreased by \$3.5 million primarily due to receiving over \$1 million less in Program Open Space grant funding and a \$3.3 million reduction in DHCD ERAP funding in fiscal year 2023. These reductions were partially offset by receiving an additional \$1.1 million Tourism grant to be used for advertising.
- Capital grants and contributions increased by \$5.7 million primarily due to a \$2.2 million 911 ENSB capital grant, a \$3 million ARPA capital grant, and \$500 thousand for various intergovernmental capital grants.
- Real and Personal Property taxes increased by \$5.6 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 \$9.7 million due to a continued strong labor market.
- Other local taxes decreased by \$7.6 million primarily due to the cooling real estate market which resulted in less Transfer and Recordation Tax activity. The decrease in each of these categories for FY23 was \$4.8 million for Recordation Tax and \$3.3 million for Transfer Tax.
- Interest Income increased by \$4.7 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 FY23 and continuing through the year.

Expenses increased by \$21.6 million as compared to fiscal year 2022 primarily the result of a combination of increases and decreases:

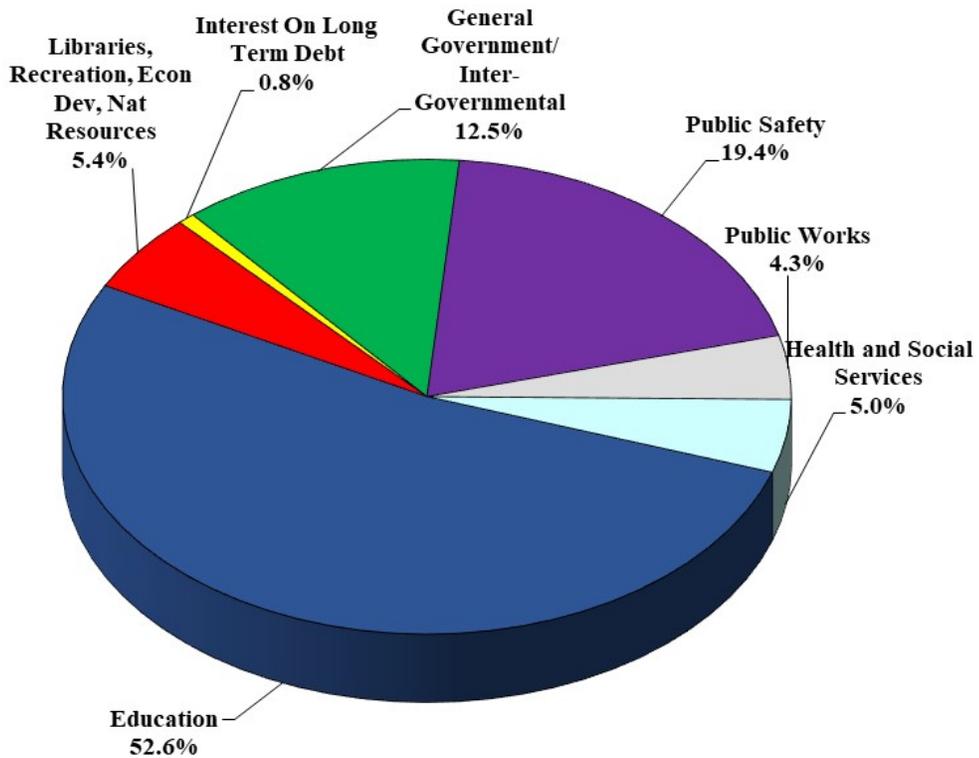
- Operating expenses increased by \$15.5 million due to increased spending in education of \$11.3 million, general economic development of \$1 million.
- Within the general government category an increase of \$6.3 million which is primarily related to the spending of grant funds related to various departments and ARPA funded projects.
- Within the other Education Category an increase of \$11.3 million which included increased operating appropriations of \$3.9 million and additional OPEB contributions for the benefit of the Board of Education employees totaling \$2.5 million. The remaining increase is primarily attributable to capital spending on behalf of the Board of Education.

Fiscal year 2023 revenues and expenses are summarized in the following charts for governmental activities.

Revenues by Source- Governmental Activities For the Year Ended June 30, 2023



Expenses- Governmental Activities For the Year Ended June 30, 2023



Business-type Activities Net Position:

<u>Enterprise Fund Statements</u>	<u>June 30, 2023</u>	<u>June 30, 2022</u>	<u>Change in Net Position</u>
Water and Wastewater Services	\$ 59,950,878	\$ 61,085,164	\$ (1,134,286)
Solid Waste	(235,921)	(548,037)	312,116
Total	<u>\$ 59,714,957</u>	<u>\$ 60,537,127</u>	<u>\$ (822,170)</u>

Water and Wastewater

Revenues

- Revenues increased to \$17.6 million in fiscal year 2023 from \$17 million in fiscal year 2022 primarily due to continued growth in the service areas resulting in more stable usage and revenue.

Expenses

- Operating expenses increased to \$14.7 million in fiscal year 2023 from \$12.7 million in fiscal year 2022 mainly due to an increase in maintenance and services needed throughout the service areas.
- Depreciation expense increased to \$3.8 million in fiscal year 2023 from \$3.7 million in fiscal year 2022.

Solid Waste

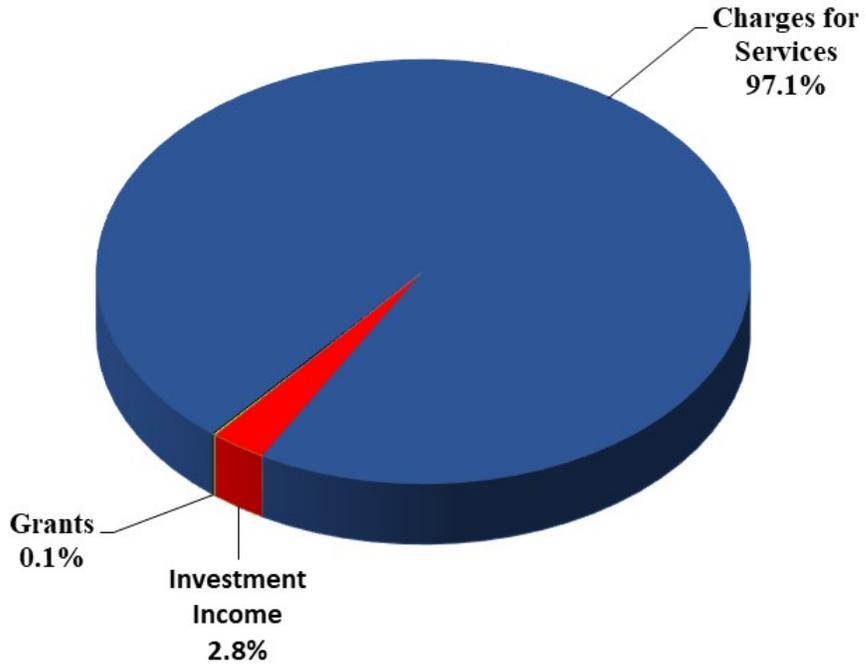
Revenues

- Tipping fee revenue increased to \$5.1 million in fiscal year 2023 from \$4.2 million in fiscal year 2022 due to a higher volume of trash being brought to the central landfill from commercial and municipal operators.

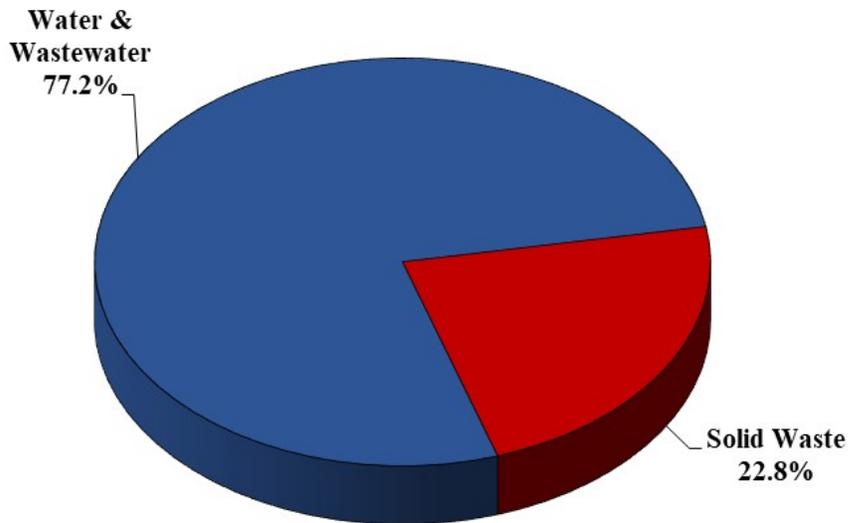
Expenses

- Operating expenses increased to \$3.5 million in fiscal year 2023 from \$2.2 million in fiscal year 2022 due to rising landfill closure and post-closure costs, increased building and grounds maintenance, and higher than anticipated vehicle and equipment maintenance costs.
- Depreciation expense remained stable in fiscal years 2023 and 2022 at \$1.9 million.

**Revenues by Source- Business-Type Activities
For the Year Ended June 30, 2023**



**Expenses- Business-Type Activities
For the Year Ended June 30, 2023**



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, 2023 and 2022:

Governmental Activities - Fund Statements	June 30, 2023	June 30, 2022	Net Change in Fund Balance
General Fund	\$ 92,040,040	\$ 82,368,412	\$ 9,671,628
Capital Projects Fund	9,672,586	(1,547,922)	11,220,508
Debt Service Fund	-	-	-
Other Governmental Funds	3,457,231	3,938,275	(481,044)
Total	\$ 105,169,857	\$ 84,758,765	\$ 20,411,092

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 \$92 million. This fund balance includes non-spendable items totaling \$379 thousand. In accordance with GASB Statement No. 54, the unassigned general fund amount includes the County reserve of \$27.2 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 20% of total general fund expenditures, while total fund balance represents 41.7% 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 increased by \$11.2 million during the current fiscal year. This is mainly due to the ongoing projects including the Stephen Decatur Middle School Addition and 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 capital lease obligations, principal, interest, and related costs. The fund balance of this fund remains at \$0.

The **Other Governmental Funds** include the Department of Social Services, Local Management Board, Casino Fund, Energy Service Fund, and Opioid Restitution Fund. Fund balances in these funds decreased by \$481 thousand from fiscal year 2022. The Energy Service Fund decreased by \$36 thousand. The Department of Social Services Fund decreased by \$1.4 million. The Local Management Board increased by \$218 thousand. The Casino Fund, which was created to account for the County’s portion of proceeds from the Ocean Downs Casino facility, reflects a \$581 thousand increase in fund balance in fiscal year. The Opioid Restitution Fund which was created in FY23 ended the year with a Fund Balance of \$178 thousand.

Further details of these activities is on pages 131 – 137.

General Fund Budgetary Highlights

General fund differences between the final budget and the final actual results for the County increased fund balance by \$9.6 million. Revenues received were \$27 million more than the final budgeted estimates and expenditures and other financing uses were \$17.4 million more than final budgeted estimates. The major variances between the budgeted amounts and actual are summarized as follows:

Revenues were \$27 million more than original estimates, a 12% variance.

- Net property tax revenues were more than budget by \$1.2 million or .8% due to a steadily increasing assessable base and Real Property revenues relating to a strong real estate market and the reassessments of properties. Net property tax revenue comprised 60.7% of all County revenues in 2023 and 64.6% when compared to 2022.
- Income taxes ended the fiscal year with a surplus of \$8.9 million, or 23.5% over budget estimates due to a stronger than anticipated labor market during the pandemic and thereafter.
- Other local taxes increased \$1.5 million or 8.7% over estimated budgeted revenues. This category includes admission and amusement taxes, food and room tax administration, room tax for unincorporated entities, recordation and transfer tax. Transfer tax exceeded budget by \$195 thousand and recordation tax exceeded budget by \$551 thousand or 4.9% over budget combined due to a robust real estate market and the related recording activity.
- Intergovernmental federal and state grants exceeded the budget amount by \$9.8 million because of additional grant funding revenue the County received in FY23. The increase is primarily due to \$3.8 million in American Rescue Plan Act (ARPA) for reimbursements requested for the fiscal year and a \$2.2 million 911 ENSB grant. Additional grant activity included a \$1.5 million DHCD state grant and a \$1.1 million grant for tourism.
- Charges for Services increased by \$251 thousand or 16.5% over budgeted revenues. This includes Recycling revenue which increased by 104% in FY23 and Sheriff fees which exceeded budget estimates by 319%.
- Licenses and Permits were \$328 thousand or 13.1% over budgeted revenues. Liquor licenses and health permits contributed to over half of this increase. The remaining increase related to additional plumbing permits and sediment erosion control permits being pulled as the real estate market has slowed to more normal growth levels.

Expenditures and other financing uses were \$17.4 million, or 8% higher than the budget.

- General government actual was over budget by \$5.6 million. \$5.3 million is related to the disbursement of ARPA grant funds for the DHCD Broadband Grants to connect underserved communities.
- Public Safety actual was over budget by \$1.6 million. This increase is primarily due to additional Emergency Services Grant Programs which will offset these expenses.
- Public Works actual was under budget by \$940 thousand primarily Due to staffing challenges and extended lead time on capital equipment.
- Economic Development and Tourism were over budget by \$1 million. This was due to the unanticipated Tourism Grant funds and related spending.
- Library, recreation and parks actual was under budget by \$609 thousand due to extended lead times and supply chain issues related to planned capital equipment and grant related purchases.
- Intergovernmental actual was over budget by \$526 thousand due to the Towns' share of county income tax being higher than anticipated.
- Other financing uses was over budget by \$10 million which was comprised of the following transfers: Net transfer of \$5.7 million to the capital projects fund to cover pay-as-you-go expenses not included in the fiscal year budget, transfer of \$4.1 million from the fiscal year 2022 surplus was budgeted but not used due to a large surplus in fiscal year 2023, and transfer from the casino fund was under budget by \$130 thousand due to public safety vehicles being ordered in fiscal year 2023 but not received at year end due to 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, 2023 amounts to \$175.9 million (net of accumulated depreciation). The total increase in the County’s investment in capital assets for the current year was .001%. 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	
	2023	2022	2023	2022	2023	2022
Land and improvements	\$ 15,631,638	\$ 15,631,638	\$ 1,341,872	\$ 1,341,872	\$ 16,973,510	\$ 16,973,510
Building and building improvements	57,267,140	58,176,128	82,717	93,456	57,349,857	58,269,584
Improvements other than buildings	7,359,882	6,118,933	9,164,707	10,570,278	16,524,589	16,689,211
Machinery and equipment	5,814,664	6,082,118	3,148,099	3,727,510	8,962,763	9,809,628
Water and sewer systems	-	-	62,276,955	64,697,600	62,276,955	64,697,600
Infrastructure	5,462,420	5,754,905	-	-	5,462,420	5,754,905
Construction-in-progress	7,981,640	3,075,301	367,540	402,906	8,349,180	3,478,207
Total:	\$ 99,517,384	\$ 94,839,023	\$ 76,381,890	\$ 80,833,622	\$ 175,899,274	\$ 175,672,645

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

Enterprise Funds

- In fiscal year 2023, the County completed the Gum Point Road Sewer Extension in the Ocean Pines service area. The total project cost of \$308 thousand was funded by the service area and will be repaid through construction costs as customers connect to sewer.

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 2024. Project costs of \$5.7 million were incurred in fiscal year 2023.



- The 24,000 square foot \$15.3 million addition to the Stephen Decatur Middle School was completed in FY23. The addition eliminates the need for portable classrooms and provides a unified and inclusive learning environment for all students. The project was partially funded by the 2022 Bond.



- The County contributed \$5,935,541 for the following education projects:
 - \$4,014,840 for the Stephen Decatur Middle School Addition (2022 Bond).
 - \$625,331 for Security Cameras at various schools.
 - \$228,520 for new fencing at Stephen Decatur High School
 - \$191,672 for the Wor-Wic Community College Applied Technology Building.
 - \$164,694 for the Buckingham Elementary School feasibility study.
 - \$152,862 for the Pocomoke Middle School energy management system update.
 - \$126,022 for maintenance equipment and vans for various schools.
 - \$119,222 for a new fire alarm at Snow Hill Middle School.
 - \$105,228 for a new fire alarm at the Pocomoke Middle School.
 - \$59,276 for Board of Education Central Office Improvements.
 - \$35,587 for carpet cleaning at various Board of Education facilities.
 - \$55,074 for Playground Upgrades at various schools.
 - \$37,825 for the Snow Hill Middle School Roof Replacement project.
 - \$19,087 for the Snow Hill High School Windscreen Project.

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 \$118.3 million. The total debt is backed by the full faith and credit of Worcester County. Business-type activities are directly responsible for \$26.1 million of the total debt. School-related debt totals \$68.8 million at June 30, 2023 and is included in the governmental activities.

Worcester County, Maryland
Outstanding Debt/General Obligation Bonds

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Bonded Debt	\$ 92,235,249	\$ 80,226,789	\$ 26,056,146	\$ 22,942,583	\$ 118,291,395	\$ 103,169,372

The County’s total bonded debt increased by \$15.1 million during the current fiscal year due primarily to the planned 2022 Bond which was issued for the construction of the Stephen Decatur Middle School Addition, Jail Phase 2 Roof and HVAC project, a Public Safety Logistical Storage Facility, and improvements in the Ocean Pines Sanitary Service Area. Worcester County maintains an “AA” rating with Fitch, an “Aa2” rating with Moody’s, and an “AA+” rating with Standard and Poor’s 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 2024 Budget

The approved fiscal year 2024 operating budget totals \$235.9 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 2024 represents the eighth consecutive year of increasing real property assessments in the County. The local income tax rate remains stable at 2.25%. The fiscal year 2024 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 2024, the operating budget increased \$8.8 million or 4% more than fiscal year 2023. The real property tax rate of \$0.845 combined with assessment increases will increase net property taxes by \$6.9 million. Income tax revenue estimates increased by \$2 million based on prior year actuals and current estimates for net taxable income. Other local taxes decreased \$3.6 million due to an anticipated slow-down in the real estate market impacting recordation and transfer tax activity. State shared revenue increased \$300 thousand due to an increase estimate in User Highway Revenue and 9-1-1-Fees. Charges for Services increased by \$1 million primarily attributable to Sheriff contractual services with the Board of Education. Interest Income increased by \$4.9 million based upon projected market rates of return. Other Revenues increased by \$200 thousand due to expected sales of assets and increase in rent revenue. The transfers in are expected to decrease by \$5 million due to not needing the prior years surplus transfer to balance the budget in FY24. 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 \$851 thousand in FY24.

Expenditures

The fiscal year 2024 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 \$2.6 million including an increase in hospitalization of \$700 thousand and \$70 thousand for retirement plan contributions based on state rates. Debt service decreased by \$1.2 million over the prior year resulting in a total debt budget of \$10.7 million. The other post-employment benefit (OPEB) general fund transfer will be funded at \$13.2 million in total, an increase of \$900 thousand from the prior year. The Board of Education operating budget was decreased by \$218 thousand below the fiscal year 2023 funding level and in compliance with the required State of Maryland Maintenance of Effort (MOE) funding requirement. The State of Maryland requires local governments to spend as much on school operating budgets on a per-pupil base as they did the year before; thus, the MOE threshold.

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, 2023

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	The Worcester County Board of Education
ASSETS				
Cash and short-term investments	\$ 107,422,549	\$ 28,319,776	\$ 135,742,325	\$ 15,379,479
Receivables:				
Taxes	3,594,565	-	3,594,565	-
Federal, state, and local governments	14,113,990	-	14,113,990	9,340,283
Other	2,900,492	5,755,124	8,655,616	405,379
Internal balances	2,783,734	(2,783,734)	-	-
Prepaid items	378,567	-	378,567	-
Net OPEB prepayment (Note 8)	15,550,321	-	15,550,321	-
Other assets	87,112	18,865,712	18,952,824	-
Nondepreciable capital assets	23,613,278	1,709,412	25,322,690	2,057,146
Depreciable capital assets, net	75,904,106	74,672,478	150,576,584	207,949,964
Total assets	246,348,714	126,538,768	372,887,482	235,132,251
DEFERRED OUTFLOWS OF RESOURCES				
Pensions (see Note 7)	10,582,734	-	10,582,734	1,696,571
Other post employment benefits (see Note 8)	8,784,661	-	8,784,661	45,191,660
Total deferred outflows of resources	19,367,395	-	19,367,395	46,888,231
LIABILITIES				
Accounts payable and accrued liabilities	11,917,498	931,101	12,848,599	7,824,831
Unearned revenue	10,516,364	-	10,516,364	10,576,228
Due to fiduciary funds	394	-	394	-
Long-term liabilities:				
Compensated absences due within one year	1,015,500	176,090	1,191,590	50,105
Compensated absences due in more than one year	1,241,262	215,221	1,456,483	776,160
Long-term debt due within one year	10,949,254	20,356,395	31,305,649	2,372,675
Long-term debt due in more than one year	81,658,112	25,105,254	106,763,366	2,467,383
Unearned revenue	-	20,039,750	20,039,750	-
Net pension liability due in more than one year (see Note 7)	32,314,849	-	32,314,849	5,689,156
Other post employment benefits due in more than one year (see Note 8)	-	-	-	139,627,561
Total liabilities	149,613,233	66,823,811	216,437,044	169,384,099
DEFERRED INFLOWS OF RESOURCES				
Pensions (see Note 7)	2,730,586	-	2,730,586	480,731
Other post employment benefits (see Note 8)	28,385,223	-	28,385,223	242,543,469
Total deferred inflows of resources	31,115,809	-	31,115,809	243,024,200
NET POSITION				
Net investment in capital assets	83,606,528	49,281,303	132,887,831	205,167,052
Restricted for:				
Other post-employment benefits	15,550,321	-	15,550,321	-
Capital projects	-	-	-	53,963
Food service activities	-	-	-	1,464,303
Other purposes (school activity funds)	-	-	-	1,567,090
Unrestricted (deficit)	(14,169,782)	10,433,654	(3,736,128)	(338,640,225)
Total net position	\$ 84,987,067	\$ 59,714,957	\$ 144,702,024	\$ (130,387,817)



WORCESTER COUNTY, MARYLAND
STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

Function/Program	Expenses	Program Revenues		
		Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants, Contributions, and Interest
Governmental activities:				
Current:				
General government	\$ 29,191,558	\$ 2,688,082	\$ 8,604,018	\$ 4,731,555
Public safety	45,249,039	674,851	2,592,579	2,583,607
Public works	10,152,745	624,334	1,251,319	-
Health and hospitals	6,596,098	456,961	164,146	-
Social services	4,998,678	-	153,149	-
Education	122,482,817	-	208,942	-
Libraries, recreation and culture	8,614,433	482,243	972,524	13,383
Conservation of natural resources	857,899	-	17,264	639,982
Economic development	3,039,252	5,757	1,239,008	167,655
Interest on long-term debt	1,748,030	-	-	-
Total governmental activities	232,930,549	4,932,228	15,202,949	8,136,182
Business-type activities:				
Department of Solid Waste	5,643,632	5,624,552	-	-
Department of Water and Wastewater	19,129,663	17,618,007	31,500	-
Total business-type activities	24,773,295	23,242,559	31,500	-
Total primary government	257,703,844	28,174,787	15,234,449	8,136,182
Component units:				
The Worcester County Board of Education	138,226,036	4,023,685	162,679,374	10,168,157
Total component units	138,226,036	4,023,685	162,679,374	10,168,157

General revenues:

Taxes:

- Real and personal property
- Income
 - Room tax & admin fees
 - Admission and amusement
 - Recordation
 - Transfer tax
 - Food tax admin fees

Interest

Other

Total general revenues

Total change in net position

Net position, beginning of year

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
\$ (13,167,903)	\$ -	\$ (13,167,903)	\$ -
(39,398,002)	-	(39,398,002)	-
(8,277,092)	-	(8,277,092)	-
(5,974,991)	-	(5,974,991)	-
(4,845,529)	-	(4,845,529)	-
(122,273,875)	-	(122,273,875)	-
(7,146,283)	-	(7,146,283)	-
(200,653)	-	(200,653)	-
(1,626,832)	-	(1,626,832)	-
(1,748,030)	-	(1,748,030)	-
(204,659,190)	-	(204,659,190)	-
-	(19,080)	(19,080)	-
-	(1,480,156)	(1,480,156)	-
-	(1,499,236)	(1,499,236)	-
(204,659,190)	(1,499,236)	(206,158,426)	-
-	-	-	38,645,180
-	-	-	38,645,180
154,365,171	-	154,365,171	-
46,962,276	-	46,962,276	-
1,958,734	-	1,958,734	-
809,565	-	809,565	-
9,551,423	-	9,551,423	-
6,195,584	-	6,195,584	-
112,531	-	112,531	-
4,771,090	669,697	5,440,787	8,196
1,259,059	7,369	1,266,428	1,701,502
225,985,433	677,066	226,662,499	1,709,698
21,326,243	(822,170)	20,504,073	40,354,878
63,660,824	60,537,127	124,197,951	(170,742,695)
\$ 84,987,067	\$ 59,714,957	\$ 144,702,024	\$ (130,387,817)

WORCESTER COUNTY, MARYLAND
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
ASSETS					
Cash and short-term investments	\$ 87,095,104	\$ 17,866,663	\$ -	\$ 2,460,782	\$ 107,422,549
Receivables:					
Taxes	3,594,565	-	-	-	3,594,565
Federal, state, and local governments	14,113,990	-	-	-	14,113,990
Other	2,900,492	-	-	-	2,900,492
Due from other funds	9,006,091	-	-	1,277,856	10,283,947
Prepaid items	378,567	-	-	-	378,567
Other assets	87,112	-	-	-	87,112
Total assets	\$ 117,175,921	\$ 17,866,663	\$ -	\$ 3,738,638	\$ 138,781,222
LIABILITIES					
Accounts payable and accrued liabilities	\$ 7,653,384	\$ 2,013,924	\$ -	\$ 281,407	\$ 9,948,715
Due to other funds	1,320,454	6,180,153	-	-	7,500,607
Unearned revenue	10,516,364	-	-	-	10,516,364
Other	2,984,283	-	-	-	2,984,283
Total liabilities	22,474,485	8,194,077	-	281,407	30,949,969
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	2,661,396	-	-	-	2,661,396
FUND BALANCES					
Nonspendable	378,567	-	-	-	378,567
Restricted	-	9,672,586	-	-	9,672,586
Assigned	47,477,981	-	-	3,457,231	50,935,212
Unassigned	44,183,492	-	-	-	44,183,492
Total fund balances	92,040,040	9,672,586	-	3,457,231	105,169,857
Total liabilities, deferred inflows of resources, and fund balances	\$ 117,175,921	\$ 17,866,663	\$ -	\$ 3,738,638	\$ 138,781,222

WORCESTER COUNTY, MARYLAND
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2023

Total fund balances, governmental funds		\$ 105,169,857
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.		99,517,384
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.		2,661,396
Deferred outflows of resources - pensions (see Note 7)		10,582,734
Deferred outflows of resources - OPEB (see Note 8)		8,784,661
Deferred inflows of resources - pensions (see Note 7)		(2,730,586)
Deferred inflows of resources - OPEB (see Note 8)		(28,385,223)
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	(92,607,366)	
Compensated absences	(1,241,262)	
Net pension liability (see Note 7)	(32,314,849)	
Other post employment benefits (see Note 8)	15,550,321	
Total long-term liabilities		<u>(110,613,156)</u>
Net position of governmental activities in the Statement of Net Position		<u>\$ 84,987,067</u>

WORCESTER COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	<u>General</u>	<u>Capital Projects</u>	<u>Debt Service</u>	<u>Other Governmental Funds</u>	<u>Total</u>
REVENUES:					
Taxes and special assessments	\$ 219,283,124	\$ -	\$ -	\$ -	\$ 219,283,124
Licenses and permits	2,828,232	-	-	-	2,828,232
Intergovernmental	17,104,071	639,982	-	5,666,323	23,410,376
Service charges and fees	1,779,208	-	-	-	1,779,208
Miscellaneous	5,727,814	545,698	-	61,534	6,335,046
Total revenues	246,722,449	1,185,680	-	5,727,857	253,635,986
EXPENDITURES:					
Current:					
General government	26,859,725	-	-	-	26,859,725
Public safety	42,468,417	-	-	-	42,468,417
Public works	9,196,350	-	-	-	9,196,350
Health and hospitals	6,063,809	-	-	-	6,063,809
Social services	1,939,702	-	-	3,058,976	4,998,678
Education	112,522,485	9,960,332	-	-	122,482,817
Libraries, recreation, parks and culture	7,838,265	-	-	-	7,838,265
Conservation of natural resources	821,826	-	-	36,073	857,899
Economic development	2,986,476	-	-	-	2,986,476
Distributions to incorporated municipalities	10,078,904	-	-	-	10,078,904
Capital projects	-	9,653,984	-	-	9,653,984
Debt service:					
Principal retirement	-	-	10,852,098	-	10,852,098
Interest and other charges	-	200,226	2,799,486	-	2,999,712
Total expenditures	220,775,959	19,814,542	13,651,584	3,095,049	257,337,134
Excess (deficiency) of revenues over expenditures	25,946,490	(18,628,862)	(13,651,584)	2,632,808	(3,701,148)
OTHER FINANCING SOURCES (USES):					
Issuance of long-term debt	-	22,130,000	-	-	22,130,000
Premium on debt issued	-	1,982,240	-	-	1,982,240
Transfers in	3,113,852	5,737,130	13,651,584	-	22,502,566
Transfers out	(19,388,714)	-	-	(3,113,852)	(22,502,566)
Total other financing sources (uses)	(16,274,862)	29,849,370	13,651,584	(3,113,852)	24,112,240
Net change in fund balances	9,671,628	11,220,508	-	(481,044)	20,411,092
Fund balances, beginning	82,368,412	(1,547,922)	-	3,938,275	84,758,765
Fund balances, ending	\$ 92,040,040	\$ 9,672,586	\$ -	\$ 3,457,231	\$ 105,169,857

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, 2023

Net change in fund balances, governmental funds	\$ 20,411,092
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	10,986,557
Depreciation expense	(6,256,842)
Loss on the disposal of capital assets	(51,354)
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.	672,160
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.	10,869,332
Bond proceeds provide current financial resources to governmental funds. However, issuing debt increases long-term liabilities in the Statement of Net Position. In the current period, bonds of this amount were issued, net of premiums, discounts, and similar items.	(24,112,240)
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.	1,251,682
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)	1,389,060
Change in post-retirement employee benefits (see Note 8)	6,306,381
Change in compensated absences	(139,585)
Change in net position of governmental activities	<u>\$ 21,326,243</u>

WORCESTER COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes	\$ 207,648,544	\$ 207,648,544	\$ 219,283,124	\$ 11,634,580
Licenses and permits	2,500,231	2,500,231	2,828,232	328,001
Intergovernmental	7,274,623	7,274,623	17,104,071	9,829,448
Charges for services	1,527,455	1,527,455	1,779,208	251,753
Miscellaneous	679,286	679,286	5,727,814	5,048,528
Total revenues	219,630,139	219,630,139	246,722,449	27,092,310
EXPENDITURES:				
General government	21,161,806	21,161,806	26,859,725	(5,697,919)
Public safety	40,674,219	40,814,219	42,468,417	(1,654,198)
Public works	10,136,389	10,136,389	9,196,350	940,039
Health and hospitals	6,385,929	6,385,929	6,063,809	322,120
Social services	1,855,554	1,855,554	1,939,702	(84,148)
Education	112,226,988	112,226,988	112,522,485	(295,497)
Libraries, recreation, parks, and culture	8,447,270	8,447,270	7,838,265	609,005
Conservation of natural resources	855,167	855,167	821,826	33,341
Economic development	1,972,089	1,972,089	2,986,476	(1,014,387)
Intergovernmental	9,553,024	9,553,024	10,078,904	(525,880)
Total expenditures	213,268,435	213,408,435	220,775,959	(7,367,524)
Excess of revenues over expenditures	6,361,704	6,221,704	25,946,490	19,724,786
OTHER FINANCING SOURCES (USES):				
Transfers in	7,286,639	7,426,639	3,113,852	4,312,787
Transfers out	(13,648,343)	(13,648,343)	(19,388,714)	5,740,371
Total other financing uses	(6,361,704)	(6,221,704)	(16,274,862)	10,053,158
Net change in fund balance	\$ -	\$ -	9,671,628	\$ 9,671,628
Fund balance, beginning			82,368,412	
Fund balance, ending			<u>\$ 92,040,040</u>	



WORCESTER COUNTY, MARYLAND
STATEMENT OF NET POSITION
BUSINESS-TYPE ACTIVITIES
June 30, 2023

	Department of <u>Solid Waste</u>	Department of <u>Water and Wastewater</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and short-term investments	\$ 11,322,679	\$ 16,997,097	\$ 28,319,776
Accounts receivable	181,149	5,573,975	5,755,124
Due from other funds	40,052	2,152	42,204
Total current assets	11,543,880	22,573,224	34,117,104
Noncurrent assets:			
Capital assets:			
Land, land rights and improvements	1,226,989	114,883	1,341,872
Construction-in-progress	21,230	346,310	367,540
Buildings and building improvements	429,570	-	429,570
Improvements other than buildings	42,199,768	-	42,199,768
Water and sewer systems	-	119,665,687	119,665,687
Machinery and equipment	6,502,700	6,531,081	13,033,781
	50,380,257	126,657,961	177,038,218
Less: accumulated depreciation	(38,231,459)	(62,424,869)	(100,656,328)
	12,148,798	64,233,092	76,381,890
Other assets:			
Long-term debt service receivable	-	18,865,712	18,865,712
Total noncurrent assets	12,148,798	83,098,804	95,247,602
Total assets	\$ 23,692,678	\$ 105,672,028	\$ 129,364,706

	Department of <u>Solid Waste</u>	Department of <u>Water and Wastewater</u>	<u>Total</u>
LIABILITIES			
Current liabilities:			
Accounts payable and accrued expenses	\$ 246,899	\$ 597,079	\$ 843,978
Bonds and notes payable - current	339,233	1,367,129	1,706,362
Leases payable - current	288,971	-	288,971
Landfill - closure and postclosure costs	18,361,062	-	18,361,062
Accrued bond interest payable	46,125	217,088	263,213
Total current liabilities	19,282,290	2,181,296	21,463,586
Noncurrent liabilities:			
Unearned revenues	-	20,039,750	20,039,750
Compensated absences	29,149	186,072	215,221
Bonds and notes payable	3,861,690	20,488,094	24,349,784
Leases payable	755,470	-	755,470
Due to other funds	-	2,825,938	2,825,938
Total noncurrent liabilities	4,646,309	43,539,854	48,186,163
Total liabilities	23,928,599	45,721,150	69,649,749
NET POSITION (DEFICIT)			
Net investment in capital assets	6,903,434	42,377,869	49,281,303
Unrestricted (deficit)	(7,139,355)	17,573,009	10,433,654
Total net position (deficit)	\$ (235,921)	\$ 59,950,878	\$ 59,714,957

WORCESTER COUNTY, MARYLAND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
BUSINESS-TYPE ACTIVITIES
Year Ended June 30, 2023

	Department of <u>Solid Waste</u>	Department of <u>Water and Wastewater</u>	<u>Total</u>
OPERATING REVENUES:			
Domestic charges	\$ -	\$ 10,877,590	\$ 10,877,590
Commercial charges	-	1,049,590	1,049,590
Hook-up charges	-	310,625	310,625
Future capital development	-	212,400	212,400
Interest and penalties on overdue accounts	1,306	149,698	151,004
Additional assessments	-	527,997	527,997
Payments by developers	-	7,967	7,967
Other revenue	55,448	2,297,176	2,352,624
Interfund charges	373,482	-	373,482
Debt service revenue	-	1,913,404	1,913,404
White Horse Park revenue	-	271,560	271,560
Stump, yard waste, and mulch revenue	58,606	-	58,606
Licenses and permits	3,540	-	3,540
Tipping fees	5,132,170	-	5,132,170
Total operating revenues	5,624,552	17,618,007	23,242,559
Total operating expenses	3,532,623	14,724,240	18,256,863
Operating income before depreciation and general expenses	2,091,929	2,893,767	4,985,696
Depreciation and general expenses	1,900,701	3,766,263	5,666,964
Operating income (loss)	191,228	(872,496)	(681,268)
NONOPERATING REVENUES (EXPENSES):			
Interest on investments	331,196	338,501	669,697
Operating grants	-	31,500	31,500
Interest expense	(210,308)	(639,160)	(849,468)
Sale of capital assets	-	7,369	7,369
Total nonoperating revenues (expenses)	120,888	(261,790)	(140,902)
Change in net position	312,116	(1,134,286)	(822,170)
Net position (deficit), beginning	(548,037)	61,085,164	60,537,127
Net position (deficit), ending	\$ (235,921)	\$ 59,950,878	\$ 59,714,957

WORCESTER COUNTY, MARYLAND
STATEMENT OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES
Year Ended June 30, 2023

	Department of Solid Waste	Department of Water and Wastewater	Total
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received for services	\$ 5,227,829	\$ 14,839,792	\$ 20,067,621
Cash received from other revenues	56,754	2,297,176	2,353,930
Cash received for future capital development	-	212,400	212,400
Cash received for interfund charges	373,482	-	373,482
Cash payments to employees	(869,510)	(4,179,550)	(5,049,060)
Cash payments for fringe benefits	(406,783)	(2,012,935)	(2,419,718)
Cash payments for materials, supplies, and services	(1,634,053)	(9,018,192)	(10,652,245)
Net cash provided by operating activities	2,747,719	2,138,691	4,886,410
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Purchases of property and equipment	(21,230)	(1,195,773)	(1,217,003)
Proceeds from sales of property and equipment	-	9,140	9,140
Principal paid on lease obligations	(525,912)	-	(525,912)
Principal paid on bonds, lines of credit, and notes	(321,694)	(1,179,347)	(1,501,041)
Proceeds from long term debt	-	4,614,604	4,614,604
Interest paid on lease obligations	(47,158)	-	(47,158)
Interest paid on bonds, lines of credit, and notes	(163,150)	(639,160)	(802,310)
Net cash used by capital and related financing activities	(1,079,144)	1,609,464	530,320
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Cash received for operating grants	-	31,500	31,500
Advances from other funds	154,013	1,792,338	1,946,351
Net cash provided by noncapital financing activities	154,013	1,823,838	1,977,851
CASH FLOWS FROM INVESTING ACTIVITIES:			
Interest on investments	331,196	338,501	669,697
Net cash provided by investing activities	331,196	338,501	669,697
Net increase in cash and short-term investments	2,153,784	5,910,494	8,064,278
Cash and short-term investments, beginning	9,168,895	11,086,603	20,255,498
Cash and short-term investments, ending	\$ 11,322,679	\$ 16,997,097	\$ 28,319,776

WORCESTER COUNTY, MARYLAND
STATEMENT OF CASH FLOWS
BUSINESS-TYPE ACTIVITIES
Year Ended June 30, 2023
(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 income	\$ 191,228	\$ (872,496)	\$ (681,268)
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	1,900,701	3,766,263	5,666,964
Changes in assets and liabilities:			
Accounts receivable	33,513	(3,501,842)	(3,468,329)
Accounts payable and accrued expenses	620,421	(493,813)	126,608
Unearned revenue	-	3,233,203	3,233,203
Compensated absences	1,856	7,376	9,232
Net cash provided by operating activities	\$ 2,747,719	\$ 2,138,691	\$ 4,886,410

WORCESTER COUNTY, MARYLAND
STATEMENT OF NET POSITION
FIDUCIARY FUNDS
June 30, 2023

	Public Drainage <u>Associations</u>	Other Post- Employment Benefits <u>Trust</u>	Custodial <u>Funds</u>
ASSETS			
Cash and short-term investments	\$ 630,901	\$ 3,440,522	\$ 2,673,397
Trust investments:			
Money market funds	-	3,739,983	-
MLGIP	-	440,753	-
Fixed income securities	-	30,699,272	-
Equities securities	-	36,614,939	-
Taxes receivable	-	-	1,299,143
Special assessments receivable	5,825	-	-
Due from other funds	394	-	11,151
Total assets	637,120	74,935,469	3,983,691
LIABILITIES			
Accounts payable	-	-	1,601,007
Unearned revenue	-	-	284,753
Due to other governments	-	-	1,573,709
Total liabilities	-	-	3,459,469
NET POSITION			
Fiduciary net position held for others	637,120	-	524,222
Fiduciary net position held for other post-employment benefits	-	74,935,469	-
Total net position	\$ 637,120	\$ 74,935,469	\$ 524,222

WORCESTER COUNTY, MARYLAND
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUNDS
Year Ended June 30, 2023

	<u>Public Drainage Associations</u>	<u>Other Post- Employment Benefits Trust</u>	<u>Custodial Funds</u>
ADDITIONS:			
Contributions:			
Special assessments	\$ 116,952	\$ -	\$ -
Collections for other governments	10,000	-	99,536,412
Grant funding	-	-	297,796
Employer contributions	-	2,246,219	-
Plan member contributions	-	84,645	-
Other	20,119	-	805,275
Total contributions	147,071	2,330,864	100,639,483
Investment earnings:			
Interest	2,959	130,829	2,054
Net increase in fair value of investments	-	4,567,533	-
Total investment earnings	2,959	4,698,362	2,054
Total additions	150,030	7,029,226	100,641,537
DEDUCTIONS:			
Ditch maintenance	124,440	-	-
Claims incurred	-	2,357,938	-
Payments to other governments	-	-	99,925,575
Other	191	4,000	558,195
Total deductions	124,631	2,361,938	100,483,770
 Change in net position	 25,399	 4,667,288	 157,767
 Net position, beginning	 611,721	 70,268,181	 366,455
Net position, ending	\$ 637,120	\$ 74,935,469	\$ 524,222

NOTES TO FINANCIAL STATEMENTS

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

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, 2023

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, 2023

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, and the Opioid Restitution 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, and the Seized Funds Pending Forfeiture 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, 2023

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, 2023

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. 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, 2023

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, 2023. 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, 2023

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. Inventory

Inventory held for resale is stated at the lower of cost (first in, first out) or market.

L. 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, 2023

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

M. 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.”

N. 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.

O. 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. 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, 2023

Note 2. Summary of Significant Accounting Policies (continued)

P. 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.

Q. 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 \$27,246,814 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.

R. 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, 2023

Note 2. Summary of Significant Accounting Policies (continued)

S. 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.

T. 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.

U. New Accounting Policies

The County adopted Government Accounting Standards Board's Statement No. 96, *Subscription-Based Information Technology Arrangements*, at July 1, 2022. This statement's objective is to better meet the information needs of financial statement users by improving accounting and financial reporting for subscription-based information technology arrangements. The Statement increases the usefulness of the financial statements by requiring the recognition of certain subscription-based assets and liabilities. It additionally requires disclosure of essential information about those arrangements. The County did not have any arrangements that met the definition of a right-to-use subscription-based information technology arrangement at June 30, 2023.

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, 2023, Worcester County had deposits with financial institutions totaling \$21,284,524 (with a carrying value of \$19,380,539). 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, 2023 and, therefore, have no custodial risk associated with them.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

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, 2023, the County had investments of \$123,545,674 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, 2023, 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, 2023, measured at fair value, were as follows:

	1 Year	1-5 Years	Over 5 Years	Total	Rate
MLGIP	\$ 440,753	\$ -	\$ -	\$ 440,753	5.07%
M&T Investments:					
Money Market	3,739,983	-	-	3,739,983	0.01%
Fixed Income:					
U.S. Treasury	787,378	3,402,921	2,349,553	6,539,852	0.50% - 3.625%
U.S. Government Agency	2,664	391,774	3,842,797	4,237,235	0.360% - 5.50%
Other Fixed Income	606,094	1,640,010	17,676,081	19,922,185	0.40% - 6.20%
Equities	36,614,939	-	-	36,614,939	N/A
Total	\$42,191,811	\$5,434,705	\$23,868,431	\$71,494,947	

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, 2023

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

The County has the following recurring fair value measurements as of June 30, 2023:

- 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	\$ 1,685
Carrying amount of deposits	19,380,539
Money market funds	3,739,983
Fixed income securities	30,699,272
Equities securities	36,614,939
MLGIP	123,545,674
Less: cash and investments recorded within fiduciary funds	(78,239,767)
Total	\$135,742,325

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, 2023, 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, 2023

Note 4. Interfund Balances and Transfers (continued)

Interfund balances at June 30, 2023 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)	\$ -	\$ (42,204)
Department of Water and Wastewater (payroll and shared expenses)	2,825,938	-
Total due from (to) enterprise funds	2,825,938	(42,204)
Other funds:		
Energy Service Fund (funds held on behalf of)	-	(212,429)
Capital Projects Fund (reimbursement between funds)	6,180,153	-
Casino Fund (reimbursement between funds)	-	(887,852)
Opioid Restitution Fund (funds held on behalf of)	-	(177,575)
Public Drainage Association (June collections paid in July)	-	(394)
Total due from (to) other funds	6,180,153	(1,278,250)
Total General Fund due from (to) other funds	9,006,091	(1,320,454)
Other governmental funds:		
General Fund	1,277,856	-
Fiduciary funds	394	-
Capital Projects Fund:		
General Fund	-	(6,180,153)
Enterprise funds:		
General Fund	-	(2,783,734)
	\$ 10,284,341	\$ (10,284,341)

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 4. Interfund Balances and Transfers (continued)

Interfund transfer activity for the year ended June 30, 2023 consisted of the following individual amounts:

	Transfers In	Transfers Out
General Fund:		
Capital Projects Fund	\$ -	\$ (5,737,130)
Debt Service Fund	-	(13,651,584)
Casino Fund	(3,113,852)	-
Capital Projects Fund:		
General Fund	(5,737,130)	-
Debt Service Fund:		
General Fund	(13,651,584)	-
Casino Fund:		
General Fund	-	(3,113,852)
	<u>\$ (22,502,566)</u>	<u>\$ (22,502,566)</u>

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, 2023

Note 5. Capital Assets

Capital asset activity for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Additions	Transfers and Reductions	Balance June 30, 2023
Primary government:				
Governmental activities:				
Nondepreciable capital assets:				
Land and improvements	\$ 15,631,638	\$ -	\$ -	\$ 15,631,638
Construction-in-progress	3,075,301	7,157,658	(2,251,319)	7,981,640
Total nondepreciable capital assets	18,706,939	7,157,658	(2,251,319)	23,613,278
Depreciable capital assets:				
Building and building improvements	98,396,847	-	1,663,460	100,060,307
Improvements other than buildings	14,883,901	1,577,498	214,319	16,675,718
Machinery and equipment	35,384,837	2,078,411	80,345	37,543,593
Infrastructure	112,929,376	172,990	-	113,102,366
Total depreciable capital assets	261,594,961	3,828,899	1,958,124	267,381,984
Less accumulated depreciation for:				
Buildings and building improvements	(40,220,719)	(2,630,742)	58,294	(42,793,167)
Improvements other than buildings	(8,764,968)	(558,121)	7,253	(9,315,836)
Machinery and equipment	(29,302,719)	(2,602,504)	176,294	(31,728,929)
Infrastructure	(107,174,471)	(465,475)	-	(107,639,946)
Total accumulated depreciation	(185,462,877)	(6,256,842)	241,841	(191,477,878)
Total depreciable capital assets, net	76,132,084	(2,427,943)	2,199,965	75,904,106
Governmental activities capital assets, net	\$ 94,839,023	\$ 4,729,715	\$ (51,354)	\$ 99,517,384

Depreciation expense was charged to governmental functions as follows:

General government	\$ 777,095
Public safety	2,993,354
Public works	1,084,007
Health and hospitals	459,163
Libraries, recreation and culture	940,447
Economic development	2,776
Total depreciation expense	\$6,256,842

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 5. Capital Assets (continued)

Capital asset activity for the enterprise funds for the year ended June 30, 2023 was as follows:

	Balance June 30, 2022	Additions	Transfers and Reductions	Balance June 30, 2023
Business-type activities:				
Nondepreciable capital assets:				
Land, land rights and improvements	\$ 1,341,872	\$ -	\$ -	\$ 1,341,872
Construction-in-progress	402,906	299,954	(335,320)	367,540
Total nondepreciable capital assets	1,744,778	299,954	(335,320)	1,709,412
Depreciable capital assets:				
Buildings and building improvements	429,570	-	-	429,570
Improvements other than buildings	42,199,768	-	-	42,199,768
Machinery and equipment	12,936,140	235,743	(138,102)	13,033,781
Water and sewer systems	118,781,087	681,306	203,294	119,665,687
Total depreciable capital assets	174,346,565	917,049	65,192	175,328,806
Less accumulated depreciation for:				
Buildings and building improvements	(336,114)	(10,739)	-	(346,853)
Improvements other than buildings	(31,629,490)	(1,405,571)	-	(33,035,061)
Machinery and equipment	(9,208,630)	(815,934)	138,882	(9,885,682)
Water and sewer systems	(54,083,487)	(3,434,720)	129,475	(57,388,732)
Total accumulated depreciation	(95,257,721)	(5,666,964)	268,357	(100,656,328)
Total depreciable capital assets, net	79,088,844	(4,749,915)	333,549	74,672,478
Business-type activities capital assets, net	\$ 80,833,622	\$(4,449,961)	\$ (1,771)	\$ 76,381,890

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 6. Long-Term Debt

Changes in the County's long-term obligations for the year ended June 30, 2023 were as follows:

	Balance at June 30, 2022	Additions/ Transfers	Reductions/ Transfers	Balance at June 30, 2023	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	\$ 3,745,000	\$ -	\$ (290,000)	\$ 3,455,000	\$ 300,000
Consolidated Public Improvement Bonds, 2014 Series; interest at 3.25% to 5%; due semiannually to 2029	22,995,000	-	(2,860,000)	20,135,000	2,980,000
Consolidated Public Improvement Bonds, 2015 Series A; interest at 3% to 5%; due semiannually to 2030	6,232,219	-	(572,098)	5,660,121	604,558
Consolidated Public Improvement Refunding Bonds, 2015 Series B; interest at 2.125% to 4%; due semiannually to 2026	8,445,000	-	(5,385,000)	3,060,000	3,060,000
Consolidated Public Improvement Bonds, 2019 Series; interest at 3% to 5%; due semiannually to 2034	30,845,000	-	(1,745,000)	29,100,000	1,830,000
Consolidated Public Improvement Bonds, 2022 Series; interest at 3.625% to 5%; due semiannually to 2037	-	22,130,000	-	22,130,000	850,000
Deferred bond premium, net	7,964,570	1,982,240	(1,251,682)	8,695,128	1,306,744
Note payable; interest at 4.09%; due monthly to 2039	389,351	-	(17,234)	372,117	17,952
	80,616,140	24,112,240	(12,121,014)	92,607,366	10,949,254
Compensated absences	2,002,977	1,803,432	(1,549,647)	2,256,762	1,015,500
Total governmental activities	\$ 82,619,117	\$ 25,915,672	\$ (13,670,661)	\$ 94,864,128	\$ 11,964,754

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 6. Long-Term Debt (continued)

	Balance at June 30, 2022	Additions/ Transfers	Reductions/ Transfers	Balance at June 30, 2023	Amount Due in One Year
Business-type activities:					
Estimated landfill closure costs	\$ 17,849,866	\$ 511,196	\$ -	\$ 18,361,062	\$ 18,361,062
General obligation bonds:					
Snug Harbor Water Quality Loan Agreement, 2007; interest at 0.4%; due semiannually to 2026	120,893	-	(31,885)	89,008	32,011
MDE Drinking Water Bond; interest at 1.1%; due semiannually to 2029	143,792	-	(19,874)	123,918	20,092
Mystic Harbour USDA note payable, 2012; interest at 2%; due quarterly to 2052	4,146,790	-	(101,926)	4,044,864	103,984
Mystic Harbour USDA note payable, 2014; interest at 2.5%; due quarterly to 2053	2,433,255	-	(51,327)	2,381,928	52,625
Mystic Harbour USDA note payable, 2016; interest at 2.25%; due quarterly to 2056	225,228	-	(4,464)	220,764	4,565
Mystic Harbour USDA note payable, 2018; interest at 2.75%; due quarterly to 2058	2,298,247	-	(38,427)	2,259,820	39,325
Consolidated Public Improvement Bonds, 2014 Series; interest at 2% to 5%; due semiannually to 2029	2,840,000	-	(355,000)	2,485,000	365,000
Consolidated Public Improvement Refunding Bonds, 2015 Series B; interest at 2.125% to 4%; due semiannually to 2026	875,000	-	(195,000)	680,000	205,000
Consolidated Public Improvement Bonds, 2015 Series A; interest at 3% to 5%; due semiannually to 2030	2,317,781	-	(212,903)	2,104,878	225,443
Consolidated Public Improvement Bonds, 2019 Series; interest at 3% to 5%; due semiannually to 2034	5,150,000	-	(290,000)	4,860,000	305,000
Mystic Harbour USDA note payable, 2020; interest at 1.50%; due quarterly to 2060	164,484	-	(3,219)	161,265	3,261

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 6. Long-Term Debt (continued)

	Balance at June 30, 2022	Additions/ Transfers	Reductions/ Transfers	Balance at June 30, 2023	Amount Due in One Year
MDE Water Quality Bond; interest at 0.40%; due semiannually to 2051	1,013,861	-	(55,679)	958,182	33,174
Consolidated Public Improvement Bonds, 2022 Series; interest at 3.625% to 5%; due semiannually to 2037	-	4,235,000	-	4,235,000	165,000
Deferred bond premium, net	1,213,252	379,604	(141,337)	1,451,519	151,882
Financed purchases payable	1,570,353	-	(525,912)	1,044,441	288,971
	42,362,802	5,125,800	(2,026,953)	45,461,649	20,356,395
Compensated absences	374,524	268,761	(251,975)	391,310	176,090
Total business-type activities	\$ 42,737,326	\$ 5,394,561	\$ (2,278,928)	\$ 45,852,959	\$ 20,532,485

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, 2023

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, 2023

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; deferred bond premiums; notes payable; 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>
2024	\$ 9,624,558	\$ 3,569,962	\$ 13,194,520
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
2029-2033	28,189,910	5,939,054	34,128,964
2034-2038	15,305,000	1,194,550	16,499,550
Total	\$ 83,540,121	\$ 20,774,124	\$ 104,314,245

Business-Type Activities

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 1,554,480	\$ 838,223	\$ 2,392,703
2025	1,646,412	739,088	2,385,500
2026	1,716,818	672,254	2,389,072
2027	1,590,707	611,640	2,202,347
2028	1,602,523	553,903	2,156,426
2029-2033	6,292,830	1,943,215	8,236,045
2034-2038	4,289,311	965,374	5,254,685
2039-2043	1,679,991	576,747	2,256,738
2044-2048	1,865,733	391,005	2,256,738
2049-2053	1,791,329	179,082	1,970,411
2054-2058	562,370	35,575	597,945
2059-2061	12,123	222	12,345
Total	\$ 24,604,627	\$ 7,506,328	\$ 32,110,955

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 6. Long-Term Debt (continued)

The County's future annual debt service requirements on notes payable for governmental activities at June 30, 2023, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 17,952	\$ 14,886	\$ 32,838
2025	18,700	14,137	32,837
2026	19,479	13,358	32,837
2027	20,291	12,546	32,837
2028	21,137	11,701	32,838
2029-2033	119,654	44,533	164,187
2034-2038	146,754	17,433	164,187
2039	8,150	58	8,208
Total	\$ 372,117	\$ 128,652	\$ 500,769

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	\$3,266,086
Less: accumulated depreciation	(1,734,222)
Total	\$1,531,864

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

Business-Type Activities

<u>Year Ending June 30,</u>	
2024	\$ 320,808
2025	320,808
2026	273,163
2027	196,307
2028	-
	1,111,086
Less: amount representing interest	(66,645)
Present value of future minimum financed purchase payments	\$1,044,441

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

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, 2023

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, 2023

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. Beginning July 1, 2013, the member contribution rate was increased for members of the Judges' Retirement System from 6% to 8%.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

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 2020 are as follows:

Service Retirement Allowances

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

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

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

Exceptions to these benefit formulas apply to members of the Employees' Pension System, who are employed by a participating governmental unit that does not provide the 1998 or 2006 enhanced pension benefits or the 2011 reformed pension benefits. The pension allowance for 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.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 7. Pension Plans (continued)

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).

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, 2023

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.

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, 2023

Note 7. Pension Plans (continued)

Actuarial Assumptions

The total pension liability in the June 30, 2022 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; 16 years remaining
Asset Valuation Method	Five-year smoothed fair value (max. 120% and min 80% of the fair value)
Inflation	In the 2022 actuarial valuation, 2.25% general, 2.75% wage
Salary Increases	In the 2022 actuarial valuation, 2.75% to 11.25%
Investment Rate of Return	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

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, 2022, these best estimates are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public Equity	34%	6.0%
Private Equity	16%	8.4%
Rate Sensitive	21%	1.2%
Credit Opportunity	8%	4.9%
Real Assets	14%	5.2%
Absolute Return	7%	3.5%
Total	100%	

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

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, 2022.

For the year ended June 30, 2022, the annual money-weighted rate of return on pension plan investments, net of the pension plan investment expense, was (2.97%). 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	\$ 49,581,261	\$ 32,314,849	\$ 17,987,729
Board of Education	8,728,976	5,689,156	3,166,810

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, 2023, was \$3,372,638. In addition, the State of Maryland contributed \$6,533,892 on behalf of the BOE. The BOE has recognized the State on-behalf payments as both a revenue and expense.

During fiscal year 2023, the BOE reported expense of \$689,670 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, 2023

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, 2023, 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)	\$ 5,689,156
State's proportionate share of the net pension liability (Teachers' Systems)	61,750,441
Total	\$ 67,439,597

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The 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, 2022, 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, 2022, under the GASB No. 67 requirements.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 7. Pension Plans (continued)

At June 30, 2023, 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	0.0284336%	0.1615053%
Employer's proportionate share of the collective net pension liability	\$ 5,689,156	\$32,314,849
Pension expense recognized in the government wide financial statements	\$ 3,855,426	\$ 2,874,175
Pension expense recognized in the government fund financial statements	\$ 4,062,308	\$ 4,263,236
Deferred inflows of resources:		
Difference between expected and actual experience	\$ 406,162	\$ 2,307,030
Net difference between projected and actual earnings on pension plan investments	17,230	97,867
Change in assumptions	57,339	325,689
<u>Total deferred inflows of resources</u>	<u>\$ 480,731</u>	<u>\$ 2,730,586</u>
Deferred outflows of resources:		
Changes in assumptions	\$ 634,295	\$ 3,602,845
Change in proportion and share of contributions	372,606	2,716,653
Year ended June 30, 2023 contributions	689,670	4,263,236
<u>Total deferred outflows of resources</u>	<u>\$ 1,696,571</u>	<u>\$10,582,734</u>
Net pension liability June 30, 2022	\$ 4,248,653	\$23,568,845
Change in net pension liability factored for contributions	1,440,503	8,746,004
<u>Net pension liability June 30, 2023</u>	<u>\$ 5,689,156</u>	<u>\$32,314,849</u>

The \$689,670 and \$4,263,236 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, 2023

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
2024	\$ 466,841
2025	485,270
2026	495
2027	2,689,992
2028	(53,686)
<u>Total</u>	<u>\$ 3,588,912</u>

Board of Education

Year Ended June 30,	Net Deferred (Inflows) Outflows
2024	\$ 58,969
2025	62,213
2026	(23,133)
2027	449,697
2028	(21,576)
<u>Total</u>	<u>\$ 526,170</u>

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	\$ 39,466,962	\$ 29,520,802	\$ -
Board of Education	85,752,890	77,576,027	6,533,892
Library	2,028,732	1,898,674	290,307

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, 2023

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, 2022, 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	407
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	476
	883

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, 2023

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, 2023, the OPEB Trust paid for coverage of 407 retirees at a total cost, net of retiree contributions, of approximately \$2,357,938. 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, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2021.

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 2022, decreasing .07% per year to an ultimate rate of 4.50% for fiscal year 2037 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, 2023

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	<u>100%</u>	

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 2022 through 2037.

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, 2023

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, 2023:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balances at 6/30/2022	\$ 56,922,130	\$ 70,268,181	\$ (13,346,051)
Changes for the year:			
Service cost	1,677,058	-	1,677,058
Interest cost	3,876,385	-	3,876,385
Differences between expected and actual experience	-	(383,766)	383,766
Changes of assumptions and other inputs	-	-	-
Contributions - employer	-	2,246,219	(2,246,219)
Contributions - non-employer contributing entities	-	84,645	(84,645)
Net investment income	-	4,698,362	(4,698,362)
Benefit payments	(3,090,425)	(2,357,938)	(732,487)
Administrative expense	-	(4,000)	4,000
Other changes	-	383,766	(383,766)
Net changes	2,463,018	4,667,288	(2,204,270)
Balances at 6/30/2023	\$ 59,385,148	\$ 74,935,469	\$ (15,550,321)

Funding Status and Funding Progress

As of July 1, 2021, the most recent actuarial valuation date, the total OPEB liability for benefits was \$59,385,148, with \$74,935,469 in plan Fiduciary net position, resulting in a prepaid asset of \$15,550,321. The ratio of plan Fiduciary net position to the total OPEB liability was 126.19%. The covered employee payroll was \$27,882,951, and the ratio of the net OPEB liability/(asset) to the covered payroll was (55.77)%.

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, 2023

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, 2023 measurement date for fiscal year-end 2023. 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:

	<u>Discount Rate</u>	<u>Net OPEB Liability</u>
1% decrease	6.00%	\$ (7,958,470)
Current discount Rate	7.00%	\$ (15,550,321)
1% increase	8.00%	\$ (21,793,399)

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:

	<u>Health Care Cost Trend Rate</u>	<u>Net OPEB Liability</u>
1% decrease	4.50% decreasing to 3.50%	\$ (22,523,971)
Current discount Rate	5.50% decreasing to 4.50%	\$ (15,550,321)
1% increase	6.50% decreasing to 5.50%	\$ (6,926,050)

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

For the fiscal year ended June 30, 2023, the County recognized an OPEB benefit of \$4,060,162 on the government-wide statements. At June 30, 2023, the County 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	\$ -	\$ 27,134,753
Changes of assumptions	2,689,765	1,250,470
Net difference between projected and actual earnings	6,094,896	-
Total	<u>\$ 8,784,661</u>	<u>\$ 28,385,223</u>

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

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
2024	\$ (3,872,723)
2025	(4,431,892)
2026	(1,927,453)
2027	(4,715,731)
2028	(4,652,763)
Thereafter	-
Total	<u>\$ (19,600,562)</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, 2023

Note 8. Other Post-Employment Benefits (continued)

As of July 1, 2021, the date of the last actuarial valuation, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	931
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	938
	<u>1,869</u>

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, 2023, the OPEB Trust paid for coverage of approximately 931 retirees at a total cost of approximately \$5,000,000. For the year ended June 30, 2023, Worcester County Commissioners funded the trust in the amount of \$8,984,877 to fund future benefits and the Board funded the trust in the amount of \$3,148,262 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, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation date of July 1, 2021.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

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	5.172%
Healthcare cost trend rates	5.43% for fiscal year 2023, decreasing .0667% per year to an ultimate rate of 4.50% for fiscal year 2037 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 2022

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 5.172% for Fiscal Year 2023. This rate was changed from 4.646% used in Fiscal Year 2022. 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, 2023 of 4.13%.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

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 2022 through 2037.

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, 2023:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at 6/30/2022	\$ 176,995,976	\$ 25,833,970	\$ 151,162,006
Changes for the year:			
Service cost	9,664,444	-	9,664,444
Interest cost	8,076,558	-	8,076,558
Differences between expected and actual experience	-	(325,374)	325,374
Changes of assumptions and other inputs	(13,482,824)	-	(13,482,824)
Contributions - County and othe	-	8,984,877	(8,984,877)
Contributions - Board	-	3,148,262	(3,148,262)
Net investment income	-	1,815,121	(1,815,121)
Implicit rate subsidy	-	-	-
Benefit payments	(6,303,559)	(4,455,198)	(1,848,361)
Administrative expense	-	(4,000)	4,000
Other changes	-	325,376	(325,376)
Net changes	(2,045,381)	9,489,064	(11,534,445)
Balances at 6/30/2023	\$ 174,950,595	\$ 35,323,034	\$ 139,627,561

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 8. Other Post-Employment Benefits (continued)

Funding Status and Funding Progress

As of July 1, 2021, the most recent actuarial valuation date, the total OPEB liability for benefits was \$174,950,595, with \$35,323,034 in plan Fiduciary net position, resulting in an unfunded OPEB liability of \$139,627,561. The ratio of plan Fiduciary net position to the total OPEB liability was 20.19%. The covered employee payroll was \$61,520,779, and the ratio of the net OPEB liability to the covered payroll was 226.96%.

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, 2023 measurement date for fiscal year-end 2023. 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	4.172%	\$ 166,701,493
Current Discount Rate	5.172%	\$ 139,627,561
1% increase	6.172%	\$ 117,843,538

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

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	4.43% decreasing to 3.43%	\$ 114,367,129
Current discount Rate	5.43% decreasing to 4.43%	\$ 139,627,561
1% increase	6.43% decreasing to 5.43%	\$ 172,022,622

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

For the fiscal year ended June 30, 2023, the Board recognized an OPEB credit of \$21,703,978 on the government-wide statements. At June 30, 2023, 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	\$ -	\$ 168,281,175
Changes of assumptions	42,755,641	74,262,294
Net difference between projected and actual earnings on OPEB Plan Investments	2,436,019	-
Total	<u>\$ 45,191,660</u>	<u>\$ 242,543,469</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>	
2024	\$ (34,742,478)
2025	(34,295,067)
2026	(37,864,967)
2027	(44,582,751)
2028	(44,548,103)
Thereafter	(1,318,443)
	<u>\$ (197,351,809)</u>

Changes in assumptions in the most recent actuarial valuation included the discount rate (an increase from 4.646% to 5.172%).

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

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.

Enterprise Fund

In April 2022 the County contracted with EA Engineering, of Ocean Pines MD, for engineering services for the Lewis Store Road Gravity Sewer and Pump Station Design Project. Total services will cost \$217,657 plus expenses and will be paid via a USDA loan and quarterly user debt service charges.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 11. Commitments and Contingencies (continued)

General Fund

In December 2022 the County entered into a contract with Coastline Design PC, of Achilles VA, to provide construction inspection services for the Coastal Resiliency and Living Shoreline Project at Selsey Road. The project is estimated to cost \$30,500.

In April 2023 the County contracted with H2I Group, of Columbia MD, for the purchase and installation of 8 sets of Air Lift bleachers at the County Recreation Center in Snow Hill. The materials, freight, and installation is estimated to cost \$346,912.

In June 2023 the County contracted with Absolute Security, of Salisbury MD, for the installation of a video surveillance system at the County Jail. The total project cost is estimated at \$406,876.

In January 2023 the County entered into a contract with Atlantic Pumping, Inc. for the provision of portable toilets to various County facilities and sites. The total estimated cost for this service is \$32,192.

In August 2023 the county contracted with D.W. Burt Construction of Salisbury MD for the construction of a concrete pad at the Bishopville Recycling Center. The total estimated cost of the work is \$48,878.

In October 2022 the County contracted with IronShore Contracting, of Baltimore MD, for the installation of a new roof on the County Courthouse in Snow Hill. The total estimated cost of the work is estimated at \$168,750.

In October 2022 the County contracted with Mike Houck Construction, LLC for a parking lot re-surfacing project at the Snow Hill Health Department. The total estimated cost of the project is \$96,258.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

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, 2023 are summarized as follows:

Assigned for:

Bank Street restroom, HVAC and roof improvements	\$ 75,000
Berlin Health Department roof coating	230,000
Board of Education maintenance (boom lift, custodian equipment)	80,127
Board of Education admin building (paving)	50,000
Board of Education admin building (windows/renovations)	100,852
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)	548,295
Board of Education OPEB transfer (FY23 reconciliation)	1,839,569
Board of Education PES roof	1,163,000
Board of Education playground upgrades	227,198
Board of Education PMS evening program	85,049
Board of Education Pocomoke Elementary intercom	75,000
Board of Education Pocomoke Elementary rooftop units	1,200,000
Board of Education roof repairs (BIS, SDHS, WT)	175,000
Board of Education security cameras (WTHS, SHHS, PHS, OCES)	56,726
Board of Education SHMS/CCSS roof	2,234,126
Broadband projects	1,000,000
Building HVAC - Berlin Dental Clinic HVAC upgrades	37,500
Building HVAC - Ocean City Senior Center HVAC upgrades	155,000
Building HVAC & BAS upgrades (various buildings)	300,000
Building improvements - Berlin & Ocean City Senior Center new flooring	28,630
Building improvements - Berlin Dental Clinic new flooring	35,000
Building improvements - Berlin Health new flooring	55,000
Building improvements - Commission on Aging walk in cooler/freezer	29,044
Building improvements - courthouse bar library renovation	50,000
Building improvements - courthouse room 4 feasibility study	100,000
Building improvements - courthouse Washington St. entrance evaluation	50,000
Building improvements - Emergency Services office renovation	32,500
Building improvements - government center metal roof evaluation	50,000
Building improvements - Ocean City Library meeting room renovation	45,000
County building repairs and improvements	450,000
County government study (needed space expansion)	1,200,000
Emergency Services - mobile generator (FY23)	135,000
Emergency Services - outdoor warning siren replacement	1,400,000
Emergency services - radio coverage enhancement	870,000
Emergency services - WCPN North hub	51,653
Emergency Services tower shelter A/C units + UPS units	81,770
Encumbrances (FY23 unspent funds to be spent FY24)	1,473,706
Financial software upgrade - Tyler/Munis merger	500,000
Fire alarm system upgrades	100,000

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 12. Assigned Fund Balance (continued)

Fire marshal replacement vehicle not received in FY23	63,000
Fire tower/training center upgrades/expansion	1,700,000
Isle of Wight building renovation	500,000
IT - County wide camera upgrade/replacement	500,000
Jail - padded cell wing	500,000
Jail building improvements and repairs (fuel conversion FY24)	174,944
North end Public Works building	531,430
Ocean City Inlet navigation improvement project	637,744
Ocean City Library parking lot improvements	100,000
Ocean Pines Library improvements (circulation and desk replacement)	35,000
Ocean Pines Library sprinkler system	18,000
Other Post Employment Benefit transfer (FY23 reconciliation)	459,892
Parking lot improvements 110 Wash	339,634
Parking lot upgrades/resurfacing (annually to complete)	200,000
Pocomoke Health Department building upgrades	500,000
Pocomoke Library (new)	4,222,159
Public Safety logistical storage engineering/design	39,092
Public Works fuel facility (Ocean Pines)	350,000
Public Works generator not received in FY23	200,000
Public Works storage building concrete floor & door operator	41,050
Radio system IT refresh	2,000,000
Recreation Center building HVAC improvement	1,386,000
Recycle & Home Owner Convenience upgrade - Berlin, Bishopville, and Ridd	650,000
Reserve Fund request to increase from 12% to 15%	7,076,706
Reserve Fund transfer FY24 (July 2023)	1,060,014
Roads - Cove Landing Road crossroad pipe replacement	420,000
Roads Department paving projects	1,551,752
Roads fence at Berlin shop/Pocomoke shop	54,000
Snow Hill Health Department (flooring replacement)	345,000
Snow Hill Health Department (storage study)	125,000
Snow Hill Library building improvements (HVAC, plumbing, electrical)	2,545,000
Snow Hill Senior Center HVAC	150,000
Snow Hill transmitter building (replacement)	615,000
Strategic highway safety plan	70,000
Water wastewater service area consolidation	1,060,014
West Ocean City harbor - ice vending machine	212,700
Wor-Wic applied technology building	225,105
Total	\$47,477,981

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

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.
- 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 \$18,361,062 in estimated landfill closure and post-closure care liabilities at June 30, 2023 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 state-of-the-art 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, has a permitted life span of 40 years and includes eight landfill cells. As of June 30, 2023, cells #2 and #3 are full. 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 and plans to resume mining operations in the coming years.

The County has satisfied its financial assurance requirements based upon the local government financial ratio tests as of June 30, 2022. The County expects to satisfy these requirements as of June 30, 2023 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, 2023

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, 2023 was \$290,307 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, 2023

Note 16. Component Units

The Board of Education of Worcester County

Cash and Short-Term Investments

At June 30, 2023, the Board of Education (BOE) had deposits of \$10,944,082 (carrying value \$15,379,479), 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, 2023 was as follows:

	Balance June 30, 2022	Additions	Transfers and Reductions	Balance June 30, 2023
Governmental activities:				
Nondepreciable capital assets:				
Land and improvements	\$ 1,886,779	\$ -	\$ -	\$ 1,886,779
Construction-in-progress	1,359,279	8,249,780	(9,438,692)	170,367
Total nondepreciable capital assets	3,246,058	8,249,780	(9,438,692)	2,057,146
Depreciable capital assets:				
Building and building improvements	278,036,121	2,782,858	9,438,692	290,257,671
Machinery and equipment	12,763,970	433,425	-	13,197,395
Total depreciable assets	290,800,091	3,216,283	9,438,692	303,455,066
Less accumulated depreciation for:				
Buildings and building improvements	(83,494,665)	(5,357,865)	-	(88,852,530)
Machinery and equipment	(5,378,911)	(1,827,196)	-	(7,206,107)
Total accumulated depreciation	(88,873,576)	(7,185,061)	-	(96,058,637)
Total depreciable capital assets, net	201,926,515	(3,968,778)	9,438,692	207,396,429
Intangible right-to-use assets:				
Leased equipment	1,506,981	-	-	1,506,981
Less accumulated amortiation	(790,160)	(301,396)	-	(1,091,556)
Total intangible right-to-use assets, net	716,821	(301,396)	-	415,425
Governmental activities capital assets, net	\$205,889,394	\$3,979,606	\$ -	\$209,869,000

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 16. Component Units (continued)

	Balance June 30, 2022	Additions	Transfers and Reductions	Balance June 30, 2023
Business-type activities:				
Depreciable capital assets:				
Machinery, equipment and vehicles	\$ 263,141	\$ 143,692	\$ -	\$ 406,833
Less accumulated depreciation for:				
Machinery, equipment and vehicles	(250,490)	(18,233)	-	(268,723)
Total depreciable capital assets, net	12,651	125,459	-	138,110
Business-type activities capital assets, net	\$ 12,651	\$ 125,459	\$ -	\$ 138,110

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 \$32,000 per year and will expire during fiscal years 2026 and 2027. 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 \$293,000 in fiscal year 2023, then decrease to approximately \$206,000, \$119,000 and \$30,000 in fiscal years 2024, 2025 and 2026, respectively. These leases will expire during 2024 and 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%.

Long-Term Debt

The following is a summary of long-term debt transactions of the BOE for the year ended June 30, 2023:

	Balance July 1, 2022	Additions	Reductions	Balance June 30, 2023
Net OPEB liability	\$151,162,006	\$ -	\$ (11,534,445)	\$139,627,561
Net pension liability	4,248,653	1,440,503	-	5,689,156
Financed purchases	6,041,485	-	(1,636,419)	4,405,066
Intangible right-to-use leases	740,131	-	(305,139)	434,992
Long-term portion of accrued compensated absences	861,722	13,337	(48,794)	826,265
	\$163,053,997	\$1,453,840	\$ (13,524,797)	\$150,983,040

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 16. Component Units (continued)

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, 2023, the BOE's OPEB Trust paid for coverage of approximately 931 retirees at a total cost of approximately \$5,000,000. For the year ended June 30, 2023, the County contributed \$8,984,877 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 has signed contracts for the HVAC and energy management systems at various schools in the amount of \$6,312,338. These projects are intended to improve indoor air-quality at the schools.

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.

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. In July 1995, the BOE 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 boards of education in the State of Maryland. The BOE pays an annual premium to the Fund calculated based on projected payroll. The agreement with 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 boards 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 coverage limits for the three most recent fiscal years.

WORCESTER COUNTY, MARYLAND
NOTES TO FINANCIAL STATEMENTS
For the year ended June 30, 2023

Note 16. Component Units (continued)

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, 2023 was \$6,533,892 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 \$7,367,524 for the year ended June 30, 2023.

REQUIRED SUPPLEMENTARY INFORMATION

WORCESTER COUNTY, MARYLAND
MARYLAND STATE RETIREMENT AND PENSION SYSTEMS
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

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

Measurement Date	Employer's Proportion (Percentage) of the Collective NPL A	Employer's 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%

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

WORCESTER COUNTY, MARYLAND
MARYLAND STATE RETIREMENT AND PENSION SYSTEMS
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

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%

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

WORCESTER COUNTY, MARYLAND
MARYLAND STATE RETIREMENT AND PENSION SYSTEMS
REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2023

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 2022 actuarial valuation, 2.25% general, 2.75% wage In the 2021 actuarial valuation, 2.25% general, 2.75% wage
Salary Increases	In the 2022 actuarial valuation, 2.75% to 11.25% In the 2021 actuarial valuation, 2.75% to 9.25%
Investment Rate of Return	In the 2022 actuarial valuation, 6.80% In the 2021 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,
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, 2023

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

As of June 30,	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Total OPEB liability										
Service cost					\$ 1,608,612	\$ 1,636,060	\$ 1,253,739	\$ 1,310,245	\$ 1,610,608	\$ 1,677,058
Interest					5,528,825	5,523,505	5,824,086	5,672,207	5,905,285	3,876,385
Differences between expected and actual experience					(930,789)	-	(2,782,115)	-	(36,448,498)	-
Changes of assumptions					(972,422)	-	(2,884,137)	-	3,040,825	-
Benefit payments					(2,753,006)	(3,005,953)	(3,365,480)	(4,210,867)	(3,094,641)	(3,090,425)
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
Total OPEB liability - beginning					75,459,618	80,972,130	85,268,505	83,136,966	85,908,551	56,922,130
Total OPEB liability - ending (a)					\$ 80,972,130	\$ 85,268,505	\$ 83,136,966	\$ 85,908,551	\$ 56,922,130	\$ 59,385,148
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)
Contributions - employer					2,500,000	5,285,500	7,124,143	3,968,744	5,500,000	2,246,219
Contributions - non-employer contributing entities					487,541	322,821	672,167	634,900	167,056	84,645
Net investment income					3,330,424	2,955,419	2,104,856	13,964,958	(9,899,624)	4,698,362
Benefit payments					(2,753,006)	(3,005,953)	(3,365,480)	(3,178,216)	(2,277,292)	(2,357,938)
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
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
Plan fiduciary net position - beginning					45,741,273	49,305,082	54,859,469	61,394,155	76,779,541	70,268,181
Plan fiduciary net position - ending (b)					\$ 49,305,082	\$ 54,859,469	\$ 61,394,155	\$ 76,779,541	\$ 70,268,181	\$ 74,935,469
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)
Plan fiduciary net position as a percentage of the total OPEB liability					60.89%	64.34%	73.85%	89.37%	123.45%	126.19%
Covered employee payroll					\$ 25,501,214	\$ 27,050,408	\$ 25,615,178	\$ 25,615,178	\$ 26,811,070	\$ 27,882,951
County's net OPEB liability as a percentage of covered employee payroll					124%	112%	85%	36%	-50%	-56%
Expected Average Remaining Service Years of All Participants					7.12	6.38	6.24	6.24	6.97	6.97

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, 2023

SCHEDULE OF INVESTMENT RETURNS

	Fiscal Year									
	<u>2014</u>	<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>
Annual money-weighted rate of return, net of investment					7.01%	5.67%	3.62%	20.21%	-13.46%	6.47%

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, 2023

Note 1. Pensions

Changes in Benefit Terms

There were no benefit changes during the year.

Changes in Assumptions

Adjustments to the roll-forward liabilities were made to reflect the following assumption change in the 2022 valuation:

- Salary increase assumption changed from 2.75% - 9.25% to 2.75% - 11.25%

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; 16 years remaining
Asset Valuation Method	Five-year smoothed fair value (max. 120% and min 80% of the fair value)
Inflation	In the 2022 actuarial valuation, 2.25% general, 2.75% wage In the 2021 actuarial valuation, 2.25% general, 2.75% wage
Salary Increases	In the 2022 actuarial valuation, 2.75% to 11.25% In the 2021 actuarial valuation, 2.75% to 9.25%
Investment Rate of Return	In the 2022 actuarial valuation, 6.80% In the 2021 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
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
For the year ended June 30, 2023

Note 2. Other Post Employment Benefits

Methods and assumptions used to determine contribution rates:

Valuation date	July 1, 2021
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 2022, decreasing .07% per year to an ultimate rate of 4.50% for fiscal year 2037 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

	Pre-Medicare		Medicare Eligible	
	<u>Retiree</u>	<u>Spouse</u>	<u>Retiree</u>	<u>Spouse</u>
Pre 7/1/15 hires	\$ 735	\$ 1,286	\$ 508	\$ 508
7/1/15 & subsequent hires	1,470	2,573	1,017	1,017
Spouse pay-all		12,864		5,085

OTHER SUPPLEMENTARY INFORMATION

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Taxes:				
Real property:				
Full-year levy	\$ 144,497,408	\$ 144,497,408	\$ 144,384,399	\$ (113,009)
Semi-year levy	147,875	147,875	298,388	150,513
Personal property	380,250	380,250	243,472	(136,778)
Corporations and utilities	9,058,020	9,058,020	10,470,771	1,412,751
Net additions and abatements	(158,200)	(158,200)	(209,633)	(51,433)
	153,925,353	153,925,353	155,187,397	1,262,044
Interest on delinquent taxes	800,000	800,000	719,440	(80,560)
Discounts allowed on taxes	(500,000)	(500,000)	(494,306)	5,694
Tax credits for assessment increase	(1,717,809)	(1,717,809)	(1,719,520)	(1,711)
Total real and personal property	152,507,544	152,507,544	153,693,011	1,185,467
Local income tax	38,000,000	38,000,000	46,962,276	8,962,276
Other local taxes:				
Room tax admin	210,000	210,000	274,037	64,037
Room tax	1,250,000	1,250,000	1,684,697	434,697
Admission and amusement	600,000	600,000	809,565	209,565
Recordation	9,000,000	9,000,000	9,551,423	551,423
Transfer tax	6,000,000	6,000,000	6,195,584	195,584
Food tax admin	81,000	81,000	112,531	31,531
Total taxes	207,648,544	207,648,544	219,283,124	11,634,580
Licenses and permits:				
Business:				
Liquor licenses	800,000	800,000	965,038	165,038
Vending machine licenses	75,000	75,000	80,670	5,670
Traders' licenses	80,000	80,000	88,631	8,631
Occupational licenses	4,000	4,000	6,940	2,940
Bingo permits	12,000	12,000	13,356	1,356

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Licenses and permits, continued:				
Other:				
Building permits	\$ 315,000	\$ 315,000	\$ 317,051	\$ 2,051
Electrical permits	15,000	15,000	21,625	6,625
Marriage licenses	20,000	20,000	23,070	3,070
Commercial plumbing plan review	2,500	2,500	1,500	(1,000)
Civil ceremony licenses	1,000	1,000	1,540	540
Shoreline construction permits	20,000	20,000	17,500	(2,500)
Timber harvest permits	3,000	3,000	4,100	1,100
Sediment erosion control/SWM/permits	25,000	25,000	39,420	14,420
Environmental permits	58,025	58,025	135,861	77,836
Forestry conservation review fees	6,000	6,000	9,680	3,680
Health permits	432,556	432,556	415,916	(16,640)
Raffle permits	1,800	1,800	1,724	(76)
Rental permits	175,000	175,000	194,905	19,905
Plumbing permits	55,000	55,000	80,225	25,225
Landfill permits	320,000	320,000	322,700	2,700
Gas permits	20,000	20,000	17,750	(2,250)
PAYT tags - household	8,000	8,000	7,440	(560)
Planning and zoning permits	51,350	51,350	61,590	10,240
Total licenses and permits	2,500,231	2,500,231	2,828,232	328,001
Intergovernmental:				
Federal grants:				
Payments in lieu of taxes	20,305	20,305	23,092	2,787
American rescue plan act	-	-	3,829,200	3,829,200
CDBG housing rehab grant	150,000	150,000	208,942	58,942
CDBG federal grant	-	-	105,622	105,622
Homeland security grant	166,680	166,680	151,623	(15,057)
Bulletproof vest program	-	-	11,705	11,705
MDE beach monitoring grant	3,261	3,261	3,261	-
Traffic safety - State Highway Administration	1,500	1,500	3,186	1,686
Library federal grant	-	-	40,215	40,215
Child support enforcement	9,000	9,000	4,903	(4,097)
GOCCP sheriff grant	-	-	527,238	527,238
BJAG sherrif grant	-	-	16,456	16,456
US Fish and Wildlife Service	7,000	7,000	6,781	(219)
Elder abuse prevention	-	-	266,144	266,144
State grants:				
Highway user revenue	1,222,266	1,222,266	1,251,320	29,054
911 State fees	1,350,480	1,350,480	1,468,204	117,724
Police protection	244,113	244,113	241,080	(3,033)
State park revenues	625,000	625,000	630,995	5,995
Open space program - parks	730,000	730,000	13,383	(716,617)
Library aid	174,602	174,602	183,610	9,008
Other housing rehab income	4,000	4,000	-	(4,000)
Share of State forest land	70,000	70,000	144,447	74,447
Eastern Shore library grant	75,000	75,000	80,000	5,000
Other grants	-	-	110,221	110,221

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Intergovernmental, continued:				
State grants, continued:				
Coastal zone grant	\$ -	\$ -	\$ 820,170	\$ 820,170
Sheriff - sex offender grant	10,000	10,000	44,136	34,136
Sheriff - health tobacco enforcement	3,000	3,000	11,200	8,200
Sheriff - health underage drinking	4,000	4,000	12,010	8,010
Heroin coordinator	50,615	50,615	50,615	-
Senator Amoss grant	367,650	367,650	371,283	3,633
Tourism	160,000	160,000	1,139,008	979,008
Economic development	-	-	167,655	167,655
Critical area grant	9,000	9,000	9,000	-
MALPF administrative fees	12,000	12,000	17,264	5,264
DHCD housing administration fees	7,000	7,000	-	(7,000)
DHCD state grant	-	-	1,500,000	1,500,000
Conservation easement admin fee	20,000	20,000	31,733	11,733
Conservation easement reimbursements	50,000	50,000	19,020	(30,980)
Water system monitoring	17,560	17,560	24,900	7,340
Trial jury reimbursement	54,000	54,000	78,960	24,960
Family support grant	374,882	374,882	367,535	(7,347)
Drug court coordinator	224,706	224,706	213,190	(11,516)
Waterway improvement grants	330,000	330,000	13,716	(316,284)
Statewide specialized transportation assistance	126,975	126,975	126,975	-
Septic system BRF grants	240,000	240,000	275,259	35,259
Intern Program grant	100,000	100,000	-	(100,000)
Dental program reimbursement	16,721	16,721	37,171	20,450
Bay Restoration operations and maintenance	35,000	35,000	38,000	3,000
MD Department of Aging grant	54,712	54,712	47,527	(7,185)
MD AOC security grant	-	-	53,669	53,669
Maryland criminal intelligence network	-	-	50,000	50,000
911 ENSB grant	153,595	153,595	2,220,149	2,066,554
Medication opioid disorder grant	-	-	42,298	42,298
Total intergovernmental	7,274,623	7,274,623	17,104,071	9,829,448
Service charges and fees:				
Liquor advertising fees	1,200	1,200	2,520	1,320
Donation sponsorship program	11,500	11,500	7,615	(3,885)
Sheriff fees	42,100	42,100	176,468	134,368
Sales of publications and copies	7,105	7,105	7,668	563
Library use charges	5,000	5,000	20,971	15,971
Library Erate reimbursements	850	850	986	136
Mosquito control charges	50,000	50,000	41,044	(8,956)
EDU transfer fee	-	-	1,000	1,000
Casino security	-	-	20,225	20,225
Seacrets security	50,000	50,000	115,856	65,856
Purnell Properties security	-	-	25,125	25,125

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Service charges and fees, continued:				
Vehicle tag fees	\$ 1,500	\$ 1,500	\$ 431	\$ (1,069)
Salary reimbursement	500	500	-	(500)
Housing program fees	-	-	4,425	4,425
Critical area review fees	29,000	29,000	10,950	(18,050)
Tourism programs and events	-	-	1,332	1,332
Shared facility fees	500	500	-	(500)
Stormwater management review fees	80,000	80,000	78,616	(1,384)
Roads department fees	5,000	5,000	1,242	(3,758)
Bay restoration administration fees	22,500	22,500	23,635	1,135
Shoreline Commission application fees	25,000	25,000	31,600	6,600
Park fees	54,300	54,300	69,471	15,171
Concession stand fees	65,000	65,000	66,801	1,801
Environmental fees	16,400	16,400	32,565	16,165
Recreation fees	272,000	272,000	263,501	(8,499)
Solar renewable energy credits	1,000	1,000	4,720	3,720
Water and sewer plan amendment fees	2,000	2,000	500	(1,500)
Circuit Court bar library	5,000	5,000	257	(4,743)
Firearms training center fees	8,000	8,000	14,163	6,163
Payments for jail use	81,000	81,000	158,610	77,610
First offender program fees	10,000	10,000	2,000	(8,000)
Fire inspection fees	150,000	150,000	164,405	14,405
Family services legal fees	-	-	400	400
Community service fees	70,000	70,000	61,135	(8,865)
Public Works	15,000	15,000	36,041	21,041
Franchise fees	22,500	22,500	22,690	190
Special Events fees	200,000	200,000	40,024	(159,976)
Tournament fees	15,000	15,000	5,805	(9,195)
Motor coach fees	30,000	30,000	9,000	(21,000)
Recycling	104,500	104,500	214,153	109,653
Metal recycling	42,000	42,000	10,442	(31,558)
Tire revenue	32,000	32,000	30,816	(1,184)
Total service charges and fees	1,527,455	1,527,455	1,779,208	251,753

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Miscellaneous:				
Court fines	\$ 25,000	\$ 25,000	\$ 35,980	\$ 10,980
Civil infraction fines	4,000	4,000	5,790	1,790
Retiree drug subsidy	60,000	60,000	230,684	170,684
Interest on investments	100,000	100,000	4,163,858	4,063,858
Rent revenue	208,986	208,986	224,230	15,244
Sale of capital assets	190,000	190,000	309,459	119,459
Credit card fees	11,300	11,300	10,233	(1,067)
Miscellaneous	80,000	80,000	457,273	377,273
MSRS library on-behalf payments	-	-	290,307	290,307
Total miscellaneous	679,286	679,286	5,727,814	5,048,528
Total revenues	219,630,139	219,630,139	246,722,449	27,092,310

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
EXPENDITURES:				
General government:				
County Commissioners' office:				
Salaries	\$ 1,121,605	\$ 1,121,605	\$ 1,059,850	\$ 61,755
Benefits	458,727	458,727	479,052	(20,325)
Administrative	17,202	16,612	13,114	3,498
Other supplies and equipment	20,080	20,080	17,045	3,035
Equipment maintenance	11,980	11,980	11,745	235
Legal	18,950	18,950	17,512	1,438
Vehicle operating expense	4,000	4,000	2,908	1,092
Building site	1,440	1,440	1,260	180
Advertising	24,000	24,000	18,533	5,467
Training and travel	46,246	46,246	37,822	8,424
Uniforms and personal equipment	250	840	840	-
Enterprise fund credits	(83,219)	(83,219)	(99,164)	15,945
	1,641,261	1,641,261	1,560,517	80,744
Circuit Court:				
Salaries	1,159,681	1,159,681	1,170,859	(11,178)
Benefits	499,703	499,703	529,228	(29,525)
Administrative	21,249	18,883	18,672	211
Other supplies and equipment	9,900	9,900	9,310	590
Equipment maintenance	25,486	25,486	20,095	5,391
Grant services	161,096	161,096	135,049	26,047
Legal	107,000	107,000	127,698	(20,698)
Consulting services	-	5,190	-	5,190
Building site	1,765	3,483	9,246	(5,763)
Advertising	-	566	566	-
Training and travel	8,932	3,742	7,503	(3,761)
Uniforms and personal equipment	500	582	582	-
	1,995,312	1,995,312	2,028,808	(33,496)
Orphans' Court:				
Salaries	28,500	28,500	25,154	3,346
Benefits	9,536	9,536	11,370	(1,834)
Administrative	1,100	2,633	2,632	1
Training and travel	6,800	5,267	4,800	467
	45,936	45,936	43,956	1,980

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
General government, continued:				
State's Attorney's office:				
Salaries	\$ 2,494,850	\$ 2,494,850	\$ 2,392,094	\$ 102,756
Benefits	740,996	740,996	1,086,108	(345,112)
Overtime pay	454	454	10,799	(10,345)
Administrative	86,642	84,302	77,798	6,504
Other supplies and equipment	54,647	57,531	23,796	33,735
Equipment maintenance	46,998	47,498	44,207	3,291
Grant programs	-	-	168,682	(168,682)
Uniforms and personal equipment	500	1,794	1,794	-
Legal	11,800	16,151	6,452	9,699
Vehicle operating expense	6,600	5,832	9,704	(3,872)
Building site	3,050	4,220	3,692	528
Training and travel	27,580	20,489	21,677	(1,188)
	3,474,117	3,474,117	3,846,803	(372,686)
Treasurer's office:				
Salaries	1,469,241	1,469,241	1,436,228	33,013
Overtime pay	909	909	13	896
Benefits	619,644	619,644	649,181	(29,537)
Administrative	47,600	44,600	44,477	123
Other supplies and equipment	13,340	16,715	16,736	(21)
Equipment maintenance	102,880	102,895	102,895	-
Consulting services	1,200	1,200	-	1,200
Building site	1,300	1,365	1,343	22
Training and travel	4,900	4,445	3,392	1,053
Enterprise fund credits	(261,705)	(261,705)	(261,706)	1
	1,999,309	1,999,309	1,992,559	6,750
Elections office:				
State employees' salaries and benefits	580,643	580,643	576,012	4,631
Benefits	6,812	6,812	6,864	(52)
Administrative	13,512	43,632	9,757	33,875
Other supplies and equipment	307,238	239,056	149,807	89,249
Voting machines and poll expenses	253,062	266,083	286,986	(20,903)
Equipment maintenance	6,156	6,156	5,199	957
Consulting services	59,280	84,321	82,890	1,431
Building site	98,390	98,390	85,627	12,763
Training and travel	17,150	17,150	14,819	2,331
	1,342,243	1,342,243	1,217,961	124,282

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
General government, continued:				
Human resources:				
Salaries	\$ 553,956	\$ 553,956	\$ 535,561	\$ 18,395
Benefits	225,620	225,620	243,324	(17,704)
Overtime pay	1,363	1,363	2,766	(1,403)
Administrative	10,560	10,451	12,183	(1,732)
Other supplies and equipment	10,830	10,830	9,691	1,139
Equipment maintenance	2,400	2,509	2,509	-
Consulting services	17,100	17,561	16,714	847
Vehicle operating expense	5,000	5,000	4,801	199
Uniforms and personal equipment	850	850	838	12
Building site	400	400	339	61
Advertising	5,000	4,981	4,968	13
Training and travel	4,000	3,558	2,444	1,114
Enterprise fund credits	(79,250)	(79,250)	(79,251)	1
	<u>757,829</u>	<u>757,829</u>	<u>756,887</u>	<u>942</u>
Development review and permitting:				
Salaries	1,731,905	1,731,905	1,642,676	89,229
Benefits	710,278	710,278	742,490	(32,212)
Administrative	22,860	25,818	25,818	-
Other supplies and equipment	17,737	15,753	13,032	2,721
Equipment maintenance	12,678	5,988	5,934	54
Consulting services	50,000	50,000	15,264	34,736
Program expense	22,000	22,000	-	22,000
Housing rehabilitation program	221,100	221,100	250,235	(29,135)
Legal	28,500	25,830	30,275	(4,445)
Vehicle operating expense	16,100	24,457	24,456	1
Building site	1,333	1,407	1,279	128
Advertising	16,000	23,604	16,357	7,247
Training and travel	40,726	26,908	21,975	4,933
Enterprise fund credits	(17,867)	(17,867)	(17,867)	-
Interfund credits	(75,281)	(75,281)	(75,281)	-
Capital equipment	24,000	30,169	30,169	-
	<u>2,822,069</u>	<u>2,822,069</u>	<u>2,726,812</u>	<u>95,257</u>

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
General government, continued:				
Environmental programs:				
Salaries	\$ 1,256,942	\$ 1,256,942	\$ 1,199,401	\$ 57,541
Overtime pay	681	681	-	681
Benefits	520,857	520,857	542,129	(21,272)
Administrative	13,845	13,845	12,399	1,446
Other supplies and equipment	23,107	20,520	16,245	4,275
Equipment maintenance	2,100	2,100	1,989	111
Grant programs	240,000	240,000	1,096,283	(856,283)
Consulting services	74,100	74,100	73,973	127
Vehicle operating expense	19,700	22,788	22,788	-
Building site	1,045	544	514	30
Advertising	3,200	2,377	1,434	943
Training and travel	3,495	4,318	4,318	-
Capital equipment	-	-	28,485	(28,485)
Enterprise fund credits	(30,647)	(30,647)	(30,647)	-
	<u>2,128,425</u>	<u>2,128,425</u>	<u>2,969,311</u>	<u>(840,886)</u>
Information Technology:				
Salaries	672,615	672,615	619,320	53,295
Benefits	264,221	264,221	279,933	(15,712)
Administrative	1,200	1,494	1,479	15
Other supplies and equipment	23,150	21,790	14,865	6,925
Vehicle operating expense	2,500	3,233	2,663	570
Building site	40	40	-	40
Advertising	-	395	-	395
Training and travel	7,600	7,520	4,220	3,300
Uniforms and personal equipment	480	498	498	-
Enterprise fund credits	(33,348)	(33,348)	(33,348)	-
	<u>938,458</u>	<u>938,458</u>	<u>889,630</u>	<u>48,828</u>

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
General government, continued:				
Other general government:				
Administrative	\$ 171,062	\$ 171,062	\$ 165,938	\$ 5,124
Other supplies and equipment	54,100	42,766	37,118	5,648
Equipment maintenance	991,122	991,122	690,619	300,503
Systems maintenance	500	500	-	500
Consulting services	138,000	138,000	88,063	49,937
Vehicle operating expense	250,000	250,000	-	250,000
Energy	15,000	15,000	-	15,000
Building site	748,083	748,083	752,294	(4,211)
Other maintenance and services	4,800	4,800	4,498	302
Grant programs	100,000	100,000	5,401,200	(5,301,200)
Advertising	-	11,334	-	11,334
Training and travel	64,780	64,780	24,641	40,139
Tri-County Council	380,100	380,100	380,100	-
Other non-matching expenses - Briddletown	31,500	31,500	31,500	-
Other non-matching expenses - SDAT	601,846	601,846	590,318	11,528
Property-liability insurance	346,219	346,219	571,396	(225,177)
Other expenses	86,897	86,897	55,959	30,938
Interest expense	32,838	32,838	32,837	1
	4,016,847	4,016,847	8,826,481	(4,809,634)
Total general government	21,161,806	21,161,806	26,859,725	(5,697,919)

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public safety:				
Sheriff's office:				
Salaries	\$ 7,197,120	\$ 7,197,120	\$ 6,482,862	\$ 714,258
Overtime pay	242,631	242,631	737,615	(494,984)
Benefits	3,103,062	3,103,062	3,263,657	(160,595)
Administrative	55,047	54,671	42,108	12,563
Other supplies and equipment	940,106	802,371	817,663	(15,292)
Equipment maintenance	264,227	224,897	234,657	(9,760)
Uniforms and personal equipment	270,785	238,446	296,624	(58,178)
Grant programs	-	-	154,318	(154,318)
Advertising	3,000	3,276	3,276	-
Legal	10,000	10,000	2,176	7,824
Consulting services	67,200	45,665	47,212	(1,547)
Vehicle operating expense	432,120	652,324	625,257	27,067
Building site	70,281	70,281	59,085	11,196
Training and travel	103,109	113,944	99,609	14,335
Capital equipment	610,000	610,000	946,339	(336,339)
	13,368,688	13,368,688	13,812,458	(443,770)
Emergency services:				
Salaries	1,907,152	1,907,152	1,564,556	342,596
Overtime pay	60,804	60,804	206,832	(146,028)
Benefits	858,237	858,237	800,668	57,569
Administrative	13,075	13,017	7,836	5,181
Other supplies and equipment	198,710	181,003	218,612	(37,609)
Equipment maintenance	469,983	441,689	443,357	(1,668)
Uniforms and personal equipment	10,140	8,940	7,818	1,122
Grant programs	245,868	245,868	2,337,072	(2,091,204)
Consulting services	-	11,163	5,327	5,836
Vehicle operating expense	20,350	37,127	31,827	5,300
Advertising	-	166	58	108
Building site	150,553	65,460	164,538	(99,078)
Training and travel	25,900	19,771	33,146	(13,375)
Capital equipment	135,000	245,375	142,268	103,107
	4,095,772	4,095,772	5,963,915	(1,868,143)

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public safety, continued:				
Jail:				
Salaries	\$ 6,650,568	\$ 6,650,568	\$ 5,950,440	\$ 700,128
Overtime pay	24,977	24,977	138,610	(113,633)
Benefits	2,970,557	2,970,557	2,752,252	218,305
Administrative	6,925	8,206	7,439	767
Other supplies and equipment	10,700	16,231	13,344	2,887
Equipment maintenance	30,193	30,065	30,064	1
Uniforms and personal equipment	80,850	70,296	70,296	-
Grant programs	-	-	42,432	(42,432)
Inmate supplies and services	2,188,811	2,185,204	2,191,253	(6,049)
Consulting services	4,000	6,402	4,005	2,397
Vehicle operating expense	8,800	11,130	11,129	1
Building site	749,350	735,548	805,069	(69,521)
Other maintenance and services	12,650	9,355	9,355	-
Training and travel	16,056	10,948	10,948	-
Capital equipment	-	24,950	25,195	(245)
	12,754,437	12,754,437	12,061,831	692,606
Fire Marshal:				
Salaries	526,983	526,983	511,801	15,182
Overtime pay	9,083	9,083	9,636	(553)
Benefits	208,164	208,164	235,690	(27,526)
Administrative	6,810	6,810	3,034	3,776
Supplies and equipment	42,576	42,576	42,311	265
Equipment maintenance	6,617	6,617	6,469	148
Uniforms and personal equipment	12,100	5,200	4,797	403
Vehicle operating expense	26,100	43,223	43,122	101
Building site	360	360	356	4
Training and travel	23,285	13,062	8,819	4,243
Capital equipment	-	-	37,370	(37,370)
	862,078	862,078	903,405	(41,327)

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public safety, continued:				
Volunteer fire departments:				
County grant to fire companies	\$ 2,520,000	\$ 2,520,000	\$ 2,520,000	\$ -
Fireman's Training Center	111,148	111,148	102,859	8,289
State grant for fire companies	367,652	367,652	371,282	(3,630)
County grant to ambulance companies	6,343,244	6,483,244	6,483,243	1
Training and travel - transportation expense	3,000	3,000	-	3,000
Volunteer fireman worker's compensation	54,000	54,000	49,224	4,776
LOSAP appropriation	186,200	186,200	196,200	(10,000)
EMT Paramedic	8,000	8,000	4,000	4,000
	<u>9,593,244</u>	<u>9,733,244</u>	<u>9,726,808</u>	<u>6,436</u>
Total public safety	40,674,219	40,814,219	42,468,417	(1,654,198)
Public works:				
Maintenance:				
Salaries	1,318,887	1,318,887	1,229,944	88,943
Overtime pay	3,406	3,406	4,336	(930)
Benefits	519,352	519,352	557,895	(38,543)
Administrative	1,500	1,500	777	723
Other supplies and equipment	37,074	36,919	47,974	(11,055)
Equipment maintenance	23,850	21,227	17,838	3,389
Uniforms and personal equipment	11,000	11,155	11,154	1
Consulting services	100	100	-	100
Custodial services	5,000	5,000	(2,803)	7,803
Vehicle operating expense	69,200	62,519	72,122	(9,603)
Building site	25,138	34,442	21,908	12,534
Advertising	500	500	262	238
Training and travel	7,500	7,500	7,051	449
Capital equipment	54,500	54,500	128,899	(74,399)
	<u>2,077,007</u>	<u>2,077,007</u>	<u>2,097,357</u>	<u>(20,350)</u>
Roads department:				
Salaries	1,770,662	1,770,662	1,519,394	251,268
Overtime pay	9,083	9,083	568	8,515
Benefits	764,110	764,110	687,023	77,087
Administrative	2,300	2,300	1,495	805
Other supplies and equipment	140,751	123,194	121,034	2,160
Equipment maintenance	2,905	3,188	3,187	1
Road maintenance materials	1,142,500	1,130,453	1,128,745	1,708
Uniforms and personal equipment	18,700	18,585	16,161	2,424
Consulting services	150	265	-	265
Vehicle operating expense	349,570	416,155	416,154	1

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public works, continued:				
Roads department, continued:				
Building site	\$ 39,450	\$ 49,572	\$ 49,571	\$ 1
Road maintenance	327,291	295,465	293,928	1,537
Advertising	1,300	1,300	377	923
Training and travel	29,846	14,286	14,002	284
Capital equipment	464,362	464,362	-	464,362
	5,062,980	5,062,980	4,251,639	811,341
Homeowner Convenience Centers:				
Salaries	266,212	266,212	218,426	47,786
Benefits	114,801	114,801	100,268	14,533
Overtime pay	2,270	2,270	3,405	(1,135)
Building site	256,760	258,786	222,968	35,818
Administrative expense	6,000	5,080	5,810	(730)
Consulting services	2,300	2,200	2,100	100
Uniforms and personal equipment	4,700	3,694	2,831	863
Interfund	206,441	206,441	-	206,441
Capital equipment	-	-	305,283	(305,283)
	859,484	859,484	861,091	(1,607)
Recycling:				
Salaries	507,652	507,652	488,400	19,252
Overtime pay	2,270	2,270	868	1,402
Benefits	215,334	215,334	221,149	(5,815)
Building site	73,550	70,992	70,991	1
Other maintenance and services	47,000	44,985	44,985	-
Supplies and equipment	13,000	9,263	9,263	-
Vehicle operating expenses	72,700	87,283	115,444	(28,161)
Advertising	500	299	300	(1)
Administrative expense	2,000	3,707	1,621	2,086
Consulting services	12,825	5,625	5,625	-
Uniforms and personal equipment	4,500	3,921	3,921	-
Interfund	167,041	167,041	167,041	-
Capital equipment	17,000	17,000	46,924	(29,924)
	1,135,372	1,135,372	1,176,532	(41,160)

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Public works, continued:				
Other public works:				
Salaries	\$ 585,299	\$ 585,299	\$ 584,466	\$ 833
Benefits	271,835	271,835	264,178	7,657
Administrative	4,720	4,720	1,944	2,776
Other supplies and equipment	10,390	13,920	9,385	4,535
Equipment maintenance	7,850	8,453	8,453	-
Uniforms and personal equipment	2,500	2,579	2,343	236
Program expense	225	225	-	225
Consulting services	190,150	190,150	101,575	88,575
Vehicle operating expense	11,500	9,500	7,585	1,915
Building site	33,120	32,065	7,063	25,002
Other maintenance and services	1,700	1,740	1,739	1
Fleet services	(35,124)	(35,124)	(45,623)	10,499
Central fuel facility	-	-	(48,197)	48,197
Advertising	700	1,112	1,111	1
Training and travel	14,690	13,081	11,718	1,363
Enterprise fund credits	(173,290)	(173,290)	(173,290)	-
Interfund	75,281	75,281	75,281	-
	1,001,546	1,001,546	809,731	191,815
Total public works	10,136,389	10,136,389	9,196,350	940,039

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Health and hospitals:				
Health department:				
Administrative	\$ 500	\$ 500	\$ -	\$ 500
Adverstising	2,500	2,500	237	2,263
Health clinic's building expenses	494,618	494,618	384,295	110,323
Other non-matching expenses	245,083	245,083	35,952	209,131
Matching appropriation	5,015,910	5,015,910	5,015,910	-
	<u>5,758,611</u>	<u>5,758,611</u>	<u>5,436,394</u>	<u>322,217</u>
Mosquito control:				
Salaries	63,882	63,882	63,336	546
Overtime pay	454	454	-	454
Benefits	45,985	45,985	28,628	17,357
Administrative	400	647	340	307
Other supplies and equipment	2,000	2,000	1,879	121
Equipment maintenance	550	568	301	267
Uniforms and personal equipment	500	500	496	4
Vehicle operating expense	15,000	14,735	13,781	954
Travel, training, and expense	200	200	75	125
Building site	8,850	8,850	8,172	678
Appropriation for spraying	70,000	70,000	59,065	10,935
Capital equipment	-	-	31,845	(31,845)
	<u>207,821</u>	<u>207,821</u>	<u>207,918</u>	<u>(97)</u>
Other health and hospitals:				
Worcester County Developmental Center	219,497	219,497	219,497	-
Atlantic General Hospital	200,000	200,000	200,000	-
	<u>419,497</u>	<u>419,497</u>	<u>419,497</u>	<u>-</u>
Total health and hospitals	6,385,929	6,385,929	6,063,809	322,120
Social services:				
Commission on Aging:				
Other supplies and equipment	1,800	1,800	1,800	-
Grant services	181,583	181,583	174,502	7,081
Senior transportation	3,600	3,600	3,600	-
Senior center building expenses	207,700	207,700	197,014	10,686
Training and travel	7,000	7,000	7,000	-
Appropriation for Commission on Aging	1,092,000	1,092,000	1,143,000	(51,000)
Benefits and insurance	51,000	51,000	-	51,000
Capital equipment	-	-	-	-
	<u>1,544,683</u>	<u>1,544,683</u>	<u>1,526,916</u>	<u>17,767</u>

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Social services, continued:				
Other social services:				
CDBG Covid grant	\$ -	\$ -	\$ 105,622	\$ (105,622)
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	5,293	3,707
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	412,786	(101,915)
Total social services	1,855,554	1,855,554	1,939,702	(84,148)
Education:				
Board of Education:				
Retirement	697,658	697,658	689,670	7,988
Post-retirement benefits	8,713,141	8,713,141	8,984,877	(271,736)
School building improvements	100,000	100,000	100,000	-
Operating appropriations	99,985,947	99,985,947	99,985,947	-
Technology program	200,000	200,000	200,000	-
Restricted programs	-	-	31,749	(31,749)
	109,696,746	109,696,746	109,992,243	(295,497)
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	112,226,988	112,226,988	112,522,485	(295,497)

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Libraries, recreation, parks and culture:				
Recreation department:				
Salaries	\$ 1,032,291	\$ 1,032,291	\$ 958,000	\$ 74,291
Overtime pay	1,363	1,363	1,742	(379)
Benefits	479,453	479,453	433,804	45,649
Administrative	79,445	53,061	52,208	853
Other supplies and equipment	52,580	52,580	49,397	3,183
Equipment maintenance	41,115	41,115	37,706	3,409
Other maintenance and services	100	100	-	100
Uniforms and personal equipment	3,000	4,342	2,944	1,398
Grant programs	-	-	15,033	(15,033)
Recreation programs	379,500	379,500	261,723	117,777
Consulting services	5,750	5,750	60	5,690
Vehicle and equipment operating expense	6,400	6,519	6,519	-
Building site	160,278	185,320	182,202	3,118
Advertising	6,000	7,064	7,064	-
Training and travel	46,685	45,502	20,976	24,526
Capital equipment	27,000	27,000	58,224	(31,224)
	<u>2,320,960</u>	<u>2,320,960</u>	<u>2,087,602</u>	<u>233,358</u>
Parks department:				
Salaries	496,101	496,101	497,227	(1,126)
Overtime pay	2,270	2,270	507	1,763
Benefits	206,844	206,844	224,976	(18,132)
Administrative	1,501	1,307	493	814
Supplies and equipment	30,580	28,010	15,401	12,609
Uniforms and personal equipment	3,240	3,142	3,219	(77)
Grant programs	784,000	784,000	457,384	326,616
Other supplies and materials	48,000	43,868	47,194	(3,326)
Vehicle and equipment operating expense	33,000	44,003	40,730	3,273
Park expenses	136,573	132,361	133,966	(1,605)
Equipment maintenance	-	628	-	628
Other maintenance and services	5,700	5,196	3,382	1,814
Advertising	500	654	80	574
Training and travel	11,700	11,625	11,278	347
Capital equipment	66,000	66,000	117,660	(51,660)
	<u>1,826,009</u>	<u>1,826,009</u>	<u>1,553,497</u>	<u>272,512</u>
Boat landings:				
Grant programs	330,000	330,000	10,123	319,877
Landing expenses	51,050	51,050	30,458	20,592
Advertising	200	200	-	200
	<u>381,250</u>	<u>381,250</u>	<u>40,581</u>	<u>340,669</u>

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Libraries, recreation, parks and culture, continued:				
Library:				
Salaries	\$ 2,088,869	\$ 2,088,869	\$ 2,028,732	\$ 60,137
Overtime pay	909	909	-	909
Benefits	912,334	912,334	916,987	(4,653)
Administrative	31,100	30,768	19,951	10,817
Other supplies and equipment	301,800	301,800	289,636	12,164
Equipment maintenance	48,625	48,625	36,507	12,118
Grant services	75,000	75,000	129,807	(54,807)
Legal	1,500	1,500	-	1,500
Vehicle operating expenses	4,350	4,499	927	3,572
Building site	364,664	364,664	324,736	39,928
Training and travel	8,500	8,500	4,135	4,365
Benefits and insurance	1,400	1,583	-	1,583
Capital equipment	-	-	34,860	(34,860)
MSRS library on-behalf payments	-	-	290,307	(290,307)
	3,839,051	3,839,051	4,076,585	(237,534)
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	8,447,270	8,447,270	7,838,265	609,005
Conservation of natural resources:				
Extension service:				
Administrative	11,014	11,014	9,339	1,675
Equipment maintenance	6,000	6,000	4,887	1,113
Building site	2,500	2,500	2,337	163
Operating appropriation	223,164	223,164	223,164	-
	242,678	242,678	239,727	2,951
Other natural resources:				
Gypsy moth control	73,935	73,935	14,985	58,950
Soil Conservation District	48,554	48,554	12,000	36,554
Matching appropriation beach maintenance	490,000	490,000	488,555	1,445
Conservation easements	-	-	66,559	(66,559)
	612,489	612,489	582,099	30,390
Total conservation of natural resources	855,167	855,167	821,826	33,341

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Economic development:				
Economic development department:				
Salaries	\$ 138,682	\$ 138,682	\$ 138,681	\$ 1
Benefits	54,054	54,054	62,684	(8,630)
Administrative	24,100	11,060	16,957	(5,897)
Other supplies and equipment	16,500	24,567	17,231	7,336
Equipment maintenance	900	1,166	1,166	-
Program expense	200,000	199,003	194,793	4,210
Grant programs	-	-	167,830	(167,830)
Consulting services	40,000	44,895	39,410	5,485
Uniforms & personal equipment	-	481	-	481
Vehicle operating expense	1,750	1,750	1,257	493
Building site	1,000	1,328	682	646
Training and travel	19,875	19,875	13,371	6,504
	496,861	496,861	654,062	(157,201)
Tourism:				
Salaries	302,127	302,127	298,539	3,588
Benefits	127,741	127,741	134,940	(7,199)
Administrative	4,520	6,213	5,805	408
Other supplies and equipment	53,256	52,860	52,045	815
Equipment maintenance	1,850	1,250	866	384
Uniforms and personal equipment	400	400	227	173
Grant programs	160,000	160,000	952,437	(792,437)
Consulting services	37,100	39,606	44,608	(5,002)
Vehicle operating expense	7,425	3,040	3,438	(398)
Building site	63,259	47,574	49,365	(1,791)
Advertising	709,500	728,889	784,587	(55,698)
Training and travel	8,050	5,528	5,557	(29)
	1,475,228	1,475,228	2,332,414	(857,186)
Total economic development	1,972,089	1,972,089	2,986,476	(1,014,387)

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
Year Ended June 30, 2023

(CONTINUED)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Intergovernmental:				
Towns' share county bingo fees	\$ 2,000	\$ 2,000	\$ 2,734	\$ (734)
Towns' share county income tax	2,600,000	2,600,000	3,263,267	(663,267)
Towns' share liquor license fees	342,157	342,157	372,843	(30,686)
Grants to towns - conditional grants	10,000	10,000	10,000	-
Grants to towns for police	550,000	550,000	550,000	-
Grants to towns for fire	643,000	643,000	643,000	-
Grants to towns for tourism	50,000	50,000	50,000	-
Other grants to towns	5,355,867	5,355,867	5,187,060	168,807
Total intergovernmental	9,553,024	9,553,024	10,078,904	(525,880)
Total expenditures	213,268,435	213,408,435	220,775,959	(7,367,524)
Excess of revenues over expenditures	6,361,704	6,221,704	25,946,490	19,724,786
OTHER FINANCING SOURCES (USES):				
Transfer to Debt Service Fund	(13,648,343)	(13,648,343)	(13,651,584)	3,241
Transfer to Capital Projects Fund	-	-	(5,737,130)	5,737,130
Transfers - prior year surplus	4,042,639	4,182,639	-	4,182,639
Transfer from Casino Fund	3,244,000	3,244,000	3,113,852	130,148
Total other financing uses	(6,361,704)	(6,221,704)	(16,274,862)	10,053,158
Net change in fund balance	\$ -	\$ -	9,671,628	\$ 9,671,628
Fund balance, beginning			<u>82,368,412</u>	
Fund balance, ending			<u>\$ 92,040,040</u>	



COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEUDLES

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.

WORCESTER COUNTY, MARYLAND
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2023

	Department of Social Services <u>Fund</u>	Local Management Board <u>Board</u>	Casino <u>Fund</u>	Energy Service <u>Fund</u>	Opioid Restitution <u>Fund</u>	<u>Total</u>
ASSETS						
Cash and short-term investments	\$ 54,910	\$ 564,845	\$ 1,841,027	\$ -	\$ -	\$ 2,460,782
Due from other funds	-	-	887,852	212,429	177,575	1,277,856
Total assets	\$ 54,910	\$ 564,845	\$ 2,728,879	\$ 212,429	\$ 177,575	\$ 3,738,638
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ -	\$ 281,407	\$ -	\$ -	\$ -	\$ 281,407
Total liabilities	-	281,407	-	-	-	281,407
Fund balances:						
Assigned	54,910	283,438	2,728,879	212,429	177,575	3,457,231
Total fund balances	54,910	283,438	2,728,879	212,429	177,575	3,457,231
Total liabilities and fund balances	\$ 54,910	\$ 564,845	\$ 2,728,879	\$ 212,429	\$ 177,575	\$ 3,738,638

WORCESTER COUNTY, MARYLAND
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2023

	Department of Social Services <u>Fund</u>	Local Management Board <u>Board</u>	Casino Fund <u>Fund</u>	Energy Service Fund <u>Fund</u>	Opioid Restitution Fund <u>Fund</u>	<u>Total</u>
REVENUES:						
Intergovernmental	\$ 779,549	\$ 1,076,184	\$ 3,633,015	\$ -	\$ 177,575	\$ 5,666,323
Interest income	-	23	61,511	-	-	61,534
Total revenues	779,549	1,076,207	3,694,526	-	177,575	5,727,857
EXPENDITURES:						
Social services	2,200,596	628,331	-	-	-	2,828,927
Administrative expenses	-	230,049	-	36,073	-	266,122
Total expenditures	2,200,596	858,380	-	36,073	-	3,095,049
Excess (deficiency) of revenues over expenditures	(1,421,047)	217,827	3,694,526	(36,073)	177,575	2,632,808
OTHER FINANCING USES:						
Transfers out	-	-	(3,113,852)	-	-	(3,113,852)
Excess (deficiency) of revenues and other financing uses over expenditures	(1,421,047)	217,827	580,674	(36,073)	177,575	(481,044)
Fund balances, beginning	1,475,957	65,611	2,148,205	248,502	-	3,938,275
Fund balances, ending	\$ 54,910	\$ 283,438	\$ 2,728,879	\$ 212,429	\$ 177,575	\$ 3,457,231

WORCESTER COUNTY, MARYLAND
BALANCE SHEET
LOCAL MANAGEMENT BOARD - NONMAJOR GOVERNMENTAL FUND
June 30, 2023

ASSETS

Cash	\$ 560,492
Cash - earned reinvestment	4,353
Total assets	564,845

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	281,407
Total liabilities	281,407
Fund balance	283,438
Total liabilities and fund balance	\$ 564,845

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
LOCAL MANAGEMENT BOARD - NONMAJOR GOVERNMENTAL FUND
Year Ended June 30, 2023

REVENUES:

Administrative receipts	\$ 1,076,184
<hr/>	
Total revenues	1,076,184

EXPENDITURES:

Administrative:	
Salaries	107,842
Benefits	47,461
Communications	1,291
Consultants	35,300
Indirect administrative expenses	18,075
Postage	272
Printing	1,080
Professional dues/publications	2,161
Supplies	3,267
Conferences/conventions	13,300
Community partnership grant:	
Bounce Back	104,194
Building Bridges	97,375
Community Support	33,999
Local Care Team Coordinator	78,630
Planning Strategy	14,134
Worcester Connects Program	136,916
Worcester Navigation	143,421
Youth Connection Center	19,662
Total expenditures	858,380

Change in fund balance before other financing sources	217,804
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OTHER FINANCING SOURCES:

Interest income	23
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Change in fund balance	217,827
Fund balance, beginning	65,611
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Fund balance, ending	\$ 283,438

WORCESTER COUNTY, MARYLAND
COMBINING SCHEDULE OF FUND NET POSITION - OPERATING FUNDS
DEPARTMENT OF WATER AND WASTEWATER SERVICES
June 30, 2023

	West Ocean City <u>S.A.</u>	Ocean Pines <u>S.A.</u>	Newark Service <u>Area</u>	Bridgetown Service <u>Area</u>	Shared Facilities	Edgewater Acres <u>S.A.</u>
ASSETS						
Current assets:						
Cash and short-term investments	\$ 2,843,805	\$ 1,462,533	\$ (32,567)	\$ 42,276	\$ 6,464	\$ (85,989)
Accounts receivable - usage billings	392,783	1,880,185	44,215	3,594	177,543	68,861
Interfund receivable	-	-	-	-	-	-
Due from other funds	-	-	-	2,152	-	-
Total current assets	3,236,588	3,342,718	11,648	48,022	184,007	(17,128)
Capital assets:						
Land and land rights	47,037	63,319	4,527	-	-	-
Water and sewer systems	11,523,026	51,810,498	3,577,979	330,480	-	94,806
Machinery and equipment	157,517	4,127,295	-	-	-	103,753
Construction-in-progress	-	53,105	-	-	-	-
	11,727,580	56,054,217	3,582,506	330,480	-	198,559
Less: accumulated depreciation	(10,109,341)	(30,767,715)	(1,019,799)	(293,620)	-	(161,540)
	1,618,239	25,286,502	2,562,707	36,860	-	37,019
Total assets	4,854,827	28,629,220	2,574,355	84,882	184,007	19,891
LIABILITIES						
Current liabilities:						
Accounts payable and accrued expenses	36,468	268,328	5,306	2,401	4,677	11,909
Interfund payable	-	681,789	34,920	-	-	-
Total current liabilities	36,468	950,117	40,226	2,401	4,677	11,909
Other liabilities:						
Compensated absences	7,677	146,395	3,186	729	-	1,950
Due to other funds	48,661	1,428,827	24,576	-	180,325	17,732
Total other liabilities	56,338	1,575,222	27,762	729	180,325	19,682
Total liabilities	92,806	2,525,339	67,988	3,130	185,002	31,591
NET POSITION						
Unrestricted net position	\$ 4,762,021	\$ 26,103,881	\$ 2,506,367	\$ 81,752	\$ (995)	\$ (11,700)

Assateague Pointe S.A.	River Run S.A.	Mystic Harbour S.A.	Lighthouse Sound S.A.	Riddle Farm S.A.	The Landings S.A.	Support Groups	Total
\$ 339,495	\$ 330,843	\$ 798,774	\$ 114,765	\$ (1,732,312)	\$ (367,509)	\$ 669,489	\$ 4,390,067
64,710	36,497	513,347	27,671	629,601	87,951	-	3,926,958
-	-	968,398	-	-	-	-	968,398
-	-	-	-	-	-	-	2,152
404,205	367,340	2,280,519	142,436	(1,102,711)	(279,558)	669,489	9,287,575
-	-	-	-	-	-	-	114,883
1,201,439	-	20,804,349	-	21,313,747	9,009,363	-	119,665,687
-	128,233	549,185	26,381	-	-	1,438,717	6,531,081
-	8,592	-	-	243,002	41,611	-	346,310
1,201,439	136,825	21,353,534	26,381	21,556,749	9,050,974	1,438,717	126,657,961
(1,166,414)	(128,235)	(5,402,057)	(11,871)	(8,551,837)	(3,618,556)	(1,193,884)	(62,424,869)
35,025	8,590	15,951,477	14,510	13,004,912	5,432,418	244,833	64,233,092
439,230	375,930	18,231,996	156,946	11,902,201	5,152,860	914,322	73,520,667
5,716	5,226	48,551	1,927	190,713	14,626	1,231	597,079
49,153	-	-	-	46,411	-	-	812,273
54,869	5,226	48,551	1,927	237,124	14,626	1,231	1,409,352
3,020	1,234	12,834	1,412	5,015	2,620	-	186,072
29,323	13,430	114,502	13,202	70,190	195,191	666,529	2,802,488
32,343	14,664	127,336	14,614	75,205	197,811	666,529	2,988,560
87,212	19,890	175,887	16,541	312,329	212,437	667,760	4,397,912
\$ 352,018	\$ 356,040	\$ 18,056,109	\$ 140,405	\$ 11,589,872	\$ 4,940,423	\$ 246,562	\$ 69,122,755

WORCESTER COUNTY, MARYLAND
COMBINING SCHEDULE OF FUND NET POSITION - CAPITAL PROJECTS
DEPARTMENT OF WATER AND WASTEWATER SERVICES
June 30, 2023

	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	\$ 9,470,129	\$ 20,342	\$ 3,116,559	\$ -
Accounts receivable - EDU	1,211,222	70,073	308,453	40,623
Interfund receivable	681,789	34,920	-	49,153
Total current assets	11,363,140	125,335	3,425,012	89,776
Other assets:				
Long-term EDU receivable	8,740,000	1,028,833	8,864,883	56,996
Total other assets	8,740,000	1,028,833	8,864,883	56,996
Total assets	20,103,140	1,154,168	12,289,895	146,772
LIABILITIES				
Current liabilities:				
Interfund payable	-	-	968,398	-
Bonds payable - current portion	973,523	53,266	295,907	32,011
Accrued bond interest payable	197,807	2,294	12,584	924
Total current liabilities	1,171,330	55,560	1,276,889	32,935
Other liabilities:				
Unearned revenue	9,615,000	1,082,100	9,068,642	89,008
Due to General Fund	23,450	-	-	-
Bonds payable	9,590,884	1,028,833	9,612,774	56,996
Total other liabilities	19,229,334	2,110,933	18,681,416	146,004
Total liabilities	20,400,664	2,166,493	19,958,305	178,939
NET POSITION				
Unrestricted net position (deficit)	\$ (297,524)	\$ (1,012,325)	\$ (7,668,410)	\$ (32,167)

Riddle
Farm
S.A.

Total

\$	-	\$	12,607,030
	16,646		1,647,017
	46,411		812,273
	<u>63,057</u>		<u>15,066,320</u>
	175,000		18,865,712
	<u>175,000</u>		<u>18,865,712</u>
	238,057		33,932,032
	<u>238,057</u>		<u>33,932,032</u>
	-		968,398
	12,422		1,367,129
	3,479		217,088
	<u>15,901</u>		<u>2,552,615</u>
	185,000		20,039,750
	-		23,450
	198,607		20,488,094
	<u>383,607</u>		<u>40,551,294</u>
	399,508		43,103,909
	<u>399,508</u>		<u>43,103,909</u>
\$	(161,451)	\$	(9,171,877)

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL - OPERATING FUNDS
DEPARTMENT OF WATER AND WASTEWATER SERVICES
Year Ended June 30, 2023

	<u>West Ocean City Service Area</u>			<u>Ocean Pines Service Area</u>		
	Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget
OPERATING REVENUES:						
Charges for service	\$ 1,497,093	\$ 1,520,349	\$ 23,256	\$ 7,719,583	\$ 7,715,894	\$ (3,689)
Interest and penalties	15,000	15,184	184	83,000	92,339	9,339
Other revenue	-	3,138	3,138	215,000	879,303	664,303
Total operating revenues	1,512,093	1,538,671	26,578	8,017,583	8,687,536	669,953
OPERATING EXPENSES:						
Personnel services	285,536	104,115	181,421	4,136,571	3,707,250	429,321
Supplies and materials	33,261	41,090	(7,829)	547,854	846,715	(298,861)
Maintenance and services	979,412	769,149	210,263	2,472,007	3,317,597	(845,590)
Other charges	19,726	24,756	(5,030)	111,302	132,783	(21,481)
Interfund charges	120,629	120,628	1	501,171	501,172	(1)
Total operating expenses	1,438,564	1,059,738	378,826	7,768,905	8,505,517	(736,612)
Operating income (loss) before depreciation	73,529	478,933	405,404	248,678	182,019	(66,659)
Depreciation	-	371,001	(371,001)	-	1,723,310	(1,723,310)
Net operating income (loss)	73,529	107,932	34,403	248,678	(1,541,291)	(1,789,969)
NONOPERATING REVENUES (EXPENSES):						
Transfer from (to) reserves	56,471	-	(56,471)	66,322	-	(66,322)
Transfer from (to) other funds	-	-	-	-	972,527	972,527
Sale of capital assets	-	-	-	-	7,100	7,100
Operating grants	-	-	-	-	-	-
Interest income	20,000	61,685	41,685	-	-	-
Net nonoperating revenues (expenses)	76,471	61,685	(14,786)	66,322	979,627	913,305
Net income (loss)	\$ 150,000	\$ 169,617	\$ 19,617	\$ 315,000	\$ (561,664)	\$ (876,664)
OTHER BUDGETED EXPENDITURES:						
Capital outlay	\$ (150,000)			\$ (315,000)		
Total other budgeted expenditures	(150,000)			(315,000)		
Budgeted net income (loss)	\$ -			\$ -		

Newark Service Area			Bridletown 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
\$ 175,372	\$ 164,348	\$ (11,024)	\$ 14,144	\$ 14,703	\$ 559	\$ 253,838	\$ 257,513	\$ 3,675
2,000	3,815	1,815	550	568	18	2,000	1,692	(308)
25,632	26,007	375	-	107	107	865	864	(1)
203,004	194,170	(8,834)	14,694	15,378	684	256,703	260,069	3,366
106,563	142,907	(36,344)	9,720	7,004	2,716	59,576	87,153	(27,577)
12,255	12,455	(200)	1,114	977	137	4,455	5,527	(1,072)
56,969	69,417	(12,448)	33,401	31,248	2,153	176,596	203,013	(26,417)
1,397	1,799	(402)	326	243	83	2,272	2,854	(582)
6,463	6,464	(1)	1,489	1,488	1	12,280	12,280	-
183,647	233,042	(49,395)	46,050	40,960	5,090	255,179	310,827	(55,648)
19,357	(38,872)	(58,229)	(31,356)	(25,582)	5,774	1,524	(50,758)	(52,282)
-	98,623	(98,623)	-	9,814	(9,814)	-	7,056	(7,056)
19,357	(137,495)	(156,852)	(31,356)	(35,396)	(4,040)	1,524	(57,814)	(59,338)
(19,357)	-	19,357	(144)	-	144	(1,524)	-	1,524
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	31,500	31,500	-	-	-	-
-	-	-	-	-	-	-	-	-
(19,357)	-	19,357	31,356	31,500	144	(1,524)	-	1,524
\$ -	\$ (137,495)	\$ (137,495)	\$ -	\$ (3,896)	\$ (3,896)	\$ -	\$ (57,814)	\$ (57,814)
\$ -			\$ -			\$ -		
-			-			-		
\$ -			\$ -			\$ -		

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL - OPERATING FUNDS
DEPARTMENT OF WATER AND WASTEWATER SERVICES
Year Ended June 30, 2023

(CONTINUED)

	<u>Assateague Pointe Service Area</u>			<u>River Run Service Area</u>		
	<u>Original/ Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Original/ Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES:						
Charges for service	\$ 277,704	\$ 281,388	\$ 3,684	\$ 186,872	\$ 202,106	\$ 15,234
Interest and penalties	3,750	3,844	94	600	941	341
Other revenue	-	1,418	1,418	-	570	570
Total operating revenues	281,454	286,650	5,196	187,472	203,617	16,145
OPERATING EXPENSES:						
Personnel services	133,008	129,001	4,007	64,263	59,472	4,791
Supplies and materials	28,383	64,787	(36,404)	21,377	13,043	8,334
Maintenance and services	113,234	105,932	7,302	97,543	137,906	(40,363)
Other charges	5,863	6,979	(1,116)	1,796	2,342	(546)
Interfund charges	31,550	31,550	-	10,258	10,258	-
Total operating expenses	312,038	338,249	(26,211)	195,237	223,021	(27,784)
Operating income (loss) before depreciation	(30,584)	(51,599)	(21,015)	(7,765)	(19,404)	(11,639)
Depreciation	-	3,845	(3,845)	-	-	-
Net operating income (loss)	(30,584)	(55,444)	(24,860)	(7,765)	(19,404)	(11,639)
NONOPERATING REVENUES (EXPENSES):						
Transfer from (to) reserves	30,584	-	(30,584)	37,765	-	(37,765)
Transfer from (to) other funds	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
Net nonoperating revenues (expenses)	30,584	-	(30,584)	37,765	-	(37,765)
Net income (loss)	\$ -	\$ (55,444)	\$ (55,444)	\$ 30,000	\$ (19,404)	\$ (49,404)
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
\$ 1,431,161	\$ 1,643,184	\$ 212,023	\$ 107,300	112,008	\$ 4,708	\$ 798,528	\$ 839,138	\$ 40,610
15,000	15,928	928	700	649	(51)	5,000	8,073	3,073
138,328	570,252	431,924	-	275	275	-	145,408	145,408
1,584,489	2,229,364	644,875	108,000	112,932	4,932	803,528	992,619	189,091
724,484	544,852	179,632	64,661	66,716	(2,055)	389,508	370,294	19,214
244,231	219,496	24,735	12,423	11,485	938	76,564	104,613	(28,049)
687,229	806,499	(119,270)	26,819	34,734	(7,915)	439,009	1,035,281	(596,272)
20,112	24,773	(4,661)	1,178	777	401	7,329	6,106	1,223
99,999	99,999	-	3,720	3,720	-	24,293	24,293	-
1,776,055	1,695,619	80,436	108,801	117,432	(8,631)	936,703	1,540,587	(603,884)
(191,566)	533,745	725,311	(801)	(4,500)	(3,699)	(133,175)	(547,968)	(414,793)
-	632,159	(632,159)	-	5,276	(5,276)	-	591,373	(591,373)
(191,566)	(98,414)	93,152	(801)	(9,776)	(8,975)	(133,175)	(1,139,341)	(1,006,166)
319,566	-	(319,566)	801	-	(801)	248,175	-	(248,175)
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
319,566	-	(319,566)	801	-	(801)	248,175	-	(248,175)
\$ 128,000	\$ (98,414)	\$ (226,414)	\$ -	\$ (9,776)	\$ (9,776)	\$ 115,000	\$ (1,139,341)	\$ (1,254,341)
\$ (128,000)			\$ -			\$ (115,000)		
(128,000)			-			(115,000)		
\$ -			\$ -			\$ -		

WORCESTER COUNTY, MARYLAND
SCHEDULE OF REVENUES AND EXPENSES
BUDGET AND ACTUAL - OPERATING FUNDS
DEPARTMENT OF WATER AND WASTEWATER SERVICES
Year Ended June 30, 2023

(CONTINUED)

	<u>The Landings Service Area</u>			<u>Support Group</u>		
	<u>Original/ Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>	<u>Original/ Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
OPERATING REVENUES:						
Charges for service	\$ 346,851	\$ 510,681	\$ 163,830	\$ -	\$ -	\$ -
Interest and penalties	4,000	6,664	2,664	-	-	-
Other revenue	-	28,112	28,112	-	87,560	87,560
<u>Total operating revenues</u>	<u>350,851</u>	<u>545,457</u>	<u>194,606</u>	<u>-</u>	<u>87,560</u>	<u>87,560</u>
OPERATING EXPENSES:						
Personnel services	137,699	153,374	(15,675)	-	-	-
Supplies and materials	23,240	38,121	(14,881)	-	-	-
Maintenance and services	205,379	400,724	(195,345)	-	-	-
Other charges	2,396	2,296	100	-	-	-
Interfund charges	8,495	8,495	-	-	-	-
<u>Total operating expenses</u>	<u>377,209</u>	<u>603,010</u>	<u>(225,801)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Operating income (loss) before depreciation	(26,358)	(57,553)	(31,195)	-	87,560	87,560
Depreciation	-	232,772	(232,772)	-	91,034	(91,034)
<u>Net operating income (loss)</u>	<u>(26,358)</u>	<u>(290,325)</u>	<u>(263,967)</u>	<u>-</u>	<u>(3,474)</u>	<u>(3,474)</u>
NONOPERATING REVENUES (EXPENSES):						
Transfer from (to) reserves	26,358	-	(26,358)	-	-	-
Transfer from (to) other funds	-	-	-	-	-	-
Sale of capital assets	-	(1,771)	(1,771)	-	2,040	2,040
Operating grants	-	-	-	-	-	-
Interest income	-	-	-	-	-	-
<u>Net nonoperating revenues (expenses)</u>	<u>26,358</u>	<u>(1,771)</u>	<u>(28,129)</u>	<u>-</u>	<u>2,040</u>	<u>2,040</u>
<u>Net income (loss)</u>	<u>\$ -</u>	<u>\$ (292,096)</u>	<u>\$ (292,096)</u>	<u>\$ -</u>	<u>\$ (1,434)</u>	<u>\$ (1,434)</u>
OTHER BUDGETED EXPENDITURES:						
Capital outlay	\$ -			\$ -		
<u>Total other budgeted expenditures</u>	<u>-</u>			<u>-</u>		
<u>Budgeted net income (loss)</u>	<u>\$ -</u>			<u>\$ -</u>		

Shared Facilities			Combined Totals		
Original/ Final Budget	Actual	Variance with Final Budget	Original/ Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ 12,808,446	\$ 13,261,312	\$ 452,866
-	-	-	131,600	149,697	18,097
-	7,967	7,967	379,825	1,750,981	1,371,156
-	7,967	7,967	13,319,871	15,161,990	1,842,119
-	41,604	(41,604)	6,111,589	5,413,742	697,847
-	47	(47)	1,005,157	1,358,356	(353,199)
-	14,587	(14,587)	5,287,598	6,926,087	(1,638,489)
-	-	-	173,697	205,708	(32,011)
-	-	-	820,347	820,347	-
-	56,238	(56,238)	13,398,388	14,724,240	(1,325,852)
-	(48,271)	(48,271)	(78,517)	437,750	516,267
-	-	-	-	3,766,263	(3,766,263)
-	(48,271)	(48,271)	(78,517)	(3,328,513)	(3,249,996)
-	-	-	765,017	-	(765,017)
-	-	-	-	972,527	972,527
-	-	-	-	7,369	7,369
-	-	-	31,500	31,500	-
-	-	-	20,000	61,685	41,685
-	-	-	816,517	1,073,081	256,564
\$ -	\$ (48,271)	\$ (48,271)	\$ 738,000	\$ (2,255,432)	\$ (2,993,432)
\$ -			\$ (738,000)		
-			(738,000)		
\$ -			\$ -		

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, 2023

	Ocean Pines S.A.	Newark Service Area	Mystic Harbour S.A.	Snug Harbor S.A.
Revenues:				
Debt service revenue	\$ 1,363,909	\$ 64,704	\$ 421,812	\$ 34,288
Other revenues	87,978	-	453,076	-
Total revenues	1,451,887	64,704	874,888	34,288
Operating income (loss)	1,451,887	64,704	874,888	34,288
Nonoperating income (expense):				
Interest on investments	182,842	18	93,956	-
Bond interest expense	(378,873)	(7,689)	(242,733)	(1,473)
Transfers from (to) other funds	(972,527)	-	-	-
Total nonoperating income (expense)	(1,168,558)	(7,671)	(148,777)	(1,473)
Change in net position	283,329	57,033	726,111	32,815
Net position (deficit), beginning	(580,853)	(1,069,358)	(8,394,521)	(64,982)
Net position (deficit), ending	\$ (297,524)	\$ (1,012,325)	\$ (7,668,410)	\$ (32,167)

Riddle Farm S.A.		<u>Total</u>	
\$	27,828	\$	1,912,541
	2,422		543,476
	<u>30,250</u>		<u>2,456,017</u>
	30,250		2,456,017
	-		276,816
	(8,392)		(639,160)
	-		(972,527)
	<u>(8,392)</u>		<u>(1,334,871)</u>
	21,858		1,121,146
	<u>(183,309)</u>		<u>(10,293,023)</u>
\$	<u>(161,451)</u>	\$	<u>(9,171,877)</u>

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, 2023

	Original/ Final <u>Budget</u>	<u>Actual</u>	Variance with Final <u>Budget</u>
Operating revenues:			
Licenses and permits	\$ 4,500	\$ 3,540	\$ (960)
Stump, yard waste, and mulch revenue	50,000	58,606	8,606
Interest and penalties on overdue accounts	2,000	1,306	(694)
Interfund charges	373,482	373,482	-
Other revenue	335,000	55,448	(279,552)
Tipping fees	4,115,900	5,132,170	1,016,270
<u>Total operating revenues</u>	<u>4,880,882</u>	<u>5,624,552</u>	<u>743,670</u>
<u>Total operating expenses</u>	<u>4,008,065</u>	<u>3,532,623</u>	<u>475,442</u>
Operating income (loss) before depreciation	872,817	2,091,929	1,219,112
<u>Depreciation</u>	<u>-</u>	<u>1,900,701</u>	<u>(1,900,701)</u>
Operating income (loss)	872,817	191,228	(681,589)
Nonoperating income (expense):			
Interest on investments	3,046	331,196	328,150
Transfer to reserves	244,815	-	(244,815)
Interest expense	(1,120,678)	(210,308)	910,370
<u>Total nonoperating income (expense)</u>	<u>(872,817)</u>	<u>120,888</u>	<u>993,705</u>
<u>Change in net position</u>	<u>\$ -</u>	<u>312,116</u>	<u>\$ 312,116</u>
Net position, beginning		<u>(548,037)</u>	
Net position, ending		<u>\$ (235,921)</u>	

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, 2023

(CONTINUED)

	<u>Original/ Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Expenses:			
Department: Administration			
Salaries	\$ 124,758	\$ 95,574	\$ 29,184
Benefits	91,074	38,817	52,257
Salaries and benefits - Treasurer's support	60,968	60,969	(1)
Salaries and benefits - Public Works and administrative	126,400	126,400	-
Administrative expenses	19,675	23,185	(3,510)
Alarm monitoring	750	1,362	(612)
Audit services	8,125	8,138	(13)
Insurance	12,250	13,873	(1,623)
Solid waste committee	2,800	3,299	(499)
Supplies	2,020	-	2,020
Uniforms	1,000	452	548
	<u>449,820</u>	<u>372,069</u>	<u>77,751</u>
Department: Solid Waste			
Salaries	717,482	646,075	71,407
Benefits	512,813	308,459	204,354
Buildings and grounds	500,000	523,998	(23,998)
Capital equipment	920,000	-	920,000
Closure and post-closure costs	-	511,196	(511,196)
Compliance and permitting	-	5,889	(5,889)
Consulting services	200,000	190,310	9,690
Fuel	180,000	207,392	(27,392)
Leachate expense	225,000	312,719	(87,719)
Safety expense	-	211	(211)
Supplies and equipment	2,500	16,271	(13,771)
Telephone	2,000	2,383	(383)
Training	3,000	752	2,248
Uniforms	9,100	7,630	1,470
Utilities	20,000	20,162	(162)
Vehicle and heavy equipment maintenance	266,350	407,107	(140,757)
	<u>3,558,245</u>	<u>3,160,554</u>	<u>397,691</u>
Total operating expenses	\$ 4,008,065	\$ 3,532,623	\$ 475,442

WORCESTER COUNTY, MARYLAND
COMBINING STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUNDS
June 30, 2023

	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	\$ -	\$ 16	\$ 94,198	\$ 138,980	\$ 1,366,113	\$ 148,164	\$ 141,342	\$ 253,992	\$ -
Taxes receivable	301,744	-	-	-	-	-	-	231,427	35,923
Due from other funds	-	-	-	-	-	-	-	540	3,895
Total assets	301,744	16	94,198	138,980	1,366,113	148,164	141,342	485,959	39,818
LIABILITIES									
Accounts payable	-	-	85,698	-	1,366,113	148,164	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-
Due to other governments	301,744	16	8,500	-	-	-	-	485,959	39,818
Total liabilities	301,744	16	94,198	-	1,366,113	148,164	-	485,959	39,818
NET POSITION									
Fiduciary net position held for others	-	-	-	138,980	-	-	141,342	-	-
Total net position	\$ -	\$ -	\$ -	\$ 138,980	\$ -	\$ -	\$ 141,342	\$ -	\$ -

<u>Berlin Property Tax</u>	<u>Pocomoke Property Tax</u>	<u>Ocean City Property Tax</u>	<u>Special Loans</u>	<u>Critical Areas</u>	<u>Seized Funds Pending Forfeiture</u>	<u>Snow Hill Room Tax</u>	<u>Berlin Room Tax</u>	<u>Pocomoke Room Tax</u>	<u>Ocean City Room Tax</u>	<u>Ocean City Food Tax</u>	<u>Total</u>
\$ -	\$ -	\$ -	\$ 173,816	\$ 70,991	\$ 285,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,673,397
61,335	115,347	553,367	-	-	-	-	-	-	-	-	1,299,143
6,716	-	-	-	-	-	-	-	-	-	-	11,151
<u>68,051</u>	<u>115,347</u>	<u>553,367</u>	<u>173,816</u>	<u>70,991</u>	<u>285,785</u>	-	-	-	-	-	<u>3,983,691</u>
-	-	-	-	-	1,032	-	-	-	-	-	1,601,007
-	-	-	-	-	284,753	-	-	-	-	-	284,753
68,051	115,347	553,367	907	-	-	-	-	-	-	-	1,573,709
<u>68,051</u>	<u>115,347</u>	<u>553,367</u>	<u>907</u>	-	<u>285,785</u>	-	-	-	-	-	<u>3,459,469</u>
-	-	-	172,909	70,991	-	-	-	-	-	-	524,222
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,909</u>	<u>\$ 70,991</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 524,222</u>

WORCESTER COUNTY, MARYLAND
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
CUSTODIAL FUNDS
Year Ended June 30, 2023

	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	\$18,815,616	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 870,913	\$ 1,109,081
Grant funding	-	-	-	-	-	-	-	-	-
Other	-	128,903	227,705	40,649	174,332	26,000	-	-	-
Interest	-	-	-	-	-	-	1,446	-	-
Total additions	18,815,616	128,903	227,705	40,649	174,332	26,000	1,446	870,913	1,109,081
DEDUCTIONS:									
Payments to other governments	18,815,616	128,903	227,705	32,555	-	-	-	870,913	1,109,081
Other	-	-	-	17,264	174,332	26,000	-	-	-
Total deductions	18,815,616	128,903	227,705	49,819	174,332	26,000	-	870,913	1,109,081
Change in net position	-	-	-	(9,170)	-	-	1,446	-	-
Net position, beginning	-	-	-	148,150	-	-	139,896	-	-
Net position, ending	\$ -	\$ -	\$ -	\$ 138,980	\$ -	\$ -	\$ 141,342	\$ -	\$ -

<u>Berlin Property Tax</u>	<u>Pocomoke Property Tax</u>	<u>Ocean City Property Tax</u>	<u>Special Loans</u>	<u>Critical Areas</u>	<u>Seized Funds Pending Forfeiture</u>	<u>Snow Hill Room Tax</u>	<u>Berlin Room Tax</u>	<u>Pocomoke Room Tax</u>	<u>Ocean City Room Tax</u>	<u>Ocean City Food Tax</u>	<u>Total</u>
\$ 4,172,388	\$ 2,794,620	\$ 42,774,720	\$ -	\$ -	\$ -	\$ 10,338	\$ 89,674	\$ 154,089	\$ 26,875,539	\$ 1,869,434	\$ 99,536,412
-	-	-	297,796	-	-	-	-	-	-	-	297,796
-	-	-	-	-	207,686	-	-	-	-	-	805,275
-	-	-	-	608	-	-	-	-	-	-	2,054
<u>4,172,388</u>	<u>2,794,620</u>	<u>42,774,720</u>	<u>297,796</u>	<u>608</u>	<u>207,686</u>	<u>10,338</u>	<u>89,674</u>	<u>154,089</u>	<u>26,875,539</u>	<u>1,869,434</u>	<u>100,641,537</u>
4,172,388	2,794,620	42,774,720	-	-	-	10,338	89,674	154,089	26,875,539	1,869,434	99,925,575
-	-	-	125,173	7,740	207,686	-	-	-	-	-	558,195
<u>4,172,388</u>	<u>2,794,620</u>	<u>42,774,720</u>	<u>125,173</u>	<u>7,740</u>	<u>207,686</u>	<u>10,338</u>	<u>89,674</u>	<u>154,089</u>	<u>26,875,539</u>	<u>1,869,434</u>	<u>100,483,770</u>
-	-	-	172,623	(7,132)	-	-	-	-	-	-	157,767
-	-	-	286	78,123	-	-	-	-	-	-	366,455
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 172,909</u>	<u>\$ 70,991</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 524,222</u>

WORCESTER COUNTY, MARYLAND
SCHEDULE OF ASSESSABLE BASE
GENERAL FUND
Year Ended June 30, 2023

	<u>Full-Year Assessment</u>	<u>Half-Year Assessment</u>	<u>Total</u>
Real property	\$ 17,166,401,487	\$ 70,624,281	\$ 17,237,025,768
Personal property - individuals and firms - all districts	11,545,310	-	11,545,310
Railroads and public utilities	222,050,160	-	222,050,160
Railroads and public utilities - reduced rate	-	-	-
Ordinary business corporations	273,609,710	-	273,609,710
<u>Total</u>	<u>\$ 17,673,606,667</u>	<u>\$ 70,624,281</u>	<u>\$ 17,744,230,948</u>

Computation of Taxes for County Purposes

\$17,166,401,487 assessable base at \$0.845 per \$100 base (full-year)	\$ 145,056,093
\$507,205,180 assessable base at \$2.1125 per \$100 base (full-year)	10,714,709
\$0 assessable base at \$0.845 per \$100 base (full-year)	-
<u>\$70,624,281 assessable base at \$0.4225 per \$100 base (half-year)</u>	<u>298,388</u>
	156,069,190
Adjustment for deferred property taxes receivable	(672,160)
<u>Net additions and abatements</u>	<u>(209,633)</u>
<u>Total County taxes for the year ended June 30, 2023</u>	<u>\$ 155,187,397</u>

WORCESTER COUNTY, MARYLAND
SCHEDULE OF ASSESSABLE BASES AND TAX LEVIES
GENERAL FUND
Fiscal Years Ended June 30, 2023

<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%

* 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, 2023

Levies of years ended June 30:

2023	\$ 2,675,304
2022	249,951
2021	305,295
2020	57,211
2019 and prior	306,804
Total	\$ 3,594,565

WORCESTER COUNTY, MARYLAND
NOTES TO THE OTHER SUPPLEMENTARY INFORMATION
For the year ended June 30, 2023

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 \$7.4 million and were primarily related to the expenditure of Covid-19 related grant funds which were received by the County in FY23. This grant activity was not budgeted in FY23 due to the continued uncertainty associated with the Covid-19 Pandemic when the FY23 Budget was adopted in June 2022. The increased grant activity is most evident in the Other General Government department on page 117 as well as the Emergency Services department shown on page 118.

Revenue in the General Fund Exceeded the budget by \$27.1 million and approximately \$8.8 million relates to additional grant funding included in the Intergovernmental revenues on pages 109 and 110. In addition, local income tax exceeded budget by \$9.0 million and interest on investments exceeded budget by \$4.1 million on page 112 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 – 11

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

Debt Capacity

12 – 15

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

16 – 17

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

18 – 20

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)

	2014	2015	2016	2017	Fiscal Year 2018	2019	2020	2021	2022	2023
Governmental activities										
Net investment in capital assets	\$ 86,424,881	\$ 86,671,386	\$ 77,759,097	\$ 82,846,858	\$ 86,692,388	\$ 89,332,799	\$ 93,809,523	\$ 90,993,442	\$ 88,217,453	\$ 83,606,528
Restricted	-	-	-	-	-	-	-	-	-	15,550,321
Unrestricted	<u>(5,573,996)</u>	<u>(28,314,942)</u>	<u>(22,728,680)</u>	<u>(25,490,273)</u>	<u>(66,318,716)</u>	<u>(66,240,565)</u>	<u>(79,582,700)</u>	<u>(55,474,908)</u>	<u>(24,556,629)</u>	<u>(14,169,782)</u>
Total governmental activities net position	<u>80,850,885</u>	<u>58,356,444</u>	<u>55,030,417</u>	<u>57,356,585</u>	<u>20,373,672</u>	<u>23,092,234</u>	<u>14,226,823</u>	<u>35,518,534</u>	<u>63,660,824</u>	<u>84,987,067</u>
Business-type activities										
Net investment in capital assets	53,642,591	55,184,962	53,420,609	58,358,305	61,943,999	61,719,892	57,912,012	57,958,906	56,320,686	49,281,303
Unrestricted	<u>4,651,348</u>	<u>571,926</u>	<u>30,886</u>	<u>(3,737,553)</u>	<u>(4,778,123)</u>	<u>(1,937,328)</u>	<u>2,105,496</u>	<u>2,066,021</u>	<u>4,216,441</u>	<u>10,433,654</u>
Total business-type activities net position	<u>58,293,939</u>	<u>55,756,888</u>	<u>53,451,495</u>	<u>54,620,752</u>	<u>57,165,876</u>	<u>59,782,564</u>	<u>60,017,508</u>	<u>60,024,927</u>	<u>60,537,127</u>	<u>59,714,957</u>
Primary government										
Net investment in capital assets	140,067,472	141,856,348	131,179,706	141,205,163	148,636,387	151,052,691	155,816,535	148,952,348	144,538,139	132,887,831
Restricted	-	-	-	-	-	-	-	-	-	15,550,321
Unrestricted	<u>(922,648)</u>	<u>(27,743,016)</u>	<u>(22,697,794)</u>	<u>(29,227,826)</u>	<u>(71,096,839)</u>	<u>(68,177,893)</u>	<u>(81,572,204)</u>	<u>(53,408,887)</u>	<u>(20,340,188)</u>	<u>(3,736,128)</u>
Total primary government net position	<u>\$ 139,144,824</u>	<u>\$ 114,113,332</u>	<u>\$ 108,481,912</u>	<u>\$ 111,977,337</u>	<u>\$ 77,539,548</u>	<u>\$ 82,874,798</u>	<u>\$ 74,244,331</u>	<u>\$ 95,543,461</u>	<u>\$ 124,197,951</u>	<u>\$ 144,702,024</u>

Notes: 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

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

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental activities:										
General government	\$ 41,815,245	\$ 38,635,684	\$ 44,076,570	\$ 44,311,285	\$ 38,378,190	\$ 27,275,158	\$ 23,725,666	\$ 27,023,761	\$ 22,858,631	\$ 29,191,558
Public safety	31,088,753	31,973,300	31,539,249	33,626,987	36,229,150	37,741,726	38,790,887	39,295,951	42,244,797	45,249,039
Public works	6,843,212	5,217,371	5,567,728	4,850,672	8,808,385	7,810,742	10,065,623	9,629,488	10,016,308	10,152,745
Health and hospitals	6,003,573	6,551,417	6,377,497	6,657,023	6,597,319	6,691,645	6,780,295	6,640,734	6,457,426	6,596,098
Social services	1,879,944	1,946,138	2,075,471	2,035,417	2,290,971	2,444,405	2,446,321	2,903,950	5,124,740	4,998,678
Education	84,004,053	100,313,254	93,437,468	94,649,729	92,556,477	99,447,577	127,270,912	109,762,529	111,152,755	122,482,817
Libraries, recreation and culture	5,438,515	6,092,227	5,258,231	5,905,393	6,049,573	7,147,979	7,873,319	8,903,755	8,626,343	8,614,433
Conservation of natural resources	241,883	375,697	497,939	425,671	712,005	849,887	840,547	748,500	759,553	857,899
Economic development	1,667,636	1,932,046	1,631,443	1,686,229	1,711,548	1,634,878	1,876,097	13,069,061	2,014,967	3,039,252
Interest on long-term debt	2,428,386	4,891,421	3,874,043	4,076,145	3,704,618	2,852,292	2,646,733	2,555,254	2,105,319	1,748,030
Total governmental activities expenses	<u>181,411,200</u>	<u>197,928,555</u>	<u>194,335,639</u>	<u>198,224,551</u>	<u>197,038,236</u>	<u>193,896,289</u>	<u>222,316,400</u>	<u>220,532,983</u>	<u>211,360,839</u>	<u>232,930,549</u>
Business-type activities:										
Department of Solid Waste	5,513,619	5,638,012	4,183,293	4,367,047	4,092,967	5,691,253	2,975,362	7,083,647	4,304,282	5,643,632
Department of Water and Wastewater	12,351,756	13,409,381	14,035,346	13,691,072	14,466,207	15,060,164	15,174,092	16,142,579	16,895,063	19,129,663
Department of Liquor Control	15,518,122	10,477,998	7,929,512	6,076,646	1,032,268	999,469	1,035,251	636,072	-	-
Total business-type activities expenses	<u>33,383,497</u>	<u>29,525,391</u>	<u>26,148,151</u>	<u>24,134,765</u>	<u>19,591,442</u>	<u>21,750,886</u>	<u>19,184,705</u>	<u>23,862,298</u>	<u>21,199,345</u>	<u>24,773,295</u>
Total primary government expenses	<u>\$ 214,794,697</u>	<u>\$ 227,453,946</u>	<u>\$ 220,483,790</u>	<u>\$ 222,359,316</u>	<u>\$ 216,629,678</u>	<u>\$ 215,647,175</u>	<u>\$ 241,501,105</u>	<u>\$ 244,395,281</u>	<u>\$ 232,560,184</u>	<u>\$ 257,703,844</u>
Program revenues										
Governmental activities:										
Charges for services:										
General government	\$ 2,010,031	\$ 2,081,072	\$ 2,053,695	\$ 2,087,794	\$ 2,276,106	\$ 2,062,878	\$ 1,851,965	\$ 2,679,098	\$ 2,512,294	\$ 2,688,082
Public safety	5,616,912	5,143,953	5,513,482	6,030,900	5,803,127	5,651,824	3,885,304	1,148,737	908,054	674,851
Public works	79,207	87,884	75,713	88,721	98,986	107,201	509,961	533,758	626,029	624,334
Health and hospitals	435,267	431,421	431,643	430,894	444,284	447,883	425,583	477,375	471,158	456,961
Libraries, recreation and culture	236,546	312,460	349,348	361,834	364,513	353,870	305,597	232,390	491,679	482,243
Economic development	22,230	38,184	8,747	17,615	20,046	35,608	33,829	22,390	28,473	5,757
Operating grants and contributions	4,154,275	5,132,554	5,244,177	5,559,621	7,131,615	7,431,909	9,097,988	24,502,238	18,756,330	15,202,949
Capital grants and contributions	1,220,927	1,861,970	1,936,382	1,984,522	2,932,654	1,043,469	942,814	5,756,212	2,447,679	8,136,182
Total governmental activities program revenues	<u>13,775,395</u>	<u>15,089,498</u>	<u>15,613,187</u>	<u>16,561,901</u>	<u>19,071,331</u>	<u>17,134,642</u>	<u>17,053,041</u>	<u>35,352,198</u>	<u>26,241,696</u>	<u>28,271,359</u>
Business-type activities:										
Charges for services:										
Department of Solid Waste	3,783,926	4,060,039	4,004,384	3,757,085	4,005,295	4,262,096	4,502,971	5,245,653	4,635,291	5,624,552
Department of Water and Wastewater	13,013,971	12,885,762	12,160,567	14,283,986	15,406,636	17,244,935	16,216,982	17,240,986	17,027,128	17,618,007
Department of Liquor Control	15,476,906	9,985,444	7,623,320	5,236,447	864,418	945,096	1,040,823	631,287	-	-
Operating grants and contributions	25,000	49,202	26,000	26,000	26,000	26,000	28,000	30,000	30,000	31,500
Total business-type activities program revenues	<u>32,299,803</u>	<u>26,980,447</u>	<u>23,814,271</u>	<u>23,303,518</u>	<u>20,302,349</u>	<u>22,478,127</u>	<u>21,788,776</u>	<u>23,147,926</u>	<u>21,692,419</u>	<u>23,274,059</u>
Total primary government program revenues	<u>\$ 46,075,198</u>	<u>\$ 42,069,945</u>	<u>\$ 39,427,458</u>	<u>\$ 39,865,419</u>	<u>\$ 39,373,680</u>	<u>\$ 39,612,769</u>	<u>\$ 38,841,817</u>	<u>\$ 58,500,124</u>	<u>\$ 47,934,115</u>	<u>\$ 51,545,418</u>
Net (expense)/revenue										
Governmental activities	\$ (167,635,805)	\$ (182,839,057)	\$ (178,722,452)	\$ (181,662,650)	\$ (177,966,905)	\$ (176,761,647)	\$ (205,263,359)	\$ (185,180,785)	\$ (185,119,143)	\$ (204,659,190)
Business-type activities	(1,083,694)	(2,544,944)	(2,333,880)	(831,247)	710,907	727,241	2,604,071	(714,372)	493,074	(1,499,236)
Total primary government net expense	<u>\$ (168,719,499)</u>	<u>\$ (185,384,001)</u>	<u>\$ (181,056,332)</u>	<u>\$ (182,493,897)</u>	<u>\$ (177,255,998)</u>	<u>\$ (176,034,406)</u>	<u>\$ (202,659,288)</u>	<u>\$ (185,895,157)</u>	<u>\$ (184,626,069)</u>	<u>\$ (206,158,426)</u>

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General revenues and other changes in net position										
Governmental activities:										
Property taxes	\$ 117,173,133	\$ 117,097,119	\$ 127,411,911	\$ 130,179,520	\$ 132,813,479	\$ 136,687,069	\$ 142,030,348	\$ 147,020,697	\$ 148,807,036	\$ 154,365,171
Local income tax	13,673,793	13,690,331	17,931,884	22,891,694	22,260,250	23,172,123	28,891,384	35,824,894	37,351,910	46,962,276
Other local taxes	24,324,762	25,418,688	28,239,135	30,136,897	30,555,387	13,986,660	13,543,200	22,010,948	26,282,481	18,627,837
State shared	891,106	931,712	942,464	936,535	-	-	-	-	-	-
Department of Liquor Control distribution	284,609	9,005	-	-	-	-	-	-	-	-
Gain (loss) on sale of capital assets	(250,000)	-	-	-	-	-	-	-	-	-
Transfers in (out)	-	-	-	(1,336,264)	(1,666,323)	(1,698,323)	2,582,957	(449,411)	-	-
Interest	194,221	180,030	207,071	476,064	1,059,323	2,163,658	1,966,015	114,302	123,832	4,771,090
Other	690,527	3,017,731	663,960	704,372	618,739	5,117,087	7,384,044	1,951,066	696,174	1,259,059
Total governmental activities	<u>156,982,151</u>	<u>160,344,616</u>	<u>175,396,425</u>	<u>183,988,818</u>	<u>185,640,855</u>	<u>179,428,274</u>	<u>196,397,948</u>	<u>206,472,496</u>	<u>213,261,433</u>	<u>225,985,433</u>
Business-type activities:										
Transfers in (out)	(10,984)	-	-	1,336,264	1,666,323	1,698,323	(2,582,957)	449,411	-	-
Other	-	-	-	588,168	-	-	-	254,337	-	7,369
Interest	59,174	7,893	28,487	76,072	167,894	191,124	213,830	18,043	19,126	669,697
Total business-type activities	<u>48,190</u>	<u>7,893</u>	<u>28,487</u>	<u>2,000,504</u>	<u>1,834,217</u>	<u>1,889,447</u>	<u>(2,369,127)</u>	<u>721,791</u>	<u>19,126</u>	<u>677,066</u>
Total primary government	<u>\$ 157,030,341</u>	<u>\$ 160,352,509</u>	<u>\$ 175,424,912</u>	<u>\$ 185,989,322</u>	<u>\$ 187,475,072</u>	<u>\$ 181,317,721</u>	<u>\$ 194,028,821</u>	<u>\$ 207,194,287</u>	<u>\$ 213,280,559</u>	<u>\$ 226,662,499</u>
Change in net position										
Governmental activities	\$ (10,653,654)	\$ (22,494,441)	\$ (3,326,027)	\$ 2,326,168	\$ 7,673,950	\$ 2,718,562	\$ (8,865,411)	\$ 21,291,711	\$ 28,142,290	\$ 21,326,243
Business-type activities	(1,035,504)	(2,537,051)	(2,305,393)	1,169,257	2,545,124	2,616,688	234,944	7,419	512,200	(822,170)
Total primary government	<u>\$ (11,689,158)</u>	<u>\$ (25,031,492)</u>	<u>\$ (5,631,420)</u>	<u>\$ 3,495,425</u>	<u>\$ 10,219,074</u>	<u>\$ 5,335,250</u>	<u>\$ (8,630,467)</u>	<u>\$ 21,299,130</u>	<u>\$ 28,654,490</u>	<u>\$ 20,504,073</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

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

	Fiscal Year									
	<u>2014</u>	<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>
General Fund										
Nonspendable	\$ 103,849	\$ 5,255	\$ 106,655	\$ 134,238	\$ 59,544	\$ 8,556	\$ 47,892	\$ 110,153	\$ 52,122	\$ 378,567
Assigned	9,662,128	8,679,957	16,315,297	23,486,890	18,735,587	16,626,776	19,483,747	35,511,437	41,058,171	47,477,981
Unassigned	<u>39,833,756</u>	<u>33,976,802</u>	<u>33,532,633</u>	<u>34,308,460</u>	<u>35,170,292</u>	<u>35,170,278</u>	<u>35,565,178</u>	<u>35,709,113</u>	<u>41,258,119</u>	<u>44,183,492</u>
Total General Fund	<u>49,599,733</u>	<u>42,662,014</u>	<u>49,954,585</u>	<u>57,929,588</u>	<u>53,965,423</u>	<u>51,805,610</u>	<u>55,096,817</u>	<u>71,330,703</u>	<u>82,368,412</u>	<u>92,040,040</u>
All other governmental funds										
Restricted	42,954,786	31,685,392	18,055,520	1,655,852	-	34,728,744	9,259,319	978,115	(1,547,922)	9,672,586
Assigned	3,054,848	2,249,959	1,876,454	1,578,412	1,628,447	2,240,640	1,654,398	2,410,459	3,938,275	3,457,231
Unassigned	-	-	(13,457)	-	(554,039)	-	-	-	-	-
Total all other governmental funds	<u>46,009,634</u>	<u>33,935,351</u>	<u>19,918,517</u>	<u>3,234,264</u>	<u>1,074,408</u>	<u>36,969,384</u>	<u>10,913,717</u>	<u>3,388,574</u>	<u>2,390,353</u>	<u>13,129,817</u>
Total governmental funds	<u>\$ 95,609,367</u>	<u>\$ 76,597,365</u>	<u>\$ 69,873,102</u>	<u>\$ 61,163,852</u>	<u>\$ 55,039,831</u>	<u>\$ 88,774,992</u>	<u>\$ 66,010,534</u>	<u>\$ 74,719,277</u>	<u>\$ 84,758,765</u>	<u>\$ 105,169,857</u>

Schedule 4
Worcester County, Maryland
Changes in Fund Balances, Governmental Funds,
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues										
Property tax	\$ 117,311,193	\$ 117,963,356	\$ 127,061,276	\$ 130,270,802	\$ 132,742,340	\$ 137,214,614	\$ 142,160,874	\$ 146,756,683	\$ 149,327,901	\$ 153,693,011
Income tax	13,673,793	13,690,331	17,931,884	22,891,694	22,260,250	23,172,123	28,891,384	35,824,894	37,351,910	46,962,276
Room tax	14,127,887	14,707,093	15,564,805	16,398,656	16,877,349	1,043,596	984,669	1,085,207	1,583,548	1,958,734
Food tax admin	1,299,372	1,358,236	1,424,439	1,553,867	1,501,166	79,305	77,437	75,158	83,556	112,531
Transfer tax	3,165,274	3,278,524	4,158,215	4,271,320	4,400,977	4,631,429	4,680,904	8,176,629	9,462,305	6,195,584
Recordation tax	5,142,527	5,437,913	6,449,513	7,250,500	7,018,586	7,116,381	7,115,438	12,222,034	14,354,002	9,551,423
Other local taxes	589,702	636,922	642,163	662,554	757,309	1,115,949	684,752	451,920	799,070	809,565
Licenses and permits	1,854,757	1,917,527	1,896,140	1,964,838	2,131,974	1,959,788	2,027,965	2,901,494	2,666,571	2,828,232
* Intergovernmental	5,402,866	7,015,992	7,215,195	7,585,022	10,097,621	8,529,777	9,980,985	30,257,437	21,263,833	23,410,376
Service charges	7,521,417	6,915,882	7,265,304	7,778,109	6,647,971	6,459,709	4,775,728	1,962,123	2,098,649	1,779,208
Miscellaneous	869,043	741,127	894,974	946,352	857,191	5,604,217	8,194,012	2,231,975	913,222	2,171,188
Interest income	187,775	180,035	155,069	404,551	1,014,636	1,861,896	1,424,410	103,318	119,427	4,163,858
Total revenues	<u>171,145,606</u>	<u>173,842,938</u>	<u>190,658,977</u>	<u>201,978,265</u>	<u>206,307,370</u>	<u>198,788,784</u>	<u>210,998,558</u>	<u>242,048,872</u>	<u>240,023,994</u>	<u>253,635,986</u>
Expenditures										
General government	14,134,546	13,296,067	13,817,335	14,471,003	15,244,102	17,325,562	19,022,436	20,293,079	24,169,522	26,859,725
Public safety	28,621,374	29,173,284	30,032,349	31,692,896	33,806,134	35,402,667	36,183,713	36,052,606	38,866,745	42,468,417
Public works	4,726,992	5,104,405	5,533,978	6,593,857	6,868,097	6,773,851	8,749,324	8,507,876	8,889,497	9,196,350
Health and hospitals	5,472,143	6,083,778	5,972,819	6,136,576	6,352,671	6,218,443	6,193,861	6,154,707	5,972,969	6,063,809
Social services	1,879,944	1,946,138	2,075,471	2,035,417	2,036,763	2,444,405	2,446,321	2,903,950	5,124,740	4,998,678
Education	80,510,956	100,313,254	93,437,468	85,965,082	92,556,477	99,447,577	127,270,912	109,762,529	111,152,755	122,482,817
Libraries, recreation and culture	5,517,089	6,052,818	6,041,560	5,376,686	5,529,816	6,695,951	7,184,206	8,077,203	7,983,080	7,838,265
Conservation of natural resources	241,883	375,697	497,939	425,671	712,005	849,887	840,547	748,500	759,553	857,899
Economic development	1,610,180	1,874,591	1,590,410	1,624,752	1,652,589	1,577,718	1,822,959	13,016,286	1,962,191	2,986,476
Distributions to municipalities	21,871,051	22,572,176	23,471,593	24,828,030	25,062,659	8,032,840	8,314,671	9,248,873	8,564,267	10,078,904
Debt service principal	7,628,103	9,487,482	7,940,134	8,197,986	8,952,180	8,654,694	9,397,476	10,209,060	10,414,499	10,852,098
Debt service interest	2,908,091	4,249,246	3,540,622	3,742,724	3,371,197	3,327,448	3,821,328	3,729,849	3,276,674	2,999,712
Capital projects	7,788,332	2,005,481	3,431,562	18,009,658	8,620,378	6,699,794	2,515,262	4,186,200	2,848,014	9,653,984
Total expenditures	<u>182,910,684</u>	<u>202,534,417</u>	<u>197,383,240</u>	<u>209,100,338</u>	<u>210,765,068</u>	<u>203,450,837</u>	<u>233,763,016</u>	<u>232,890,718</u>	<u>229,984,506</u>	<u>257,337,134</u>
Excess of revenues over (under) expenditures	<u>(11,765,078)</u>	<u>(28,691,479)</u>	<u>(6,724,263)</u>	<u>(7,122,073)</u>	<u>(4,457,698)</u>	<u>(4,662,053)</u>	<u>(22,764,458)</u>	<u>9,158,154</u>	<u>10,039,488</u>	<u>(3,701,148)</u>
Other financing sources (uses)										
Issuance of long-term debt	48,209,146	37,437,354	-	-	-	40,043,602	-	-	-	24,112,240
Payment to bond refunding escrow agent	-	(27,757,877)	-	-	-	-	-	-	-	-
Transfers:										
Transfers in	14,458,054	19,908,436	17,469,180	17,469,746	22,440,497	19,872,169	20,394,209	19,599,674	24,746,238	22,502,566
Transfers out	(14,458,054)	(19,908,436)	(17,469,180)	(19,056,923)	(24,106,820)	(21,570,492)	(20,394,209)	(20,049,085)	(24,746,238)	(22,502,566)
Total other financing sources (uses)	<u>48,209,146</u>	<u>9,679,477</u>	<u>-</u>	<u>(1,587,177)</u>	<u>(1,666,323)</u>	<u>38,345,279</u>	<u>-</u>	<u>(449,411)</u>	<u>-</u>	<u>24,112,240</u>
Net change in fund balances	<u>\$ 36,444,068</u>	<u>\$ (19,012,002)</u>	<u>\$ (6,724,263)</u>	<u>\$ (8,709,250)</u>	<u>\$ (6,124,021)</u>	<u>\$ 33,683,226</u>	<u>\$ (22,764,458)</u>	<u>\$ 8,708,743</u>	<u>\$ 10,039,488</u>	<u>\$ 20,411,092</u>
Debt service as a percentage of noncapital expenditures	5.84%	6.86%	5.97%	6.00%	6.10%	6.10%	5.72%	6.06%	6.03%	5.62%

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

Schedule 5

Worcester County, Maryland

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

<u>Fiscal Year</u>	<u>Real Property</u>	<u>Personal Property Individuals and Firms</u>	<u>Businesses, Corporations and Utilities</u>	<u>Total Assessable Base</u>	<u>County Tax Rate *</u>	<u>State Tax Rate</u>
2023	\$ 17,237,025,768	\$ 11,545,310	\$ 495,659,870	\$ 17,744,230,948	\$ 0.845	\$ 0.112
2022	16,678,233,583	11,542,930	429,531,090	17,119,307,603	0.845	0.112
2021	16,388,942,205	13,561,690	440,144,756	16,842,648,651	0.845	0.112
2020	15,965,833,845	16,109,633	387,454,100	16,369,397,578	0.845	0.112
2019	15,544,751,018	15,702,611	362,985,175	15,923,438,804	0.835	0.112
2018	15,207,948,042	15,928,910	337,819,400	15,561,696,352	0.835	0.112
2017	14,825,676,056	18,977,901	349,286,832	15,193,940,789	0.835	0.112
2016	14,534,558,652	17,437,771	333,661,670	14,885,658,093	0.835	0.112
2015	14,556,412,647	16,548,700	315,387,352	14,888,348,699	0.770	0.112
2014	14,755,590,502	17,112,844	297,149,958	15,069,853,304	0.770	0.112

Source: State of Maryland, Department of Assessments and Taxation

Note: * Per \$100 of value

Schedule 6

Worcester County, Maryland

Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years

(rate per \$100 of assessed value)

	Year Taxes Are Payable									
	<u>2014</u>	<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>
County Direct Rates										
General	\$0.77	\$ 0.77	\$0.835	\$0.835	\$0.835	\$0.835	\$0.845	\$0.845	\$0.845	\$0.845
Town Rates										
Berlin	0.68	0.68	0.68	0.68	0.68	0.68	0.80	0.80	0.815	0.815
Ocean City	0.472	0.4704	0.478	0.4656	0.4656	0.4656	0.4559	0.4559	0.4561	0.4526
Pocomoke	0.82	0.9285	0.9375	0.9375	0.9375	0.9375	0.9375	0.9375	0.9375	0.9375
Snow Hill	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86

Schedule 7
Worcester County, Maryland
Principal Property Tax Accounts,
Current Year and Ten Years Ago

Taxpayer	Fiscal Year 2023			Fiscal Year 2014		
	Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Delmarva Power	\$ 115,095,410	1	0.65%	\$ 55,505,570	1	0.37%
Harrison Inn Stardust	50,224,300	2	0.28%	54,027,500	2	0.36%
Sun TRS Frontier LLC	47,890,333	3	0.27%			
Americana Stowaway Motel Inc.	45,422,133	4	0.26%	25,566,067	4	0.17%
Ocean Enterprise 589 LLC	39,362,700	5	0.22%			
Sun TRS Castaways LLC	37,996,767	6	0.21%			
Sandpiper Energy	37,140,410	7	0.21%			
91st Street Joint Venture	35,020,400	8	0.20%	28,944,200	3	0.19%
Choptank Electric Cooperative	32,808,000	9	0.18%	22,395,200	5	0.15%
Ocean I Hospitality	26,400,000	10	0.15%			
Verizon Maryland				22,027,380	6	0.14%
Individual				20,002,467	7	0.13%
Harrison Inn Ocean View				19,027,767	8	0.13%
Harrison Hi 18 LLC				18,983,867	9	0.13%
LPBOC Hotel				18,461,100	10	0.12%
Total	\$ 467,360,453		2.63%	\$ 284,941,118		1.89%

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		Delinquent Collections	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2023	154,349,670	\$ 150,792,573	97.70%	\$ 1,874,911	152,667,484	98.91%
2022	148,819,557	146,847,306	98.67%	3,119,135	149,966,441	100.77%
2021	146,705,516	143,244,884	97.64%	2,963,232	146,208,116	99.66%
2020	141,912,724	139,087,210	98.01%	1,944,305	141,031,515	99.40%
2019	136,104,204	133,114,537	97.80%	3,145,394	136,259,931	100.11%
2018	132,889,741	129,867,847	97.73%	3,122,478	132,990,325	100.08%
2017	130,113,435	127,089,001	97.68%	3,093,229	130,182,230	100.05%
2016	127,310,134	124,150,927	97.52%	2,910,349	127,061,276	99.80%
2015	116,946,415	113,877,415	97.38%	2,913,774	116,791,189	99.87%
2014	117,232,826	113,637,017	96.93%	2,865,685	116,502,702	99.38%

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
Income Tax Rates,
Last Ten Tax Years

Tax Year	State Income Tax Rate for Single Filers								Worcester County Local Income Tax Direct Rate
	\$0 to \$1,000 Net Taxable Income	\$1,000 to \$2,000 Net Taxable Income	\$2,000 to \$3,000 Net Taxable Income	\$3,000 to \$100,000 Net Taxable Income	\$100,000 to \$125,000 Net Taxable Income	\$125,000 to \$150,000 Net Taxable Income	\$150,000 to \$250,000 Net Taxable Income	In excess of \$250,000 Net Taxable Income	
2023	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	2.25%
2022	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	2.25%
2021	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	2.25%
2020	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	2.25%
2019	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.75%
2018	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.75%
2017	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.75%
2016	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.75%
2015	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.25%
2014	2.00%	3.00%	4.00%	4.75%	5.00%	5.25%	5.50%	5.75%	1.25%

Note: The current maximum local income tax rate allowed is 3.2%. Effective 1-1-2020 the local income tax rate was increased to 2.25%.

Schedule 10
Worcester County, Maryland
Income Tax Filers Summary Information,
Last Ten Tax Years

Tax Year	Number of Taxable Returns	Maryland Adjusted Gross Income	Net Taxable Income	Net State Income Tax	Local Income Tax	Total Tax Liability	Worcester County Income Tax Direct Rate
2021	23,105	\$ 2,220,881,364	\$ 1,948,310,481	\$ 86,518,802	\$ 42,268,490	\$ 128,787,292	2.25%
2020	21,877	1,673,470,096	1,421,828,323	62,279,592	30,879,440	93,159,031	2.25%
2019	22,310	1,706,306,718	1,435,176,212	62,504,860	23,976,896	86,481,755	1.75%
2018	21,766	1,650,656,050	1,387,009,956	61,120,584	23,289,508	84,410,092	1.75%
2017	22,013	1,576,110,470	1,267,247,948	55,643,247	21,264,452	76,907,699	1.75%
2016	21,224	1,520,968,799	1,215,306,788	53,513,972	20,527,947	74,041,919	1.75%
2015	20,882	1,545,094,426	1,249,149,607	56,496,462	15,064,794	71,561,256	1.25%
2014	20,851	1,365,308,664	1,072,579,791	47,357,771	13,075,365	60,433,136	1.25%
2013	20,617	1,286,708,049	990,978,118	43,499,534	12,128,750	55,628,284	1.25%
2012	20,440	1,290,129,238	994,950,253	43,469,925	12,174,791	55,644,716	1.25%

Source: Revenue Administration Division, State of Maryland Comptroller's Office - 2021 data is the most current available

Notes: See Schedule 11 for detailed breakout of adjusted gross income

Schedule 11

Worcester County, Maryland

**Income Tax Filers, Net Taxable Income, and Liability by Adjusted Gross Income Level,
As of June 30, 2023**

	Tax Year 2021					
	Number of Taxable Returns	Percentage of Total	Net Taxable Income	Percentage of Total	Local Tax Liability	Percentage of Total
Adjusted Gross Income Level						
\$250,000 and higher	1,246	5.4%	\$ 801,420,028	41.1%	\$ 17,412,633	41.2%
\$100,000 - 249,999	4,247	18.4%	570,482,832	29.3%	12,562,065	29.7%
\$50,000 - 99,999	5,890	25.5%	342,406,049	17.6%	7,634,128	18.1%
\$25,000 - 49,999	6,785	29.4%	182,137,742	9.3%	3,775,675	8.9%
\$5,000 - 24,999	4,827	20.9%	51,662,998	2.7%	879,879	2.1%
Under \$5,000	110	0.5%	200,832	0.0%	4,112	0.0%
Totals	23,105	100.0%	1,948,310,481	100.0%	42,268,492	100.0%

	Tax Year 2011					
	Number of Taxable Returns	Percentage of Total	Net Taxable Income	Percentage of Total	Local Tax Liability	Percentage of Total
Adjusted Gross Income Level						
\$200,000 and higher	607	2.3%	\$ 260,408,003	28.5%	\$ 3,255,101	29.1%
\$100,000 - 199,999	1,995	7.5%	212,000,871	23.2%	2,648,930	23.7%
\$50,000 - 99,999	4,760	18.0%	239,620,809	26.2%	2,995,266	26.8%
\$25,000 - 49,999	6,128	23.2%	143,333,869	15.7%	1,682,873	15.0%
\$5,000 - 24,999	6,411	24.2%	59,255,223	6.5%	609,522	5.4%
Under \$5,000	6,561	24.8%	201,168	0.0%	2,169	0.0%
Totals	26,462	100.0%	914,819,943	100.0%	11,193,861	100.0%

Source: Revenue Administration Division, State of Maryland Comptroller's Office - 2021 data is the most current available

Schedule 12
Worcester County, Maryland
Ratios of Outstanding Debt by Type,
As of June 30, 2023

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Bond/Lease Debt Per Capita
	General Obligation Bonds	Note Outstanding	Deferred Bond Premiums	General Obligation Bonds	Capital Leases	Deferred Bond Premiums (Costs)			
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
2014	102,921,889		5,648,657	23,223,396	1,391,965	411,541	133,597,448	5.21%	2,585
2013	67,549,992		919,216	17,062,876	1,359,361	(173,920)	86,717,525	3.34%	1,680

Notes: 2023 percentage of personal income calculated using 2022 personal income data, which is the most recent available

2023 bond/lease debt per capita calculated using 2022 population data, which is the most recent available

See Schedule 16 for population and personal income data

Schedule 13
Worcester County, Maryland
Ratios of General Bonded Debt Outstanding,
As of June 30, 2022

Fiscal Year	General Obligation Bonds**	Total Taxable Assessable Base	Percentage of Total Taxable Assessable Base	Population	Bond Debt Per Capita
2023	\$ 118,291,395	\$ 17,744,230,948	0.67%	*	2,196
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
2014	132,205,483	15,069,853,304	0.88%	51,675	2,558

Source: Worcester County Treasurer's Office

Notes: * Information not yet available

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

2023 bond debt per capita calculated using 2022 population data, which is the most recent available

Schedule 14
Worcester County, Maryland
Direct and Overlapping Governmental Activities Debt
As of June 30, 2023

<u>Governmental Unit</u>	<u>Debt Outstanding</u>
Direct Debt	
Worcester County - General Government	\$ 23,857,254
Worcester County - School Debt	<u>68,750,112</u>
Subtotal Direct Debt	<u>92,607,366</u> *
Overlapping Debt	
Berlin	12,555,174
Ocean City	94,570,949
Pocomoke	5,309,368
Snow Hill	<u>2,148,690</u>
Subtotal Overlapping Debt	<u>114,584,181</u> **
Total Direct and Overlapping Debt	<u>\$ 207,191,547</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 Schools 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 15
Worcester County, Maryland
Debt Margin Information,
As of June 30, 2023
(dollars in thousands)

	<u>2014</u>	<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>
Total Debt Outstanding Limit										
Taxable Assessable Base	\$ 15,069,853	\$ 14,888,349	\$ 14,885,658	\$ 15,193,941	\$ 15,561,696	\$ 15,923,439	\$ 16,369,398	\$ 16,842,649	\$ 17,119,308	\$ 17,744,231
Debt Limit, 1% of Assessable Base	150,699	148,883	148,857	151,939	155,617	159,234	163,693	168,426	171,193	177,442
Amount of Debt Applicable to Limit	108,571	109,405	101,110	92,557	83,250	113,768	103,196	91,813	80,227	92,235
Debt Margin	<u>\$ 47,777</u>	<u>\$ 46,939</u>	<u>\$ 54,852</u>	<u>\$ 66,133</u>	<u>\$ 78,763</u>	<u>\$ 56,955</u>	<u>\$ 70,811</u>	<u>\$ 76,613</u>	<u>\$ 90,966</u>	<u>\$ 85,207</u>
Total debt applicable to the limit as a percentage of debt limit	72.05%	73.48%	67.92%	60.92%	53.50%	71.45%	63.04%	54.51%	46.86%	51.98%
Total Debt Service Limit										
Total Governmental Fund Revenue	\$ 171,146	\$ 173,843	\$ 190,659	\$ 201,978	\$ 206,307	\$ 198,789	\$ 210,999	\$ 242,049	\$ 240,024	\$ 253,636
Debt Service Limit, 10% of Revenue	17,115	17,384	19,066	20,198	20,631	19,879	21,099	24,205	24,002	25,364
Debt Service Applicable to Limit	10,536	13,737	11,481	11,941	12,323	11,982	13,219	13,939	13,691	13,652
Debt Service Margin	<u>\$ 6,578</u>	<u>\$ 3,648</u>	<u>\$ 7,585</u>	<u>\$ 8,257</u>	<u>\$ 8,307</u>	<u>\$ 7,897</u>	<u>\$ 7,881</u>	<u>\$ 10,266</u>	<u>\$ 10,311</u>	<u>\$ 11,712</u>
Total debt service applicable to the limit as a percentage of debt service limit	61.56%	79.02%	60.22%	59.12%	59.73%	60.28%	62.65%	57.59%	57.04%	53.83%

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 16
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
2023	*	*	*	6,841	1.9%
2022	53,866	\$ 3,473,587	\$ 64,486	6,803	4.2%
2021	53,132	3,390,411	63,811	6,711	7.1%
2020	52,460	3,137,940	59,881	6,882	7.8%
2019	51,823	3,148,166	60,748	6,810	5.2%
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%
2014	51,675	2,562,653	49,592	6,649	8.5%

Sources: ^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 17
Worcester County, Maryland
Principal Employers,
Current Year and Nine Years Ago

Employer	2023	
	Employees	Percentage of Total County Employment
Worcester County Board of Education	1,300	3.14%
Harrison Group	1,235	2.99%
Atlantic General Hospital	974	2.36%
Town of Ocean City	950	2.30%
Worcester County Government	725	1.75%
O.C. Seacrets, Inc.	525	1.27%
Wal-Mart Super Center	420	1.02%
Bayshore Development	350	0.85%
Carousel Resort Hotel & Condominiums	325	0.79%
Ocean Downs	290	0.70%
	7,094	17.15%
Total Worcester County Employees		41,357

Employer	2014	
	Employees	Percentage of Total County Employment
Town of Ocean City	1,343	4.46%
Worcester County Board of Education	1,290	4.29%
Harrison Group	1,083	3.60%
Atlantic General Hospital	830	2.76%
Worcester County Government	683	2.27%
Wal-Mart Super Center	500	1.66%
O.C. Seacrets, Inc.	380	1.26%
Dough Roller	350	1.16%
Phillips Seafood Restaurant	326	1.08%
Bayshore Development	296	0.98%
	7,081	23.53%
Total Worcester County Employees		30,089

Sources: Worcester County Economic Development

Schedule 18
Worcester County, Maryland
Full-time Equivalent County Government Employees by Function,
Last Ten Fiscal Years

Function/Program	Full-time Equivalent Employees as of June 30									
	<u>2014</u>	<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>
General government	122.0	121.4	122.0	120.6	121.6	128.0	125.6	126.9	130.5	142.7
Commissioners, judges, and boards	21.0	21.0	19.0	19.0	20.0	20.0	19.0	19.0	19.0	19.0
Public safety	222.3	225.2	228.7	231.7	237.0	229.3	226.3	223.9	221.4	253.3
Public works	56.9	59.1	57.2	59.8	60.0	58.1	76.7	75.9	77.9	88.1
Library and recreation	63.1	64.0	64.3	65.5	65.5	69.4	75.2	74.9	79.2	79.5
Water and wastewater	65.2	64.8	65.9	64.9	63.4	62.6	59.5	39.1	39.5	65.0
Solid waste	35.6	35.7	35.2	35.3	36.1	34.1	15.3	15.1	15.7	18.5
Liquor control	<u>31.0</u>	<u>24.5</u>	<u>19.0</u>	<u>15.9</u>	<u>4.3</u>	<u>2.7</u>	<u>1.9</u>	<u>1.1</u>	<u>-</u>	<u>-</u>
Total	<u>617.1</u>	<u>615.7</u>	<u>611.3</u>	<u>612.7</u>	<u>607.9</u>	<u>604.2</u>	<u>599.5</u>	<u>575.9</u>	<u>583.2</u>	<u>666.1</u>

Source: Worcester County Finance Office

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 19
Worcester County, Maryland
Operating Indicators by Function,
Last Ten Fiscal Years

<u>Function/Program</u>	<u>Fiscal Year</u>									
	<u>2014</u>	<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>
General Government										
Building permits issued *	124	133	138	127	154	158	167	197	152	141
Value of new construction (in 000's)	31,150	26,806	29,865	29,559	31,415	37,927	36,725	59,704	56,907	61,617
Public Safety										
Detention Center										
Average daily population	335	338	344	345	351	310	222	163	120	135
Fire protection (all volunteer)										
Fire calls answered	2,164	2,673	2,436	2,181	2,179	1,996	2,151	2,273	2,583	2,512
Emergency Medical Services										
EMS calls answered	5,937	6,537	6,551	6,906	6,959	7,480	9,430	9,504	10,810	10,671
Education										
Students	6,649	6,654	6,660	6,667	6,684	6,810	6,882	6,811	6,803	6,841
Teachers	572	572	572	572	585	584	584	589	596	596
Public Works										
Centerline miles of road maintained	530	531	531	531	533	533	533	533	533	533
Wastewater treated (mgd)	2.4	2.4	2.4	2.1	1.9	1.9	1.3	1.4	1.2	1.2

Source: Worcester County Administration and individual County departments

Note: * Single Family Dwelling Units

Schedule 20
Worcester County, Maryland
Capital Asset Statistics by Function,
Last Ten Fiscal Years

Function/Program	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
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	883	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	8	8	8	8	8	8	8	38	38	38
Public Works										
Centerline miles of County roads	530	531	531	531	533	533	533	533	533	533
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	44	44	43	43	43	43	43	43	42	42
Wastewater treatment plants	8	8	8	8	8	8	8	8	8	8
Miles of sewer pipeline	190	191	191	192	193	195	195	196	198	199
Water well house facilities	5	5	5	5	5	5	5	5	5	5
Pump stations	54	55	55	55	56	57	57	57	57	58
Water tanks	6	6	6	6	6	6	6	6	6	6
Waterlines	151	151	154	156	157	157	157	157	159	159
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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